

BEFORE THE NEW MEXICO SUPERINTENDENT OF INSURANCE

IN THE MATTER OF THE)	
ACCIDENT INSURANCE HOLDING)	
COMPANY GROUP)	Docket No. 2024-0107
NAIC Code: 0000 Group Code: 5040)	
Respondent.)	
_____)	

ORDER ADOPTING EXAMINATION REPORTS

THIS MATTER comes before the New Mexico Office of Superintendent of Insurance (“Superintendent” or “OSI”) upon the reports of examination of the New Mexico domiciled companies within the **Accident Insurance Holding Company Group**, NAIC Code: 0000 Group Code: 5040, which includes the following companies: **Accident Insurance Company Inc. (“AIC”)** (NAIC Code 11573), **Accident Preferred Insurance Company Inc. (“APIC”)** (NAIC Code 17436), **Monarch Insurance Company Inc. (“MIC”)** (NAIC Code 17435), for the period of January 1, 2021, to December 31, 2024, for AIC (“Exhibit A”), and from inception through December 31, 2024, for APIC and MIC (“Exhibits B and C”, respectively), and a Phase 5 examination report on Key Activity as of December 31, 2024 (“Exhibit D”) (collectively the “Examination Reports”), that were submitted to OSI by The INS Companies, on or about May 19, 2026; whereupon, having reviewed the reports and being otherwise fully informed,

THE SUPERINTENDENT HEREBY FINDS:

1. On December 13, 2024, an Order for Examination (“Order”) was issued by the Superintendent in the above-captioned matter pursuant to NMSA 1978, § 59A-4-5 to the Accident Insurance Holding Company Group, which included AIC, APIC and MIC (collectively, the Respondents).
2. The INS Companies (“Examiner/Contractor”) was appointed as the Examiner or Contractor representing the Superintendent in said examination.

3. Upon completion of the Financial Examinations, OSI promptly provided the Respondents with a copy of the Examination Reports (See Exhibits A, B, C and D).

4. The examination of AIC resulted in fourteen (14) significant findings, four of which decreased the capital and surplus by \$17,721,524. The examination of APIC resulted in one (1) significant finding; and the examination of MIC resulted in one (1) significant finding. All significant findings are discussed in detail in the respective reports

5. The Respondents were afforded a period of twenty (20) days after receipt of the Examination Reports.

6. On June 18, 2026, Respondents submitted written responses to the Superintendent requesting an opportunity to confer with the Superintendent.

7. The parties conferred virtually on June 26, 2026.

8. The Superintendent does not find good reason to grant an extension to the review period.

9. This Order reflects the Superintendent's review of the Examination Reports, Respondents' Response, and any additional information presented at the conference or thereafter.

10. Pursuant to NMSA 1978, § 59A-4-10, the Superintendent has fully considered and reviewed the Examination Reports and finds good cause to adopt the Examination Reports as submitted.

IT IS THEREFORE ORDERED:

A. The Examination Reports are adopted as filed, effective immediately.

B. Pursuant to NMSA 1978, § 59A-4-11, the Examination Reports shall be made part of the public record in this docket.

C. This docket is now closed.

DONE AND ORDERED this 29th day of June, 2026.

SUPERINTENDENT OF INSURANCE



ALICE KANE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of June 2026 filed the foregoing *Order Adopting Examination Reports* through the OSI's e-filing system which caused the parties indicated below to be served by electronic means.

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**REPORT OF EXAMINATION
OF**

ACCIDENT INSURANCE COMPANY, INC.

NAIC Company Code: 11573

Albuquerque, New Mexico

as of

December 31, 2024

BY THE

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

Exhibit A

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May 28, 2026

Honorable Alice T. Kane
Superintendent
New Mexico Office of Superintendent of Insurance
1120 Paseo De Peralta
Santa Fe, NM 87501

Dear Superintendent:

Pursuant to your instructions and the Order for Examination Docket No. 2024-0107, in compliance with New Mexico Statutes (NMSA) 1978 § 59A-4-5, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2024, of the financial condition and corporate affairs of:

Accident Insurance Company, Inc.
2155 Louisiana Blvd NE, Suite 2100
Albuquerque, New Mexico 87110

Hereinafter referred to as the "Company". The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

The New Mexico Office of Superintendent of Insurance (OSI) has performed its multi-state examination of Accident Insurance Company, Inc. The last examination covered the period of January 1, 2018, through December 31, 2020. This examination covers the period of January 1, 2021, through December 31, 2024. This examination is conducted concurrently with the examination of the Company's subsidiaries, Accident Preferred Insurance Company, Inc., and Monarch Insurance Company, Inc.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements herein. If, during the course of the examination, an adjustment is identified, the impact of such an adjustment will be documented separately following the Company's financial statements.

This examination report includes findings of fact and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

1. In 2024, the Company entered into a ceded reinsurance transaction with Appalachian Reinsurance, Ltd., an affiliate reinsurer domiciled in Bermuda. Significant issues were identified in the review of the reinsurance transaction, and as such, the Company is directed to refile its financial statements. Refer to the “Reinsurance” and “Comments on Financial Statement Items” sections of the examination report for more information.
2. The Appointed Actuary did not perform a reserve analysis of the Company’s workers’ compensation high-deductible business. Refer to the “Comments on Financial Statement Items” section of the examination report for more information.
3. The Company’s financial statements report unusual negative reinsurance recoverables on paid losses in Schedule F – Part 3. Refer to the “Comments on Financial Statement Items” section of the examination report for more information.
4. Throughout the examination fieldwork, the Company was unable to clearly explain the Company’s financial reporting of assumed retroactive reinsurance related to transactions with Appalachian Reinsurance, Ltd. and JRG Reinsurance Company, Ltd. Refer to the “Reinsurance” and “Comments on Financial Statement Items” section of the examination report for more information.
5. The Appointed Actuary did not review Item 5 in Exhibit A of the Statement of Actuarial Opinion, write-in item “Retroactive Reinsurance”, for reasonableness. Refer to the “Reinsurance” and “Comments on Financial Statement Items” section of the examination report for more information.
6. The Company did not correctly report a provision for reinsurance. Refer to the “Comments on Financial Statement Items” section of the examination report for more information.
7. The Company did not correctly value and report investments in subsidiaries. Refer to the “Comments on Financial Statement Items” section of the examination report for more information.
8. The Company did not comply with the requirements of NMSA 1978 § 59A-37-20 regarding the Master Services Agreement with Vital Services, LLC. Refer to the “Management and Control” section of the examination report for more information.
9. The Company did not comply with the requirements of NMSA 1978 § 59A-9-4 regarding investments entered into by the Company. Refer to the “Accounts and Records” section of the examination report for more information.
10. The Company did not comply with the requirements of NMSA 1978 § 59A-4-12 regarding the presentation of the prior examination report to the Board. Refer to the “Accounts and Records” section of the examination report for more information.

11. In 2024, the Company filed a consolidated annual audited financial report with subsidiaries in violation of NMAC § 13.2.5.19. Refer to the “Accounts and Records” section of the examination report for more information.
12. The examination made several adjustments to the Company’s Annual Statement. The impact of all adjustments is a decrease in the Company’s capital and surplus as of December 31, 2024, in the amount of \$17,721,524. Refer to the “Comments on Financial Statement Items” section of the examination report for more information.

Status of Prior Examination Recommendations

The prior financial examination was conducted by the OSI covering the period of January 1, 2018, through December 31, 2020. The prior examination report contained three recommendations:

It was recommended that the Appointed Actuary determine the reasonableness of the retroactive reinsurance reserve assumed in Exhibit A of the 2020 Statement of Actuarial Opinion. This recommendation has not been remediated and a repeat finding and recommendation has been issued. Refer to the “Reinsurance” and “Comments on Financial Statement Items” section of the examination report for more information.

It was recommended that the OSI monitor the Company’s pricing levels for overall adequacy and appropriate consideration of expenses. This finding has been remediated.

It was recommended that continued efforts be made by the actuary, Company, external auditors, or the OSI, as appropriate, to eliminate differences in the actuary’s Schedule P reconciliation. This finding has been remediated.

COMPANY HISTORY

General

The Company was incorporated on December 6, 2002, and commenced business on February 10, 2003, to conduct property and casualty insurance business in South Carolina. The Company’s Plan of Operation was to write workers’ compensation and general liability insurance. The Company was owned by Newport Star Reinsurance Company, Inc. (50%), AIC Holdings, LLC (40%), and one individual (10%). On April 16, 2004, the acquisition by AIC Holdings, LLC, of the remaining 60% of the Company was approved by the South Carolina Department of Insurance, subject to the condition that the Company complies with all applicable provisions of South Carolina law.

On June 17, 2009, the Company purchased a former Georgia domestic insurer, Madison Insurance Company (MIC), and re-domesticated it in South Carolina that same day. Prior to acquisition, MIC was a non-operating shell company in runoff. The Company sold MIC’s capital stock to another entity within the holding company system in 2013. In 2014, the Company purchased MIC’s capital stock and merged MIC with and into the Company.

On April 11, 2017, the Company re-domesticated to New Mexico.

On May 3, 2022, Accident Preferred Insurance Company, Inc. (APIC) and Monarch Insurance Company, Inc. (MOIC) each issued and subscribed 1,000 shares to the Company, with a par value of \$1,000 per share, thereby making both entities wholly owned subsidiaries.

Dividends and Capital Contributions

No dividends were declared and paid by the Company during the examination period.

The following capital contributions were made by the shareholders to the Company during the examination period.

<u>Year</u>	<u>Amount</u>
2021	\$ 0
2022	\$1,000,000
2023	\$1,000,000
2024	<u>\$ 0</u>
Total	<u>\$2,000,000</u>

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

MANAGEMENT AND CONTROL

Directors

The six members of the Board of Directors (Board) oversee the business and affairs of the Company. The following are members of the Board as of December 31, 2024:

<u>Name</u>	<u>Principal Occupation</u>
Douglas Sizemore Johnson City, Tennessee	Chairman Self Employed
William M. Arowood Clinton, Tennessee	President and Chief Executive Officer Accident Insurance Company, Inc.
Robert J. Arowood Clinton, Tennessee	Secretary Accident Insurance Company, Inc.
Morris Chavez	Attorney

Albuquerque, New Mexico	Saucedo Chavez, P.C.
John G. Franchini Albuquerque, New Mexico	Owner John G. Franchini Consulting
Lonnie Talbert Ponte Vedra, Florida	Retired

Principal Officers

The following are the principal officers of the Company as of December 31, 2024:

<u>Name</u>	<u>Position</u>
William M. Arowood	President and Chief Executive Officer
Robert J. Arowood	Secretary and Treasurer
Katheryne A. Heath	Chief Financial Officer

Holding Company System

The Company is a member of an insurance holding company system as defined by NMSA 1978 § 59A-37-2. The Company is a wholly owned subsidiary of Accident Insurance Holding Company, Inc., an insurance holding company incorporated in New Mexico. The ultimate controlling persons of the holding company group are William M. Arowood and Robert J. Arowood. The following organizational chart depicts the interrelationship of the entities within the holding company system as of December 31, 2024. All ownership is 100%, which designates William M. Arowood (50%) and Robert J. Arowood (50%), unless otherwise noted:

Organizational Chart

William M. Arowood and Robert J. Arowood

Accident Insurance Holding Company, Inc. (New Mexico)

Accident Insurance Company, Inc. (New Mexico)

 Accident Preferred Insurance Company, Inc. (New Mexico)

 Monarch Insurance Company, Inc. (New Mexico)

 Accident Premier Insurance Company, Inc. (New Mexico)

 Madison Standard Insurance Company, Inc. (New Mexico)

 Dotson Insurance Company, Inc. (New Mexico)

AIC Holdings, LLC (Virginia)

 INVO Underwriting, LLC (Tennessee)

ISG Holding Company, Inc. (Robert J. Arowood - 24%, William M. Arowood – 24%, Arowood 2012 Irrevocable Trust – 52%) (Tennessee)

 Appalachian Reinsurance, Ltd. (Bermuda)

Cherokee Reinsurance, LLC (Alabama)

 Tuckasegee Insurance Company, LLC (Alabama)

 Sequoyah Reinsurance, LLC (Alabama)

Madison Specialty Underwriters, LLC (William M. Arowood – 25%, Robert J. Arowood – 25%, Chad Arowood – 25%, Elizabeth King – 12.5%, John Stair – 25%) (Tennessee)

Rocky Top HVAC, LLC (William M. Arowood – 100%) (Tennessee)
 Crown Distributing, Inc. (William M. Arowood – 100%) (Tennessee)
 AIC Risk Management, Ltd. (Bermuda)
 Bermuda American Intermediaries, Ltd. (Bermuda)
 Cherokee Reinsurance SPC (Cayman Islands)
 Monarch Intermediaries, Ltd. (Cayman Islands)
 Aero Insurance Services, LLC (Tennessee)
 Alternate Work Comp Solutions, LLC (William M. Arowood – 100%) (Tennessee)
 Arrow Captive, Inc. (Tennessee)
 Arrow Insurance Group, LLC (South Carolina)
 Arrow PEO Brokerage, Inc. (Tennessee)
 Bulldog Comp, LLC (Tennessee)
 B&B Properties (Arowood 2012 Irrevocable Trust – 40%, Bobbie P. Arowood – 40%, Robert J. Arowood – 10%, William H. Arowood – 10%) (Tennessee)
 Mercury Premium Finance Company, Inc. (William M. Arowood – 100%) (Tennessee)
 Statemark, LLC (Tennessee)
 Cornerstone PE Advisors, LLC (New Jersey)
 Eastern Underwriting Managers, LLC (Tennessee)
 Insurance Service Group, Inc. (William M. Arowood – 100%) (Tennessee)
 Mercury Financial Banc, Inc. (William M. Arowood – 100%) (Tennessee)
 Cornerstone RE Holdings, Inc. (Tennessee)
 Clinton Insurance Services, Inc. (Tennessee)
 Innovative Work Comp Solutions, LLC (Georgia)
 Let's Eat, LLC (Jeffrey Hensley – 50%, Robert J. Arowood – 25%, William M. Arowood – 25%) (Tennessee)
 Madison Insurance Group, Inc. (South Carolina)
 Mercury Financial SC, Inc. (South Carolina)
 National Testing Center, LLC (William M. Arowood – 100%) (Tennessee)
 Mercury Motors Company, LLC (William M. Arowood – 100%) (Tennessee)
 Oak Ridge Insurance Services, Inc. (William M. Arowood – 100%) (Tennessee)
 Mutal Underwriting, LLC (Florida)
 Tennessee Brokers and Agents Association, Inc. (William M. Arowood – 100%) (Tennessee)
 WRA Enterprises, LLC (Tennessee)
 Mercury Financial Incorporated (William M. Arowood – 100%)
 Agency Brokerage Consultants, LLC (New Mexico)
 MIG Payroll Services, LLC (Tennessee)
 Traveler's Aid Society, Inc. (William M. Arowood – 100%) (Tennessee)
 Vital Services, LLC (Nevada)
 MACO Premium Finance, LLC (Tennessee)
 Integrated Work Comp Solutions, LLC (Tennessee)
 Madison Insurance Association, LLC (Tennessee)
 Crown Vape, LLC (William M. Arowood – 100%) (Tennessee)
 1st Auto Insurance Group, LLC (Tennessee)
 Mercury Investment Services, Inc. (William M. Arowood – 100%) (Tennessee)
 US Occucomp Health Network, LLC (Tennessee)
 WMA Distributing, LLC (William M. Arowood – 100%) (Tennessee)
 Statemark Fingerprinting, LLC (William M. Arowood – 100%) (New Mexico)
 Value Staffing Resource Group, LLC (Tennessee)
 1st Credit Repair Professionals, LLC (Tennessee)
 Insurance Training School, LLC (William M. Arowood – 100%) (Tennessee)
 Tenco Claims, LLC (Tennessee)
 IDC Management, LLC (Tennessee)
 Mutual PEO, Inc. (William M. Arowood – 75%, Robert J. Arowood – 25%) (Georgia)
 Mercury Adventures Marketing, Inc. (Tennessee)
 BKR Properties, LLC (Robert J. Arowood – 50%, Karen Arowood – 50%) (Tennessee)
 PeopleOps HCM, LLC (Tennessee)
 INVO Equipment Rentals, LLC (William M. Arowood – 100%) (Tennessee)

A Better Choice Driving School, LLC (William M. Arowood – 100%) (Tennessee)
MVD Plus LLC (William M. Arowood – 100%) (New Mexico)
Vol Comp., LLC (William M. Arowood – 100%) (Tennessee)
Appalachian Claims Services, LLC (Florida)
Mangiamo, LLC (William M. Arowood – 100%) (Tennessee)
INVO Insurance Agency, LLC (Tennessee)
Work Comp Insurance Experts, LLC (Tennessee)
Peak Benefit Administrators, LLC (Florida)
First Benefit Underwriters, LLC (North Carolina)
Matterhorn, LLC (Alabama)
Matterhorn Services, LLC (Alabama)

Affiliated Transactions and Agreements

As of December 31, 2024, the Company had the following significant affiliated agreements:

Consultant Agreement

Effective March 1, 2024, the Company entered into a Consultant Agreement (Agreement) with IDC Management, LLC, to perform management and other services, such as investments, reinsurance, financial reporting, data gathering, and review of documents pertinent to the operation of the Company, as well as working with Company management to set policies and strategic direction for the Company. The amounts paid by the Company under this Agreement in 2024 were \$250,000.

Payroll and Human Resources Services Agreement

Effective January 1, 2013, the Company entered into a Payroll and Human Resources Services Agreement (Agreement) with INVO PEO, Inc., to process payroll and provide human resources services, benefits, and workers compensation for internal employees. The amounts paid by the Company under this Agreement in 2021, 2022, 2023, and 2024 were \$15,055, \$9,988, \$9,857, and \$21,349, respectively.

Claims Administration Agreement

Effective January 1, 2010, the Company entered into a Claims Administration Agreement (Agreement) with US Administrator Claims, LLC (US Admin), to provide adjusting services for workers' compensation, general liability, and commercial automobile claims and to provide certain services with respect to the investigation and payment of insurance claims. US Admin was sold in December 2021 and is no longer an affiliate. The amounts paid by the Company under this Agreement in 2021 were \$125,832.

General Agency Agreement

Effective April 1, 2004, the Company entered into a General Agency Agreement (Agreement) with Appalachian Underwriters, Inc. (AUI), to act as the general agent with respect to insurance policies. AUI was sold in December 2021 and is no longer an affiliate. The amounts paid by the Company under this Agreement in 2021 were \$1,807,355.

Master Services Agreement

Effective December 1, 2023, the Company entered into a Master Services Agreement (Agreement) with Vital Services, LLC, to provide technology services. The amounts paid under this Agreement in 2023 and 2024 were \$781,607 and \$934,929, respectively.

It was observed that the Company did not notify the superintendent in writing of its intention to enter into this agreement. Accordingly, it is recommended that the Company file a Prior Notice of a Transaction (Form D) application with the OSI for the Master Services Agreement with Vital Services, LLC, in compliance with NMSA 1978 § 59A-37-20.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2024, the Company was licensed to write insurance in the following 24 states: Alabama, Arizona, Arkansas, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wyoming.

The Company writes workers' compensation insurance. The Company also assumes workers' compensation, general liability, and commercial automobile insurance from non-affiliates.

REINSURANCE

Assumed

The following is a summary of the Company's assumed reinsurance agreements as of December 31, 2024:

<u>Line of Insurance and Type of Contract</u>	<u>Ceding Company</u>	<u>Company's Limit</u>
<u>Workers' Compensation Quota Share</u>	Accredited Surety and Casualty Company	25% quota share; \$1 million limit
<u>Workers' Compensation Quota Share</u>	Starstone National Insurance Company	10% quota share; \$1 million limit
<u>Commercial Automobile Liability Quota Share</u>	Haulers Mutual Risk Retention Group, Inc.	30% quota share; \$500 thousand limit
<u>Commercial Automobile Liability Quota Share</u>	Accredited Specialty Insurance Company	10% quota share; subject to loss ratio cap of 130%
<u>General Liability Quota Share</u>	Accredited Specialty Insurance Company	100% quota share; \$1 million limit
<u>Retroactive Reinsurance</u> ⁽¹⁾⁽²⁾		
<u>Other</u> ⁽³⁾		

⁽¹⁾Effective January 1, 2017, the Company entered into an assumed retroactive reinsurance agreement with Appalachian Reinsurance, Ltd. (App Re), an affiliate reinsurer domiciled in Bermuda. The assumption included all insurance assets and liabilities that exist in four segregated cells.

During the examination fieldwork, the Company was unable to clearly explain the Company's financial reporting of assumed retroactive reinsurance with App Re. The Company was unable to explain how some of the related balances presented in the financial statement are determined. In addition, the examination received inconsistent information regarding the Company's financial reporting of the assumed retroactive reinsurance, including whether the arrangements constitute retroactive reinsurance and how the reported balances relate to loss reserves.

Effective January 1, 2014, the Company entered into an assumed retroactive reinsurance agreement with JRG Reinsurance Company, Ltd. (JRG Re), a reinsurer domiciled in Bermuda, whereby the Company assumed approximately \$20,000,000 of loss reserves. The examination was unable to obtain a copy of the reinsurance agreement with JRG Re.

During the examination fieldwork, the Company was unable to clearly explain the Company's financial reporting of assumed retroactive reinsurance with JRG Re. The Company was unable to explain how some of the related balances presented in the financial statement are determined. In addition, the examination received inconsistent information regarding the Company's financial reporting of the assumed retroactive reinsurance, including whether the arrangements constitute retroactive reinsurance and how the reported balances relate to loss reserves.

Accordingly, it is recommended that the Company implement the necessary policies and procedures to ensure accurate and complete financial reporting of its assumed retroactive reinsurance in compliance with SSAP No. 62.

⁽²⁾The Appointed Actuary did not review Item 5 in Exhibit A of the Statement of Actuarial Opinion, write-in item “Retroactive Reinsurance”, for reasonableness. This is a repeat finding from the prior examination report.

Accordingly, it is recommended that the Appointed Actuary determine the reasonableness of the assumed retroactive reinsurance reserve in Exhibit A of the Statement of Actuarial Opinion. This is a repeat recommendation from the prior examination report.

⁽³⁾The Company participates in the National Workers’ Compensation Reinsurance Pool.

Ceded

The following is a summary of the Company's ceded reinsurance agreements as of December 31, 2024:

Line of Insurance and Type of Contract	Reinsurer's Name and Participation	Company's Retention	Reinsurer's Limit
<u>Workers' Compensation Excess of Loss:</u>			
First Layer	Partner Reinsurance Company of the U.S. (40%) Lloyd's of London (32.5%) Chaucer Insurance Company DAC (20%) State National Insurance Company (7.5%)	\$2 million	Each Accident: \$3 million All Accidents: \$12 million
Second Layer	Lloyd's of London (57.5%) Chaucer Insurance Company DAC (20%) Partner Reinsurance Company of the U.S. (12.5%) State National Insurance Company (10%)	\$5 million	Each Accident: \$5 million All Accidents: \$10 million
Third Layer	Lloyd's of London (57.5%) Chaucer Insurance Company DAC (20%) Houston Casualty Company (12.5%) State National Insurance Company (5%) Arch Reinsurance Company (5%)	\$10 million	Each Accident: \$15 million All Accidents: \$30 million MAOL: \$10 million
<u>Workers' Compensation Quota Share</u> ⁽¹⁾	Appalachian Reinsurance, Ltd. (100%)	The Company shall retain and be liable for its proportionate quota share of its net liability	90% of net liability (excluding Georgia workers' compensation)

<u>Loss Portfolio Transfer</u>	Iron Re Dental Insurance Company, Inc. (100%)	None	100% of net liability on subject policies. No limit of liability
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⁽¹⁾The reinsurance contract utilized by the Company to cede business in 2024 to Appalachian Reinsurance, Ltd. (App Re), an affiliate reinsurer domiciled in Bermuda, was entered into in 2011. The reinsurance contract was submitted to the South Carolina Department of Insurance and approved in 2011. The provisions of the reinsurance contract state that the contract shall remain in force unless cancelled; however, there was no cession activity for other years of the examination period, and no evidence of reactivation of the contract was identified to support the resumption of cessions in 2024. The Company was unable to provide the examination information regarding when cessions under the reinsurance contract ceased. When the Company resumed cessions in 2024, the reinsurance contract was not filed with the OSI for approval. Additionally, the examination reviewed the reinsurance contract and determined that it does not encompass the cessions to App Re as reported in the Company's 2024 Annual Statement filing. Accordingly, it is determined that the cessions to App Re in 2024 did not occur pursuant to a valid reinsurance contract and were not approved by the OSI.

The examination reviewed the App Re financial statements and the report on loss and loss expense reserves as of December 31, 2024, and noted that the 2024 cessions to App Re are not reflected therein. Additionally, based on examination review of the App Re financial statements, significant concerns exist regarding App Re's capitalization as of December 31, 2024, to support the assumption of the Company's 2024 cessions.

In consideration of the foregoing, the Company is directed to amend and refile all annual and quarterly financial statements subsequent to and including the Annual Statement filed with the OSI as of December 31, 2024, so that the Company's financial statements do not include the cessions to App Re that occurred in 2024 and 2025. In addition, the Company is directed to amend and refile the 2024 and 2025 Risk-Based Capital reports with the OSI. The Company is directed to file a Prior Notice of a Transaction (Form D) for prior approval with the OSI in compliance with NMSA 1978 § 59A-37-20, should the Company enter into a reinsurance agreement with App Re.

ACCOUNTS AND RECORDS

Communication of Prior Examination Report

NMSA 1978 § 59A-4-12 states that the examination report must be delivered to each member of the board of directors (Board), or other similar governing body, or summary thereof, and of its recommendations approved by the superintendent. Within ninety days of the issuance of the adopted report or within fifteen days after the first Board meeting after the issuance of the adopted report, whichever occurs first, the insurer shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders. It was observed that the Board meeting minutes did not reflect any communication of the prior examination report in compliance with NMSA 1978 § 59A-4-12.

Accordingly, it is recommended that the Company provide the examination report to the Board, or other similar governing body, and adhere to other requirements in compliance with NMSA 1978 § 59A-4-12.

Authorization of Investments

NMSA 1978 § 59A-9-4 states that an insurer shall not make any particular investment or loan unless the same is authorized or ratified by the insurer's Board or by a committee thereof charged with supervision of investments and loans. The minutes of any such committee shall be recorded and a report submitted to the board of directors or such other appropriate governing body, at the next meeting thereof. It was observed that the Board or committee thereof did not authorize or ratify investments or record in the minutes in compliance with NMSA 1978 § 59A-9-4.

Accordingly, it is recommended that the Board or committee charged with supervision of investments and loans properly authorize or ratify the investments or loans made by the Company, and their minutes reflect such approvals, in compliance with NMSA 1978 § 59A-9-4.

Consolidated Financial Statements

In 2024, the Company filed a consolidated annual audited financial report with subsidiaries, Accident Preferred Insurance Company, Inc. (APIC) and Monarch Insurance Company, Inc. (MOIC), in lieu of separate annual audited financial reports. New Mexico Administrative Code (NMAC) § 13.2.5.19 states that an insurer may make a written application to the superintendent for approval to file consolidated or combined annual audited financial reports in lieu of separate annual audited financial reports if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. The Company did not meet the criteria set forth in NMAC § 13.2.5.19 and did not obtain approval from the OSI in compliance with NMAC § 13.2.5.19.

