

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

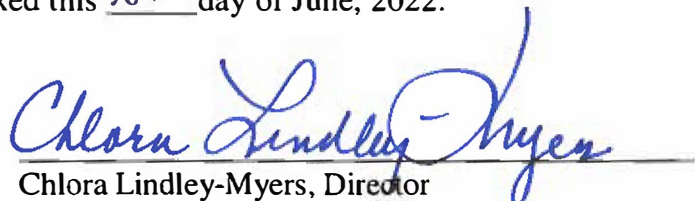
ORDER

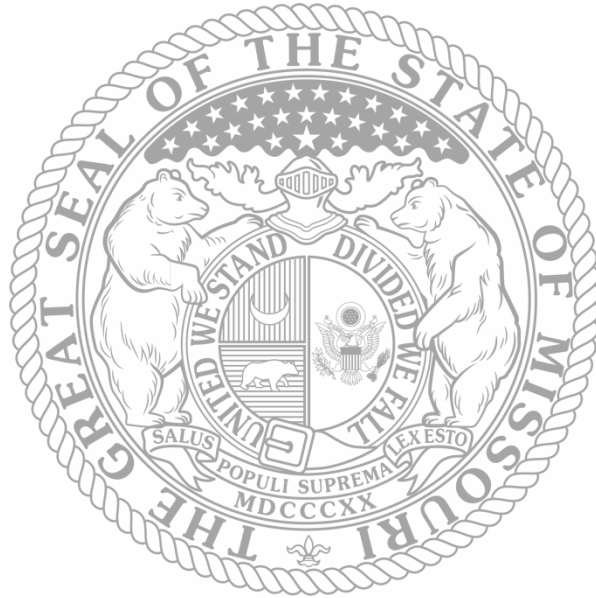
After full consideration and review of the report of the financial examination of American National Property And Casualty Company for the period ended December 31, 2020, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant finding, company history, management and control, territory and plan of operation, growth of company and loss experience, reinsurance, accounts and records, financial statements, comments on financial statement items, financial statement changes resulting from examination, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of American National Property And Casualty Company as of December 31, 2020 be and is hereby ADOPTED as filed and for American National Property And Casualty Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 24th day of June, 2022.




Chlora Lindley-Myers, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY

AS OF
DECEMBER 31, 2020

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Jefferson City, MO
May 10, 2022

Honorable Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your financial examination warrant, a full-scope financial examination has been made of the records, affairs, and financial condition of

American National Property And Casualty Company (NAIC #28401)

hereinafter referred to as such, as ANPAC, or as the Company. Its administrative office is located at American National Center, 1949 East Sunshine, Springfield, Missouri 65899, telephone number 417-887-4990. The fieldwork for this examination began on June 29, 2021, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a multi-state financial examination of American National Property And Casualty Company. The last examination of the Company by the Department covered the period of January 1, 2011 through December 31, 2015. The current examination covers the period of January 1, 2016 through December 31, 2020, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook (Handbook)*, except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. 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 the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination also included a review of significant estimates made by management and evaluation of management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The activities considered in the examination as key to ANPAC included Investments, Premiums and Underwriting, Claims Handling and Reserving, Reinsurance, Related Parties, Taxes, and Capital and Surplus. The examination also included a review and evaluation of information technology general controls.

This examination was conducted as part of a coordinated examination of the American National Financial Group (Group), which consists of eight property and casualty insurers and five life insurance companies domiciled in the states of Texas, New York, California, Missouri, and Louisiana. The Texas Department of Insurance is the lead state regulator for the Group and was the facilitator for the examination of the life insurance companies. Missouri acted as the facilitator for the examination of the property and casualty companies. In addition to Missouri and Texas, regulators from New York, California, and Louisiana participated in the coordinated examination.