Accordingly, it is recommended that the Company file separate annual audited financial reports or obtain prior approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the OSI and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Statement of Assets and Liabilities
December 31, 2024

<u>Assets</u>	<u>Assets</u>	Nonadmitted <u>Assets</u>	Net Admitted <u>Assets</u>	<u>Notes</u>
Bonds	\$ 7,207,571	\$	\$ 7,207,571	
Cash	11,672,142		11,672,142	
Other invested assets	2,000,000		2,000,000	(1)
Aggregate write-ins for invested assets	13,067,353		13,067,353	(2)
Investment income due and accrued	49,554		49,554	
Deferred premiums, agents' balances and installments booked but deferred and not yet due	14,294,792		14,294,792	
Amounts recoverable from reinsurers	15,288,212		15,288,212	
Other amounts receivable under reinsurance contracts	13,774,291		13,774,291	(3)
Net deferred tax asset	3,908,040		3,908,040	
Electronic data processing equipment and software	1,220,907	1,220,907	0	
Furniture and equipment, including health care delivery assets	16,591	16,591	0	
Receivables from parent, subsidiaries and affiliates	440,381		440,381	
Aggregated write-ins for other-than-invested assets	<u>2,061,609</u>	<u>732,636</u>	<u>1,328,974</u>	(4)
Total assets	<u>\$ 85,001,444</u>	<u>\$ 1,970,134</u>	<u>\$ 83,031,311</u>	
<u>Liabilities, Surplus and Other Funds</u>				
Losses			\$ 14,311,020	(5)
Reinsurance payable on paid losses and loss adjustment expenses			649,900	
Loss adjustment expenses			7,239,684	(5)
Commissions payable, contingent commissions and other similar charges			1,165,223	
Other expenses (excluding taxes, licenses and fees)			210,478	
Taxes, licenses and fees (excluding federal and foreign income taxes)			(83,331)	
Unearned premiums			11,641,309	
Ceded reinsurance premiums payable (net of ceding commissions)			42	
Funds held by company under reinsurance treaties			13,521,797	
Amounts withheld or retained by company for account of others			3,557,199	
Aggregate write-ins for liabilities			<u>910,683</u>	(6)
Total liabilities			53,124,004	
Common capital stock	\$ 2,565,753			
Gross paid in and contributed surplus	\$ 41,777,109			
Unassigned funds (surplus)	<u>\$ (14,435,554)</u>			
Surplus as regards policyholders			<u>29,907,308</u>	
Total liabilities, surplus and other funds			<u>\$ 83,031,311</u>	

Statement of Income
December 31, 2024

Underwriting Income

Premiums earned		\$ 6,976,239
Deductions:		
Losses incurred	3,303,353	
Losses adjustment expenses incurred	2,260,187	
Other underwriting expenses incurred	<u>1,039,289</u>	
Total underwriting deductions		<u>6,602,829</u>
Net underwriting gain (loss)		373,410

Investment Income

Net investment income earned	<u>\$ 913,687</u>	
Net investment gain		913,687

Other Income

Finance and service charges not included in premiums	\$ 639,078	
Aggregate write-ins for miscellaneous income	<u>363,462</u>	
Total other income		1,002,540

Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		<u>2,289,637</u>
Net income		<u>\$ 2,289,637</u>

Reconciliation of Capital and Surplus

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Surplus as regards policyholders, December 31, previous year	\$16,711,976	\$16,774,211	\$24,621,976	\$32,456,239
Net income (loss)	30,788	802,394	893,625	2,289,637
Change in net unrealized capital gains and losses	2,813	13,313	0	(124,235)
Change in net deferred income tax	4,253	922,321	1,175,688	(358,907)
Change in nonadmitted assets	(301,290)	308,477	(703,983)	(585,615)
Change in provision for reinsurance	1,289,237	379,763	0	3,925,000
Capital changes: Paid in	0	0	0	65,754
Surplus adjustments: Paid in	0	1,000,000	1,000,000	0
Aggregate write-ins for gains and losses in surplus	(963,566)	4,421,498	5,468,933	(7,760,565)
Change in surplus as regards policyholders for the year	\$ 62,235	\$ 7,847,765	\$ 7,834,263	\$(2,548,931)
Surplus as regards policyholders, December 31, current year	\$16,774,211	\$24,621,976	\$32,456,239	\$29,907,308

Analysis of Changes to Surplus as of December 31, 2024

Analysis of Changes to Surplus			
	<u>Increase</u>	<u>Decrease</u>	
Surplus at Dec. 31, 2024, per Annual Financial Statement			\$ 29,907,308
Other amounts receivable under reinsurance contracts		\$ 1,958,026	
Aggregate write-ins for other-than-invested assets		825,000	
Loss and loss adjustment expenses		6,394,000	
Provision for reinsurance		8,544,498	
Net increase (or decrease)			\$ (17,721,524)
Surplus at Dec. 31, 2024, after adjustment			\$ 12,185,784

COMMENTS ON FINANCIAL STATEMENT ITEMS

(1) Other invested assets

The Company incorrectly valued and reported \$2,000,000 in investments under Schedule BA – Part 1 – Other Long-Term Invested Assets in the Annual Statement. The \$2,000,000 in investments are wholly owned investments in affiliated companies: Accident Preferred Insurance Company, Inc. (APIC) and Monarch Insurance Company, Inc. (MOIC). 1,000 shares were issued and subscribed to the Company from APIC and MOIC for \$1,000 per share.

The examination determined that the investments are not valued correctly in accordance with SSAP No. 97 because the investments should be valued using the equity method. In addition, the investments are not reported correctly in accordance with the NAIC Annual Statement Instructions because the investments should be reported on Schedule D – Part 2 – Section 2.

Accordingly, it is recommended that the Company value the investments in APIC and MOIC in accordance with SSAP No. 97 and report the investments in accordance with the NAIC Annual Statement Instructions.

(2) Aggregate write-ins for invested assets

The Company reports assumed marketable securities and cash related to the assumption of segregated cells from Appalachian Reinsurance, Ltd. (App Re). The Company was unable to clearly explain the Company's financial reporting of assumed retroactive reinsurance with App Re. The Company was unable to explain how some of the related balances presented in the financial statement are determined. In addition, the examination received inconsistent information regarding the Company's financial reporting of the assumed retroactive reinsurance, including whether the arrangements constitute retroactive reinsurance and how the reported balances relate to loss reserves.

Accordingly, it is recommended that the Company implement the necessary policies and procedures to ensure accurate and complete financial reporting of its assumed retroactive reinsurance in compliance with SSAP No. 62.

(3) Other amounts receivable under reinsurance contracts

The Company incorrectly included \$1,958,026 of collateral that had already been reported as Cash on the Annual Statement. Accordingly, an adjustment was made to reduce the balance by \$1,958,026.

(4) Aggregate write-ins for other-than-invested assets

The Company reported an unsecured promissory note with Guidon Specialty Financial LLC (Guidon) as an admitted asset. The Company initially entered into an investment with Guidon for the purpose of municipal lease financing; however, the Company did not receive certain amounts

due from the investment. In negotiations with Guidon, the Company entered into an unsecured promissory note for the balance due.

Pursuant to SSAP No. 4, the ability to meet policyholder obligations is predicated on the existence of readily marketable assets available when both current and further obligations are due. Assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances of other third-party interests, should not be recognized on the balance sheet and are therefore considered non-admitted. For purposes of statutory accounting principles, a non-admitted asset is one that is specifically identified as a non-admitted asset or not specifically identified as an admitted asset in the Accounting Practices and Procedures Manual.

Accordingly, an examination adjustment was made to non-admit the full asset amount of \$825,000 because the unsecured promissory note asset is not specifically identified as an admitted asset in the Accounting Practices and Procedures Manual.

(5) Loss and loss adjustment expenses

An independent analysis of the Company's loss and loss adjustment expense reserves as of December 31, 2024, was performed by an actuarial specialist contracted by the OSI. The independent analysis found that the Company's carried net loss and loss adjustment expense reserves are not reasonably stated as of December 31, 2024.

Accordingly, an examination adjustment of \$6,394,000 is made to increase loss and loss adjustment expense reserves. In addition, it is noted that additional loss and loss adjustment expense reserves, beyond the examination adjustment, would be needed to reflect a refiling that excludes the cessions to App Re that occurred in 2024. Additional commentary regarding the cessions to App Re that occurred in 2024 is included in the "Reinsurance" section and elsewhere in the "Comments on Financial Statement Items" section of the examination report. Based on the work of the actuarial specialist, it is expected that, upon refiling, the Company's net loss and loss adjustment expense reserves would be increased by at least \$10,500,000 over the amount originally booked as of December 31, 2024.

The Appointed Actuary did not perform a reserve analysis for the Company's workers' compensation high-deductible business. Accordingly, it is recommended that the Appointed Actuary perform and include an analysis of loss and loss adjustment expense reserves for the Company's workers' compensation high-deductible business in the actuarial report.

(6) Aggregate write-ins for liabilities

The Company was unable to clearly explain the Company's financial reporting of assumed retroactive reinsurance with Appalachian Reinsurance, Ltd. (App Re) and JRG Reinsurance Company, Ltd. (JRG Re). The Company was unable to explain how some of the related balances presented in the financial statement are determined. In addition, the examination received inconsistent information regarding the Company's financial reporting of the assumed retroactive

reinsurance, including whether the arrangements constitute retroactive reinsurance and how the reported balances relate to loss reserves.

Accordingly, it is recommended that the Company implement the necessary policies and procedures to ensure accurate and complete financial reporting of its assumed retroactive reinsurance in compliance with SSAP No. 62.

The Appointed Actuary did not review Item 5 in Exhibit A of the Statement of Actuarial Opinion, write-in item "Retroactive Reinsurance", for reasonableness. This is a repeat finding from the prior examination report.

Accordingly, it is recommended that the Appointed Actuary determine the reasonableness of the assumed retroactive reinsurance reserve in Exhibit A of the Statement of Actuarial Opinion. This is a repeat recommendation from the prior examination report.

Negative reinsurance recoverables in Schedule F

The Company's financial statements report unusual negative reinsurance recoverables on paid losses in Schedule F – Part 3. The Company asserts that certain deficiencies in internal processes caused some balances to report negative values.

Accordingly, it is recommended that the Company implement the necessary policies and procedures to eliminate inaccurate negative reinsurance recoverables on paid losses in Schedule F – Part 3.

Establishment of provision for reinsurance

The Company reports letters of credit, trusts, and other allowable collateral in Schedule F – Part 3, which is used to reduce a provision for reinsurance attributable to Iron Re Dental Insurance Company, Inc., an unauthorized insurer. The Company was unable to support the balances as reported in the Annual Statement. An examination adjustment was made to establish a provision for reinsurance in the amount of \$8,305,994.

The paid loss and loss adjustment expense recoverable from Citadel Reinsurance Company, Ltd., was incorrectly classified in Schedule F – Part 3 as current in all years of the examination period. Pursuant to SSAP No. 62, a minimum reserve for uncollectible reinsurance shall be established with an additional reserve required if an entity's experience indicates that a higher amount should be provided. Based on the prescribed calculation in the NAIC Annual Statement Instructions, an examination adjustment was made to establish a provision for reinsurance in the amount of \$238,504.

Accordingly, it is recommended that the Company implement the necessary policies and procedures to ensure appropriate reporting of a provision for reinsurance in accordance with SSAP No. 62.

Directive to refile annual statement

As previously discussed in the “Reinsurance” section of the examination report, it is determined that the cessions to App Re in 2024 did not occur pursuant to a valid reinsurance contract and were not approved by the OSI.

In consideration of the foregoing, the Company is directed to amend and refile all annual and quarterly financial statements subsequent to and including the Annual Statement filed with the OSI as of December 31, 2024, so that the Company’s financial statements do not include the cessions to App Re that occurred in 2024 and 2025. In addition, the Company is directed to amend and refile the 2024 and 2025 Risk-Based Capital reports with the OSI. The Company is directed to file a Prior Notice of a Transaction (Form D) for prior approval with the OSI in compliance with NMSA 1978 § 59A-37-20, should the Company enter into a reinsurance agreement with App Re.

The OSI anticipates that the refileing will have a material impact on the Company’s financial statements and, ultimately, the capital and surplus position of the Company. The combined effect of the refileing and examination adjustments described in this examination report raises significant concerns regarding the Company’s capital and surplus position.

SUBSEQUENT EVENTS

The Company continued cessions to Appalachian Reinsurance, Ltd. (App Re), an affiliate reinsurer domiciled in Bermuda, in 2025 under the reinsurance contract discussed in the “Reinsurance” and “Comments on Financial Statement Items” sections of the examination report.

SUMMARY OF RECOMMENDATIONS

Accounts and Records – It is recommended that the Board or committee charged with supervision of investments and loans properly authorize or ratify the investments or loans made by the Company, and their minutes reflect such approvals, in compliance with NMSA 1978 § 59A-9-4.

It is recommended that the Company provide the examination report to the Board, or other similar governing body, and adhere to other requirements in compliance with NMSA 1978 § 59A-4-12.

It is recommended that the Company file separate annual audited financial reports or obtain prior approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

Management and Control – It is recommended that the Company file a Prior Notice of a Transaction (Form D) application with the OSI for the Master Services Agreement with Vital Services, LLC, in compliance with NMSA 1978 § 59A-37-20.

Reinsurance – The Company is directed to amend and refile all annual and quarterly financial statements subsequent to and including the Annual Statement filed with the OSI as of December

31, 2024, so that the Company's financial statements do not include the cessions to App Re that occurred in 2024 and 2025. In addition, the Company is directed to amend and refile the 2024 and 2025 Risk-Based Capital reports with the OSI. The Company is directed to file a Prior Notice of a Transaction (Form D) for prior approval with the OSI in compliance with NMSA 1978 § 59A-37-20, should the Company enter into a reinsurance agreement with App Re.

It is recommended that the Company implement the necessary policies and procedures to ensure accurate and complete financial reporting of its assumed retroactive reinsurance in compliance with SSAP No. 62.

It is recommended that the Appointed Actuary determine the reasonableness of the assumed retroactive reinsurance reserve in Exhibit A of the Statement of Actuarial Opinion. This is a repeat recommendation.

Comments on Financial Statement Items - It is recommended that the Company implement the necessary policies and procedures to eliminate inaccurate negative reinsurance recoverable on paid losses in Schedule F – Part 3.

It is recommended that the Appointed Actuary perform and include an analysis of loss and loss adjustment expense reserves for the Company's workers' compensation high-deductible business in the actuarial report.

It is recommended that the Company implement the necessary policies and procedures to ensure appropriate reporting of a provision for reinsurance in accordance with SSAP No. 62.

It is recommended that the Company value the investments in Accident Preferred Insurance Company, Inc. (APIC) and Monarch Insurance Company, Inc. (MOIC) in accordance with SSAP No. 97 and report the investments in accordance with the NAIC Annual Statement Instructions.

ACKNOWLEDGEMENT

Allan Becker, FCAS, MAAA, and John Pedrick, FCAS, MAAA, of The INS Companies, performed the actuarial review. Dave Gordon, CISA, CFE (Fraud), CDFE, and John Albertini, CISA, CISSP, of The INS Companies, performed the Information Systems review. In addition to the undersigned, Daniel Arana, of The INS Companies, participated in the examination as Staff Examiner, and Cecilee Houdek, CFE, CPA, MCM, of The INS Companies, participated in the examination as Examination Supervisor. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers, employees, and representatives of the Company.

Respectfully submitted,

Christian Mitterholzer

Christian Mitterholzer, CFE
Examiner-in-Charge

The INS Companies

On behalf of the New Mexico Office of
Superintendent of Insurance

Malis Rasmussen

Malis Rasmussen, CFE
Chief Financial Examiner

New Mexico Office of Superintendent of Insurance



**REPORT OF EXAMINATION
OF**

ACCIDENT PREFERRED INSURANCE COMPANY, INC.

NAIC Company Code: 17436

Albuquerque, New Mexico

as of

December 31, 2024

BY THE

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

Exhibit B

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May 28, 2026

Honorable Alice T. Kane
Superintendent
New Mexico Office of Superintendent of Insurance
1120 Paseo De Peralta
Santa Fe, NM 87501

Dear Superintendent:

Pursuant to your instructions and the Order for Examination Docket No. 2024-0107, in compliance with New Mexico Statutes (NMSA) 1978 § 59A-4-5, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2024, of the financial condition and corporate affairs of:

Accident Preferred Insurance Company, Inc.
2155 Louisiana Blvd NE, Suite 2100
Albuquerque, New Mexico 87110

Hereinafter referred to as the "Company". The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

The New Mexico Office of Superintendent of Insurance (OSI) has performed its single-state examination of Accident Preferred Insurance Company, Inc. This is the first examination of the Company. This examination covers the period of January 1, 2021, through December 31, 2024. This examination is conducted concurrently with the examination of the Company's parent entity, Accident Insurance Company, Inc., and its affiliate, Monarch Insurance Company, Inc.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements herein. If, during the course of the examination, an adjustment is identified, the impact of such an adjustment will be documented separately following the Company's financial statements.

This examination report includes findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

In 2024, the Company filed a consolidated annual audited financial report with its parent and affiliate in violation of New Mexico Administrative Code (NMAC) § 13.2.5.19. Refer to the “Accounts and Records” section of the examination report for more information.

COMPANY HISTORY

General

The Company was incorporated on December 23, 2021. On May 3, 2022, the Company issued and subscribed 1,000 shares to Accident Insurance Company, Inc. (AIC), with a par value of \$1,000 per share. The Company commenced business on December 31, 2022, to conduct property and casualty insurance business in New Mexico. The Company is a wholly-owned subsidiary of AIC, which is owned by two individual shareholders, William M. Arowood and Robert J. Arowood, each owning 50%.

The Company’s Plan of Operation is to write workers’ compensation insurance for small to medium sized accounts with traditionally low hazard exposures. The Company began writing policies in late 2024.

Dividends and Capital Contributions

No dividends were declared and paid by the Company during the examination period.

The following capital contributions were made to the Company by AIC during the examination period.

<u>Year</u>	<u>Amount</u>
2021	\$ 0
2022	\$1,000,000
2023	\$ 0
2024	\$ 0
Total	<u>\$1,000,000</u>

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

MANAGEMENT AND CONTROL

Directors

The six members of the Board of Directors (Board) oversee the business and affairs of the Company. The following are members of the Board as of December 31, 2024:

<u>Name</u>	<u>Principal Occupation</u>
Douglas Sizemore Johnson City, Tennessee	Chairman Self Employed
William M. Arowood Clinton, Tennessee	President and Chief Executive Officer Accident Insurance Company, Inc.
Robert J. Arowood Clinton, Tennessee	Secretary Accident Insurance Company, Inc.
Morris Chavez Albuquerque, New Mexico	Attorney Saucedo Chavez, P.C.
John G. Franchini Albuquerque, New Mexico	Owner John G. Franchini Consulting
Lonnie Talbert Ponte Vedra, Florida	Retired

Principal Officers

The following are the principal officers of the Company as of December 31, 2024:

<u>Name</u>	<u>Position</u>
William M. Arowood	President and Chief Executive Officer
Robert J. Arowood	Secretary and Treasurer
Katheryne A. Heath	Chief Financial Officer

Holding Company System

The Company is a member of an insurance holding company system as defined by NMSA 1978 § 59A-37-2. The Company is a wholly owned subsidiary of Accident Insurance Company, Inc., which is a wholly own subsidiary of Accident Insurance Holding Company, Inc., an insurance holding company incorporated in New Mexico. The ultimate controlling persons of the holding

company group are William M. Arowood and Robert J. Arowood. The following organizational chart depicts the interrelationship of the entities within the holding company system as of December 31, 2024. All ownership is 100%, which designates William M. Arowood (50%) and Robert J. Arowood (50%), unless otherwise noted:

Organizational Chart

William M. Arowood and Robert J. Arowood

- Accident Insurance Holding Company, Inc. (New Mexico)
 - Accident Insurance Company, Inc. (New Mexico)
 - Accident Preferred Insurance Company, Inc. (New Mexico)**
 - Monarch Insurance Company, Inc. (New Mexico)
 - Accident Premier Insurance Company, Inc. (New Mexico)
 - Madison Standard Insurance Company, Inc. (New Mexico)
 - Dotson Insurance Company, Inc. (New Mexico)
- AIC Holdings, LLC (Virginia)
 - INVO Underwriting, LLC (Tennessee)
- ISG Holding Company, Inc. (Robert J. Arowood - 24%, William M. Arowood - 24%, Arowood 2012 Irrevocable Trust - 52%) (Tennessee)
 - Appalachian Reinsurance, Ltd. (Bermuda)
- Cherokee Reinsurance, LLC (Alabama)
 - Tuckasegee Insurance Company, LLC (Alabama)
 - Sequoyah Reinsurance, LLC (Alabama)
- Madison Specialty Underwriters, LLC (William M. Arowood - 25%, Robert J. Arowood - 25%, Chad Arowood - 25%, Elizabeth King - 12.5%, John Stair - 25%) (Tennessee)
- Rocky Top HVAC, LLC (William M. Arowood - 100%) (Tennessee)
- Crown Distributing, Inc. (William M. Arowood - 100%) (Tennessee)
- AIC Risk Management, Ltd. (Bermuda)
- Bermuda American Intermediaries, Ltd. (Bermuda)
- Cherokee Reinsurance SPC (Cayman Islands)
- Monarch Intermediaries, Ltd. (Cayman Islands)
- Aero Insurance Services, LLC (Tennessee)
- Alternate Work Comp Solutions, LLC (William M. Arowood - 100%) (Tennessee)
- Arrow Captive, Inc. (Tennessee)
- Arrow Insurance Group, LLC (South Carolina)
- Arrow PEO Brokerage, Inc. (Tennessee)
- Bulldog Comp, LLC (Tennessee)
- B&B Properties (Arowood 2012 Irrevocable Trust - 40%, Bobbie P. Arowood - 40%, Robert J. Arowood - 10%, William H. Arowood - 10%) (Tennessee)
- Mercury Premium Finance Company, Inc. (William M. Arowood - 100%) (Tennessee)
- Statemark, LLC (Tennessee)
- Cornerstone PE Advisors, LLC (New Jersey)
- Eastern Underwriting Managers, LLC (Tennessee)
- Insurance Service Group, Inc. (William M. Arowood - 100%) (Tennessee)
- Mercury Financial Banc, Inc. (William M. Arowood - 100%) (Tennessee)
- Cornerstone RE Holdings, Inc. (Tennessee)
- Clinton Insurance Services, Inc. (Tennessee)
- Innovative Work Comp Solutions, LLC (Georgia)
- Let's Eat, LLC (Jeffrey Hensley - 50%, Robert J. Arowood - 25%, William M. Arowood - 25%) (Tennessee)
- Madison Insurance Group, Inc. (South Carolina)
- Mercury Financial SC, Inc. (South Carolina)
- National Testing Center, LLC (William M. Arowood - 100%) (Tennessee)
- Mercury Motors Company, LLC (William M. Arowood - 100%) (Tennessee)
- Oak Ridge Insurance Services, Inc. (William M. Arowood - 100%) (Tennessee)
- Mutal Underwriting, LLC (Florida)

Tennessee Brokers and Agents Association, Inc. (William M. Arowood – 100%) (Tennessee)
WRA Enterprises, LLC (Tennessee)
Mercury Financial Incorporated (William M. Arowood – 100%)
Agency Brokerage Consultants, LLC (New Mexico)
MIG Payroll Services, LLC (Tennessee)
Traveler’s Aid Society, Inc. (William M. Arowood – 100%) (Tennessee)
Vital Services, LLC (Nevada)
MACO Premium Finance, LLC (Tennessee)
Integrated Work Comp Solutions, LLC (Tennessee)
Madison Insurance Association, LLC (Tennessee)
Crown Vape, LLC (William M. Arowood – 100%) (Tennessee)
1st Auto Insurance Group, LLC (Tennessee)
Mercury Investment Services, Inc. (William M. Arowood – 100%) (Tennessee)
US Occucomp Health Network, LLC (Tennessee)
WMA Distributing, LLC (William M. Arowood – 100%) (Tennessee)
Statemark Fingerprinting, LLC (William M. Arowood – 100%) (New Mexico)
Value Staffing Resource Group, LLC (Tennessee)
1st Credit Repair Professionals, LLC (Tennessee)
Insurance Training School, LLC (William M. Arowood – 100%) (Tennessee)
Tenco Claims, LLC (Tennessee)
IDC Management, LLC (Tennessee)
Mutual PEO, Inc. (William M. Arowood – 75%, Robert J. Arowood – 25%) (Georgia)
Mercury Adventures Marketing, Inc. (Tennessee)
BKR Properties, LLC (Robert J. Arowood – 50%, Karen Arowood – 50%) (Tennessee)
PeopleOps HCM, LLC (Tennessee)
INVO Equipment Rentals, LLC (William M. Arowood – 100%) (Tennessee)
A Better Choice Driving School, LLC (William M. Arowood – 100%) (Tennessee)
MVD Plus LLC (William M. Arowood – 100%) (New Mexico)
Vol Comp., LLC (William M. Arowood – 100%) (Tennessee)
Appalachian Claims Services, LLC (Florida)
Mangiamo, LLC (William M. Arowood – 100%) (Tennessee)
INVO Insurance Agency, LLC (Tennessee)
Work Comp Insurance Experts, LLC (Tennessee)
Peak Benefit Administrators, LLC (Florida)
First Benefit Underwriters, LLC (North Carolina)
Matterhorn, LLC (Alabama)
Matterhorn Services, LLC (Alabama)

Intercompany Management Agreements

The Company is not a party to any intercompany management agreements.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2024, the Company was licensed to write workers’ compensation insurance in New Mexico. The Company’s Plan of Operation is to write workers’ compensation insurance for small to medium sized accounts with traditionally low hazard exposures. The Company began writing policies in late 2024.

REINSURANCE

Assumed

The Company did not assume any reinsurance during the examination period.

Ceded

The Company did not cede any reinsurance during the examination period.

ACCOUNTS AND RECORDS

Consolidated Financial Statements

In 2024, the Company filed a consolidated annual audited financial report with its parent, Accident Insurance Company, Inc. (AIC), and affiliate, Monarch Insurance Company, Inc. (MOIC), in lieu of separate annual audited financial reports. New Mexico Administrative Code (NMAC) § 13.2.5.19 states that an insurer may make a written application to the superintendent for approval to file consolidated or combined annual audited financial reports in lieu of separate annual audited financial reports if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. The Company did not meet the criteria set forth in NMAC § 13.2.5.19 and did not obtain approval from the OSI in compliance with NMAC § 13.2.5.19.

Accordingly, it is recommended that the Company file separate annual audited financial reports or obtain prior approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the New Mexico Office of Superintendent of Insurance and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Statement of Assets and Liabilities

<u>Assets</u>	<u>Assets</u>	<u>Nonadmitted Assets</u>	<u>Net Admitted Assets</u>	<u>Notes</u>
Bonds	\$ 631,064	\$	\$ 631,064	
Cash	449,922		449,922	
Investment income due and accrued	1,136		1,136	
Uncollected premiums and agents' balances in the course of collection	<u>93,258</u>		<u>93,258</u>	
Total assets	<u>\$ 1,175,380</u>	<u>\$</u>	<u>\$ 1,175,380</u>	
 <u>Liabilities, Surplus and Other Funds</u>				
Other expenses (excluding taxes, licenses and fees)			12,812	
Unearned premiums			<u>96,815</u>	
Total liabilities			109,627	
Gross paid in and contributed surplus		\$ 1,000,000		
Unassigned funds (surplus)		<u>\$ 65,753</u>		
Surplus as regards policyholders			<u>1,065,753</u>	
Total liabilities, surplus and other funds			<u>\$ 1,175,380</u>	

Statement of Income

Underwriting Income

Premiums earned		\$ 15,511
Deductions:		
Other underwriting expenses incurred	<u>23,117</u>	
Total underwriting deductions		<u>23,117</u>
Net underwriting gain (loss)		(7,606)

Investment Income

Net investment income earned	<u>\$ 34,828</u>	
Net investment gain		34,828
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		27,222
Federal and foreign income taxes incurred		<u>7,900</u>
Net income		<u>\$ 19,322</u>

Reconciliation of Capital and Surplus

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Surplus as regards policyholders, December 31, previous year	\$ 0	\$ 1,010,448	\$ 1,046,429
Net income (loss)	10,448	35,981	19,322
Surplus adjustments: Paid in	<u>1,000,000</u>	<u>0</u>	<u>0</u>
 Change in surplus as regards policyholders for the year	 <u>\$ 1,010,448</u>	 <u>\$ 35,981</u>	 <u>\$ 19,322</u>
 Surplus as regards policyholders, December 31, current year	 <u>\$ 1,010,448</u>	 <u>\$ 1,046,429</u>	 <u>\$ 1,065,751</u>

COMMENTS ON FINANCIAL STATEMENT ITEMS

Loss and loss adjustment expenses

The Company did not report loss and loss adjustment expense reserves as of December 31, 2024. Based on the analysis performed, the examination actuary did not have any concern with the reserve determination by the Company.

SUBSEQUENT EVENTS

No significant subsequent events were identified through the date of the examination report.

SUMMARY OF RECOMMENDATIONS

Accounts and Records – It is recommended that the Company file separate annual audited financial reports or obtain approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

ACKNOWLEDGEMENT

Allan Becker, FCAS, MAAA, and John Pedrick, FCAS, MAAA, of The INS Companies, performed the actuarial review. Dave Gordon, CISA, CFE (Fraud), CDFE, and John Albertini, CISA, CISSP, of The INS Companies, performed the Information Systems review. In addition to the undersigned, Daniel Arana, of The INS Companies, participated in the examination as Staff Examiner, and Cecilee Houdek, CFE, CPA, MCM, of The INS Companies, participated in the examination as Examination Supervisor. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers, employees, and representatives of the Company.

Respectfully submitted,

Christian Mitterholzer

Christian Mitterholzer, CFE
Examiner-in-Charge
The INS Companies

On behalf of the New Mexico Office of
Superintendent of Insurance

Malis Rasmussen

Malis Rasmussen, CFE
Chief Financial Examiner
New Mexico Office of Superintendent of Insurance



**REPORT OF EXAMINATION
OF**

MONARCH INSURANCE COMPANY, INC.

NAIC Company Code: 17435

Albuquerque, New Mexico

as of

December 31, 2024

BY THE

NEW MEXICO OFFICE OF SUPERINTENDENT OF INSURANCE

Exhibit C

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May 28, 2026

Honorable Alice T. Kane
Superintendent
New Mexico Office of Superintendent of Insurance
1120 Paseo De Peralta
Santa Fe, NM 87501

Dear Superintendent:

Pursuant to your instructions and the Order for Examination Docket No. 2024-0107, in compliance with New Mexico Statutes (NMSA) 1978 § 59A-4-5, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2024, of the financial condition and corporate affairs of:

Monarch Insurance Company, Inc.
2155 Louisiana Blvd NE, Suite 2100
Albuquerque, New Mexico 87110

Hereinafter referred to as the "Company". The following report of examination is respectfully submitted.

SCOPE OF EXAMINATION

The New Mexico Office of Superintendent of Insurance (OSI) has performed its single-state examination of Monarch Insurance Company, Inc. This is the first examination of the Company. This examination covers the period of January 1, 2021, through December 31, 2024. This examination is conducted concurrently with the examination of the Company's parent entity, Accident Insurance Company, Inc., and its affiliate, Accident Preferred Insurance Company, Inc.

We conducted our examination in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements herein. If, during the course of the examination, an adjustment is identified, the impact of such an adjustment will be documented separately following the Company's financial statements.

This examination report includes findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

In 2024, the Company filed a consolidated annual audited financial report with its parent and affiliate in violation of New Mexico Administrative Code (NMAC) § 13.2.5.19. Refer to the “Accounts and Records” section of the examination report for more information.

COMPANY HISTORY

General

The Company was incorporated on December 23, 2021. On May 3, 2022, the Company issued and subscribed 1,000 shares to Accident Insurance Company, Inc. (AIC), with a par value of \$1,000 per share. The Company commenced business on December 31, 2022, to conduct property and casualty insurance business in New Mexico. The Company is a wholly-owned subsidiary of AIC, which is owned by two individual shareholders, William M. Arowood and Robert J. Arowood, each owning 50%.

The Company’s Plan of Operation is to write workers’ compensation insurance for small to medium sized accounts with sub-standard loss experience or sub-standard workers’ compensation codes. The Company had not written any insurance as of December 31, 2024.

Dividends and Capital Contributions

No dividends were declared and paid by the Company during the examination period.

The following capital contributions were made to the Company by AIC during the examination period.

<u>Year</u>	<u>Amount</u>
2021	\$ 0
2022	\$1,000,000
2023	\$ 0
2024	\$ 0
Total	<u>\$1,000,000</u>

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

MANAGEMENT AND CONTROL

Directors

The six members of the Board of Directors (Board) oversee the business and affairs of the Company. The following are members of the Board as of December 31, 2024:

<u>Name</u>	<u>Principal Occupation</u>
Douglas Sizemore Johnson City, Tennessee	Chairman Self Employed
William M. Arowood Clinton, Tennessee	President and Chief Executive Officer Accident Insurance Company, Inc.
Robert J. Arowood Clinton, Tennessee	Secretary Accident Insurance Company, Inc.
Morris Chavez Albuquerque, New Mexico	Attorney Saucedo Chavez, P.C.
John G. Franchini Albuquerque, New Mexico	Owner John G. Franchini Consulting
Lonnie Talbert Ponte Vedra, Florida	Retired

Principal Officers

The following are the principal officers of the Company as of December 31, 2024:

<u>Name</u>	<u>Position</u>
William M. Arowood	President and Chief Executive Officer
Robert J. Arowood	Secretary and Treasurer
Katheryne A. Heath	Chief Financial Officer

Holding Company System

The Company is a member of an insurance holding company system as defined by NMSA 1978 § 59A-37-2. The Company is a wholly owned subsidiary of Accident Insurance Company, Inc., which is a wholly own subsidiary of Accident Insurance Holding Company, Inc., an insurance holding company incorporated in New Mexico. The ultimate controlling persons of the holding

company group are William M. Arowood and Robert J. Arowood. The following organizational chart depicts the interrelationship of the entities within the holding company system as of December 31, 2024. All ownership is 100%, which designates William M. Arowood (50%) and Robert J. Arowood (50%), unless otherwise noted:

Organizational Chart

William M. Arowood and Robert J. Arowood

- Accident Insurance Holding Company, Inc. (New Mexico)
 - Accident Insurance Company, Inc. (New Mexico)
 - Accident Preferred Insurance Company, Inc. (New Mexico)
 - Monarch Insurance Company, Inc. (New Mexico)**
 - Accident Premier Insurance Company, Inc. (New Mexico)
 - Madison Standard Insurance Company, Inc. (New Mexico)
 - Dotson Insurance Company, Inc. (New Mexico)
- AIC Holdings, LLC (Virginia)
 - INVO Underwriting, LLC (Tennessee)
- ISG Holding Company, Inc. (Robert J. Arowood - 24%, William M. Arowood - 24%, Arowood 2012 Irrevocable Trust - 52%) (Tennessee)
 - Appalachian Reinsurance, Ltd. (Bermuda)
- Cherokee Reinsurance, LLC (Alabama)
 - Tuckasegee Insurance Company, LLC (Alabama)
 - Sequoyah Reinsurance, LLC (Alabama)
- Madison Specialty Underwriters, LLC (William M. Arowood - 25%, Robert J. Arowood - 25%, Chad Arowood - 25%, Elizabeth King - 12.5%, John Stair - 25%) (Tennessee)
- Rocky Top HVAC, LLC (William M. Arowood - 100%) (Tennessee)
- Crown Distributing, Inc. (William M. Arowood - 100%) (Tennessee)
- AIC Risk Management, Ltd. (Bermuda)
- Bermuda American Intermediaries, Ltd. (Bermuda)
- Cherokee Reinsurance SPC (Cayman Islands)
- Monarch Intermediaries, Ltd. (Cayman Islands)
- Aero Insurance Services, LLC (Tennessee)
- Alternate Work Comp Solutions, LLC (William M. Arowood - 100%) (Tennessee)
- Arrow Captive, Inc. (Tennessee)
- Arrow Insurance Group, LLC (South Carolina)
- Arrow PEO Brokerage, Inc. (Tennessee)
- Bulldog Comp, LLC (Tennessee)
- B&B Properties (Arowood 2012 Irrevocable Trust - 40%, Bobbie P. Arowood - 40%, Robert J. Arowood - 10%, William H. Arowood - 10%) (Tennessee)
- Mercury Premium Finance Company, Inc. (William M. Arowood - 100%) (Tennessee)
- Statemark, LLC (Tennessee)
- Cornerstone PE Advisors, LLC (New Jersey)
- Eastern Underwriting Managers, LLC (Tennessee)
- Insurance Service Group, Inc. (William M. Arowood - 100%) (Tennessee)
- Mercury Financial Banc, Inc. (William M. Arowood - 100%) (Tennessee)
- Cornerstone RE Holdings, Inc. (Tennessee)
- Clinton Insurance Services, Inc. (Tennessee)
- Innovative Work Comp Solutions, LLC (Georgia)
- Let's Eat, LLC (Jeffrey Hensley - 50%, Robert J. Arowood - 25%, William M. Arowood - 25%) (Tennessee)
- Madison Insurance Group, Inc. (South Carolina)
- Mercury Financial SC, Inc. (South Carolina)
- National Testing Center, LLC (William M. Arowood - 100%) (Tennessee)
- Mercury Motors Company, LLC (William M. Arowood - 100%) (Tennessee)
- Oak Ridge Insurance Services, Inc. (William M. Arowood - 100%) (Tennessee)
- Mutal Underwriting, LLC (Florida)

Tennessee Brokers and Agents Association, Inc. (William M. Arowood – 100%) (Tennessee)
WRA Enterprises, LLC (Tennessee)
Mercury Financial Incorporated (William M. Arowood – 100%)
Agency Brokerage Consultants, LLC (New Mexico)
MIG Payroll Services, LLC (Tennessee)
Traveler’s Aid Society, Inc. (William M. Arowood – 100%) (Tennessee)
Vital Services, LLC (Nevada)
MACO Premium Finance, LLC (Tennessee)
Integrated Work Comp Solutions, LLC (Tennessee)
Madison Insurance Association, LLC (Tennessee)
Crown Vape, LLC (William M. Arowood – 100%) (Tennessee)
1st Auto Insurance Group, LLC (Tennessee)
Mercury Investment Services, Inc. (William M. Arowood – 100%) (Tennessee)
US Occucomp Health Network, LLC (Tennessee)
WMA Distributing, LLC (William M. Arowood – 100%) (Tennessee)
Statemark Fingerprinting, LLC (William M. Arowood – 100%) (New Mexico)
Value Staffing Resource Group, LLC (Tennessee)
1st Credit Repair Professionals, LLC (Tennessee)
Insurance Training School, LLC (William M. Arowood – 100%) (Tennessee)
Tenco Claims, LLC (Tennessee)
IDC Management, LLC (Tennessee)
Mutual PEO, Inc. (William M. Arowood – 75%, Robert J. Arowood – 25%) (Georgia)
Mercury Adventures Marketing, Inc. (Tennessee)
BKR Properties, LLC (Robert J. Arowood – 50%, Karen Arowood – 50%) (Tennessee)
PeopleOps HCM, LLC (Tennessee)
INVO Equipment Rentals, LLC (William M. Arowood – 100%) (Tennessee)
A Better Choice Driving School, LLC (William M. Arowood – 100%) (Tennessee)
MVD Plus LLC (William M. Arowood – 100%) (New Mexico)
Vol Comp., LLC (William M. Arowood – 100%) (Tennessee)
Appalachian Claims Services, LLC (Florida)
Mangiamo, LLC (William M. Arowood – 100%) (Tennessee)
INVO Insurance Agency, LLC (Tennessee)
Work Comp Insurance Experts, LLC (Tennessee)
Peak Benefit Administrators, LLC (Florida)
First Benefit Underwriters, LLC (North Carolina)
Matterhorn, LLC (Alabama)
Matterhorn Services, LLC (Alabama)

Intercompany Management Agreements

The Company is not a party to any intercompany management agreements.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2024, the Company was licensed to write workers’ compensation insurance in New Mexico. The Company’s Plan of Operation is to write workers’ compensation insurance for small to medium sized accounts with sub-standard loss experience or sub-standard workers’ compensation codes. The Company had not written any insurance as of December 31, 2024.

REINSURANCE

Assumed

The Company did not assume any reinsurance during the examination period.

Ceded

The Company did not cede any reinsurance during the examination period.

ACCOUNTS AND RECORDS

Consolidated Financial Statements

In 2024, the Company filed a consolidated annual audited financial report with its parent, Accident Insurance Company, Inc. (AIC), and affiliate, Accident Preferred Insurance Company, Inc. (APIC), in lieu of separate annual audited financial reports. New Mexico Administrative Code (NMAC) § 13.2.5.19 states that an insurer may make a written application to the superintendent for approval to file consolidated or combined annual audited financial reports in lieu of separate annual audited financial reports if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. The Company did not meet the criteria set forth in NMAC § 13.2.5.19 and did not obtain approval from the OSI in compliance with NMAC § 13.2.5.19.

Accordingly, it is recommended that the Company file separate annual audited financial reports or obtain prior approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the New Mexico Office of Superintendent of Insurance and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

Statement of Assets and Liabilities

<u>Assets</u>	<u>Assets</u>	Nonadmitted <u>Assets</u>	Net Admitted <u>Assets</u>	<u>Notes</u>
Bonds	\$ 628,379	\$	\$ 628,379	
Cash	428,402		428,402	
Investment income due and accrued	<u>1,702</u>		<u>1,702</u>	
 Total assets	 <u>\$ 1,058,483</u>	 <u>\$</u>	 <u>\$ 1,058,483</u>	
 <u>Liabilities, Surplus and Other Funds</u>				
 Total liabilities			 0	
Gross paid in and contributed surplus		\$ 1,000,000		
Unassigned funds (surplus)		<u>\$ 58,483</u>		
Surplus as regards policyholders			<u>1,058,483</u>	
Total liabilities, surplus and other funds			<u>\$ 1,058,483</u>	

Statement of Income

Underwriting Income

Premiums earned		\$	0
Deductions:			
Other underwriting expenses incurred	<u>23,732</u>		
Total underwriting deductions			<u>23,732</u>
Net underwriting gain (loss)			(23,732)

Investment Income

Net investment income earned	<u>\$ 43,568</u>		
Net investment gain			43,568
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes			16,237
Federal and foreign income taxes incurred			<u>3,500</u>
Net income		<u>\$</u>	<u>12,737</u>

Reconciliation of Capital and Surplus

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Surplus as regards policyholders, December 31, previous year	\$ 0	\$ 1,011,444	\$ 1,045,745
Net income (loss)	11,444	34,301	12,737
Surplus adjustments: Paid in	1,000,000	0	0
Change in surplus as regards policyholders for the year	\$ 1,011,444	\$ 34,301	\$ 12,737
Surplus as regards policyholders, December 31, current year	\$ 1,011,444	\$ 1,045,745	\$ 1,058,482

COMMENTS ON FINANCIAL STATEMENT ITEMS

Losses and Loss Adjustment Expenses

The Company did not report loss and loss adjustment expense reserves as of December 31, 2024. Based on the analysis performed, the examination actuary did not have any concern with the reserve determination by the Company.

SUBSEQUENT EVENTS

No significant subsequent events were identified through the date of the examination report.

SUMMARY OF RECOMMENDATIONS

Accounts and Records – It is recommended that the Company file separate annual audited financial reports or obtain approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports in compliance with NMAC § 13.2.5.19.

ACKNOWLEDGEMENT

Allan Becker, FCAS, MAAA, and John Pedrick, FCAS, MAAA, of The INS Companies, performed the actuarial review. Dave Gordon, CISA, CFE (Fraud), CDFE, and John Albertini, CISA, CISSP, of The INS Companies, performed the Information Systems review. In addition to the undersigned, Daniel Arana, of The INS Companies, participated in the examination as Staff Examiner, and Cecilee Houdek, CFE, CPA, MCM, of The INS Companies, participated in the examination as Examination Supervisor. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers, employees, and representatives of the Company.

Respectfully submitted,

Christian Mitterholzer

Christian Mitterholzer, CFE
Examiner-in-Charge
The INS Companies

On behalf of the New Mexico Office of
Superintendent of Insurance

Malis Rasmussen

Malis Rasmussen, CFE
Chief Financial Examiner
New Mexico Office of Superintendent of Insurance

ACCIDENT INSURANCE HOLDING COMPANY GROUP:

***Accident Insurance Company, Inc.
Accident Preferred Insurance Company, Inc.
Monarch Insurance Company, Inc.***

FINANCIAL CONDITION EXAMINATION AS OF DECEMBER 31, 2024

**PHASE 5 EXAMINATION REPORT ON KEY ACTIVITY –
RESERVING / CLAIMS HANDLING**

**INS Consultants, Inc.
419 S. Second Street
New Market, Suite 206
Philadelphia, PA 19147**

May 4, 2026

Exhibit D

Accident Insurance Holding Company Group:

*Accident Insurance Company, Inc.
Accident Preferred Insurance Company, Inc.
Monarch Insurance Company, Inc.*

**Financial Condition Examination as of December 31, 2024
INS Consultants, Inc.**

**Phase 5 Examination Report
On Key Activity – Reserving / Claims Handling**

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1. Scope of Engagement

INS Consultants, Inc. (INS) has been retained by the New Mexico Office of Superintendent of Insurance (NMOSI) to perform actuarial services in conjunction with the financial condition examination of the Accident Insurance Holding Company Group (AIHC Group) and its subsidiary insurance companies, Accident Insurance Company, Inc. (AIC), Accident Preferred Insurance Company, Inc. (APIC), and Monarch Insurance Company, Inc. (MOIC) as of December 31, 2024.

The examination was conducted using a risk-focused approach according to the guidelines contained in the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook – 2025 Edition. As a result of the risk assessment process, INS and the Examiner-In-Charge (EIC) agreed that Phase 5 detail procedures are to be performed on the loss and loss adjustment expense (LAE) reserves of the AIHC Group. This report presents the conclusions of INS Phase 5 detail procedures, as well as the supporting documentation.

The INS analysis of loss and loss adjustment expense (LAE) reserves for the AIHC Group is performed net and gross of reinsurance. The loss and LAE reserve estimates developed by INS are actuarial central estimates (ACE) and represent the expected value of loss and LAE reserves over a reasonable range of outcomes. The INS analysis does not address the collectability of reinsurance recoverables. There would be additional contingent liabilities should any of the reinsurers fail to fulfill their obligations as stated in their contracts with the insurance companies of the AIHC Group.

AIC is the only insurance company in the AIHC Group with non-zero loss and LAE reserves as of December 31, 2024. INS reviewed the AIC, APIC, and MOIC 2024 Annual Statements, the AIC 2024 Statement of Actuarial Opinion (SAO) signed by AIC's Appointed Actuary, Brian P. LePage, ACAS, MAAA, of the SIGMA Actuarial Consulting Group, Inc. (SIGMA), the 2024 Actuarial Report (AIC Actuarial Report) accompanying the AIC SAO, and AIC's 2024 Actuarial Opinion Summary (AOS). INS also reviewed portions of the CPA Workpapers of Rodefer Moss & Co, PLLC (Rodefer Moss), the independent auditor for AIC, APIC, and MOIC.

The conclusions set forth in this report are based on information provided to INS by the AIHC Group, SIGMA, and the examination team.

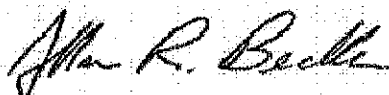
The INS evaluation and analysis of the information was performed by Allan R. Becker, FCAS, MAAA, with peer review by John R. Pedrick, FCAS, MAAA. Mr. Becker and Mr. Pedrick are members of the Casualty Actuarial Society (CAS) and the American Academy of Actuaries (AAA), and meet the qualification standards adopted by those organizations for rendering this report. The INS analysis and findings are based upon the prevailing standards of the CAS and the AAA.

Loss and LAE reserves are subject to statistical errors of estimation arising from the fact that the ultimate liability for claims evaluated as of the valuation date is dependent on future contingent events which cannot always be anticipated. The possible occurrence of such events, as well as

**Accident Insurance Holding Company Group
Financial Condition Examination as of December 31, 2024
Phase 5 Examination Report on Key Activity – Reserving / Claims Handling
INS Consultants, Inc.**

the inherent uncertainty associated with statistical estimates, allows no guarantee that the actual ultimate liabilities will be the same as the reserve levels described in this report.

It is understood that this report may be used by NMSOI as part of the financial condition examination of the AIHC Group. Any other use or distribution of this report should not be made without the written consent of INS.



Allan R. Becker, FCAS, MAAA
INS Consultants, Inc.
May 4, 2026

2. General Comments on Company Operations

AIC is a New Mexico-domiciled insurance company, incorporated on December 21, 2002. AIC commenced business operations on February 10, 2003. AIC acquired Madison Insurance Company (MIC) in 2009. MIC was merged into AIC in 2015. APIC and MOIC are New Mexico-domiciled insurance companies, incorporated on December 23, 2021. APIC and MOIC commenced business operations on December 31, 2022. APIC and MOIC are wholly owned subsidiaries of AIC. Schedule Y of the AIC 2024 Annual Statement also identifies Accident Premier Insurance Company, Inc., Madison Standard Insurance Company, and Dotson Insurance Company, as wholly owned subsidiaries of AIC, although these insurance companies are not currently active and are not in scope for the AIHC Group financial examination as of December 31, 2024. AIC is a wholly owned subsidiary of Accident Insurance Holding Company, Inc. The ultimate owners of the AIHC Group are William M. Arowood and Robert J. Arowood. William Arowood is the President and Chief Executive Officer of AIC, APIC, and MOIC. Robert J. Arowood is the Secretary and Treasurer of AIC, APIC, and MOIC. Robert J. Arowood is also the President of Appalachian Re Ltd. (App Re), a Bermuda-domiciled affiliate.

AIC primarily writes the workers compensation line of business, including high deductible workers compensation policies. AIC is licensed in twenty-four states, but the direct writings of AIC are focused in thirteen states in the Southeast, Midwest, and Western regions of the United States. In 2024, gross written premium for AIC was \$25.430 million, with \$21.423 million of direct writings and \$4.007 million of assumed writings. Net written premium for AIC was \$9.486 million in 2024. During 2024, AIC recorded ceded premium of \$14.121 million to App Re. This 2024 cession to App Re will be discussed in Section 3 of the INS Report.

As of December 31, 2024, the net and gross loss and LAE reserves recorded in the AIC Annual Statement were \$21.551 million and \$64.955 million, respectively. Assumed retroactive reinsurance loss and LAE reserves of \$910,683 are recorded in the AIC Annual Statement as of December 31, 2024. AIC Policyholder Surplus as of December 31, 2024, was \$29.907 million, and reflect its ownership of APIC and MOIC.

APIC and MOIC are licensed only in New Mexico. In 2024, APIC had direct written premium of \$112,326 and direct earned premium of \$15,511 in 2024. MOIC had no written premium in 2024. APIC and MOIC had no recorded loss and LAE reserves as of December 31, 2024. APIC Policyholder Surplus as of December 31, 2024, was \$1.066 million. MOIC Policyholder Surplus as of December 31, 2024, was \$1.058 million.

AIC, APIC, and MOIC are not rated by A.M. Best. The Main Administrative Office for AIC, APIC, and MOIC is located in Albuquerque, New Mexico.

3A. Discussion of Financial Examination Issues

In the course of the AIC Financial Examination, multiple issues were identified by INS and the EIC that impact the financial examination.

2024 Reinsurance Cession to App Re: As noted, AIC ceded \$14.121 million of Workers Compensation premium to App Re in 2024. However, there is no signed treaty between AIC and App Re that provides coverage for the 2024 coverage period. As the basis for the cession, AIC refers to a treaty between AIC and App Re from 2011 and a treaty between MIC and App Re from 2014. Cessions under the 2011 AIC and 2014 MIC treaties stopped in 2015, which, under the terms of the treaties indicates the termination of the treaties. AIC could not provide evidence of any legal or regulatory review regarding the validity of the 2024 cessions to App Re. INS did not find any discussion or review of the 2024 cession in the CPA Workpapers of Rodefer Moss.

In addition to the ceded premium, AIC recorded a receivable asset (included in Other Receivables under Reinsurance Contracts) of \$4.942 million as of December 31, 2024, related to the 2024 cession, representing a 35% ceding commission. INS estimates that AIC ceded approximately \$10 million of loss and LAE reserves to App Re, related to the 2024 cession.

In consultation with the EIC, INS does not consider the 2024 cession of Workers Compensation premium and loss to App Re to be valid. In evaluating the net Workers Compensation loss and LAE reserves of AIC as of December 31, 2024, INS considered only the impact of AIC's existing Excess of Loss Reinsurance Contracts for the 2024 accident year.

Of note, the cessions from AIC are not reflected in the App Re Financial Statements as of December 31, 2024. As of February 25, 2026, when notified by INS, the App Re Loss Reserve Specialist and the App Re Captive Manager were not aware of any 2024 treaty and related cessions between AIC and App Re. Given the closely held ownership and management structure of AIC and App Re, it is not evident how such an oversight occurred.

Reinsurance treaties generally apply with two types of specific coverage terms, “risks attaching”, whereby the coverage period is defined by claims arising from policies incepting on and subsequent to a specific date, and “losses occurring”, whereby the coverage period is defined by claims occurring on and subsequent to a specific date. The 2011 AIC and 2014 MIC treaties, cited by AIC as the basis for the 2024 cession to App Re, are both “risks attaching” treaties. Based on the level of losses ceded to App Re and from information in the AIC Actuarial Report, INS believes AIC and the Appointed Actuary ceded losses to App Re as if coverage was placed on a “losses occurring” basis for losses occurring January 1, 2024, and subsequent.

High Level of Paid Loss Recoverables: AIC recorded \$15.288 million of Paid Loss Recoverables as of December 31, 2024, including \$12.500 million of Paid Loss Recoverables from App Re. The recorded Paid Loss Recoverables represent 18.4% of total statutory assets (\$83.031 million) as of December 31, 2024. AIC could not provide support for the Paid Loss Recoverables and it is not evident how AIC establishes the stated amount of Paid Loss Recoverables. Schedule F, Part 3, of the AIC Annual Statement, shows that all reinsurance

recoverables are current, but AIC has disclosed the Company does not have a process to capture the aging of recoverables. Based on Part 2 of the Underwriting and Investment Exhibit, ceded paid losses were \$2.684 million in 2024. Rodefer Moss tested and confirmed the reasonableness of AIC's Paid Loss Recoverables based on a review of the cumulative value of ceded payments for selected individual claims. As the Rodefer Moss test of reasonableness focuses on the cumulative value of ceded payments for selected individual claims and not on the due but uncollected portion of the ceded payments, INS does not consider the Rodefer Moss test of reasonableness for the Paid Loss Recoverables to be appropriate. For an insurance company with calendar year ceded losses of \$2.684 million and reasonably efficient reinsurance billing and collection processes, INS would expect the Paid Loss Recoverables at year end to not exceed \$2 million.

2017 Reinsurance Assumption from App Re: In 2017, AIC assumed the statutory assets and liabilities of specified Segregated Account Cells (SACs) of App Re. The transaction is accounted for by AIC as assumed retroactive reinsurance. As of December 31, 2024, AIC carried the assumed assets at a value of \$13.067 million and the assumed retroactive reinsurance loss and LAE reserves at a value of \$3.594 million. The cessions to AIC, are not reflected in the App Re Financial Statements as of December 31, 2024. As of February 25, 2026, when notified by INS, the App Re Loss Reserve Specialist and the App Re Captive Manager were not aware of the 2017 transaction and related transfer of assets and liabilities between App Re and AIC. Given the closely held ownership and management structure of AIC and App Re, it is not evident how such an oversight occurred.

Double Count of Hannover Trust Account Asset: AIC includes the Hannover Trust Account (\$2.1 million) in Cash Accounts and as a Receivable under Reinsurance Contracts as of December 31, 2024. Rodefer Moss cites the same bank account number as the support for both asset items but does not note or recognize the double count.

2020 Treaty with Iron Re Dental Insurance Company: Under a 2020 treaty, AIC ceded loss and LAE reserves of \$8.306 million to Iron Re Dental Insurance Company as of December 31, 2024. Schedule F, Part 3 of the AIC Annual Statement shows a Funds Held balance of *negative* \$599,000 for Iron Re Dental Insurance Company, which acts as a contra-liability in lowering the Funds Held under Reinsurance Contracts Liability item. AIC could not support or explain the negative value for the Funds Held for Iron Re Dental Insurance Company. Also of note, the reinsurance contract with Iron Re Dental Insurance Company provides coverage for the general liability coverage list in Addendum A of the contract, however, Addendum A is blank in the reinsurance contract provided to INS. AIC has been unable to provide a version of Addendum A that is not blank. There is limited public information available for Iron Re Dental Insurance Company which is categorized as a pure captive insurance company organized under the laws of Alabama. Based on the 2024 Loss Reserve Specialist Report for App Re, it appears Iron Re Dental Insurance Company subsequently reinsured the covered exposure under this treaty with App Re.