This examination report includes significant findings of fact, as mentioned in Section 374.205 Revised Statutes of Missouri (RSMo) (Examination, director may conduct, when...) 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 are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

COMPANY HISTORY

General

ANPAC was incorporated on October 1, 1973 and commenced business on January 2, 1974. The Company operates as a stock casualty company under the laws of Chapter 379 RSMo (Insurance other than life).

Mergers, Acquisitions, and Major Corporate Events

ANPAC's direct owner was a party to several mergers during the examination period, as the Group sought to simplify and consolidate the holding company structure. During 2016 and 2017, ANPAC was wholly-owned by American National Property and Casualty Holdings, Inc. (P&C Holdings), a Delaware corporation. Effective December 31, 2017, American National Life Holdings, Inc. (a Nevada corporation) merged into P&C Holdings, with P&C Holdings as the surviving entity. Upon completion of such merger, P&C Holdings changed its name to American National Holdings, Inc. (AN Holdings). The following year, effective December 1, 2018, AN Holdings merged into Comprehensive Investment Services, Inc. (CIS), a Nevada Corporation, with CIS as the surviving entity. Effective upon completion of the merger, CIS changed its name to American National Holdings, Inc.

Additionally, effective July 1, 2020, ANPAC's upstream indirect parent company, American National Insurance Company (ANICO), a Texas life insurance company, completed a holding company reorganization. As a result of this reorganization, ANICO became a wholly-owned subsidiary of American National Group, Inc. (ANAT), a Delaware corporation. ANAT replaced ANICO as the publicly held company listed on the NASDAQ, under the trading symbol "ANAT".

The Subsequent Events section of this report includes information regarding certain mergers occurring after the examination period.

Dividends and Capital Contributions

During the examination period, ANPAC paid ordinary cash dividends to its direct parent, American National Holdings, Inc., as follows:

Year	Amount
2016	\$ 7,500,000
2017	6,000,000
2018	6,000,000
2019	15,400,000
2020	25,400,000
Total	\$ 60,300,000

ANPAC also received dividends from its subsidiary American National Insurance Service Company of \$750,000 on August 31, 2018 and \$1.1 million on July 21, 2020.

Surplus Notes

There were no surplus notes issued or outstanding during the examination period.

MANAGEMENT AND CONTROL

Board of Directors

The management of the Company is vested in a Board of Directors that is elected by the shareholders. The Company's Bylaws state that the number of directors shall not be less than nine nor more than fifteen at any time. The Board of Directors serving as of December 31, 2020, was as follows:

Name and Address

Timothy A. Walsh
Galveston, Texas

Irwin M. Herz Jr.
Galveston, Texas

Edward J. Muhl
Alexandria, Virginia

James E. Pozzi
Galveston, Texas

Johnny D. Johnson
League City, Texas

Matthew R. Ostiguy
East Greenbush, New York

John F. Simon
League City, Texas

James D. Yarbrough
Galveston, Texas

Ashild I. Moody
Kemah, Texas

Elvin J. Pederson
Galveston, Texas

Shannon L. Smith
Springfield, Missouri

Principal Occupation and Business Affiliation

Executive Vice President, Chief Financial Officer,
Treasurer, and Multiple-Line and Property and Casualty
Operations, ANICO

Attorney and Senior Partner, Greer Herz & Adams, L.L.P

Insurance, Reinsurance and Legislative Consultant

President and Chief Executive Officer, ANICO

Executive Vice President, Corporate Business Process
Officer, and Chief Information Officer, ANICO

Executive Vice President, Property and Casualty Chief
Operating Officer, ANPAC

Executive Vice President and Chief Life and Annuity
Actuary, ANICO

Director, ANICO

Director, ANPAC

Director, ANICO

Executive Vice President and Chief Agencies Officer,
Multiple Line, ANICO

Senior Officers

The officers elected and serving, as of December 31, 2020, were as follows:

<u>Name</u>	<u>Office</u>
Timothy A. Walsh	President and Chief Executive Officer
John M. Flippin	Vice President and Corporate Secretary
Michelle A. Gage	Vice President, Controller and Treasurer
Johnny D. Johnson	Executive Vice President, Corporate Business Process Officer and Chief Information Officer
James W. Pangburn	Executive Vice President, Specialty Markets Sales and Marketing
Dwain A. Akins	Senior Vice President, Chief Corporate Compliance Officer
Anne M. LeMire	Senior Vice President and Chief Securities Investment Officer
Brian N. Bright	Senior Vice President, Computing Services
Bernard S. Gerwel	Senior Vice President, Chief Innovation Officer
Meredith M. Mitchell	Senior Vice President, Deputy Chief Information Officer
Patrick A. Smith	Senior Vice President, Multi Line Agencies Field Operations
Shannon L. Smith	Executive Vice President, Chief Agencies Officer, Multiple Line
Jeffrey A. Mills	Executive Vice President, Chief Property and Claims Officer
Michele M. Bartkowski	Senior Vice President, Finance
Scott C. Campbell	Senior Vice President, Chief Client Officer
Joseph S. Highbarger	Senior Vice President, Property and Casualty Actuarial
Bruce M. LePard	Senior Vice President, Chief Human Resources Officer
Michael S. Nimmons	Senior Vice President, Internal Audit Services
Matthew R. Ostiguy	Executive Vice President, Property and Casualty Chief Operating Officer
Scott F. Brast	Senior Vice President, Chief Mortgage Loan and Real Estate Investment Officer
James P. Stelling	Executive Vice President, Health and Specialty Markets Operations
James L. Flinn	Senior Vice President, Chief Risk Officer and Property and Casualty Actuarial
John Y. McCaskill	Senior Vice President, Property and Casualty Underwriting
Deborah K. Janson	Senior Vice President, Corporate Office and Chief Business Planning Officer
Stuart M. Paulson	Senior Vice President, Property and Casualty Claims

Principal Committees

Article V of the Bylaws states that the Board of Directors may appoint an Executive Committee and such other committees as it may deem necessary. The Executive Committee is the only committee established by the Board of Directors as of December 31, 2020. The Executive Committee members elected and serving as of December 31, 2020 were James E. Pozzi (Chairman), Irwin M. Herz, Jr., and Timothy A. Walsh.

ANPAC utilizes the Audit Committee of its publicly traded indirect parent, American National Group, Inc., and maintains a Management Risk Committee and Reinsurance Committee together with the other American National Financial Group property and casualty companies.

Corporate Records

The Company's Articles of Incorporation (Articles) and Bylaws were reviewed. Effective December 28, 2017, ANPAC amended and restated its Articles to provide uniformity among the Articles of the American National Financial Group property and casualty companies. Effective August 8, 2017, ANPAC amended and restated its Bylaws to provide more uniformity among the Bylaws of the property and casualty companies within the Group.

The minutes of the Board of Directors' meetings, Shareholders' meetings, and committee meetings were reviewed for the period under examination for proper approval of significant corporate transactions and business decisions.

Holding Company, Subsidiaries, and Affiliates

ANPAC is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). On December 31, 2020, ANPAC was wholly-owned by American National Holdings, Inc., a Nevada corporation wholly-owned subsidiary of American National Insurance Company, a Texas life insurance company. ANICO is a wholly-owned by American National Group, Inc., a Delaware corporation that was publicly traded on the NASDAQ stock exchange at all times during the examination period. ANAT was ultimately controlled by The Moody Foundation (22.748% ownership) and The Libbie Shearn Moody Trust (37.005% ownership).