Assumed Retroactive Reinsurance Reserves: Page 3 of the AIC Annual Statement shows Assumed Retroactive Reinsurance Reserves of \$910,683 as of December 31, 2024. Based on

review of the CPA Workpapers, the Assumed Retroactive Reinsurance Reserves balances relate to two assumed retroactive reinsurance contracts. In addition to the 2017 retroactive reinsurance transaction with App Re, discussed above (loss and LAE reserves of \$3.594 million), there appears to be a retroactive reinsurance contract with JRG Reinsurance Ltd. (JRG), as well. INS was unable to obtain a copy of a reinsurance contract with JRG. Included in the Assumed Retroactive Reinsurance Reserve balance is an account labeled “Payable to TPA”, with a value of *negative* \$3.028 million, which acts as a contra-liability in lowering the Assumed Retroactive Reinsurance Reserve liability. AIC could not provide support for or adequately explain the balances in the “Payable to TPA” account and why it was included in the Assumed Retroactive Reinsurance Reserve. In the Audited Financial Statements of AIC and subsidiaries as of December 31, 2024, Rodefer Moss displays the net loss and LAE reserves of AIC as \$18.522 million, which reflects the inclusion of the “Payable to TPA” account value of *negative* \$3.028 million with AIC’s net loss and LAE reserves of \$21.551 million. Rodefer Moss provides no comment relating to this difference in net loss and LAE reserves between the audited financial statements and the AIC Annual Statement.

Reinsurance Reinstatement Premiums: Two large Workers Compensation claims from accident year 2023, are covered under the terms of an Excess of Loss Reinsurance Contract with various subscribing reinsurers. The contract requires a reinstatement premium to be paid when claims enter or exhaust the first two coverage layers of the treaty. AIC could not provide support or adequately discuss the potential payment or accrual for reinstatement premiums under the treaty. INS did not find any discussion or review of Reinsurance Reinstatement Premiums in the CPA Workpapers of Rodefer Moss.

3B. Summary of Findings

Summary of Findings on Loss and LAE Reserve Values

INS conducted Phase 5 detail procedures relating to the reserving methods and computations for gross, ceded, and net loss and LAE reserves. INS performed an independent analysis of AIC's loss and LAE reserves evaluated as of December 31, 2024, on a net and gross basis, using data included in the AIC Actuarial Report and the AIC Annual Statement as of December 31, 2024. Using loss run files obtained from SIGMA, containing paid loss, paid DCC, loss case reserve, and DCC case reserve valuations at the individual claim level, INS independently balanced to the direct and assumed accident year data presented in the AIC Actuarial Report as of December 31, 2024, for all major reserve segments of AIC.

Table 1, below, shows the INS estimate (ACE) of net loss and LAE reserves of \$32.820 million is higher than the AIC carried amount of \$21.551 million by \$11.269 million, or 52.3% of the Company's December 31, 2024, Annual Statement net loss and LAE reserves. The difference of \$11.269 million represents 37.7% of the Company's Policyholder Surplus (\$29.907 million) as of December 31, 2024.

Table 1

Accident Insurance Company, Inc.

Comparison of Net Loss & LAE Reserves as of December 31, 2024

Summary of Findings (\$000s)

Item	Amount	Notes
(1) INS ACE Net Loss & LAE Reserves	32,820	
(2) Company Carried Net Loss & LAE Reserves	21,551	
(3) Difference (INS ACE less Company Carried)	11,269	(1) - (2)
(4) Difference (% of Company Carried Reserves)	52.3%	(3) / (2)
(5) Policyholder Surplus	29,907	
(6) Difference (% of Policyholder Surplus)	37.7%	(3) / (5)

INS finds the Company's carried net loss and LAE reserves are not reasonably stated as of December 31, 2024. The primary source of difference between the INS ACE and the Company's carried net loss and LAE reserves relates to the Company's cession of Workers Compensation reserves for accident year 2024 to App Re. INS recommends AIC re-state net loss and LAE reserves as of December 31, 2024, to include an increase of at least \$10.5 million in net loss and LAE reserves.

Table 2, below, shows the INS estimate (ACE) of gross loss and LAE reserves of \$68.722 million is higher than the AIC carried amount of \$64.955 million by \$3.767 million, or 5.8% of the Company's December 31, 2024, Annual Statement gross loss and LAE reserves.

Accident Insurance Holding Company Group
Financial Condition Examination as of December 31, 2024
Phase 5 Examination Report on Key Activity – Reserving / Claims Handling
INS Consultants, Inc.

Table 2

Accident Insurance Company, Inc.

Comparison of Gross Loss & LAE Reserves as of December 31, 2024

Summary of Findings (\$000s)

Item	Amount	Notes
(1) INS ACE Gross Loss & LAE Reserves	68,722	
(2) Company Carried Gross Loss & LAE Reserves	64,955	
(3) Difference (INS ACE less Company Carried)	3,767	(1) - (2)
(4) Difference (% of Company Carried Reserves)	5.8%	(3) / (2)

INS finds that the Company's carried gross loss and LAE reserves are reasonably stated as of December 31, 2024.

INS reviewed the AIC AOS prepared by SIGMA, which contains a comparison of the Appointed Actuary's ACE of loss and LAE reserves to the Company's carried loss and LAE reserves. Table 3, below, displays the comparison for net and gross loss and LAE reserves.

Table 3

Accident Insurance Company, Inc.

Comparison of Loss & LAE Reserves as of December 31, 2024

Summary of Findings (\$000s)

	(1)	(2)	(3) = (1) - (2)	(4) = (3) / (2)
	Appointed			
Reserves	Actuary	Carried	Difference	% Difference
Net Loss & LAE	20,047	21,551	(1,504)	-7.0%
Gross Loss & LAE	63,947	64,955	(1,008)	-1.6%

As will be discussed later in this section, the Appointed Actuary's gross and net total loss and LAE reserves were erroneously understated by approximately \$1 million. In establishing carried loss and LAE reserves, INS finds that AIC places reasonable reliance on the reserve estimates developed by the Appointed Actuary.

INS reviewed the reserving methods and related assumptions of the Appointed Actuary as described in the AIC Actuarial Report. INS finds the Appointed Actuary's reserving methods to be generally appropriate and reflect standard actuarial reserving methods, however, INS finds the assumptions relating to the determination of ceded and net loss and LAE reserves to be inappropriate, specifically as regards, the application of reinsurance credit for the 2024 App Re cessions. Additional comments on the AIC Actuarial Report are provided in the Summary of Findings on Actuarial Reserving Documents.

Summary of Findings on Actuarial Reserving Documents

INS reviewed the AIC SAO, the AIC AOS, and the AIC Actuarial Report (AIC Actuarial Reserving Documents), for compliance with statutory requirements and actuarial standards. While the AIC Actuarial Reserving Documents include major elements of acceptable actuarial work and analysis, overall, INS finds the AIC Actuarial Reserving Documents do not fully comply with statutory requirements and actuarial standards.

As an independent consultant, the Appointed Actuary is reliant on AIC for reserving data and related Company information and documents. INS was not privy to any discussions between AIC and the Appointed Actuary related to cessions to App Re under a 2024 treaty. It is understood by INS that AIC made the decision to cede losses to App Re for the 2024 treaty year in February of 2025, prior to the filing of the 2024 AIC Annual Statement. INS acknowledges the likely time pressure associated with the Appointed Actuary's completion of the AIC Actuarial Report. However, given the significance of the 2024 cessions to App Re in evaluating the net loss and LAE reserves of AIC, INS believes the Appointed Actuary should have requested and required a copy of the applicable treaty to confirm and fully understand the contract terms, prior to reflecting any reinsurance credit in the reserve analysis. INS recommends the Appointed Actuary confirm the existence and terms of key reinsurance contracts before reflecting reinsurance credit in the determination of net loss and LAE reserves in future Actuarial Reports.

With the exception of the 2024 App Re adjustment to net loss and LAE reserves, INS finds that the narrative and exhibits in the AIC Actuarial Report generally contain sufficient documentation for another practicing actuary to evaluate the work related to gross and net loss and LAE reserves for the Company.

In the AIC Actuarial Report, the Appointed Actuary determines gross and net loss and LAE reserve estimates of \$1.005 million for Workers Compensation and General Liability business assumed from Accredited Surety and Casualty in 2024. However, the reserve values for the Accredited assumed business are mistakenly omitted from the Appointed Actuary's total ACE gross and net loss and LAE reserves as presented in AIC Actuarial Report and the AIC AOS. As such, the Appointed Actuary's ACE of net loss and LAE reserves of \$20.047 million is understated by \$1.005 million or 5.0%, as of December 31, 2024. INS recommends that future Actuarial Reports are reviewed to ensure that all computed loss and LAE reserve balances are reflected.

The Appointed Actuary does not perform a reserve analysis for the Workers Compensation High Deductible business of AIC. INS recommends that future Actuarial Reports include an analysis of loss and LAE reserves for the Workers Compensation High Deductible business of AIC.

The current per occurrence retention for Workers Compensation is given as \$1 million in the AIC SAO and the AIC Actuarial Report, however, the occurrence retention for Workers Compensation was increased to \$2 million for all losses occurring on or after April 1, 2024, per the AIC Excess of Loss Reinsurance Contract provided to INS.

The AIC SAO describes steps taken by the Appointed Actuary in determining any material issues regarding the collectability of reinsurance which included discussions with the Company and a review of any Paid Loss Recoverables listed Schedule F which are overdue past 30 days. Given the magnitude of the Paid Loss Recoverables for AIC and the fact that AIC did not have a process to reflect the aging of past due amounts as of December 31, 2024, INS recommends that in preparing future SAOs, the Appointed Actuary gain an understanding of how AIC establishes Paid Loss Recoverables and the potential limitations of past due information reflected in Schedule F.

Relating to the tests of IRIS Ratios, the Appointed Actuary states in the AIC SAO, *“I have reviewed the NAIC IRIS Tests for One-Year Reserve Development to Surplus (test 11), Two-Year Reserve Development to Surplus (test 12), and Estimated Current Reserve Deficiency to Surplus (test 13) calculated by the company. IRIS Ratio 11 resulted in an unusual amount of 23%. Growth in workers compensation premium over the last three years is driving this one-year reserve development ratio and leading to the unusual amount of 23% (exceeding the 20% threshold).”*

The rationale for the exceptional value for IRIS Ratio 11 is not accurately stated and does not correspond to the information presented in Schedule P, which shows total One-Year Reserve Development (adverse) of \$7.410 million for AIC, but with Workers Compensation having One-Year Reserve Development of *negative* \$4.181 million, i.e. favorable reserve development.

In prior Actuarial Reports, the Appointed Actuary noted the inability to reconcile the data used for reserving analysis and the data presented in Schedule P. As understood by INS, prior to 2024, Schedule P was produced by the financial systems of AIC using the general ledger as the primary source of data, and for 2024, the primary source of data for Schedule P was provided by SIGMA, based on the aggregated reserving data used by the Appointed Actuary for reserve analysis. Based on discussions with SIGMA, INS believes the exceptional value for IRIS Ratio 11 results from the historical differences in paid and incurred losses between data in the AIC general ledger (the basis for the pre-2024 portion of the Schedule P triangle), and the data used by SIGMA for reserve analysis (the basis for the 2024 portion of the Schedule P triangle).

As the paid and incurred loss & DCC in Schedule P and the paid and incurred loss & DCC used in the Appointed Actuary’s reserve analysis have the same primary data source, the Appointed Actuary can reconcile the paid loss & DCC and case reserves in the reserving analysis to Schedule P as of December 31, 2024. However, unresolved differences still exist between data obtained from the general ledger and Schedule P. INS recommends AIC fully resolve all historical and current data differences between the general ledger and related financial systems, and the data used for reserve analysis. INS also recommends that future Actuarial Reports include a reconciliation of gross and net reserving data to the data presented in Schedule P that includes earned premium, in addition to specific paid loss, paid DCC, loss case reserve, and DCC case reserve data elements.

4. Overview of Actuarial Analysis and Methodologies

AIC Loss and LAE Reserves

The INS analysis of the loss and LAE reserves of AIC as of December 31, 2024, was performed using premium, loss, and LAE data evaluated as of December 31, 2024. The INS analysis uses data and information obtained from the AIC Actuarial Report and SIGMA, as well as data and information presented in the AIC Annual Statement. LAE reserves include a provision for Defense and Cost Containment Expenses (DCC) and for Adjusting and Other Expenses (A&O). Loss and DCC were combined for reserve analysis, consistent with the data and approach utilized in the AIC Actuarial Report.

INS performed an independent gross and net loss & DCC reserve analysis for six reserve segments of AIC:

- *AIC Workers Compensation,*
- *MIC Workers Compensation,*
- *AIC High Deductible Workers Compensation*
- *AIC General Liability,*
- *Hannover General Liability,* and
- *Freestone General Liability.*

Together, these six reserve segments represent 93.7% of the INS indicated gross loss & LAE reserve of \$68.722 million for AIC. For all other reserve segments, INS accepted the gross and net loss & DCC ACE determined by SIGMA in the AIC Actuarial Report. A&O LAE refers to an insurance company's claim handling expense associated with opening newly reported claims as well as servicing existing open claims. Schedule P of the AIC Annual Statement displays minimal historical A&O payments with \$0.376 million of gross A&O reserves and \$0.375 million of ceded A&O reserves. The AIC Actuarial Report does not contain an A&O reserve analysis. INS did not perform an analysis of A&O reserves for AIC. There would be additional A&O reserve liabilities if the claim servicing contracts utilized by AIC do not provide complete cradle to grave claim servicing.

A comparison of the INS ACE of gross loss and LAE reserves to AIC's carried gross loss and LAE reserves as of December 31, 2024, is displayed in Exhibit 1. A comparison of the INS ACE of net loss and LAE reserves to AIC's carried net loss and LAE reserves is displayed in Exhibit 2. A comparison of the INS ACE of net loss and LAE reserves, assuming the existence of a quota share treaty ceding 90% of *AIC Workers Compensation* (excluding Georgia business) for policies incepting January 1, 2024, to AIC's carried net loss and LAE reserves is displayed in Exhibit 3.

Comparisons of the INS ACE of gross and net loss and LAE reserves by reserve segment to the Appointed Actuary's ACE of gross and net loss and LAE reserves from the AIC Actuarial Report are displayed in Exhibit 4 and Exhibit 5, respectively. A comparison of the INS ACE of

net loss and LAE reserves, assuming the existence of a quota share treaty ceding 90% of *AIC Workers Compensation* (excluding Georgia business) for policies incepting January 1, 2024, to the Appointed Actuary's ACE of net loss and LAE reserves is displayed in Exhibit 6.

AIC Workers Compensation (Exhibit R.1)

The reserve analysis for the *AIC Workers Compensation* reserve segment is presented in Exhibit R.1, Sheets 1 through 13. This segment represents exposure from the Workers Compensation policies written by AIC beginning 2003. A summary of the direct, ceded, and net loss & DCC reserves estimates (INS ACE) for the *AIC Workers Compensation* reserve segment are displayed in Exhibit R.1, Sheet 1. Accident year incurred loss & DCC and paid loss & DCC triangles were obtained from the AIC Actuarial Report, and are displayed in Exhibit R.1, Sheet 3 (Incurred Loss & DCC) and Sheet 4 (Paid Loss & DCC) along with selected loss & DCC development factors. Complete accident year loss & DCC triangles for the *AIC Workers Compensation* reserve segment are not presented in the AIC Actuarial Report, however, the valuations of accident year incurred and paid loss & DCC for all accident years as of December 31, 2024, are presented in the AIC Actuarial Report, and reflected in the current diagonal of the accident year triangles displayed in Sheet 3 and Sheet 4. As displayed in Sheet 2, INS considered five reserving methods in estimating direct loss & DCC reserves for the *AIC Workers Compensation* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, the Incurred Loss & DCC Bornhuetter-Ferguson Method, the Paid Loss & DCC Bornhuetter-Ferguson Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section. No earned premium information for the *AIC Workers Compensation* reserve segment is presented in the AIC Actuarial Report. For use in the Bornhuetter-Ferguson Reserving Methods, INS utilized calendar year 2023 and 2024 direct and assumed earned premium for the Workers Compensation Annual Statement Line of Business from the AIC Annual Statement.

Sheet 5 and Sheet 6 of Exhibit R.1, respectively, display the average incurred and paid claim severity per reported claim for each accident year as of December 31, 2024. Sheet 7 of Exhibit R.1 displays incurred and paid loss & DCC ratio triangles for the *AIC Workers Compensation* reserve segment using earned premium obtained from the AIC Annual Statement. Sheet 8 of Exhibit R.1 displays an accident year triangle of case reserves and the average case reserve per open claim for each accident year as of December 31, 2024. Sheet 9, Sheet 10, and Sheet 11 of Exhibit R.1, respectively, display the number of reported claims, closed claims, and open claims for each accident year as of December 31, 2024.

Sheet 12 of Exhibit R.1, displays the determination of ceded and net loss & DCC reserves for the *AIC Workers Compensation* reserve segment as of December 31, 2024. As displayed in Exhibit R.1, Sheet 12, the INS ACE of direct and net loss & DCC reserves for the *AIC Workers Compensation* reserve segment as of December 31, 2024, are \$47.575 million and \$25.987 million, respectively.

The net loss & DCC reserves determined by INS for the *AIC Workers Compensation* reserve segment as of December 31, 2024, do not reflect any quota share cession to App Re under a 2024

treaty. Sheet 13 of Exhibit R.1 displays the net loss & DCC reserves for the *AIC Workers Compensation* reserve segment as of December 31, 2024, adjusted to reflect a quota share treaty ceding 90% of Workers Compensation premium and loss & DCC, excluding Georgia Workers Compensation business, for policies incepting January 1, 2024. As displayed in Exhibit R.1, Sheet 13, the INS ACE of adjusted net loss & DCC reserves for the *AIC Workers Compensation* reserve segment as of December 31, 2024, are \$21.113 million.

MIC Workers Compensation (Exhibit R.2)

The reserve analysis for the *MIC Workers Compensation* reserve segment is presented in Exhibit R.2, Sheets 1 through 12. This segment represents exposure from the Workers Compensation policies written by MIC from 2010 through 2015. A summary of the direct, ceded, and net loss & DCC reserves estimates (INS ACE) for the *MIC Workers Compensation* reserve segment are displayed in Exhibit R.2, Sheet 1. Accident year incurred loss & DCC and paid loss & DCC triangles were obtained from the AIC Actuarial Report, and are displayed in Exhibit R.2, Sheet 3 (Incurred Loss & DCC) and Sheet 4 (Paid Loss & DCC) along with selected loss & DCC development factors. Complete accident year loss & DCC triangles for the *MIC Workers Compensation* reserve segment are not presented in the AIC Actuarial Report, however, the valuations of accident year incurred and paid loss & DCC for all accident years as of December 31, 2024, are presented in the AIC Actuarial Report, and reflected in the current diagonal of the accident year triangles displayed in Sheet 3 and Sheet 4. As displayed in Sheet 2, INS considered three reserving methods in estimating direct loss & DCC reserves for the *MIC Workers Compensation* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section.

Sheet 5 and Sheet 6 of Exhibit R.2, respectively, display the average incurred and paid claim severity per reported claim for each accident year as of December 31, 2024. As no earned premium information for the *MIC Workers Compensation* reserve segment is presented in the AIC Actuarial Report, Sheet 7 (Incurred and Paid Loss Ratio Triangles) is blank. Sheet 8 of Exhibit R.2 displays an accident year triangle of case reserves and the average case reserve per open claim for each accident year as of December 31, 2024. Sheet 9, Sheet 10, and Sheet 11 of Exhibit R.2, respectively, display the number of reported claims, closed claims, and open claims for each accident year as of December 31, 2024.

Sheet 12 of Exhibit R.2, displays the determination of ceded and net loss & DCC reserves for the *MIC Workers Compensation* reserve segment as of December 31, 2024. As displayed in Exhibit R.2, Sheet 12, the INS ACE of direct and net loss & DCC reserves for the *MIC Workers Compensation* reserve segment as of December 31, 2024, are \$2.208 million and \$0.263 million, respectively.

AIC High Deductible Workers Compensation (Exhibit R.3)

The reserve analysis for the *AIC High Deductible Workers Compensation* reserve segment is presented in Exhibit R.3, Sheet 1. This segment represents exposure from High Deductible

Workers Compensation policies written by AIC beginning in 2018. INS understands the High Deductible Workers Compensation policies of AIC utilize a deductible of \$500,000. Accident year incurred and paid loss & DCC data (ground up and excess) as of December 31, 2024, for the *AIC High Deductible Workers Compensation* reserve segment was obtained from SIGMA. INS considered three reserving methods in estimating ground up loss & DCC ultimates for the *AIC High Deductible Workers Compensation* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section. INS utilized the selected loss & DCC development factors from Exhibit R.1 (*AIC Workers Compensation*) in the ground up loss & DCC analysis for the *AIC High Deductible Workers Compensation* reserve segment. The selected ground up loss & DCC ultimates are displayed in Sheet 1.

INS developed estimates of ultimate loss & DCC for claims in excess of \$500,000 by applying an Excess Loss Pure Premium Factor (ELPPF) to the estimates of ground up ultimate loss & DCC (ELPPF Method). INS selected an ELPPF at \$500k of .168, based on a review of various NCCI state filings, including for the state of Georgia. In selecting the ultimate loss & DCC estimates for the *AIC High Deductible Workers Compensation* reserve segment, INS considered the estimates produced by the ELPPF Method as well as the level of observed incurred and paid loss & DCC (excess of \$500,000) for each accident year. As displayed in Exhibit R.3, Sheet 1, the INS ACE of gross and net loss & DCC reserves for the *AIC High Deductible Workers Compensation* reserve segment are \$0.438 million. There are no ceded loss & DCC reserves for the *AIC High Deductible Workers Compensation* reserve segment.

AIC General Liability (Exhibit R.4)

The reserve analysis for the *AIC General Liability* reserve segment is presented in Exhibit R.4, Sheets 1 through 12. This segment represents exposure from General Liability policies written by AIC from 2006 through 2019. A summary of the direct, ceded, and net loss & DCC reserves estimates (INS ACE) for the *AIC General Liability* reserve segment are displayed in Exhibit R.4, Sheet 1. Accident year incurred loss & DCC and paid loss & DCC triangles were obtained from the AIC Actuarial Report, and are displayed in Exhibit R.4, Sheet 3 (Incurred Loss & DCC) and Sheet 4 (Paid Loss & DCC) along with selected loss & DCC development factors. Complete accident year loss & DCC triangles for the *AIC General Liability* reserve segment are not presented in the AIC Actuarial Report, however, the valuations of accident year incurred and paid loss & DCC for all accident years as of December 31, 2024, are presented in the AIC Actuarial Report, and reflected in the current diagonal of the accident year triangles displayed in Sheet 3 and Sheet 4. As displayed in Sheet 2, INS considered three reserving methods in estimating direct loss & DCC reserves for the *AIC General Liability* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section.

Sheet 5 and Sheet 6 of Exhibit R.4, respectively, display the average incurred and paid claim severity per reported claim for each accident year as of December 31, 2024. As no earned premium information for the *AIC General Liability* reserve segment is presented in the AIC

Actuarial Report, Sheet 7 (Incurred and Paid Loss Ratio Triangles) is blank. Sheet 8 of Exhibit R.4 displays an accident year triangle of case reserves and the average case reserve per open claim for each accident year as of December 31, 2024. Sheet 9, Sheet 10, and Sheet 11 of Exhibit R.4, respectively, display the number of reported claims, closed claims, and open claims for each accident year as of December 31, 2024.

Sheet 12 of Exhibit R.4, displays the determination of ceded and net loss & DCC reserves for the *AIC General Liability* reserve segment as of December 31, 2024. As displayed in Exhibit R.4, Sheet 12, the INS ACE of direct and net loss & DCC reserves for the *AIC General Liability* reserve segment as of December 31, 2024, are \$9.623 million and \$0, respectively.

Hannover General Liability (Exhibit R.5)

The reserve analysis for the *Hannover General Liability* reserve segment is presented in Exhibit R.5, Sheet 1. This segment represents exposure from General Liability policies assumed by AIC from 2014 through 2016. Accident year loss & DCC triangles for the *Hannover General Liability* reserve segment are not presented in the AIC Actuarial Report, however, the valuations of accident year incurred and paid loss & DCC for all accident years as of December 31, 2024, are presented in the AIC Actuarial Report, and reflected in Sheet 1 of Exhibit R.5. INS considered three reserving methods in estimating gross loss & DCC reserves for the *Hannover General Liability* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section. INS utilized the selected loss & DCC development factors from Exhibit R.4 (*AIC General Liability*) in the reserve analysis of the *Hannover General Liability* reserve segment. As displayed in Exhibit R.5, Sheet 1, the INS ACE of gross and net loss & DCC reserves for the *Hannover General Liability* reserve segment are \$2.389 million. There are no ceded loss & DCC reserves for the *Hannover General Liability* reserve segment.

Freestone General Liability (Exhibit R.6)

The reserve analysis for the *Freestone General Liability* reserve segment is presented in Exhibit R.6, Sheet 1. This segment represents exposure from General Liability policies written by AIC in a fronting program with Freestone (also referred to as Dallas National) from 2013 through 2015. Accident year loss & DCC triangles for the *Freestone General Liability* reserve segment are not presented in the AIC Actuarial Report, however, the valuations of accident year incurred and paid loss & DCC for all accident years as of December 31, 2024, are presented in the AIC Actuarial Report, and reflected in Sheet 1 of Exhibit R.6. INS considered three reserving methods in estimating gross loss & DCC reserves for the *Freestone General Liability* reserve segment: the Incurred Loss & DCC Development Method, the Paid Loss & DCC Development Method, and the IBNR to Case Ratio Method. These methods are described in more detail at the end of this section. INS utilized the selected loss & DCC development factors from Exhibit R.4 (*AIC General Liability*) in the reserve analysis of the *Freestone General Liability* reserve segment. As displayed in Exhibit R.6, Sheet 1, the INS ACE of gross loss & DCC reserves for the *Freestone General Liability* reserve segment are \$2.144 million. Loss & DCC reserves for

the *Freestone General Liability* reserve segment are 100% ceded. There are no net loss & DCC reserves for the *Freestone General Liability* reserve segment.

INS Loss Reserving Methods for Loss & DCC

The Incurred Loss & DCC Development Method is an incurred claim data extrapolation technique. The method assumes that incurred loss & DCC development patterns of the past can be used to project future development. From incurred loss & DCC data triangles, age-to-age development factors are selected and age-to-ultimate factors are calculated by successive multiplications. For each year, the latest inception-to-date incurred loss & DCC is multiplied by the appropriate age-to-ultimate factor, producing the estimated ultimate loss & DCC.

The Paid Loss & DCC Development Method is a paid claim data extrapolation technique. The method assumes that paid loss & DCC development patterns of the past can be used to project future development. From paid loss & DCC data triangles, age-to-age development factors are selected and age-to-ultimate factors are calculated by successive multiplications. For each year, the latest inception-to-date paid loss & DCC is multiplied by the appropriate age-to-ultimate factor, producing the estimated ultimate loss & DCC.

The Incurred Loss & DCC Bornhuetter-Ferguson Development Method is a target loss & DCC ratio approach with scheduled amortization of reserves. The method calculates the estimated unreported loss & DCC as the product of the applicable earned premium, the Expected Loss & DCC Ratio, and the percentage of ultimate loss & DCC unreported at the respective valuation date. Utilizing the development factors derived in the Incurred Loss & DCC Development Method, the percentage unreported is the complement of the reciprocal of the age-to-ultimate development factor. The estimated unreported amount is added to the reported incurred loss & DCC to estimate the ultimate loss & DCC.

The Paid Loss & DCC Bornhuetter-Ferguson Development Method is a target loss & DCC ratio approach with scheduled amortization of reserves. The method calculates the estimated unpaid loss & DCC as the product of the applicable earned premium, the Expected Loss & DCC Ratio, and the percentage of ultimate loss & DCC unpaid at the respective valuation date. Utilizing the development factors derived in the Paid Loss & DCC Development Method, the percentage unpaid is the complement of the reciprocal of the age-to-ultimate development factor. The estimated unpaid amount is added to the paid loss & DCC to estimate the ultimate loss & DCC.

The IBNR to Case Ratio Method determines IBNR as a percentage of case reserves for loss & DCC. Using selected development patterns for paid loss & DCC and incurred loss & DCC, and the resultant percentages of paid, unpaid, reported, and unreported loss & DCC for each development age, IBNR can be estimated as a percentage of loss & DCC case reserves.

5. Detail INS Analysis Exhibits

This section contains detail exhibits of the INS analysis referenced in the previous sections of this report.

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*Assumes the existence of a quota share treaty ceding 90% of *AIC Workers Compensation* (excluding Georgia business) for policies incepting January 1, 2024.

Accident Insurance Holding Company Group
 INS Review of Loss and LAE Reserves
Accident Insurance Company, Inc.
 Gross Loss & LAE Reserves (\$000)
 Comparison of INS Actuarial Central Estimate (ACE) to Appointed Actuary ACE
 as of December 31, 2024

Reserve Segment	INS ACE		Actuarial Report ACE		INS ACE - Actuarial Report ACE	
	Case OS	IBNR	Case OS	IBNR	Case OS	IBNR
(1) <i>AIC Workers Compensation</i>	26,336	21,240	26,336	18,800	(0)	2,440
(2) <i>MIC Workers Compensation</i>	1,531	676	1,531	453	0	223
(3) <i>High Deductible Workers Compensation</i>	0	438	0	0	0	438
(4) <i>AIC General Liability</i>	3,181	6,442	3,181	6,179	0	263
(5) <i>Hannover General Liability</i>	853	1,535	853	1,341	0	194
(6) <i>Freestone General Liability</i>	734	1,410	734	1,263	0	147
(7) Total Loss & DCC - Reviewed	32,635	31,741	32,635	28,036	(0)	3,705
(8) <i>NWCRP (WC Residual Market Pool)</i>	1,292	562	1,292	562	0	0
(9) <i>PMA Workers Compensation</i>	87	41	87	41	0	0
(10) <i>Accredited Workers Compensation*</i>	137	684	0	0	137	684
(11) <i>Accredited General Liability*</i>	0	184	0	0	0	184
(12) <i>NAFTA Commercial Auto Liability</i>	879	423	879	423	0	0
(13) <i>AIC Commercial Auto Liability</i>	30	26	30	26	0	0
(14) Total Loss & DCC - Accepted	2,426	1,920	2,289	1,052	137	868
(15) Total Loss & DCC Reserves	35,061	33,661	34,924	29,088	137	4,573
(16) A&O Reserves	0	0	0	0	0	0
(17) Total Gross Loss & LAE Reserves	35,061	33,661	34,924	29,088	137	4,710
(18) Total Difference (17) / Actuarial Report ACE (17)						7.4%

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the Accredited reserves are mistakenly omitted in AIC Actuarial Report totals.

Notes:

- INS ACE from Exhibit 9
- Actuarial Report ACE from Exhibit 7
- (7) = sum of (1) through (6)
- (14) = sum of (8) through (13)
- (15) = (7) + (14)
- (17) = (15) + (16)

Accident Insurance Holding Company Group

INS Review of Loss and LAE Reserves

Accident Insurance Company, Inc.

Net Loss & LAE Reserves (\$000)

Comparison of INS Actuarial Central Estimate (ACE) to Appointed Actuary ACE

as of December 31, 2024

Reserve Segment	INS ACE			Actuarial Report ACE			INS ACE - Actuarial Report ACE		
	Case OS	IBNR	Total	Case OS	IBNR	Total	Case OS	IBNR	Total
(1) <i>AIC Workers Compensation</i> ^{^^}	9,074	12,039	21,113	7,116	7,750	14,865	1,959	4,289	6,248
(2) <i>MIC Workers Compensation</i>	134	129	263	134	115	249	0	14	14
(3) <i>High Deductible Workers Compensation</i>	0	438	438	0	0	0	0	438	438
(4) <i>AIC General Liability</i>	0	0	0	0	0	0	0	0	0
(5) <i>Hannover General Liability</i>	853	1,535	2,389	853	1,341	2,194	0	194	194
(6) <i>Freestone General Liability</i>	0	0	0	0	0	0	0	0	0
(7) Total Loss & DCC - Reviewed	10,062	14,141	24,202	8,103	9,205	17,308	1,959	4,935	6,894
(8) <i>NWCRP (WC Residual Market Pool)</i>	1,292	562	1,854	1,292	562	1,854	0	0	0
(9) <i>PMA Workers Compensation</i>	44	21	64	44	21	64	0	0	0
(10) <i>Accredited Workers Compensation*</i>	137	684	821	0	0	0	137	684	821
(11) <i>Accredited General Liability*</i>	0	184	184	0	0	0	0	184	184
(12) <i>NAFTA Commercial Auto Liability</i>	519	275	794	519	275	794	0	0	0
(13) <i>AIC Commercial Auto Liability</i>	13	14	26	13	14	26	0	0	0
(14) Total Loss & DCC - Accepted	2,004	1,739	3,744	1,868	871	2,739	137	868	1,005
(15) Total Loss & DCC Reserves	12,066	15,880	27,946	9,970	10,077	20,047	2,096	5,803	7,899
(16) A&O Reserves	0	0	0	0	0	0	0	0	0
(17) Total Gross Loss & LAE Reserves	12,066	15,880	27,946	9,970	10,077	20,047	2,096	5,803	7,899
(18) Total Difference (17) / Actuarial Report ACE (17)									39.4%

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the Accredited reserves are mistakenly omitted in AIC Actuarial Report totals.

^ AIC Actuarial Report ACE Net Reserves include cession to App Re under a 2024 Quota Share Treaty for AIC Workers Compensation

^^ Assuming existence of Quota Share Treaty ceding 90% of *AIC Workers Compensation* (excluding GA business) for policies incepting 1/1/24

Notes:

INS ACE from Exhibit 11

Actuarial Report ACE from Exhibit 8

(7) = sum of (1) through (6)

(14) = sum of (8) through (13)

(15) = (7) + (14)

(17) = (15) + (16)

Accident Insurance Holding Company Group

INS Review of Loss and LAE Reserves

Accident Insurance Company, Inc.

Gross Loss & LAE Reserves (\$000) - Appointed Actuary Actuarial Central Estimate (ACE)
as of December 31, 2024

Reserve Segment	Case	Appointed Actuary ACE		Source / Notes
		IBNR	Total	
(1) AIC Workers Compensation	26,336	18,800	45,135	AIC Actuarial Report
(2) MIC Workers Compensation	1,531	453	1,985	AIC Actuarial Report
(3) High Deductible Workers Compensation	0	0	0	Not Reviewed by Appointed Actuary
(4) AIC General Liability	3,181	6,179	9,360	AIC Actuarial Report
(5) Hannover General Liability	853	1,341	2,194	AIC Actuarial Report
(6) Freestone General Liability	734	1,263	1,997	AIC Actuarial Report
(7) Total Reviewed by INS for L&DCC	32,635	28,036	60,671	sum of (1) through (6)
(8) NWCRP (WC Residual Market Pool)	1,292	562	1,854	AIC Actuarial Report
(9) PMA Workers Compensation	87	41	129	AIC Actuarial Report
(10) Accredited Workers Compensation*	0	0	0	AIC Actuarial Report*
(11) Accredited General Liability*	0	0	0	AIC Actuarial Report*
(12) NAFTA Commercial Auto Liability	879	423	1,302	AIC Actuarial Report
(13) AIC Commercial Auto Liability	30	26	56	AIC Actuarial Report
(14) Total Accepted by INS for L&DCC	2,289	1,052	3,341	sum of (8) through (13)
(15) TOTAL Loss & DCC Reserves	34,924	29,088	64,012	(7) + (14)
(16) A&O Reserves		0	0	AIC Actuarial Report
(17) TOTAL Loss & LAE Reserves	34,924	29,088	64,012	(15) + (16)

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the reserves are mistakenly omitted in AIC Actuarial Report totals

Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
Accredited General Liability*	0	184	184	AIC Actuarial Report*
Omitted from AIC Actuarial Report Total	137	868	1,005	

Accident Insurance Holding Company Group
 INS Review of Loss and LAE Reserves
 Accident Insurance Company, Inc.

Net Loss & LAE Reserves (\$000) - Appointed Actuary Actuarial Central Estimate (ACE)
 as of December 31, 2024

Reserve Segment	Case	Appointed Actuary ACE		Source / Notes
		IBNR	Total	
(1) AIC Workers Compensation^	7,116	7,750	14,865	AIC Actuarial Report
(2) MIC Workers Compensation	134	115	249	AIC Actuarial Report
(3) High Deductible Workers Compensation	0	0	0	Not Reviewed by Appointed Actuary
(4) AIC General Liability	0	0	0	AIC Actuarial Report
(5) Hannover General Liability	853	1,341	2,194	AIC Actuarial Report
(6) Freestone General Liability	0	0	0	AIC Actuarial Report
(7) Total Reviewed by INS for L&DCC	8,103	9,205	17,308	sum of (1) through (6)
(8) NWCRP (WC Residual Market Pool)	1,292	562	1,854	AIC Actuarial Report
(9) PMA Workers Compensation	44	21	64	AIC Actuarial Report
(10) Accredited Workers Compensation*	0	0	0	AIC Actuarial Report*
(11) Accredited General Liability*	0	0	0	AIC Actuarial Report*
(12) NAFTA Commercial Auto Liability	519	275	794	AIC Actuarial Report
(13) AIC Commercial Auto Liability	13	14	26	AIC Actuarial Report
(14) Total Accepted by INS for L&DCC	1,868	871	2,739	sum of (8) through (13)
(15) TOTAL Loss & DCC Reserves	9,970	10,077	20,047	(7) + (14)
(16) A&O Reserves		0	0	AIC Actuarial Report
(17) TOTAL Loss & LAE Reserves	9,970	10,077	20,047	(15) + (16)

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the reserves are mistakenly omitted in AIC Actuarial Report totals
 ^ AIC Actuarial Report ACE Net Reserves include cession to App Re under a 2024 Quota Share Treaty for AIC Workers Compensation

Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
Accredited General Liability*	0	184	184	AIC Actuarial Report*
Omitted from AIC Actuarial Report Total	137	868	1,005	

Accident Insurance Holding Company Group
 INS Review of Loss and LAE Reserves
Accident Insurance Company, Inc.
 Gross Loss & LAE Reserves (\$000) - INS Actuarial Central Estimate (ACE)
 as of December 31, 2024

Reserve Segment	Case	INS ACE IBNR	INS ACE Total	Source / Notes
(1) <i>AIC Workers Compensation</i>	26,336	21,240	47,575	Exhibit R.1, Sheet 1
(2) <i>MIC Workers Compensation</i>	1,531	676	2,208	Exhibit R.2, Sheet 1
(3) <i>High Deductible Workers Compensation</i>	0	438	438	Exhibit R.3, Sheet 1
(4) <i>AIC General Liability</i>	3,181	6,442	9,623	Exhibit R.4, Sheet 1
(5) <i>Hannover General Liability</i>	853	1,535	2,389	Exhibit R.5, Sheet 1
(6) <i>Freestone General Liability</i>	734	1,410	2,144	Exhibit R.6, Sheet 1
(7) Total Reviewed by INS for L&DCC	32,635	31,741	64,376	sum of (1) through (6)
(8) NWCRP (WC Residual Market Pool)	1,292	562	1,854	AIC Actuarial Report
(9) PMA Workers Compensation	87	41	129	AIC Actuarial Report
(10) Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
(11) Accredited General Liability*	0	184	184	AIC Actuarial Report*
(12) NAFTA Commercial Auto Liability	879	423	1,302	AIC Actuarial Report
(13) AIC Commercial Auto Liability	30	26	56	AIC Actuarial Report
(14) Total Accepted by INS for L&DCC	2,426	1,920	4,345	sum of (8) through (13)
(15) TOTAL Loss & DCC Reserves	35,061	33,661	68,722	(7) + (14)
(16) A&O Reserves		0	0	
(17) TOTAL Loss & LAE Reserves	35,061	33,661	68,722	(15) + (16)

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the reserves are mistakenly omitted in AIC Actuarial Report totals

Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
Accredited General Liability*	0	184	184	AIC Actuarial Report*
Omitted from AIC Actuarial Report Total	137	868	1,005	

Accident Insurance Holding Company Group

INS Review of Loss and LAE Reserves

Accident Insurance Company, Inc.

Net Loss & LAE Reserves (\$000) - INS Actuarial Central Estimate (ACE)

as of December 31, 2024

Reserve Segment	Case	INS ACE IBNR	INS ACE Total	Source / Notes
(1) AIC Workers Compensation	10,536	15,451	25,987	Exhibit R.1, Sheet 1
(2) MIC Workers Compensation	134	129	263	Exhibit R.2, Sheet 1
(3) High Deductible Workers Compensation	0	438	438	Exhibit R.3, Sheet 1
(4) AIC General Liability	0	0	0	Exhibit R.4, Sheet 1
(5) Hannover General Liability	853	1,535	2,389	Exhibit R.5, Sheet 1
(6) Freestone General Liability	0	0	0	Exhibit R.6, Sheet 1
(7) Total Reviewed by INS for L&DCC	11,523	17,553	29,076	sum of (1) through (6)
(8) NWC RP (WC Residual Market Pool)	1,292	562	1,854	AIC Actuarial Report
(9) PMA Workers Compensation	44	21	64	AIC Actuarial Report
(10) Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
(11) Accredited General Liability*	0	184	184	AIC Actuarial Report*
(12) NAFTA Commercial Auto Liability	519	275	794	AIC Actuarial Report
(13) AIC Commercial Auto Liability	13	14	26	AIC Actuarial Report
(14) Total Accepted by INS for L&DCC	2,004	1,739	3,744	sum of (8) through (13)
(15) TOTAL Loss & DCC Reserves	13,528	19,292	32,820	(7) + (14)
(16) A&O Reserves		0	0	
(17) TOTAL Loss & LAE Reserves	13,528	19,292	32,820	(15) + (16)

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the reserves are mistakenly omitted in AIC Actuarial Report totals

Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
Accredited General Liability*	0	184	184	AIC Actuarial Report*
Omitted from AIC Actuarial Report Total	137	868	1,005	

Accident Insurance Holding Company Group

INS Review of Loss and LAE Reserves

Accident Insurance Company, Inc.

Net Loss & LAE Reserves (\$000) - INS Actuarial Central Estimate (ACE)^{^^}
as of December 31, 2024

Reserve Segment	Case	INS ACE IBNR	INS ACE Total	Source / Notes
(1) AIC Workers Compensation ^{^^}	9,074	12,039	21,113	Exhibit R.1, Sheet 13
(2) MIC Workers Compensation	134	129	263	Exhibit R.2, Sheet 1
(3) High Deductible Workers Compensation	0	438	438	Exhibit R.3, Sheet 1
(4) AIC General Liability	0	0	0	Exhibit R.4, Sheet 1
(5) Hannover General Liability	853	1,535	2,389	Exhibit R.5, Sheet 1
(6) Freestone General Liability	0	0	0	Exhibit R.6, Sheet 1
(7) Total Reviewed by INS for L&DCC	10,062	14,141	24,202	sum of (1) through (6)
(8) NWC RP (WC Residual Market Pool)	1,292	562	1,854	AIC Actuarial Report
(9) PMA Workers Compensation	44	21	64	AIC Actuarial Report
(10) Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
(11) Accredited General Liability*	0	184	184	AIC Actuarial Report*
(12) NAFTA Commercial Auto Liability	519	275	794	AIC Actuarial Report
(13) AIC Commercial Auto Liability	13	14	26	AIC Actuarial Report
(14) Total Accepted by INS for L&DCC	2,004	1,739	3,744	sum of (8) through (13)
(15) TOTAL Loss & DCC Reserves	12,066	15,880	27,946	(7) + (14)
(16) A&O Reserves		0	0	
(17) TOTAL Loss & LAE Reserves	12,066	15,880	27,946	(15) + (16)

* AIC Actuarial Report includes loss & DCC reserves for Accredited, however, the reserves are mistakenly omitted in AIC Actuarial Report totals

^{^^} Assuming existence of Quota Share Treaty ceding 90% of AIC Workers Compensation (excluding GA business) for policies incepting 1/1/24

Accredited Workers Compensation*	137	684	821	AIC Actuarial Report*
Accredited General Liability*	0	184	184	AIC Actuarial Report*
Omitted from AIC Actuarial Report Total	137	868	1,005	

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves

Exhibit R.1
Sheet 1

AIC Workers Compensation
Ultimate Loss & DCC Summary (\$000) - Direct / Ceded / Net
As of 12/31/24

AY	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)		
	DEP	Incurred	Total L-DCC - Direct	Case	IBNR	Ult	CEP	Incurred	PAID	Total L-DCC - Ceded	Case	IBNR	Ult	NEP	Incurred	PAID	Total L-DCC - Net	Case	IBNR	Ult
2003	0	1,073	1,073	0	2	1,074	---	536	797	0	0	1	537	---	536	536	0	0	1	537
2004	0	2,762	2,762	0	5	2,767	---	797	536	0	0	1	798	---	1,965	1,965	0	0	3	1,969
2005	0	4,193	4,193	0	8	4,201	---	1,003	1,003	0	0	2	1,004	---	3,191	3,191	0	0	6	3,197
2006	0	5,356	5,297	59	34	5,390	---	2,867	2,867	0	0	1	182	---	5,175	5,116	59	59	33	5,208
2007	0	4,411	4,411	0	10	4,420	---	1,122	1,122	0	0	6	2,873	---	1,544	1,544	0	0	3	1,547
2008	0	7,216	7,216	0	17	7,233	---	0	0	0	0	3	1,124	---	6,095	6,095	0	0	14	6,109
2009	0	8,573	8,573	0	21	8,594	---	0	0	0	0	0	0	---	8,573	8,573	0	0	21	8,594
2010	0	20,612	20,197	415	334	20,945	---	1,843	1,428	415	250	2,093	0	---	18,769	18,769	0	0	83	18,852
2011	0	22,951	22,473	458	390	23,320	---	1,991	1,391	0	24	1,415	0	---	21,539	21,082	458	458	366	21,905
2012	0	22,042	21,957	85	356	22,398	---	10,498	10,483	16	170	10,668	0	---	11,544	11,474	69	69	186	11,730
2013	0	15,984	15,794	189	285	16,268	---	10,883	10,845	38	194	11,077	0	---	5,100	4,949	151	151	91	5,191
2014	0	23,707	23,623	85	448	24,156	---	23,687	23,602	85	448	24,135	0	---	20	20	0	0	0	20
2015	0	21,021	21,021	0	442	21,463	---	17,629	17,629	0	371	18,000	0	---	3,392	3,392	0	0	71	3,463
2016	0	13,980	13,943	37	327	14,307	---	9,858	9,840	18	213	10,071	0	---	4,122	4,103	18	18	115	4,236
2017	0	9,927	9,117	810	339	10,266	---	6,017	5,288	730	220	6,238	0	---	3,910	3,829	81	81	119	4,028
2018	0	6,741	6,546	195	221	6,962	---	166	166	0	22	188	0	---	6,575	6,380	195	195	199	6,774
2019	0	3,440	3,422	18	126	3,566	---	6	2	5	13	13	0	---	3,440	3,422	18	18	119	3,553
2020	0	4,417	3,709	708	289	4,706	---	807	807	0	807	888	0	---	4,411	3,708	708	708	260	4,671
2021	0	10,059	8,467	1,592	1,207	11,266	---	272	272	0	168	440	0	---	9,253	8,467	789	789	1,026	10,279
2022	0	7,809	7,378	431	1,683	9,492	---	14,178	14,178	712	3,042	17,221	0	---	7,537	7,106	431	431	1,515	9,052
2023	20,063	24,049	7,290	16,760	6,084	30,134	---	220	0	220	431	651	0	---	9,871	6,577	3,294	3,294	3,042	12,913
2024	21,069	7,196	2,702	4,493	8,613	15,809	---	103,964	88,164	15,799	5,789	109,753	0	---	6,975	2,702	4,273	4,273	8,183	15,158
	41,132	247,500	221,164	26,336	212,440	268,740	---	103,964	88,164	15,799	5,789	109,753	0	---	143,536	133,000	10,536	10,536	15,451	158,987
AY	DEP	Incurred	Total Direct Loss & DCC Ratio	Case	IBNR	Ult	CEP	Incurred	PAID	Total Ceded Loss & DCC Ratio	Case	IBNR	Ult	NEP	Incurred	PAID	Total Net Loss & DCC Ratio	Case	IBNR	Ult
2003	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2004	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2005	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2006	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2007	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2008	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2009	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2010	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2011	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2012	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2013	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2014	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2015	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2016	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2017	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2018	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2019	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2020	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2021	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2022	0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2023	20,063	119.9%	36.3%	83.5%	30.3%	150.2%	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2024	21,069	34.2%	12.8%	21.3%	40.9%	75.0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---
	41,132	601.7%	537.7%	64.0%	51.6%	653.4%	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Notes:
 (1) to (6) from Exh R.1, Sheet 2
 (7) to (12) from Exh R.1, Sheet 12
 (3) to (18) from Exh R.1, Sheet 12
 (19) = (1)
 (20) to (24) are (2) to (6) divided by (19)
 (25) = (7)
 (26) to (30) are (8) to (12) divided by (25)
 (31) = (13)
 (32) to (36) are (14) to (18) divided by (31)

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
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(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)				
DEP	AX	Incurd L+DCC	Paid L+DCC	Case QS	Incurd A-U	Paid A-U	ELR	IBNR to Case Ratio	Reported Claims	Severities (\$)	Incurd LDF Method	Paid LDF Method	Incurd B-F Method	Paid B-F Method	IBNR to Case Method	Sett L+DCC	Selected IBNR
0	2003	0	1,073	0	1,015	1,040	---	37.0%	93	11,535	1,084	1,116	---	---	1,073	1,074	2
0	2004	0	2,762	0	1,015	1,040	---	40.6%	152	18,174	2,794	2,876	---	---	2,762	2,767	5
0	2005	0	4,193	0	1,015	1,040	---	49.4%	199	21,072	4,246	4,372	---	---	4,193	4,201	8
0	2006	5,297	5,297	59	1,015	1,047	---	45.4%	384	13,648	5,428	5,593	---	---	5,383	5,390	34
0	2007	4,411	4,411	0	1,015	1,046	---	47.3%	332	13,285	4,475	4,617	---	---	4,411	4,420	10
0	2008	7,216	7,216	0	1,015	1,049	---	49.0%	585	12,936	7,569	7,569	---	---	7,216	7,233	17
0	2009	8,573	8,573	0	1,016	1,051	---	51.1%	652	13,149	8,715	9,010	---	---	8,573	8,594	21
0	2010	20,612	20,197	415	1,017	1,053	---	52.7%	1,063	19,300	20,975	24,269	---	---	20,829	20,946	384
0	2011	22,931	22,473	458	1,018	1,052	---	53.3%	1,427	16,069	23,957	23,737	---	---	23,170	23,320	390
0	2012	22,042	21,957	85	1,019	1,054	---	53.9%	1,488	14,813	22,475	23,281	---	---	22,086	22,398	356
0	2013	15,984	15,794	189	1,020	1,062	---	54.5%	832	19,211	16,314	16,783	---	---	16,083	16,268	285
0	2014	23,707	23,623	85	1,021	1,063	---	60.1%	1,205	19,674	24,269	25,176	---	---	23,758	24,156	448
0	2015	21,021	21,021	0	1,022	1,072	---	58.1%	1,112	18,904	21,584	22,627	---	---	21,021	21,463	442
0	2016	13,980	13,943	37	1,023	1,081	---	53.7%	847	16,502	14,383	15,159	---	---	14,000	14,307	327
0	2017	9,927	9,117	810	1,024	1,091	---	53.0%	560	17,728	10,244	10,011	---	---	10,357	10,266	339
0	2018	6,741	6,546	195	1,025	1,090	---	57.2%	453	14,881	6,951	7,260	---	---	6,852	6,962	221
0	2019	3,440	3,422	18	1,026	1,112	---	59.8%	361	9,570	3,596	3,871	---	---	3,451	3,566	126
0	2020	4,417	3,709	708	1,027	1,131	---	62.5%	337	13,108	4,664	4,301	---	---	4,860	4,706	289
0	2021	10,059	8,467	1,592	1,028	1,209	---	108.7%	623	16,147	11,046	10,211	---	---	11,806	11,266	1,207
0	2022	7,809	7,378	431	1,029	1,368	---	114.5%	610	12,802	9,175	10,231	---	---	8,303	9,492	1,683
20,063	2023	24,049	7,290	16,760	1,274	1,735	72.0%	103.9%	480	30,102	30,658	12,636	27,163	13,401	41,456	30,134	6,084
21,069	2024	7,196	2,702	4,493	2,239	4,163	72.0%	285.4%	467	15,468	16,053	11,243	15,565	14,226	19,121	15,809	8,124
41,132		247,500	221,164	26,336					14,262		269,855	252,867			280,763	268,740	21,240
(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	
DEP	AX	Incurd L+DCC	Case LR	Inc % of Ult	Paid % of Ult	ELR	Open Claims	Rep Freq \$M EP	IBNR Claims	Incurd LDF Method	Paid LDF Method	Incurd B-F Method	Paid B-F Method	IBNR to Case Method	Sett L+DCC	Reserves	
0	2003	---	---	95.0%	96.3%	---	0	---	---	---	---	---	---	---	---	2	
0	2004	---	---	98.9%	96.1%	---	0	---	---	---	---	---	---	---	---	5	
0	2005	---	---	98.8%	95.9%	---	0	---	---	---	---	---	---	---	---	8	
0	2006	---	---	98.7%	95.7%	---	1	---	---	---	---	---	---	---	---	93	
0	2007	---	---	98.6%	95.5%	---	0	---	---	---	---	---	---	---	---	10	
0	2008	---	---	98.5%	95.3%	---	0	---	---	---	---	---	---	---	---	17	
0	2009	---	---	98.4%	95.2%	---	0	---	---	---	---	---	---	---	---	21	
0	2010	---	---	98.3%	95.0%	---	1	---	---	---	---	---	---	---	---	749	
0	2011	---	---	98.2%	94.7%	---	1	---	---	---	---	---	---	---	---	847	
0	2012	---	---	98.1%	94.4%	---	2	---	---	---	---	---	---	---	---	441	
0	2013	---	---	98.0%	94.1%	---	1	---	---	---	---	---	---	---	---	474	
0	2014	---	---	97.7%	93.8%	---	3	---	---	---	---	---	---	---	---	533	
0	2015	---	---	97.4%	92.9%	---	1	---	---	---	---	---	---	---	---	364	
0	2016	---	---	97.2%	92.0%	---	2	---	---	---	---	---	---	---	---	442	
0	2017	---	---	96.9%	91.1%	---	2	---	---	---	---	---	---	---	---	1,149	
0	2018	---	---	96.4%	90.2%	---	1	---	---	---	---	---	---	---	---	416	
0	2019	---	---	95.7%	88.4%	---	1	---	---	---	---	---	---	---	---	144	
0	2020	---	---	94.7%	86.2%	---	7	---	---	---	---	---	---	---	---	997	
0	2021	---	---	91.1%	82.9%	---	10	---	---	---	---	---	---	---	---	2,799	
0	2022	---	---	85.1%	72.1%	---	18	---	---	---	---	---	---	---	---	2,114	
20,063	2023	119.9%	83.5%	78.4%	57.7%	72.0%	53	23,925	---	152.8%	63.0%	135.4%	66.8%	---	206.6%	22,844	
21,069	2024	94.2%	21.5%	44.8%	24.0%	72.0%	169	22,165	---	76.2%	53.4%	73.9%	67.5%	---	90.8%	19,107	
41,132							273									47,575	