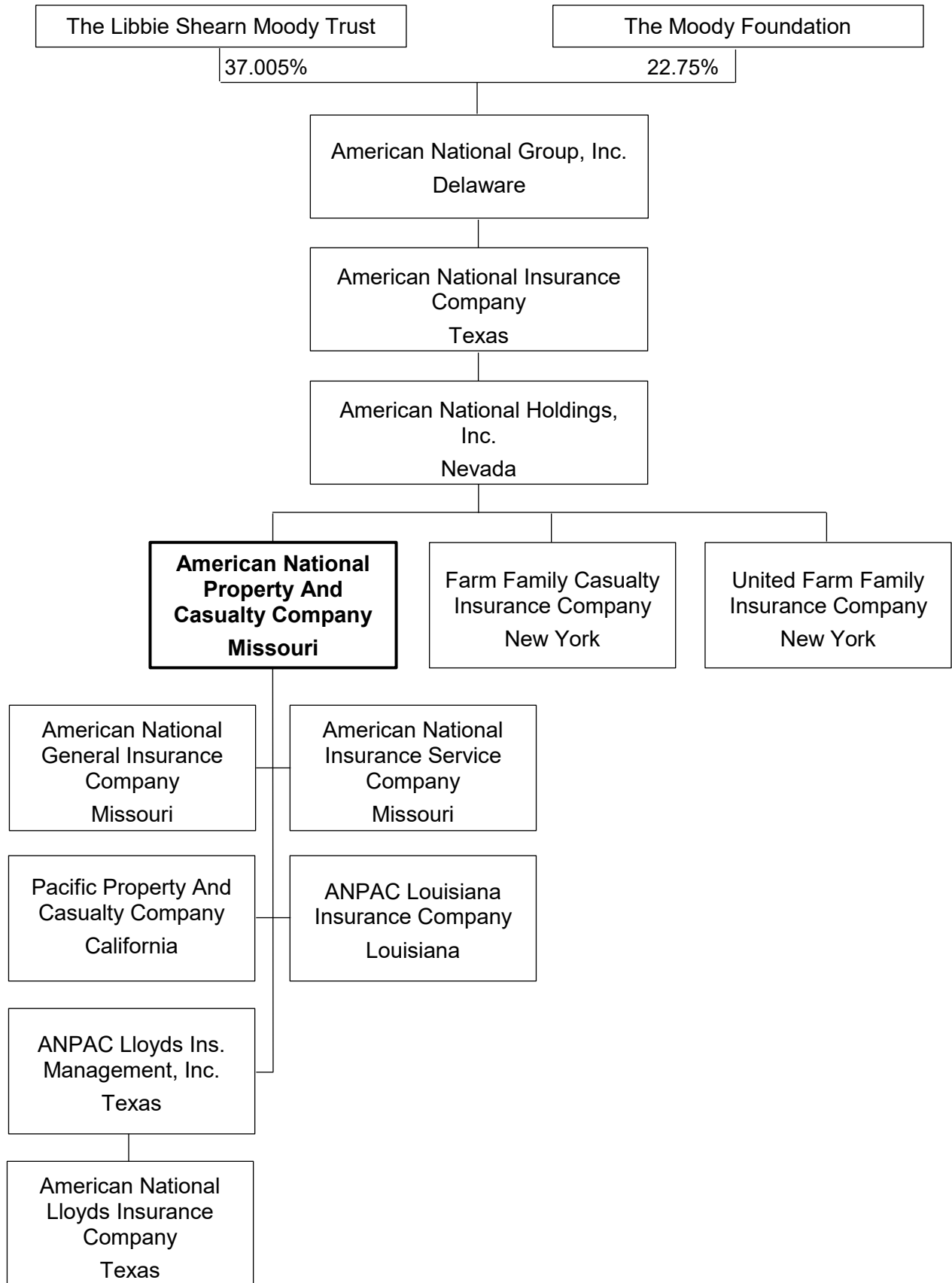
ANPAC wholly-owns the following subsidiaries:

- American National General Insurance Company (ANGIC), a Missouri property and casualty insurance company.
- American National Insurance Service Company (ANISCO), a Missouri corporation that brokers certain personal and commercial lines.
- Pacific Property And Casualty Company (PPCC), a California property and casualty insurance company.
- ANPAC Louisiana Insurance Company (ANPAC LA), a Louisiana property and casualty insurance company.
- ANPAC Lloyd's Insurance Management, Inc., a Texas corporation which serves as attorney-in-fact for American National Lloyds Insurance Company, a Texas Lloyds property and casualty insurance company.