Notes:
(1), (18) from Annual Statement
(2), (3), (9), (25) from Actuarial Report
(4) = (2) - (3)
(5) from Exh R.1, Sheet 3
(6) from Exh R.1, Sheet 4
(7) selected by INS
(8) = [1 - (22)] / [(22) - (23)]
(9) = (2) - (3)
(10) from Exh R.1, Sheet 5
(11) = (2) x (5)
(12) = (3) x (6)
(13) = (2) + [1 - (22)] x (7) x (1)
(14) = (3) + [1 - (23)] x (7) x (1)
(15) = (2) + [(8) x (4)]
(16) selected by INS
(17) = (16) - (2)
(19) to (21), (28) to (33) are (2) to (4), (11) to (16) divided by (1)
(22) = 1 / (5)
(23) = 1 / (6)
(24) = (7)
(26) = [(9) x 1000] / (1)
(27) N/A
(34) = (4) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
AIC Workers Compensation
Incurred Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Incurred Loss & DCC (\$000)																							
	12-24	24-26	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-311		
2003	0	0	0	0	0	0	0	0	0	0	0	0	156	168	180	192	204	216	228	240	252	264		
2004	0	0	0	0	0	0	0	0	0	0	0	1153	1153	1153	1153	0	0	0	0	0	0	1,073		
2005	0	0	0	0	0	0	0	0	0	4,149	4,091	4,089	4,016	4,016	0	0	0	0	0	0	0	2,762		
2006	0	0	0	0	0	0	0	5,344	5,308	5,306	5,496	5,368	5,353	0	0	0	0	0	0	0	4,193			
2007	0	0	0	0	0	0	0	4,410	4,410	4,410	4,410	4,410	4,410	0	0	0	0	0	5,356	0	0	0		
2008	4,293	5,995	6,815	7,329	7,251	7,291	7,214	7,206	7,206	7,206	7,206	7,206	7,206	7,211	0	0	7,216	4,411	0	0	0	0		
2009	4,479	7,215	7,923	8,310	8,477	8,566	8,573	8,543	8,513	8,543	8,543	8,543	8,547	8,552	0	8,573	20,612	20,612	0	0	0	0		
2010	9,089	14,757	16,875	18,472	19,354	19,525	19,778	22,816	22,815	20,644	20,577	20,577	20,577	20,577	20,615	20,615	20,612	20,612	0	0	0	0		
2011	9,917	15,679	18,413	20,766	21,992	22,102	22,013	22,887	22,180	22,380	22,815	22,815	22,815	22,815	23,245	23,245	23,245	23,245	0	0	0	0		
2012	9,364	15,817	20,336	21,414	21,895	22,078	22,047	22,023	21,987	22,103	22,103	22,054	22,054	22,054	22,054	22,054	22,054	22,054	0	0	0	0		
2013	6,679	12,465	14,510	15,256	15,667	15,583	15,529	15,515	15,512	15,605	15,680	15,984	15,984	15,984	15,984	15,984	15,984	15,984	0	0	0	0		
2014	12,778	20,387	21,778	23,842	23,370	23,295	23,681	23,655	24,394	24,191	23,707	23,707	23,707	23,707	23,707	23,707	23,707	23,707	0	0	0	0		
2015	12,961	18,392	20,873	22,014	21,817	20,778	21,247	21,198	21,024	21,024	21,024	21,024	21,024	21,024	21,024	21,024	21,024	21,024	0	0	0	0		
2016	10,203	15,728	13,649	13,743	14,023	14,223	14,261	14,180	13,980	13,980	13,980	13,980	13,980	13,980	13,980	13,980	13,980	13,980	0	0	0	0		
2017	7,814	8,267	8,516	9,141	9,721	9,223	9,784	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	0	0	0	0		
2018	5,408	5,527	5,876	6,196	6,306	6,690	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	0	0	0	0		
2019	2,421	3,141	3,389	3,738	3,718	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	3,440	0	0	0	0		
2020	3,258	4,185	3,715	3,945	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	4,417	0	0	0	0		
2021	7,093	8,149	9,417	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	10,059	0	0	0	0		
2022	5,803	7,829	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	0	0	0	0		
2023	5,066	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	24,049	0	0	0	0		
2024	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	7,196	0	0	0	0		

AY	Cumulative Incurred Loss & DCC Development (in months)																							
	12-24	24-26	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-311		
2003	---	---	---	---	---	---	---	---	---	---	---	---	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2004	---	---	---	---	---	---	---	---	---	0.9860	0.9965	0.9821	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2005	---	---	---	---	---	---	---	---	0.9933	1.0374	0.9981	0.9767	0.9973	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2006	---	---	---	---	---	---	---	---	---	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2007	---	---	---	---	---	---	---	---	---	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2008	1.3565	1.1368	1.0754	0.9894	1.0055	0.9895	0.9989	1.0314	1.0079	1.0000	0.9585	1.0004	1.0024	0.9982	1.0000	1.0019	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000		
2009	1.6108	1.0982	1.0488	1.0201	1.0105	1.0009	1.0009	1.0314	1.0079	1.0000	0.9585	1.0004	1.0024	0.9982	1.0000	1.0019	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000		
2010	1.6236	1.1436	1.0946	1.0477	1.0089	1.0129	1.1556	1.0000	0.9048	0.9967	1.0000	1.0000	1.0019	0.9998	1.0000	1.0019	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000		
2011	1.5811	1.1743	1.1278	1.0562	1.0078	0.9960	1.0397	0.9691	1.0090	1.0195	1.0000	1.0188	0.9865	1.0000	1.0019	0.9998	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2012	1.6892	1.2857	1.0550	1.0197	1.0111	0.9986	0.9989	0.9984	1.0061	0.9991	0.9978	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994	0.9994		
2013	1.8662	1.1641	1.0514	1.0269	0.9946	0.9966	0.9991	0.9998	1.0060	1.0048	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194	1.0194		
2014	1.5955	1.0682	1.0948	0.9802	0.9967	1.0167	0.9981	1.0321	0.9917	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800	0.9800		
2015	1.4190	1.1349	1.0546	0.9911	0.9924	1.0226	0.9977	0.9918	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999		
2016	1.5415	0.8678	1.0609	1.0204	1.0143	1.0026	0.9944	0.9859	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999		
2017	1.0579	1.0302	1.0733	1.0685	0.9487	1.0608	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147	1.0147		
2018	1.0221	1.0631	1.0545	1.0177	1.0609	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077	1.0077		
2019	1.2972	1.0790	1.028	0.9948	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255	0.9255		
2020	1.2844	0.8879	1.0618	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197	1.1197		
2021	1.1588	1.1556	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682	1.0682		
2022	1.3492	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974	0.9974		
2023	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473	4.7473		

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
AIC Workers Compensation
Paid Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Paid Loss & DCC (\$000)																							
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264		
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	156	168	180	192	204	216	228	240	252	264	
2004	0	0	0	0	0	0	0	0	0	0	0	0	1,153	1,153	0	0	0	0	0	0	0	0	1,073	
2005	0	0	0	0	0	0	0	0	0	3,756	3,832	2,771	2,771	3,872	3,880	0	0	0	0	0	0	0	2,762	
2006	0	0	0	0	0	0	0	0	5,300	5,296	5,297	5,297	5,299	5,293	0	0	0	0	0	0	0	0	4,193	
2007	0	0	0	0	0	0	0	0	4,410	4,410	4,410	4,411	4,410	4,410	0	0	0	0	0	0	0	0	5,297	
2008	2,117	4,885	6,138	6,966	7,054	7,203	7,206	7,206	7,206	7,206	7,206	7,206	7,206	7,206	7,206	7,206	7,211	0	0	0	0	0	4,411	
2009	2,251	5,843	7,590	8,021	8,361	8,453	8,480	8,519	8,525	8,528	8,528	8,528	8,528	8,528	8,528	8,528	8,552	0	0	0	0	0	8,573	
2010	4,266	12,471	15,974	18,125	18,787	19,518	19,778	19,946	20,003	20,043	20,071	20,104	20,134	20,167	20,197	0	0	0	0	0	0	0	0	
2011	5,385	13,348	16,635	19,143	20,381	21,178	21,361	21,815	21,880	22,045	22,317	22,345	22,374	22,473	0	0	0	0	0	0	0	0	0	
2012	5,243	12,897	17,454	20,413	20,984	21,284	21,599	21,667	21,823	21,857	21,857	21,911	21,957	21,957	0	0	0	0	0	0	0	0	0	
2013	3,413	9,788	13,321	14,488	14,991	15,199	15,261	15,315	15,383	15,461	15,666	15,794	0	0	0	0	0	0	0	0	0	0	0	
2014	5,896	15,337	20,292	21,550	21,827	22,338	22,690	22,739	22,974	23,022	23,623	0	0	0	0	0	0	0	0	0	0	0	0	
2015	5,929	14,450	17,891	19,116	19,951	20,187	20,370	20,487	20,985	21,021	0	0	0	0	0	0	0	0	0	0	0	0	0	
2016	4,886	10,252	12,139	12,928	13,523	13,746	13,835	14,036	13,943	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2017	2,782	5,888	7,068	8,241	8,607	8,778	9,154	9,117	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2018	2,194	4,303	4,949	5,761	5,938	6,277	6,546	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2019	1,020	1,984	2,606	3,246	3,362	3,422	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2020	995	2,717	3,326	3,515	3,709	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2021	2,402	5,342	6,965	8,487	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2022	2,808	6,102	7,378	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2023	2,594	7,290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2024	2,702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

AY	Cumulative Paid Loss & DCC Development (in months)																							
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ull		
2003																								
2004																								
2005																								
2006																								
2007																								
2008	2,369	1,256	1,134	1,026	1,021	1,005	1,000	1,001	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
2009	2,962	1,298	1,068	1,042	1,010	1,003	1,004	1,007	1,003	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
2010	2,924	1,280	1,134	1,065	1,039	1,033	1,035	1,039	1,035	1,032	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031		
2011	2,479	1,246	1,108	1,047	1,031	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026		
2012	2,458	1,353	1,169	1,080	1,045	1,048	1,051	1,072	1,001	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007		
2013	2,860	1,369	1,087	1,046	1,039	1,041	1,035	1,051	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004		
2014	2,602	1,321	1,062	1,029	1,024	1,031	1,048	1,010	1,002	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026	1,026		
2015	2,459	1,241	1,025	1,047	1,018	1,009	1,008	1,024	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007		
2016	2,105	1,182	1,065	1,040	1,016	1,005	1,006	1,016	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006		
2017	2,116	1,205	1,069	1,044	1,019	1,009	1,009	1,019	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009		
2018	1,961	1,150	1,041	1,017	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007		
2019	1,945	1,136	1,045	1,020	1,010	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009		
2020	2,730	1,224	1,059	1,038	1,019	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009		
2021	2,237	1,037	1,217	1,053	1,038	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029		
2022	2,173	1,292	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2023	2,810	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
average	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ull		
all yr	2,430	1,273	1,150	1,036	1,023	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015		
10 yr	2,384	1,268	1,095	1,037	1,024	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015		
5 yr	2,385	1,236	1,072	1,040	1,020	1,017	1,005	1,005	1,005	1,012	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002		
3 yr	2,405	1,247	1,108	1,039	1,019	1,025	1,025	1,012	1,002	1,010	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002	1,002		
age-age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ull		
age-age	2,400	1,250	1,100	1,040	1,020	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010		
age-ull	4,160	1,735	1,368	1,209	1,159	1,132	1,109	1,098	1,087	1,076	1,068	1,062	1,059	1,056	1,053	1,051	1,049	1,048	1,047	1,046	1,045	1,044		

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves

AIC Workers Compensation

Incurred Severity (\$ per Reported Claim

As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																						264	264
2004																							11,535
2005																							18,174
2006																							21,072
2007																							13,948
2008																							13,285
2009																							12,336
2010																							13,149
2011																							19,300
2012																							16,069
2013																							14,813
2014																							19,211
2015																							19,674
2016																							16,503
2017																							17,728
2018																							14,887
2019																							9,530
2020																							13,108
2021																							16,147
2022																							12,802
2023																							30,102
2024																							15,408

AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-unt	
2003																							264-unt
2004																							264-unt
2005																							264-unt
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2016																							264-unt
2017																							264-unt
2018																							264-unt
2019																							264-unt
2020																							264-unt
2021																							264-unt
2022																							264-unt
2023																							264-unt
average																							264-unt
all yr																							264-unt
10 yr																							264-unt
5 yr																							264-unt
3 yr																							264-unt
select																							264-unt
ages-ages																							264-unt
ages-ult																							264-unt

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves

AIC Workers Compensation
Paid Severity (\$) per Reported Claim
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																						254	11,335
2004																							18,174
2005																							21,073
2006																							13,794
2007																							13,283
2008																							12,336
2009																							13,149
2010																							19,000
2011																							15,748
2012																							14,736
2013																							18,984
2014																							19,604
2015																							18,904
2016																							16,462
2017																							16,280
2018																							14,430
2019																							9,479
2020																							11,006
2021																							13,391
2022																							12,095
2023																							15,187
2024																							5,787

AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
2003																							
2004																							
2005																							
2006																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
average	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
all yr																							
10 yr																							
5 yr																							
3 yr																							
select																							
age-age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
age-ult	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Accident Insurance Holding Company Group - Accident Insurance Company
 Direct Review - INS Review of Loss and LAE Reserves
 AIC Workers Compensation
 Incurred and Paid Loss & DCC Ratios
 As of 12/31/24

DEP	AY	Cumulative Incurred Loss & DCC Ratio																							
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264		
0	2003																								
0	2004																								
0	2005																								
0	2006																								
0	2007																								
0	2008																								
0	2009																								
0	2010																								
0	2011																								
0	2012																								
0	2013																								
0	2014																								
0	2015																								
0	2016																								
0	2017																								
0	2018																								
0	2019																								
0	2020																								
0	2021																								
0	2022																								
20,063	2023		25.3%	119.9%																					
21,069	2024		34.2%																						

DEP	AY	Cumulative Paid Loss & DCC Ratio																							
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264		
0	2003																								
0	2004																								
0	2005																								
0	2006																								
0	2007																								
0	2008																								
0	2009																								
0	2010																								
0	2011																								
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0	2014																								
0	2015																								
0	2016																								
0	2017																								
0	2018																								
0	2019																								
0	2020																								
0	2021																								
0	2022																								
20,063	2023		12.9%	96.3%																					
21,069	2024		12.8%																						

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves

AIC Workers Compensation

Case OS (\$000)
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							0
2004																							0
2005																							0
2006																							0
2007																							0
2008	2,175	1,110	677	363	197	88	9	0	0	0	0	0	0	0	0	0	0	0	59	0			
2009	2,228	1,371	333	290	117	113	93	324	388	385	16	19	15	0	0	0	0	0					
2010	4,823	2,286	901	347	567	7	0	2,870	2,812	601	506	473	443	448	415	0							
2011	4,532	2,331	1,778	1,623	1,551	924	652	1,072	300	335	498	471	871	458									
2012	4,121	2,920	2,862	1,001	852	793	447	357	165	265	207	143	85										
2013	3,266	2,677	1,190	767	676	384	268	200	119	144	14	189											
2014	6,882	5,050	1,485	2,291	1,542	954	1,051	896	1,420	1,169	85												
2015	7,051	3,942	2,882	2,898	1,866	591	877	711	39	0													
2016	5,317	5,466	1,510	815	500	478	426	144	37														
2017	5,032	2,379	1,448	900	1,114	445	629	810															
2018	3,214	1,225	927	435	368	413	195																
2019	1,401	1,158	784	492	356	18																	
2020	2,263	1,468	390	430	708																		
2021	4,630	2,807	2,452	1,592																			
2022	2,995	1,728	431																				
2023	2,472	16,760																					
2024	4,493																						

Average Case OS per Open Claim (\$)

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
2011																							
2012																							
2013																							
2014																							
2015																							
2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
average																							
all yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7 yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3 yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
AIC Workers Compensation
Reported Claim Counts
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
Average																							
all yr																							
10 yr																							
5 yr																							
5 yr																							
select																							
age-age																							
age-air																							

AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-311	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
Average																							
all yr																							
10 yr																							
5 yr																							
5 yr																							
select																							
age-age																							
age-air																							

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
AIC Workers Compensation
Selection of Ceded / Net Ultimate Loss & DCC (\$000)
As of 12/31/24

AY	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)		(15)		(16)		(17)		(18)			
	DEP	Incurred	PAID	Total L+DCC - Direct	IBNR	ULR	CEP	Incurred	PAID	Total L+DCC - Ceded	IBNR	ULR	Incurred	PAID	Total L+DCC - Net	Case	IBNR	ULR	Net ULR	Case	IBNR	ULR	Net ULR	Case	IBNR	ULR	Net ULR	Case	IBNR	ULR	Net ULR	Case	IBNR	ULR				
2003	0	1,073	1,073	0	2	1,074	---	536	536	1	537	---	536	536	0	1	537	---	536	0	1	537	---	536	536	0	1	537	---	536	536	0	1	537	---	536	536	
2004	0	2,762	2,762	0	5	2,767	---	797	797	1	798	---	797	797	0	1	798	---	797	0	3	1,965	---	1,965	1,965	0	3	1,969	---	1,965	1,965	0	3	1,969	---	1,965	1,965	
2005	0	4,193	4,193	0	8	4,201	---	1,003	1,003	2	1,004	---	1,003	1,003	0	2	1,004	---	1,003	0	6	3,191	---	3,191	3,191	0	6	3,197	---	3,191	3,191	0	6	3,197	---	3,191	3,191	
2006	0	5,356	5,297	59	34	5,390	---	180	180	1	182	---	180	180	59	1	182	---	180	59	33	5,175	---	5,175	5,175	59	33	5,208	---	5,175	5,175	59	33	5,208	---	5,175	5,175	
2007	0	4,411	4,411	0	10	4,420	---	2,867	2,867	6	2,873	---	2,867	2,867	0	3	2,873	---	2,867	0	3	1,544	---	1,544	1,544	0	3	1,547	---	1,544	1,544	0	3	1,547	---	1,544	1,544	
2008	0	7,216	7,216	0	17	7,233	---	1,122	1,122	3	1,124	---	1,122	1,122	0	3	1,124	---	1,122	0	14	6,095	---	6,095	6,095	0	14	6,109	---	6,095	6,095	0	14	6,109	---	6,095	6,095	
2009	0	8,573	8,573	0	21	8,594	---	0	0	0	0	---	0	0	0	0	0	---	0	0	21	8,573	---	8,573	8,573	0	21	8,594	---	8,573	8,573	0	21	8,594	---	8,573	8,573	
2010	0	20,612	20,197	415	334	20,946	---	1,843	1,428	415	1,843	---	1,843	1,428	0	250	2,093	---	1,843	0	83	18,852	---	18,769	18,769	0	83	18,852	---	18,769	18,769	0	83	18,852	---	18,769	18,769	
2011	0	22,931	21,473	458	390	23,320	---	1,391	1,391	0	1,415	---	1,391	1,391	458	24	1,415	---	1,391	458	366	21,905	---	21,539	21,539	458	366	21,905	---	21,539	21,539	458	366	21,905	---	21,539	21,539	
2012	0	22,042	21,957	85	356	22,398	---	10,498	10,483	15	10,668	---	10,498	10,483	85	170	10,668	---	10,498	85	186	11,730	---	11,544	11,544	85	186	11,730	---	11,544	11,544	85	186	11,730	---	11,544	11,544	
2013	0	15,984	15,794	189	285	16,268	---	10,883	10,845	38	10,883	---	10,883	10,845	189	194	11,077	---	10,883	189	366	11,730	---	11,544	11,544	189	366	11,730	---	11,544	11,544	189	366	11,730	---	11,544	11,544	
2014	0	23,707	23,623	85	448	24,156	---	23,687	23,602	85	24,135	---	23,687	23,602	85	448	24,135	---	23,687	85	186	11,730	---	11,544	11,544	85	186	11,730	---	11,544	11,544	85	186	11,730	---	11,544	11,544	
2015	0	21,021	21,021	0	442	21,463	---	17,629	17,629	0	18,000	---	17,629	17,629	0	371	18,000	---	17,629	0	0	20	20	---	20	20	0	20	20	---	20	20	---	20	20	---	20	20
2016	0	13,960	13,943	37	327	14,307	---	9,858	9,840	18	10,071	---	9,858	9,840	18	213	10,071	---	9,858	18	115	4,236	---	4,122	4,122	18	115	4,236	---	4,122	4,122	18	115	4,236	---	4,122	4,122	
2017	0	9,927	9,117	810	339	10,266	---	6,017	5,288	730	6,238	---	6,017	5,288	730	220	6,238	---	6,017	81	119	4,028	---	3,910	3,910	81	119	4,028	---	3,910	3,910	81	119	4,028	---	3,910	3,910	
2018	0	6,741	6,546	195	221	6,962	---	166	166	0	188	---	166	166	0	22	188	---	166	195	199	6,774	---	6,575	6,575	195	199	6,774	---	6,575	6,575	195	199	6,774	---	6,575	6,575	
2019	0	3,440	3,422	18	126	3,566	---	0	0	5	35	---	0	0	5	13	35	---	0	18	113	3,553	---	3,440	3,440	18	113	3,553	---	3,440	3,440	18	113	3,553	---	3,440	3,440	
2020	0	4,417	3,709	708	289	4,706	---	807	807	5	807	---	807	807	5	29	807	---	807	785	1026	10,279	---	9,253	9,253	785	1026	10,279	---	9,253	9,253	785	1026	10,279	---	9,253	9,253	
2021	0	10,059	8,467	1,592	1,207	11,266	---	272	272	0	168	---	272	272	0	168	168	---	272	431	1,515	9,052	---	7,537	7,537	431	1,515	9,052	---	7,537	7,537	431	1,515	9,052	---	7,537	7,537	
2022	0	7,809	7,378	431	1,683	9,492	---	14,178	712	13,466	17,221	---	14,178	712	13,466	3,042	17,221	---	14,178	9,871	3,042	12,913	---	9,871	9,871	9,871	3,042	12,913	---	9,871	9,871	3,042	12,913	---	9,871	9,871		
2023	21,069	24,049	7,290	16,760	6,084	30,134	---	220	0	220	651	---	220	0	220	431	651	---	220	2,702	8,183	15,158	---	6,975	6,975	2,702	8,183	15,158	---	6,975	6,975	2,702	8,183	15,158	---	6,975	6,975	
2024	21,069	7,196	2,702	4,493	8,613	15,809	---	103,964	88,164	15,799	109,763	---	103,964	88,164	15,799	5,789	109,763	---	103,964	10,536	15,451	158,987	---	143,536	143,536	10,536	15,451	158,987	---	143,536	143,536	10,536	15,451	158,987	---	143,536	143,536	
41,132	247,500	221,164	26,336	21,240	268,740	---	42,006	39,956	60,000	27,900	40,800	---	42,006	39,956	60,000	27,900	40,800	---	42,006	47,575	21,588	259,677	---	42,006	47,575	21,588	259,677	---	42,006	47,575	21,588	259,677	---	42,006	47,575	21,588	259,677	

Notes:
 (1) to (6), (19) from Exh R.1, Sheet 2
 (7), (13) N/A
 (8) to (10) = (2) to (4) minus (14) to (16), respectively
 (11) = (29) x (5)
 (12) = (8) + (11)
 (17) = (5) - (11)
 (18) = (6) - (12)
 (20) to (24) are (2) to (6) divided by (1)
 (25) N/A
 (26) = (8) / (2)
 (27) = (9) / (3)
 (28) = (10) / (4)
 (29) selected by INS
 (30) = (12) / (6)
 (31) = (24)
 (32) N/A
 (33) N/A
 (34) = (4) + (5)
 (35) = (10) + (11)
 (36) = (16) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves

AIC Workers Compensation

Ultimate Loss & DCC Summary (\$000) - Direct / Ceded / Net including a 2024 Quota Share Cession*
As of 12/31/24

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)		(15)		(16)		(17)		(18)							
	Incur	Paid	Case	IBNR	Case+IBNR	Ult	Incur	Paid	Case	IBNR	Case+IBNR	Ult	Incur	Paid	Case	IBNR	Case+IBNR	Ult	Incur	Paid	Case	IBNR	Case+IBNR	Ult	Incur	Paid	Case	IBNR	Case+IBNR	Ult	Incur	Paid	Case	IBNR	Case+IBNR	Ult						
AY 2024	7,196	2,702	4,493	8,613	13,107	15,809	220	0	220	431	651	651	6,975	2,702	4,273	8,183	12,456	15,158																								
Total	247,500	221,164	26,336	21,240	47,575	268,740	103,964	88,164	15,799	5,789	21,588	109,753	143,536	133,000	10,536	15,451	25,987	158,987																								
AY 2024 PY 24 ex GA	2,533	908	1,624	3,791	5,415	6,324	2,279	817	1,462	3,412	4,874	5,691	4,696	1,885	2,811	4,771	7,582	9,467																								
	(19)		(20)		(21)		(22)		(23)		(24)		(25)		(26)		(27)		(28)		(29)		(30)		(31)		(32)		(33)		(34)		(35)		(36)							
	Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*		Total L+DCC - Subject to 2024 QS Treaty*							
AY 2024 PY 24 ex GA	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%
	(37)		(38)		(39)		(40)		(41)		(41)		(42)		(43)		(44)		(45)		(46)		(47)		(48)		(49)		(50)		(51)		(52)		(53)		(54)					
	Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024		Total L+DCC - Ratios of PY 24 ex GA to AY 2024					
AY 2024 PY 24 ex GA	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%	35.2%	33.6%	36.1%	44.0%	41.3%	40.0%
Total	141,257	132,183	9,074	12,039	21,113	153,296	141,257	132,183	9,074	12,039	21,113	153,296	141,257	132,183	9,074	12,039	21,113	153,296																								

Notes:

- (1) to (18) from Exh R.1, Sheet 1
- (19) to (21) from data obtained from SIGMA
- (22) = (24) - (9)
- (23) = (21) + (22)
- (24) = (41) x AY 2024 (6)
- (25) to (30) = 90 x (19) to (24)
- (31) = AY 2024 (1) - AY 2024 (7) - (25)
- (32) = AY 2024 (2) - AY 2024 (8) - (26)
- (33) = AY 2024 (3) - AY 2024 (9) - (27)
- (34) = AY 2024 (4) - AY 2024 (10) - (28)
- * QS Treaty ceding 90%, excluding Georgia WC, for policies inception 1/1/24
- (35) = (33) + (34)
- (36) = (34) + (31)
- (37) to (41) = (19) to (23) divided by AY 2024 (1) to (5)
- (41) selected by INS
- (42) to (47) = Total (13) to (18) minus (25) to (30)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Ultimate Loss & DCC Summary (\$000) - Direct / Ceded / Net
As of 12/31/24

AY	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)		(15)		(16)		(17)		(18)					
	DEP	Incurred	Paid	Total L-DCC - Direct	IBNR	Ult	CEP	Incurred	Paid	Total L-DCC - Ceded	Case	IBNR	Ult	NEP	Incurred	Paid	Total L-DCC - Net	Case	IBNR	Ult	NEP	Incurred	Paid	Total Net Loss & DCC Ratio	Case	IBNR	Ult	NEP	Incurred	Paid	Total Net Loss & DCC Ratio	Case	IBNR	Ult						
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2010	973	973	973	0	0	973	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
2011	5,067	4,955	111	56	5,123	5,123	196	196	196	0	0	198	4,871	4,759	111	54	4,924	4,759	111	54	4,924	4,759	111	54	4,924	4,759	111	54	4,924	4,759	111	54	4,924	4,759	111	54	4,924	4,759	111	
2012	9,309	9,309	0	7	9,315	9,315	2,970	2,970	2,970	0	2	2,972	6,339	6,339	0	4	6,343	6,339	0	4	6,343	6,339	0	4	6,343	6,339	0	4	6,343	6,339	0	4	6,343	6,339	0	4	6,343	6,339	0	
2013	6,633	6,633	0	5	6,638	6,638	3,225	3,225	3,225	0	3	3,227	3,408	3,408	0	3	3,410	3,408	0	3	3,410	3,408	0	3	3,410	3,408	0	3	3,410	3,408	0	3	3,410	3,408	0	3	3,410	3,408	0	
2014	18,125	18,120	6	20	18,145	18,145	10,098	10,096	10,096	2	11	10,109	8,027	8,023	4	9	8,036	8,027	4	9	8,036	8,027	4	9	8,036	8,027	4	9	8,036	8,027	4	9	8,036	8,027	4	9	8,036	8,027	4	
2015	12,783	11,369	1,414	589	13,372	13,372	5,336	3,940	3,940	1,395	530	5,866	7,447	7,428	19	59	7,506	7,447	19	59	7,506	7,447	19	59	7,506	7,447	19	59	7,506	7,447	19	59	7,506	7,447	19	59	7,506	7,447	19	
2016	5	5	0	0	5	5	2	2	2	0	2	2	3	3	0	3	3	3	0	3	3	3	0	3	3	3	0	3	3	0	3	3	0	3	3	0	3	3	0	
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	52,894	51,362	1,531	676	53,570	53,570	21,826	20,429	20,429	1,397	548	22,374	31,067	30,933	134	129	31,067	30,933	134	129	31,067	30,933	134	129	31,067	30,933	134	129	31,067	30,933	134	129	31,067	30,933	134	129	31,067	30,933	134	129

Notes:
 (1) to (6) from Exh R.2, Sheet 2
 (7) to (12) from Exh R.2, Sheet 12
 (3) to (18) from Exh R.2, Sheet 12
 (19) = (1)
 (20) to (24) are (2) to (6) divided by (19)
 (25) = (7)
 (26) to (30) are (8) to (12) divided by (25)
 (31) = (13)
 (32) to (36) are (14) to (18) divided by (31)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Selection of Ultimate Loss & DCC (\$000)
As of 12/31/24

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
DEP	AY	Incurrd L+DCC	Paid L+DCC	Case OS	Incurrd A-U	ELR	IBNR to Case Ratio	Reported Claims	Incurrd Severty (\$)	Incl LDF Method	Paid LDF Method	Incl B-F Method	Paid B-F Method	IBNR to Case Method	Sel Ut L+DCC	Selected IBNR
2003	2003	0	0	0	1,0250	25.6%	0	0	0	0	0	0	0	0	0	0
2004	2004	0	0	0	1,0260	30.8%	0	0	0	0	0	0	0	0	0	0
2005	2005	0	0	0	1,0070	35.1%	0	0	0	0	0	0	0	0	0	0
2006	2006	0	0	0	1,0080	38.2%	0	0	0	0	0	0	0	0	0	0
2007	2007	0	0	0	1,0090	41.2%	0	0	0	0	0	0	0	0	0	0
2008	2008	0	0	0	1,0100	43.8%	0	0	0	0	0	0	0	0	0	0
2009	2009	0	0	0	1,0110	46.2%	0	0	0	0	0	0	0	0	0	0
2010	2010	973	973	0	1,0121	48.5%	179	5,436	985	1,010	973	973	973	973	973	0
2011	2011	5,067	4,955	111	1,0131	48.7%	461	10,990	5,133	5,158	5,123	5,123	5,123	5,121	5,123	56
2012	2012	9,309	9,309	0	1,0141	48.9%	581	16,022	9,440	9,719	9,309	9,315	9,315	9,309	9,315	7
2013	2013	6,633	6,633	0	1,0151	49.2%	493	13,454	6,733	6,946	6,633	6,638	6,638	6,633	6,638	5
2014	2014	18,125	18,120	6	1,0181	59.1%	658	27,546	18,454	19,033	18,129	18,145	18,145	18,129	18,145	20
2015	2015	12,783	11,369	1,414	1,0212	56.6%	588	21,739	13,054	12,061	13,584	13,372	13,372	13,584	13,372	589
2016	2016	5	5	0	1,0243	55.0%	2	2,484	5	5	5	5	5	5	5	0
2017	2017	0	0	0	1,0273	53.8%	0	0	0	0	0	0	0	0	0	0
2018	2018	0	0	0	1,0325	58.6%	0	0	0	0	0	0	0	0	0	0
2019	2019	0	0	0	1,0407	61.2%	0	0	0	0	0	0	0	0	0	0
2020	2020	0	0	0	1,0311	59.9%	0	0	0	0	0	0	0	0	0	0
2021	2021	0	0	0	1,0722	67.8%	0	0	0	0	0	0	0	0	0	0
2022	2022	0	0	0	1,1043	70.6%	0	0	0	0	0	0	0	0	0	0
2023	2023	0	0	0	1,1816	63.8%	0	0	0	0	0	0	0	0	0	0
2024	2024	0	0	0	1,5952	93.6%	0	0	0	0	0	0	0	0	0	0
		52,894	51,362	1,531			2,562		53,803	53,932	53,752	53,570	53,570	53,752	53,570	676
DEP	AY	Incl LR	Paid LR	Case LR	Incl % of Ut	ELR	Open Claims	Rep Freq S/M,EP	IBNR Claims	Incl LDF Method	Paid LDF Method	Incl B-F Method	Paid B-F Method	IBNR to Case Method	Sel Ut L+DCC	L+DCC Reserves
2003	2003	---	---	---	99.5%	---	0	---	---	---	---	---	---	---	---	0
2004	2004	---	---	---	99.4%	---	0	---	---	---	---	---	---	---	---	0
2005	2005	---	---	---	99.3%	---	0	---	---	---	---	---	---	---	---	0
2006	2006	---	---	---	99.2%	---	0	---	---	---	---	---	---	---	---	0
2007	2007	---	---	---	99.1%	---	0	---	---	---	---	---	---	---	---	0
2008	2008	---	---	---	99.0%	---	0	---	---	---	---	---	---	---	---	0
2009	2009	---	---	---	98.9%	---	0	---	---	---	---	---	---	---	---	0
2010	2010	---	---	---	98.8%	---	0	---	---	---	---	---	---	---	---	0
2011	2011	---	---	---	98.7%	---	1	---	---	---	---	---	---	---	---	168
2012	2012	---	---	---	98.6%	---	0	---	---	---	---	---	---	---	---	7
2013	2013	---	---	---	98.5%	---	0	---	---	---	---	---	---	---	---	5
2014	2014	---	---	---	98.2%	---	2	---	---	---	---	---	---	---	---	25
2015	2015	---	---	---	97.9%	---	2	---	---	---	---	---	---	---	---	2,003
2016	2016	---	---	---	97.6%	---	0	---	---	---	---	---	---	---	---	0
2017	2017	---	---	---	97.3%	---	0	---	---	---	---	---	---	---	---	0
2018	2018	---	---	---	96.9%	---	0	---	---	---	---	---	---	---	---	0
2019	2019	---	---	---	96.1%	---	0	---	---	---	---	---	---	---	---	0
2020	2020	---	---	---	95.1%	---	0	---	---	---	---	---	---	---	---	0
2021	2021	---	---	---	93.3%	---	0	---	---	---	---	---	---	---	---	0
2022	2022	---	---	---	90.6%	---	0	---	---	---	---	---	---	---	---	0
2023	2023	---	---	---	84.6%	---	0	---	---	---	---	---	---	---	---	0
2024	2024	---	---	---	62.7%	---	0	---	---	---	---	---	---	---	---	0

Notes:
 (1), (18) N/A
 (2), (3), (9), (25) from Actuarial Report
 (4) = (2) - (3)
 (5) from Exh R.2, Sheet 3
 (6) from Exh R.2, Sheet 4
 (7) N/A
 (8) = [1 - (22)] / [(22) - (23)]
 (10) from Exh R.2, Sheet 5
 (11) = (2) x (5)
 (12) = (3) x (6)
 (13) = (2) + [1 - (22)] x (7) x (1)
 (14) = (3) + [1 - (23)] x (7) x (1)
 (15) = (2) + [(8) x (4)]
 (16) selected by INS
 (17) = (16) - (2)
 (19) to (21), (28) to (33) are (2) to (4), (11) to (16) divided by (1)
 (22) = 1 / (5)
 (23) = 1 / (6)
 (24) = (7)
 (26) = [(9) x 1000] / (1)
 (27) N/A
 (34) = (4) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Incurred Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Incurred Loss & DCC (\$000)																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-0	
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010	661	966	954	949	960	960	992	973	973	973	973	973	973	973	973	973	973	973	973	973	973	973	973
2011	2,550	3,623	4,438	4,777	5,070	4,965	4,984	4,981	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948	4,948
2012	5,575	7,773	8,967	9,230	9,605	9,433	9,347	9,347	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316	9,316
2013	4,463	6,027	6,415	6,571	6,556	6,557	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548	6,548
2014	13,666	18,953	19,810	19,537	19,918	18,251	18,268	18,151	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124	18,124
2015	12,494	12,976	13,279	12,085	12,712	12,712	12,848	12,730	13,224	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783	12,783
2016	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AY	Cumulative Incurred Loss & DCC Development (in months)																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-0	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010	1,4622	0,9870	0,9955	1,0113	1,0002	1,0324	0,9815	0,9998															
2011	1,4321	1,2251	1,0764	1,0612	0,9793	1,0039	0,9994	0,9934															
2012	1,3943	1,1536	1,0293	1,0407	0,9821	0,9906	1,0003	0,9966															
2013	1,5503	1,0644	1,0243	0,9980	0,9998	1,0002	1,0138	1,0090															
2014	1,3868	1,0452	0,9862	1,0195	0,9163	1,0010	0,9936	0,9985															
2015	1,0386	1,0235	0,9101	1,0025	1,0493	1,0106	0,9909	1,0388	0,9667														
2016	1,2475	0,9946	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000															
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
average	1,2775	1,0704	0,9668	1,0202	0,9751	1,0022	0,9969	0,9667															
all yr	1,2205	1,0408	0,9784	1,0204	0,9751	1,0022	0,9969	0,9667															
10 yr																							
5 yr																							
3 yr																							
best yr	1,2-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-0	
avg-avg	1,3500	1,0700	1,0300	1,0200	1,0100	1,0080	1,0050	1,0050	1,0050	1,0030	1,0030	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0010	1,0050
avg-wr	1,5952	1,1816	1,1043	1,0722	1,0511	1,0407	1,0325	1,0273	1,0245	1,0212	1,0181	1,0151	1,0141	1,0131	1,0121	1,0110	1,0103	1,0090	1,0080	1,0070	1,0060	1,0050	

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Paid Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Paid Loss & DCC (\$000)																					
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010	419	860	906	945	960	960	957	973	973	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	1,048	2,730	3,885	4,246	4,416	4,792	4,829	4,840	4,777	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	2,324	6,154	7,989	8,605	9,217	9,347	9,344	9,347	9,309	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	1,852	4,761	6,003	6,251	6,364	6,388	6,413	6,648	6,648	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	3,144	11,859	15,529	16,669	17,516	17,856	18,012	18,066	18,069	0	18,120	0	0	0	0	0	0	0	0	0	0	0
2015	4,018	7,580	9,054	10,035	10,294	10,976	11,137	11,389	11,425	11,369	0	0	0	0	0	0	0	0	0	0	0	0
2016	4	5	5	5	5	5	5	5	5	5	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AY	Cumulative Paid Loss & DCC Development (in months)																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
2003																						
2004																						
2005																						
2006																						
2007																						
2008																						
2009																						
2010	2,0539	1,0453	1,0453	1,0153	1,0002	0,9960	1,0174	0,9998														
2011	2,6053	1,4233	1,0930	1,0399	1,0851	1,0079	1,0022	0,9871														
2012	2,6476	1,2982	1,0771	1,0710	1,0142	0,9997	1,0003	0,9959														
2013	2,5706	1,2608	1,0413	1,0180	1,0059	1,0039	1,0365	1,0000														
2014	3,7719	1,3094	1,0734	1,0508	1,0194	1,0087	1,0030	1,0001														
2015	1,8864	1,1945	1,1083	1,0258	1,0663	1,0146	1,0227	1,0031	0,9951													
2016	1,2473	0,9946	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000														
2017																						
2018																						
2019																						
2020																						
2021																						
2022																						
2023																						
2024																						
AVERAGE	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
all yr	2,6003	1,2776	1,0781	1,0431	1,0318	1,0074	1,0113	0,9988	0,9951													
10 yr	2,7132	1,2638	1,0774	1,0436	1,0318	1,0074	1,0113	0,9988	0,9951													
5 yr				1,0000	1,0663	1,0110	1,0152	1,0000	0,9951													
3 yr					1,0000	1,0000	1,0227	1,0013	0,9951													
select	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
age-age	2,6500	1,2750	1,0800	1,0450	1,0318	1,0200	1,0100	1,0100	1,0100	1,0100	1,0050	1,0030	1,0030	1,0030	1,0020	1,0020	1,0020	1,0020	1,0020	1,0010	1,0010	1,0250
age-ult	4,3782	1,6522	1,2958	1,1998	1,1504	1,1149	1,0930	1,0822	1,0715	1,0609	1,0504	1,0472	1,0441	1,0410	1,0379	1,0358	1,0337	1,0317	1,0296	1,0276	1,0260	1,0250

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Incurred and Paid Loss & DCC Ratios
As of 12/31/24

	Cumulative Incurred Loss & DCC Ratio																						
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
AX																							
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
2011																							
2012																							
2013																							
2014																							
2015																							
2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

	Cumulative Paid Loss & DCC Ratio																						
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
AX																							
2003																							
2004																							
2005																							
2006																							
2007																							
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2014																							
2015																							
2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Case OS (\$000)
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010	242	106	47	4	0	0	35	0	0						0								
2011	1,482	893	553	531	654	173	155	141	171					111									
2012	3,250	1,619	977	624	389	86	0	0	7				0										
2013	2,611	1,266	412	320	194	168	144	0	0			0											
2014	10,522	7,094	4,281	2,868	2,402	395	256	85	55		6												
2015	8,475	5,396	4,224	2,050	1,821	1,736	1,711	1,341	1,799	1,414													
2016	0	0	0	0	0	0	0	0	0														
2017	0	0	0	0	0	0	0	0	0														
2018	0	0	0	0	0	0	0	0	0														
2019	0	0	0	0	0	0	0	0	0														
2020	0	0	0	0	0	0	0	0	0														
2021	0	0	0	0	0	0	0	0	0														
2022	0	0	0	0	0	0	0	0	0														
2023	0	0	0	0	0	0	0	0	0														
2024	0	0	0	0	0	0	0	0	0														

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
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2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
AVERAGE																							
all yr																							
7 yr																							
3 yr																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Reported Claim Counts
As of 12/31/24

AY	Cumulative Reported Claim Counts																						
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
2011																							
2012																							
2013																							
2014																							
2015																							
2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

AY	Cumulative Reported Claim Count Development (in months)																							
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult		
2003																								
2004																								
2005																								
2006																								
2007																								
2008																								
2009																								
2010																								
2011																								
2012																								
2013																								
2014																								
2015																								
2016																								
2017																								
2018																								
2019																								
2020																								
2021																								
2022																								
2023																								
2024																								
all yr																								
10 yr																								
5 yr																								
3 yr																								
age-36																								
age-48																								
age-60																								
age-72																								
age-84																								
age-96																								
age-108																								
age-120																								
age-132																								
age-144																								
age-156																								
age-168																								
age-180																								
age-192																								
age-204																								
age-216																								
age-228																								
age-240																								
age-252																								
age-264																								
age-ult																								

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation

Open Claims
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
2011																							
2012																							
2013																							
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2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
2009																							
2010																							
2011																							
2012																							
2013																							
2014																							
2015																							
2016																							
2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
all yr																							
7 yr																							
3 yr																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Madison Insurance Company (MIC) Workers Compensation
Selection of Ceded / Net Ultimate Loss & DCC (\$000)
As of 12/31/24

AY	(1) DEP	(2) Incurred	(3) Paid	(4) Total L+DCC - Direct Case	(5) IBNR	(6) ULR	(7) CEP	(8) Incurred	(9) Paid	(10) Total L+DCC - Ceded Case	(11) IBNR	(12) ULR	(13) NEP	(14) Incurred	(15) Paid	(16) Total L+DCC - Net Case	(17) IBNR	(18) ULR
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010	973	973	973	0	0	973	0	0	0	0	0	0	0	0	0	0	0	973
2011	5,067	5,067	4,955	111	56	5,123	196	196	196	0	2	198	0	4,871	4,759	111	54	4,924
2012	9,309	9,309	9,309	0	7	9,315	2,970	2,970	2,970	0	3	2,972	0	6,339	6,339	0	4	6,343
2013	6,633	6,633	6,633	0	5	6,638	3,225	3,225	3,225	0	2	3,227	0	3,408	3,408	0	3	3,410
2014	18,125	18,125	18,120	6	20	18,145	10,098	10,096	10,096	2	11	10,109	0	8,027	8,023	4	9	8,036
2015	12,783	12,783	11,369	1,414	589	13,372	5,336	3,940	1,395	1,395	530	5,866	0	7,447	7,428	19	59	7,506
2016	5	5	0	0	0	5	0	0	0	0	0	0	0	3	3	0	0	3
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	52,894	51,362	1,531	676	53,570	21,826	20,423	1,397	1,397	548	22,374	0	31,067	30,933	134	129	31,196
AY	(19) DEP	(20) Incurred	(21) Paid	(22) Total Direct Loss & DCC Ratio Case	(23) IBNR	(24) ULR	(25) CEP	(26) Incurred	(27) Paid	(28) Ceded to Direct Ratio Case	(29) IBNR	(30) ULR	(31) D.U.L.R.	(32) C.U.L.R.	(33) Net U.L.R.	(34) Direct / Ceded / Net D.L+DCC.Rx	(35) S.L+DCC.Rx	(36) N.L+DCC.Rx
2003	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2004	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2005	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2006	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2007	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2008	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2009	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2010	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2011	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0	0
2012	0	0	0	31.9%	31.9%	31.9%	31.9%	31.9%	31.9%	0.0%	4.0%	3.9%	0.0%	168	0	2	2	165
2013	0	0	0	48.6%	48.6%	48.6%	48.6%	48.6%	48.6%	0.0%	32.0%	32.0%	0.0%	7	7	2	2	4
2014	0	0	0	55.7%	55.7%	55.7%	55.7%	55.7%	55.7%	30.0%	50.0%	48.6%	0.0%	5	5	3	3	3
2015	0	0	0	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	98.7%	55.0%	55.7%	0.0%	25	25	12	12	13
2016	0	0	0	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	0.0%	90.0%	43.9%	0.0%	2,003	2,003	1,926	78	
2017	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2018	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2019	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2020	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2021	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2022	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2023	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
2024	0	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0	0	0	0	0
	0	52,894	51,362	1,531	676	53,570	21,826	20,423	1,397	1,397	548	22,374	0	31,067	30,933	134	129	31,196

Notes:

(1) to (6), (19) from Exh R.2, Sheet 2
 (7), (13) N/A
 (8) to (10) = (2) to (4) minus (14) to (16), respectively
 (11) = (29) x (5)
 (12) = (8) + (11)
 (17) = (5) - (11)
 (18) = (6) - (12)
 (20) to (24) are (2) to (6) divided by (1)
 (25) N/A
 (26) = (8) / (2)
 (27) = (9) / (3)
 (28) = (10) / (4)
 (29) selected by INS
 (30) = (12) / (6)
 (31) = (24)
 (32) N/A
 (33) N/A
 (34) = (4) + (5)
 (35) = (10) + (11)
 (36) = (16) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company
Direct Review - INS Review of Loss and LAE Reserves
AIC High Deductible Workers Compensation
Selection of Ultimate Loss & DCC (\$000)
As of 12/31/24

(1)	(2)	(3)	(4)	(5)				(6)				(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)		(16)	(17)	(18)	(19)	
				Incurred	Paid	Case	OS	Incurred	Paid	Case	OS									Excess of \$500k	ELPPF					Method
DEP	A-Y	L+DCC	L+DCC	A-U	A-U	Case Ratio	IBNR to Case	Inc LDF	Method	Method	Paid LDF	Method	Method	Method	Method	Sel U/I	L+DCC	L+DCC	OS	ELPPF	Method	ELPPF	Method	Sel U/I	L+DCC	L+DCC
---	2003	---	---	1.0105	1.0400	37.0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2004	---	---	1.0115	1.0410	40.6%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2005	---	---	1.0125	1.0426	43.4%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2006	---	---	1.0135	1.0447	45.4%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2007	---	---	1.0145	1.0468	47.3%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2008	---	---	1.0156	1.0489	49.0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2009	---	---	1.0166	1.0510	50.7%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2010	---	---	1.0176	1.0531	52.2%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2011	---	---	1.0186	1.0562	52.3%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2012	---	---	1.0196	1.0594	52.3%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2013	---	---	1.0207	1.0626	52.3%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2014	---	---	1.0237	1.0658	60.1%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2015	---	---	1.0268	1.0764	58.1%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2016	---	---	1.0288	1.0872	53.7%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2017	---	---	1.0319	1.0981	53.0%	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	2018	1,337	1,337	1.0371	1.1090	57.2%	1,386	1,483	1,337	1,337	1,386	1,483	1,337	1,337	1,349	0	0	0	0	0.168	227	0	0	0	0	0
---	2019	2,063	2,063	1.0454	1.1312	59.8%	2,156	2,334	2,063	2,063	2,156	2,334	2,063	2,063	2,086	149	149	0	0	0.168	350	149	0	0	0	0
---	2020	1,192	1,192	1.0558	1.1595	62.5%	1,258	1,382	1,192	1,192	1,258	1,382	1,192	1,208	0	0	0	0	0.168	203	0	0	0	0	0	0
---	2021	1,731	1,644	1.0981	1.2059	109.7%	1,900	1,983	1,825	1,825	1,900	1,983	1,825	1,921	0	0	0	0	0.168	323	0	0	0	0	0	0
---	2022	1,260	1,192	1.1749	1.3868	114.5%	1,481	1,653	1,338	1,338	1,481	1,653	1,338	1,524	0	0	0	0	0.168	256	256	26	26	26	26	26
---	2023	1,372	1,015	1.2748	1.7335	103.9%	1,750	1,760	1,744	1,744	1,750	1,760	1,744	1,755	0	0	0	0	0.168	295	295	192	192	192	192	192
---	2024	626	296	2.2309	4.1603	265.4%	1,397	1,230	1,504	1,314	1,397	1,230	1,504	1,314	0	0	0	0	0.168	221	221	221	221	221	221	221
---		9,581	8,739				11,329	11,823	11,003	11,157	11,329	11,823	11,003	11,157	149	149	0	0	0.168	1,874	587	438	438	438	438	438

Notes:
(1) N/A
(2), (3), (12), (13) provided by Company
(4) = (2) - (3)
(5), (6), (7) from Exh R.1, Sheet 2
(8) = (2) x (5)
(9) = (3) x (6)
(10) = (2) + [(7) x (4)]
(11) selected by INS
(14) = (12) - (13)
(15) selected by INS based on NCCI ELPPF State Filings
(16) = (11) x (15)
(17) selected by INS
(18) = (17) - (12)
(19) = (18) + (14)
No Ceded L+DCC

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability
Ultimate Loss & DCC Summary (\$000) - Direct / Ceded / Net
As of 12/31/24

AY	(1) DEP		(2) Total L+DCC - Direct		(3) IBNR		(4) ULR		(5) CEP		(6) Incurred		(7) Total L+DCC - Ceded		(8) IBNR		(9) ULR		(10) NEP		(11) Incurred		(12) Total L+DCC - Net		(13) IBNR		(14) ULR		
	Incurred	Paid	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	Case	DCC Ratio	
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2006	875	855	20	0	10	0	884	0	875	855	20	0	894	0	10	0	894	0	875	855	20	0	894	0	10	0	894	0	
2007	358	358	0	0	0	0	358	0	358	358	0	0	358	0	0	0	358	0	358	358	0	0	358	0	0	0	358	0	
2008	2,047	2,047	0	0	0	0	2,047	0	2,047	2,047	0	0	2,047	0	0	0	2,047	0	2,047	2,047	0	0	2,047	0	0	0	2,047	0	
2009	2,022	2,003	19	0	59	0	2,081	19	2,022	2,003	19	0	2,081	19	59	0	2,081	19	2,022	2,003	19	0	2,081	19	59	0	2,081	19	
2010	10,728	8,944	1,785	0	76	0	11,761	1,785	10,728	8,944	1,785	0	11,761	1,785	76	0	11,761	1,785	10,728	8,944	1,785	0	11,761	1,785	76	0	11,761	1,785	
2011	11,161	11,086	75	0	296	0	11,457	75	11,161	11,086	75	0	11,457	75	296	0	11,457	75	11,161	11,086	75	0	11,457	75	296	0	11,457	75	
2012	9,579	9,476	103	0	328	0	9,907	103	9,579	9,476	103	0	9,907	103	328	0	9,907	103	9,579	9,476	103	0	9,907	103	328	0	9,907	103	
2013	13,261	13,015	246	0	759	0	14,020	246	13,261	13,015	246	0	14,020	246	759	0	14,020	246	13,261	13,015	246	0	14,020	246	759	0	14,020	246	
2014	12,791	12,556	235	0	980	0	13,772	235	12,791	12,556	235	0	13,772	235	980	0	13,772	235	12,791	12,556	235	0	13,772	235	980	0	13,772	235	
2015	13,098	12,487	610	0	1,802	0	14,899	610	13,098	12,487	610	0	14,899	610	1,802	0	14,899	610	13,098	12,487	610	0	14,899	610	1,802	0	14,899	610	
2016	7,541	7,527	14	0	663	0	8,204	14	7,541	7,527	14	0	8,204	14	663	0	8,204	14	7,541	7,527	14	0	8,204	14	663	0	8,204	14	
2017	2,353	2,281	71	0	312	0	2,665	71	2,353	2,281	71	0	2,665	71	312	0	2,665	71	2,353	2,281	71	0	2,665	71	312	0	2,665	71	
2018	952	950	3	0	124	0	1,077	3	952	950	3	0	1,077	3	124	0	1,077	3	952	950	3	0	1,077	3	124	0	1,077	3	
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	92,817	89,636	3,181	0	6,442	0	99,259	3,181	92,817	89,636	3,181	0	99,259	3,181	6,442	0	99,259	3,181	92,817	89,636	3,181	0	99,259	3,181	6,442	0	99,259	3,181	
AY	DEP	Incurred	Paid	Total Direct Loss & DCC Ratio	IBNR	ULR	Total L+DCC - Direct	Case	DCC Ratio	CEP	Incurred	Total L+DCC - Ceded	Case	DCC Ratio	IBNR	ULR	NEP	Incurred	Total Net Loss & DCC Ratio	Case	DCC Ratio	IBNR	ULR						
2003																													
2004																													
2005																													
2006																													
2007																													
2008																													
2009																													
2010																													
2011																													
2012																													
2013																													
2014																													
2015																													
2016																													
2017																													
2018																													
2019																													
2020																													
2021																													
2022																													
2023																													
2024																													

Notes:
 (1) to (6) from Exh R.4, Sheet 2
 (7) to (12) from Exh R.4, Sheet 12
 (3) to (18) from Exh R.4, Sheet 11
 (19) = (1)
 (20) to (24) are (2) to (6) divided by (19)
 (25) = (7)
 (26) to (30) are (8) to (12) divided by (25)
 (31) = (13)
 (32) to (36) are (14) to (18) divided by (31)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
AIC General Liability
Selection of Ultimate Loss & DCC (\$000)
As of 12/31/24