ANPAC is also affiliated with Farm Family Casualty Insurance Company (FFCIC) and United Farm Family Insurance Company (UFFIC), which are property and casualty insurance companies domiciled in the state of New York that were also wholly-owned by AN Holdings at December 31, 2020.

Organizational Chart

The abbreviated organizational chart below depicts the relevant portion of the holding company group as of December 31, 2020. All subsidiaries shown are wholly-owned unless otherwise noted. American National Lloyds Insurance Company, as a Lloyds insurer, is not a subsidiary but is managed by ANPAC Lloyds Insurance Management, Inc.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2020:

Service Agreement: ANPAC, ANGIC, ANICO, and various other affiliates are parties to this agreement effective January 1, 2008. Parties will provide or receive general office and administrative services (to include investment services) and facilities as necessary when using another Party's facility. Services and facilities may be provided either directly or through third parties.

Service Agreement: ANPAC and ANGIC have been parties to a service agreement since December 31, 1998. Under the terms of this agreement, ANPAC provides to ANGIC various operational and administrative services, such as accounting, underwriting, and claims handling services. ANPAC also provides facilities, supplies, data processing equipment, and personnel to ANGIC.

Service Agreement: Effective, January 31, 1996, ANPAC and Pacific Property and Casualty Company (PPCC) entered into a service agreement under which ANPAC agreed to provide various services related to the administration and operations of the business of property and casualty insurance. Such services include, but are not limited to the following: marketing, servicing, and renewal of policies, collection of premiums, underwriting services, handling of claims and other inquiries, accounting and financial record preparation, office space and supplies, and investment of assets.

Service Agreement: ANPAC and ANPAC Louisiana Insurance Company have been parties to a service agreement since November 1, 2001. Under the terms of this agreement, ANPAC provides various administrative, accounting and other incidental services to ANPAC LA.

Service Agreement: Effective July 1, 2005, ANPAC and Farm Family Casualty Insurance Company entered into a service agreement, under which ANPAC and FFCIC agreed to provide to certain general insurance and operations support and administration to the other party as requested. Services provided include, but are not limited to, accounting and bookkeeping, actuarial, legal, underwriting, claims, and policy administration, payroll and human resources, and data processing.

Tax Sharing Agreement: Since January 1, 2008, ANPAC, ANGIC, and other affiliates within the American National Financial Group have been party to a tax sharing agreement with the parent corporation of the Group, which, until 2020, was ANICO. Under the terms of the agreement, the parent corporation agrees to file a consolidated federal income tax return, with each subsidiaries' federal income tax expense calculated as if each subsidiary had filed a separate federal income tax return. Effective January 1, 2020, ANICO assigned its rights and obligation under the tax-sharing agreement to ANAT.

Multiple-Cedent Reinsurance Allocation Agreement: ANPAC, ANGIC, and other property and casualty subsidiaries and affiliates within the Group are parties to this agreement, effective January 1, 2015. Under the terms of this agreement, parties will share costs and reimbursements related to the multiple-line excess of loss, per-risk excess of loss, property catastrophe excess of loss, and the clash excess of loss reinsurance treaties. Additionally, ANPAC is also party to several reinsurance agreements with affiliates that are described under the Reinsurance section of this report.