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
DEP	AX	Incurd L+DCC	Case OS	Incurd A-U	Paid A-U	ELR	ISNR to Case Ratio	Reported Claims	Incurd Sevcty(\$)	Incr LDF Method	Paid LDF Method	Inc B-F Method	Paid B-F Method	ISNR to Case Method	Sel Ut L+DCC	Selected ISNR
	2003	0	0	1,005.0	1,010.0	---	101.0%	0	---	0	0	---	---	0	0	0
	2004	0	0	1,007.0	1,010.0	---	141.6%	0	---	0	0	---	---	0	0	0
	2005	0	0	1,009.0	1,014.0	---	182.3%	0	---	0	0	---	---	0	0	0
	2006	875	20	1,011.0	1,016.1	---	223.0%	54	16,207	894	869	---	---	919	894	10
	2007	358	0	1,013.1	1,018.1	---	263.9%	31	11,548	363	364	---	---	358	358	0
	2008	2,047	0	1,015.1	1,020.1	---	304.8%	151	13,555	2,078	2,088	---	---	2,047	2,047	0
	2009	2,022	19	1,020.2	1,025.2	---	407.3%	208	9,720	2,053	2,053	---	---	2,051	2,081	59
	2010	6,051	0	1,025.3	1,035.5	---	255.8%	285	21,331	6,204	6,266	---	---	6,051	6,128	76
	2011	10,728	1,785	1,030.4	1,048.4	---	176.6%	600	17,880	11,054	9,377	---	---	13,880	11,761	1,032
	2012	11,161	75	1,040.7	1,054.2	---	184.5%	546	20,442	11,615	11,798	---	---	11,299	11,457	296
	2013	9,579	103	1,051.1	1,065.4	---	161.5%	601	15,938	10,068	10,285	---	---	9,745	9,907	328
	2014	13,261	246	1,072.1	1,107.2	---	228.0%	1,007	13,169	14,218	14,409	---	---	13,823	14,020	759
	2015	12,791	235	1,104.3	1,149.2	---	266.7%	625	20,466	14,125	14,430	---	---	13,418	13,772	980
	2016	13,098	610	1,137.4	1,192.9	---	295.5%	498	26,301	14,898	14,896	---	---	14,901	14,899	1,802
	2017	7,541	14	1,171.5	1,263.7	---	235.3%	435	17,336	8,835	9,512	---	---	7,574	8,204	663
	2018	2,353	71	1,206.7	1,350.5	---	194.1%	97	24,255	2,899	3,081	---	---	2,491	2,665	312
	2019	952	3	1,253.0	1,438.0	---	183.1%	46	20,706	1,195	1,385	---	---	958	1,077	124
	2020	0	0	1,474.6	1,756.1	---	296.0%	0	---	0	0	---	---	0	0	0
	2021	0	0	1,752.6	2,262.2	---	313.0%	0	---	0	0	---	---	0	0	0
	2022	0	0	2,241.4	3,506.4	---	510.2%	0	---	0	0	---	---	0	0	0
	2023	0	0	3,175.4	5,537.7	---	843.9%	0	---	0	0	---	---	0	0	0
	2024	0	0	5,859.5	13,814.7	---	---	0	---	0	0	---	---	0	0	0
		93,817	3,181	5,184	100,814	---	---	5,184	100,439	100,814	99,583	---	---	99,583	99,259	6,442
	DEP	AX	Incr LDF	Case LR	Paid LR	ELR	Open Claims	Rep Freq \$M EP	ISNR Claims	Incr LDF Method	Paid LDF Method	Inc B-F Method	Paid B-F Method	ISNR to Case Method	Sel Ut L+DCC	L+DCC Reserves
	2003	---	---	---	99.5%	---	0	---	---	---	---	---	---	---	---	0
	2004	---	---	---	98.8%	---	0	---	---	---	---	---	---	---	---	0
	2005	---	---	---	98.1%	---	0	---	---	---	---	---	---	---	---	0
	2006	---	---	---	98.9%	---	1	---	---	---	---	---	---	---	---	29
	2007	---	---	---	98.7%	---	0	---	---	---	---	---	---	---	---	0
	2008	---	---	---	98.5%	---	0	---	---	---	---	---	---	---	---	0
	2009	---	---	---	98.0%	---	1	---	---	---	---	---	---	---	---	78
	2010	---	---	---	97.5%	---	0	---	---	---	---	---	---	---	---	76
	2011	---	---	---	97.1%	---	8	---	---	---	---	---	---	---	---	2,817
	2012	---	---	---	96.1%	---	2	---	---	---	---	---	---	---	---	371
	2013	---	---	---	95.1%	---	4	---	---	---	---	---	---	---	---	431
	2014	---	---	---	93.3%	---	14	---	---	---	---	---	---	---	---	1,005
	2015	---	---	---	90.6%	---	16	---	---	---	---	---	---	---	---	1,215
	2016	---	---	---	87.9%	---	14	---	---	---	---	---	---	---	---	2,412
	2017	---	---	---	85.4%	---	0	---	---	---	---	---	---	---	---	677
	2018	---	---	---	82.9%	---	3	---	---	---	---	---	---	---	---	384
	2019	---	---	---	79.7%	---	0	---	---	---	---	---	---	---	---	127
	2020	---	---	---	67.8%	---	0	---	---	---	---	---	---	---	---	0
	2021	---	---	---	57.7%	---	0	---	---	---	---	---	---	---	---	0
	2022	---	---	---	44.6%	---	0	---	---	---	---	---	---	---	---	0
	2023	---	---	---	31.5%	---	0	---	---	---	---	---	---	---	---	0
	2024	---	---	---	17.1%	---	0	---	---	---	---	---	---	---	---	0
		---	---	---	---	---	63	---	---	---	---	---	---	---	---	9,623

Notes:
(1), (18) N/A
(2), (3), (9), (25) from Actuarial Report
(4) = (2) - (3)
(5) from Exh R.4, Sheet 3
(6) from Exh R.4, Sheet 4
(7) N/A
(8) = [1 - (22)] / [(22) - (23)]
(10) from Exh R.4, Sheet 5
(11) = (2) x (5)
(12) = (3) x (6)
(13) = (2) + [1 - (23)] x (7) x (1)
(14) = (3) + [1 - (23)] x (7) x (1)
(15) = (2) + [(8) x (4)]
(16) selected by INS
(17) = (16) - (2)
(19) to (21), (28) to (33) are (2) to (4), (11) to (16) divided by (1)
(22) = 1 / (5)
(23) = 1 / (6)
(24) = (7)
(26) = [(9) x 1000] / (1)
(27) N/A
(34) = (4) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability
Incurred Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Incurred Loss & DCC (\$000)																					
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	58	65	81	117	250	261	266	264	294	303	339	369	0	0	0	0	0	0	0	0	0	0
2008	628	1,227	1,224	1,211	1,250	1,440	1,448	1,571	1,700	1,815	2,030	2,028	0	0	0	0	2,047	358	875	0	0	0
2009	463	689	771	1,230	1,303	1,478	1,534	1,539	1,791	1,604	2,025	2,003	0	0	0	0	0	0	0	0	0	0
2010	1,052	2,324	3,892	4,682	5,905	7,448	5,978	5,981	5,992	6,013	6,099	6,080	0	0	6,051	2,022	0	0	0	0	0	0
2011	1,766	3,273	4,053	4,769	5,462	7,426	8,035	8,337	7,939	8,422	9,194	9,611	0	10,728	0	0	0	0	0	0	0	0
2012	3,167	4,811	6,166	9,063	8,669	10,205	10,121	10,108	10,324	10,698	11,234	11,151	11,161	0	0	0	0	0	0	0	0	0
2013	1,837	3,276	5,584	6,414	7,343	8,809	9,153	9,350	9,546	9,687	9,660	9,579	0	0	0	0	0	0	0	0	0	0
2014	2,048	3,988	6,257	7,813	8,435	11,208	11,898	12,670	12,290	13,206	13,261	0	0	0	0	0	0	0	0	0	0	0
2015	2,048	3,723	4,592	5,805	6,846	8,682	9,193	10,305	12,745	12,791	0	0	0	0	0	0	0	0	0	0	0	0
2016	1,787	3,388	4,785	7,030	9,957	10,992	13,545	12,712	13,098	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	1,291	2,934	4,225	6,534	7,044	7,501	7,422	7,541	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	367	941	1,393	1,685	1,948	2,402	2,353	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	429	621	865	940	977	952	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AY	Cumulative Incurred Loss & DCC Development (in months)																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
2003	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2004	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2005	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2006	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2007	1,1257	1,2334	1,4447	2,1410	1,0456	1,0191	0,9912	1,1141	1,0294	1,1192	1,0883	—	—	—	—	—	—	—	—	—	—	—
2008	1,9541	0,9977	0,9891	1,0324	1,1521	1,0058	1,0850	1,0819	1,0677	1,1183	0,9992	—	—	—	—	—	—	—	—	—	—	—
2009	1,4881	1,1185	1,5962	1,0591	1,1341	1,0383	1,0030	1,1636	0,8956	1,2623	0,9894	—	—	—	—	—	—	—	—	—	—	—
2010	2,2087	1,6746	1,2050	1,2615	1,2612	1,8027	1,0005	1,0018	1,0056	1,0142	0,9969	—	—	—	—	—	—	—	—	—	—	—
2011	1,8531	1,2383	1,1766	1,1453	1,3596	1,0820	1,0376	0,9523	1,0608	1,0917	1,0453	—	—	—	—	—	—	—	—	—	—	—
2012	1,5191	1,2816	1,4700	0,9365	1,1772	0,9918	0,9988	1,0213	1,0562	1,0501	0,9962	0,9974	—	—	—	—	—	—	—	—	—	—
2013	1,7855	1,7046	1,1485	1,1448	1,1996	1,0591	1,0215	1,0209	1,0158	0,9862	0,9916	—	—	—	—	—	—	—	—	—	—	—
2014	1,9471	1,5889	1,2486	1,0797	1,3287	1,0615	1,0649	0,9700	1,0745	1,0042	—	—	—	—	—	—	—	—	—	—	—	—
2015	1,8184	1,3408	1,1627	1,1794	1,2682	1,0588	1,1210	1,2368	1,0056	—	—	—	—	—	—	—	—	—	—	—	—	—
2016	1,8961	1,4126	1,4991	1,4164	1,1039	1,2323	0,9385	1,0303	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2017	2,2717	1,4400	1,5467	1,0781	1,0648	0,9894	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2018	2,5617	1,4799	1,2100	1,1561	1,2326	0,9796	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2019	1,4491	1,3923	1,0868	1,0400	0,9746	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2023	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2024	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
AIC General Liability
Paid Loss & DCC (\$000)
As of 12/31/24

AY	Cumulative Paid Loss & DCC (\$000)																					
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	28	65	67	72	250	256	256	263	263	269	290	341	0	0	0	0	0	0	0	0	0	0
2008	197	742	1,034	986	1,179	1,289	1,370	1,461	1,654	1,729	1,955	2,026	0	0	0	0	0	0	0	0	0	0
2009	165	446	692	1,102	1,196	1,297	1,390	1,487	1,586	1,581	1,640	1,969	0	0	0	0	0	0	0	0	0	0
2010	807	1,315	2,296	3,758	5,110	5,479	5,668	5,727	5,771	5,888	5,989	6,038	0	0	0	0	0	0	0	0	0	0
2011	721	1,930	2,886	3,691	4,654	5,899	6,372	6,607	6,693	7,053	7,890	8,163	0	8,944	0	0	0	0	0	0	0	0
2012	774	2,527	3,855	6,928	7,599	9,308	9,764	9,925	10,093	10,228	11,066	11,101	11,086	0	0	0	0	0	0	0	0	0
2013	620	1,783	2,732	4,937	6,146	8,290	8,808	9,050	9,285	9,450	9,512	9,476	0	0	0	0	0	0	0	0	0	0
2014	1,165	2,286	3,310	4,942	7,080	9,577	10,632	11,612	11,953	12,810	13,015	0	0	0	0	0	0	0	0	0	0	0
2015	951	2,481	3,475	4,815	5,811	7,119	7,986	9,708	12,559	12,559	12,559	0	0	0	0	0	0	0	0	0	0	0
2016	1,013	2,010	3,469	5,594	8,709	9,901	11,333	12,395	12,487	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	517	1,609	3,058	5,364	6,524	7,058	7,314	7,527	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	121	562	872	1,209	1,841	2,306	2,281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	175	395	731	898	963	950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AY	Cumulative Paid Loss & DCC Development (in months)																					
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
2003	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2004	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2005	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2006	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2007	2,2792	1,0583	1,0677	3,4731	1,0231	1,0000	1,0300	1,0004	1,0205	1,0795	1,1747	---	---	---	---	---	---	---	---	---	---	---
2008	3,7709	1,3923	0,9540	1,1952	1,0934	1,0629	1,0671	1,1317	1,0451	1,1368	1,0364	---	---	---	---	---	---	---	---	---	---	---
2009	2,7031	1,5515	1,5921	1,0854	1,0842	1,0715	1,0700	1,0664	1,0031	1,0308	1,2010	---	---	---	---	---	---	---	---	---	---	---
2010	1,6296	1,7460	1,6366	1,3596	1,0722	1,0346	1,0104	1,0077	1,0203	1,0172	1,0081	---	---	---	---	---	---	---	---	---	---	---
2011	2,6772	1,5471	1,2360	1,2609	1,2676	1,0801	1,0369	1,0150	1,0538	1,1187	1,0346	---	---	---	---	---	---	---	---	---	---	---
2012	3,2650	1,5256	1,7973	1,0968	1,2330	1,0490	1,0165	1,0199	1,0194	1,0819	1,0052	0,9987	---	---	---	---	---	---	---	---	---	---
2013	2,8766	1,5320	1,8069	1,2449	1,3487	1,0626	1,0275	1,0239	1,0178	1,0065	0,9962	---	---	---	---	---	---	---	---	---	---	---
2014	1,9617	1,4476	1,4932	1,4326	1,3327	1,1102	1,0922	1,0294	1,0716	1,0160	---	---	---	---	---	---	---	---	---	---	---	---
2015	2,5562	1,4296	1,3854	1,2068	1,2252	1,1218	1,1156	1,2937	0,9998	---	---	---	---	---	---	---	---	---	---	---	---	---
2016	1,9845	1,7261	1,6126	1,5569	1,1369	1,1446	1,0937	1,0074	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2017	3,1159	1,8999	1,7540	1,2165	1,0818	1,0363	1,0292	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2018	4,6535	1,5327	1,3861	1,5327	1,2524	0,9895	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2019	2,2572	1,8528	1,2290	1,0719	0,9861	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2020	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2021	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2022	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
2023	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
average	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
all yr	1,5787	1,3500	1,2882	1,2043	1,2043	1,0796	1,0687	1,0593	1,0297	1,0477	1,0201	---	---	---	---	---	---	---	---	---	---	---
10 yr	2,3378	1,6132	1,2853	1,2043	1,2043	1,0803	1,0688	1,0593	1,0312	1,0450	1,0180	---	---	---	---	---	---	---	---	---	---	---
5 yr	2,2372	1,6028	1,3006	1,1462	1,1462	1,0997	1,0916	1,0688	1,0312	1,0450	1,0180	---	---	---	---	---	---	---	---	---	---	---
3 yr	---	---	1,2290	1,3305	1,1056	1,0664	1,1125	1,0974	1,0302	1,0340	1,0095	0,9987	---	---	---	---	---	---	---	---	---	---
Subsect	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult
age-age	2,4956	1,5787	1,3500	1,2882	1,2043	1,0796	1,0687	1,0593	1,0297	1,0477	1,0201	---	---	---	---	---	---	---	---	---	---	---
age-ult	13,8147	5,5357	3,5064	2,2622	1,7561	1,4580	1,3505	1,2657	1,1929	1,1492	1,1072	1,0854	1,0642	1,0484	1,0355	1,0252	1,0201	1,0181	1,0161	1,0140	1,0120	1,0100

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability
Incurred Severity (\$) per Reported Claim
As of 12/31/24

AY	Cumulative Incurred Severity (\$) per Reported Claim																						
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																		11,548	16,200				
2008																		13,355					
2009																	9,720						
2010																21,233							
2011															17,880								
2012															20,442								
2013														13,938									
2014										13,169													
2015										20,166													
2016										26,301													
2017										17,336													
2018										24,235													
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

AY	Cumulative Incurred Severity Development (in months)																								
	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24	12-24
2003																									
2004																									
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2019																									
2020																									
2021																									
2022																									
2023																									
2024																									

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
AIC General Liability
Paid Severity (\$) per Reported Claim
As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
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2007																							
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2021																							
2022																							
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2024																							
Average																							
all yr																							
10 yr																							
5 yr																							
3 yr																							
select																							
age-age																							
age-all																							

AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-All	
2003																							
2004																							
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2021																							
2022																							
2023																							
Average																							
all yr																							
10 yr																							
5 yr																							
3 yr																							
select																							
age-age																							
age-all																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
AIC General Liability
Incurred and Paid Loss & DCC Ratios
As of 12/31/24

DEP	AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
	2003																						
	2004																						
	2005																						
	2006																						
	2007																						
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	2011																						
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	2019																						
	2020																						
	2021																						
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	2023																						
	2024																						

DEP	AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264
	2003																						
	2004																						
	2005																						
	2006																						
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	2019																						
	2020																						
	2021																						
	2022																						
	2023																						
	2024																						

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability

Case OS (\$000)

As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007	30	1	13	45	0	6	11	1	31	34	49	28						0					
2008	431	484	190	225	71	151	79	110	46	87	75	3					0						
2009	298	243	78	128	107	181	144	52	205	13	385	34				19							
2010	245	1,009	1,596	924	795	1,969	310	254	221	125	110	42			0								
2011	1,045	1,943	1,067	1,078	808	1,527	1,663	1,730	1,246	1,369	1,304	1,447		1,785									
2012	2,393	2,284	2,311	2,135	1,070	897	357	183	290	470	168	90	75										
2013	1,217	1,493	2,852	1,477	1,197	519	345	300	261	247	148	103											
2014	883	1,702	2,948	2,871	1,356	1,632	1,266	1,058	337	396	246												
2015	1,097	1,292	1,517	990	1,036	1,563	1,206	597	186	235													
2016	774	1,378	1,316	1,436	1,248	1,090	2,212	317	610														
2017	775	1,324	1,167	1,170	521	443	108	14															
2018	247	380	521	476	108	96	71																
2019	254	227	134	41	14	3																	
2020	0	0	0	0	0																		
2021	0	0	0	0																			
2022	0	0	0	0																			
2023	0	0																					
2024	0																						

Average Case OS per Open Claim (\$)

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
average																							
all yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7 yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3 yr	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
AIC General Liability
Reported Claim Counts
As of 12/31/24

AY	Cumulative Reported Claim Counts																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
2003																							
2004																							
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2023																							
2024																							

AY	Cumulative Reported Claim Count Development (in months)																						
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
2003																							
2004																							
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2020																							
2021																							
2022																							
2023																							
2024																							
average	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
all yr																							
10 yr																							
5 yr																							
3 yr																							
50%ile	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-ult	
age-age	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
age-ult	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability
Closed Claims

As of 12/31/24

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
2007																							
2008																							
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2010																							
2011																							
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2017																							
2018																							
2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
Cumulative Closed Claims																							
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
2006																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
Closing Ratio [Closed Counts / Reported Counts]																							
AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
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2022																							
2023																							
2024																							
AVERAGE																							
all yr																							
7 yr																							
3 yr																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability

Open Claims

As of 12/31/24

AY	12	24	36	48	50	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							

Open Ratio [Open Counts / Reported Counts]

AY	12	24	36	48	50	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	
2003																							
2004																							
2005																							
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2019																							
2020																							
2021																							
2022																							
2023																							
2024																							
Average																							
all yr																							
7 yr																							
3 yr																							

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves

AIC General Liability
Selection of Ceded / Net Ultimate Loss & DCC (\$000)
As of 12/31/24

AY	(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)	(14)	(15)		(16)	(17)	(18)
		DEP	Incurred	Total L+DCC - Direct	Case	IBNR	Ult	CEP	Incurred	Paid	Total L+DCC - Ceded	Case	IBNR	Ult	NEP	Incurred	Paid	Total L+DCC - Net	Case	IBNR	Ult	Direct / Ceded / Net	ULAE/IBNR			ULAE/IBNR	ULAE/IBNR			
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2006	875	875	855	20	10	884	875	855	20	10	884	875	855	20	10	884	875	855	20	10	884	875	855	20	10	884	875	855	20	10
2007	358	358	358	0	0	358	358	358	0	0	358	358	358	0	0	358	358	358	0	0	358	358	358	0	0	358	358	358	0	0
2008	2,047	2,047	2,047	0	0	2,047	2,047	2,047	0	0	2,047	2,047	2,047	0	0	2,047	2,047	2,047	0	0	2,047	2,047	2,047	0	0	2,047	2,047	2,047	0	0
2009	2,022	2,022	2,003	19	59	2,081	2,022	2,003	19	59	2,081	2,022	2,003	19	59	2,081	2,022	2,003	19	59	2,081	2,022	2,003	19	59	2,081	2,022	2,003	19	59
2010	6,051	6,051	6,051	0	76	6,128	6,051	6,051	0	76	6,128	6,051	6,051	0	76	6,128	6,051	6,051	0	76	6,128	6,051	6,051	0	76	6,128	6,051	6,051	0	76
2011	10,728	10,728	8,944	1,785	1,032	11,761	10,728	8,944	1,785	1,032	11,761	10,728	8,944	1,785	1,032	11,761	10,728	8,944	1,785	1,032	11,761	10,728	8,944	1,785	1,032	11,761	10,728	8,944	1,785	1,032
2012	11,161	11,161	11,086	75	296	11,457	11,161	11,086	75	296	11,457	11,161	11,086	75	296	11,457	11,161	11,086	75	296	11,457	11,161	11,086	75	296	11,457	11,161	11,086	75	296
2013	9,579	9,579	9,476	103	328	9,907	9,579	9,476	103	328	9,907	9,579	9,476	103	328	9,907	9,579	9,476	103	328	9,907	9,579	9,476	103	328	9,907	9,579	9,476	103	328
2014	13,261	13,261	13,015	246	759	14,020	13,261	13,015	246	759	14,020	13,261	13,015	246	759	14,020	13,261	13,015	246	759	14,020	13,261	13,015	246	759	14,020	13,261	13,015	246	759
2015	13,098	13,098	12,556	235	980	13,772	13,098	12,556	235	980	13,772	13,098	12,556	235	980	13,772	13,098	12,556	235	980	13,772	13,098	12,556	235	980	13,772	13,098	12,556	235	980
2016	13,098	13,098	12,487	610	1,802	14,899	13,098	12,487	610	1,802	14,899	13,098	12,487	610	1,802	14,899	13,098	12,487	610	1,802	14,899	13,098	12,487	610	1,802	14,899	13,098	12,487	610	1,802
2017	7,541	7,541	7,527	14	663	8,204	7,541	7,527	14	663	8,204	7,541	7,527	14	663	8,204	7,541	7,527	14	663	8,204	7,541	7,527	14	663	8,204	7,541	7,527	14	663
2018	2,353	2,353	2,281	71	312	2,665	2,353	2,281	71	312	2,665	2,353	2,281	71	312	2,665	2,353	2,281	71	312	2,665	2,353	2,281	71	312	2,665	2,353	2,281	71	312
2019	952	952	950	3	124	1,077	952	950	3	124	1,077	952	950	3	124	1,077	952	950	3	124	1,077	952	950	3	124	1,077	952	950	3	124
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	92,817	89,636	3,181	6,442	99,259	92,817	89,636	3,181	6,442	99,259	92,817	89,636	3,181	6,442	99,259	92,817	89,636	3,181	6,442	99,259	92,817	89,636	3,181	6,442	99,259	92,817	89,636	3,181	6,442

Notes:
 (1) to (16), (19) from Exh R.4, Sheet 2
 (7), (13) N/A
 (8) to (10) = (2) to (4) minus (14) to (16), respectively
 (11) = (29) x (5)
 (12) = (8) x (11)
 (17) = (5) - (11)
 (18) = (6) - (12)
 (20) to (24) are (2) to (6) divided by (1)
 (25) N/A
 (26) = (8) / (2)
 (27) = (9) / (3)
 (28) = (10) / (4)
 (29) selected by INS
 (30) = (12) / (6)
 (31) = (24)
 (32) N/A
 (33) N/A
 (34) = (4) + (5)
 (35) = (10) + (11)
 (36) = (16) + (17)

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Assumed Review - INS Review of Loss and LAE Reserves

Hannover General Liability

Selection of Ultimate Loss & DCC (\$000)
As of 12/31/24

(1)	(2)	(3)	(4)	(5)		(6)	(7)		(8)	(9)	(10)	(11)	(12)	(13)
				Incurring	Case		Incurring	Paid						
AEP	AY	L+DCC	OS	A-U	A-U	A-U	Case Ratio	Method	Method	Method	Method	L+DCC	IBNR	L+DCC Reserves
	2003			1,0050	1,0100	101.0%								
	2004			1,0070	1,0120	141.6%								
	2005			1,0090	1,0140	182.3%								
	2006			1,0110	1,0161	223.0%								
	2007			1,0131	1,0181	263.9%								
	2008			1,0151	1,0201	304.8%								
	2009			1,0202	1,0252	407.3%								
	2010			1,0253	1,0355	255.8%								
	2011			1,0304	1,0484	176.8%								
	2012			1,0407	1,0642	184.5%								
	2013			1,0511	1,0854	161.5%								
	2014	2,760	259	1,0721	1,1072	228.0%	2,959	2,769	3,350	3,057	297	556		
	2015	4,007	108	1,1043	1,1492	266.7%	4,424	4,481	4,294	4,392	385	493		
	2016	4,793	487	1,1374	1,1929	295.5%	5,451	5,137	6,231	5,646	853	1,340		
	2017	0	0	1,1715	1,2637	235.3%	0	0	0	0	0	0		
	2018	0	0	1,2067	1,3505	194.1%	0	0	0	0	0	0		
	2019	0	0	1,2550	1,4580	183.1%	0	0	0	0	0	0		
	2020	0	0	1,4746	1,7561	296.0%	0	0	0	0	0	0		
	2021	0	0	1,7326	2,2622	313.0%	0	0	0	0	0	0		
	2022	0	0	2,2414	3,5064	344.1%	0	0	0	0	0	0		
	2023	0	0	3,1754	5,5357	510.2%	0	0	0	0	0	0		
	2024	0	0	5,8595	13,8147	843.9%	0	0	0	0	0	0		
		11,559	10,706				12,835	12,386	13,874	13,094	1,555	2,389		

Notes:

- (1) N/A
- (2), (3), (12), (13) provided by Company
- (4) = (2) - (3)
- (5), (6), (7) from Exh R.4, Sheet 2
- (8) = (2) x (5)
- (9) = (3) x (6)
- (10) = (2) + [(7) x (4)]
- (11) selected by INS
- (12) = (11) - (2)
- (13) = (12) + (4)
- No Ceded L+DCC

Accident Insurance Holding Company Group - Accident Insurance Company, Inc.
Direct Review - INS Review of Loss and LAE Reserves
Freestone (Dallas National) General Liability - AIC Fronted Program
Selection of Ultimate Loss & DCC (\$000)
As of 12/31/24

(1)	(2)	(3)	(4)	(5)	(6)	(7)			(9)	(10)	(11)	(12)	(13)
						Direct (Fronted) Loss & DCC							
DEP	AY	Incurred L+DCC	Paid L+DCC	Case OS	Incurred A-U	Paid A-U	IBNR to Case Ratio	Inc LDF Method	Paid LDF Method	IBNR to Case Method	Sel Ut L+DCC	Selected IBNR	L+DCC Reserves
---	2003	---	---	---	1,0050	1,0100	101.0%	---	---	---	---	---	---
---	2004	---	---	---	1,0070	1,0120	141.6%	---	---	---	---	---	---
---	2005	---	---	---	1,0090	1,0140	182.3%	---	---	---	---	---	---
---	2006	---	---	---	1,0110	1,0161	223.0%	---	---	---	---	---	---
---	2007	---	---	---	1,0131	1,0181	263.9%	---	---	---	---	---	---
---	2008	---	---	---	1,0151	1,0201	304.8%	---	---	---	---	---	---
---	2009	---	---	---	1,0202	1,0252	407.3%	---	---	---	---	---	---
---	2010	---	---	---	1,0253	1,0355	255.8%	---	---	---	---	---	---
---	2011	---	---	---	1,0304	1,0484	176.6%	---	---	---	---	---	---
---	2012	---	---	---	1,0407	1,0642	184.5%	---	---	---	---	---	---
---	2013	3,511	3,279	232	1,0511	1,0854	161.5%	3,690	3,559	3,885	3,739	228	460
---	2014	12,905	12,433	472	1,0721	1,1072	228.0%	13,836	13,765	13,981	13,872	967	1,439
---	2015	2,481	2,451	30	1,1043	1,1492	266.7%	2,740	2,817	2,562	2,696	214	245
---	2016	44	44	0	1,1374	1,1929	295.5%	50	53	44	44	0	0
---	2017	0	0	0	1,1715	1,2637	235.3%	0	0	0	0	0	0
---	2018	0	0	0	1,2067	1,3505	194.1%	0	0	0	0	0	0
---	2019	0	0	0	1,2550	1,4380	183.1%	0	0	0	0	0	0
---	2020	0	0	0	1,4746	1,7561	296.0%	0	0	0	0	0	0
---	2021	0	0	0	1,7326	2,2622	313.0%	0	0	0	0	0	0
---	2022	0	0	0	2,2414	3,5064	344.1%	0	0	0	0	0	0
---	2023	0	0	0	3,1754	5,5357	510.2%	0	0	0	0	0	0
---	2024	0	0	0	5,8595	13,8147	843.9%	0	0	0	0	0	0
---		18,941	18,207	734				20,316	20,194	20,473	20,351	1,410	2,144

Notes:

- (1) N/A
- (2), (3), (12), (13) provided by Company
- (4) = (2) - (3)
- (5), (6), (7) from Exh R.4, Sheet 2
- (8) = (2) x (5)
- (9) = (3) x (6)
- (10) = (2) + [(7) x (4)]
- (11) selected by INS
- (12) = (11) - (2)
- (13) = (12) + (4)

100% Ceded L+DCC