TERRITORY AND PLAN OF OPERATION

ANPAC is licensed to transact the business of insurance in forty-seven states, the District of Columbia, and Puerto Rico. The largest lines of business written are auto (private passenger and commercial liability and physical damage) and homeowners multiple peril, which accounted for 65.9% of direct premiums written in 2020. Credit business also accounted for 11.1% of 2020 direct premiums written, but the Company cedes all of this business to an affiliate. ANPAC's products are primarily sold through multiple-line and independent agents, or through managing general agents. As of December 31, 2020, the five states with the highest volume of direct premiums written are Colorado, Texas, Oklahoma, South Carolina, and Utah. These five states accounted for approximately 30.9% of direct premiums written in 2020.

GROWTH OF COMPANY AND LOSS EXPERIENCE

Overall, ANPAC experienced premium growth during the examination period. Net premiums written for 2020 exceeded 2015 levels by approximately \$250 million, an increase of approximately 50%. The COVID-19 pandemic was largely the reason for slowed premium growth in 2020, as stay-at-home orders and increased economic uncertainty hindered sales. Additionally, the Company issued approximately \$10.0 million in COVID-19 relief policy credits to policyholders and reduced premiums through credits or exposure adjustments for certain personal auto, workers compensation, or other commercial policies.

The table below summarizes the Company's premium writings and writing ratios for the period under examination:

(\$000s omitted)

Year	Net Premiums Written	Change in Net Premiums	Capital and Surplus	Ratio of Net Premiums to Surplus
2016	\$ 542,636	9.3%	\$ 626,985	86.5%
2017	623,052	14.8%	656,461	94.9%
2018	697,880	12.0%	639,496	109.1%
2019	734,465	5.2%	722,289	101.7%
2020	746,701	1.7%	787,626	94.8%

Overall, ANPAC experienced an increase in net losses and loss adjustment expenses over the exam period, consistent with an increase in net premiums written. Loss ratios, in general, improved over the examination period due to increase in earned premiums and reduced automobile claims activity caused by the impact of the pandemic.

The table below summarizes the Company's incurred losses and loss ratios for the period under examination:

(\$000s omitted)

Year	Net Premiums Earned	Net Losses and Loss Adjustment Expenses	Loss Ratio
2016	\$ 519,477	\$ 401,220	77.2%
2017	586,183	434,638	74.1%
2018	662,832	505,981	76.3%
2019	704,550	491,616	69.8%
2020	726,375	480,384	66.1%

REINSURANCE

General

The Company's premium activity on a direct written, assumed, and ceded basis for the period under examination is detailed below:

(\$000s omitted)

Premium Type	2016	2017	2018	2019	2020
Direct Premiums Written	\$ 697,620	\$ 793,465	\$ 859,814	\$ 874,465	\$ 919,560
Reinsurance Assumed:					
Affiliates	43,604	50,977	54,594	53,314	48,161
Non-Affiliates	224	254	207	251	241
Reinsurance Ceded:					
Affiliates	149,391	166,360	162,984	144,883	169,256
Non-Affiliates	49,420	55,285	53,752	48,682	52,004
Net Premiums Written	\$ 542,636	\$ 623,052	\$ 697,880	\$ 734,465	\$ 746,701

Assumed Reinsurance

The Company's assumed reinsurance premiums during the examination period are primarily from affiliates under separate 100% quota-share reinsurance agreements. The remaining immaterial amount is from a combination of mandatory pools or other similar facilities.

Ceded Reinsurance

The property and casualty companies within the American National Financial Group insurance holding company system purchase external reinsurance to manage catastrophe and other exposures on a combined basis, whereby the companies share limits and retentions. Reinsurance contracts are facilitated through an intermediary, Aon Benfield, and are primarily placed with highly rated reinsurers. Ceded reinsurance contracts are primarily excess of loss contracts classified as "Corporate Catastrophe" and "Working Layers".

Corporate Catastrophe consists of four separate corporate layers along with two stretch coverages, the combination of which provides countrywide protection ranging from 75% to 80% of \$475.0 million excess of \$25 million retention per occurrence, with reinstatement percentages that vary by layers. A third stretch coverage provides countrywide protection of 20% of \$482.5 million in excess of \$17.5 million retention per occurrence, with one reinstatement at 100%.

Catastrophe Aggregate provides protection of \$30 million excess of \$104 million aggregated catastrophe losses. The first \$25 million of each Property Claims Services (PCS) declared

catastrophe event and internally declared catastrophe event exceeding \$5 million contribute to the \$104 million retention. Second and Third Event Property Catastrophe Excess provide protection of \$15 million excess of \$10 million per catastrophe, subject to a \$13.5 million annual aggregate deductible.

Working Layers consist of Multiple Lines, Casualty Clash, Property per Risk, and Workers' Compensation. The Multiple Line provides coverage of \$4.5 million in excess of \$1.5 million. Casualty Clash coverage consists of four working layers with an aggregate coverage of \$54 million in excess of \$6 million. Property per Risk provides coverage of \$14 million in excess of \$6 million. Workers' Compensation coverage consist of three working layers with an aggregate coverage of \$24 million in excess of \$1 million. Retention for non-workers compensation lines is set at \$1.5 million.

Additionally, ANPAC is party to two separate 100% quota share reinsurance agreements with multiple non-affiliated reinsurers under which the Company cedes 100% of the aviation and flood business.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS

Independent Auditor

The certified public accounting (CPA) firm, Deloitte and Touche LLP, located in Houston, Texas, performed the statutory audit of the Company for the year 2020. The CPA firm, KPMG LLP, located in Houston, Texas, performed the statutory audit of the Company for the years 2016 through 2019. Reliance was placed upon the CPA workpapers as deemed appropriate. Such reliance included, but was not limited to, understanding of the control environment, risk assessment, control process walkthroughs and assessment of design and operating effectiveness, and detailed testing procedures.

Actuarial Opinion

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Jonathan B. Winn, FCAS, MAAA, for the year 2020. Jonathan Winn is a Vice President of ANPAC in the Springfield, Missouri office. Matthew G. Killough, FCAS, MAAA, issued the actuarial opinion for years 2019 and 2018 in the examination period. Matthew Killough is employed by Milliman, Inc. in Wakefield, Massachusetts. Michael J. Miller, FCAS, MAAA, issued the actuarial opinion for years 2017 and 2016. Michael Miller is employed by Willis Towers Watson in Atlanta, Georgia.

Consulting Actuary

Pursuant to a contract with the Department, Bobby Jaegers, ACAS, MAAA, FCA, of Taylor and Mulder Property and Casualty Consulting Actuaries, reviewed the underlying actuarial assumptions and methodologies used by ANPAC to determine the adequacy of loss reserves and LAE reserves. Mr. Jaegers determined that the Company made a reasonable provision for the loss and LAE reserves that were reported in the statutory financial statements as of December 31, 2020.

Information Systems

As part of the coordinated examination, Eric Kameda, AFE, CISA, Yaw Asamoah, Cybele Hinson, CPA, and Shiyu Fang, Information Systems Financial Examiners with the Texas Department of Insurance, conducted a review of information systems for the property and casualty companies within the American National Financial Group.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of American National Property and Casualty Company for the period ending December 31, 2020. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of the financial statements. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the “Comments on Financial Statement Items.” These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual key activity.

ASSETS

As of December 31, 2020

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 958,205,906	\$ -	\$ 958,205,906
Stocks:			
Common Stocks	495,381,314	505,609	494,875,705
Real Estate:			
Properties Occupied by the Company	14,095,780	-	14,095,780
Cash, Cash Equivalents, and Short- Term Investments	38,009,233	-	38,009,233
Other Invested Assets	5,708,004	-	5,708,004
Receivables for Securities	819,599	-	819,599
Investment Income Due and Accrued Premiums and Considerations:	9,575,377	-	9,575,377
Uncollected Premiums and Agents' Balances in the Course of Collection	4,038,069	3,266	4,034,803
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due	132,407,191	1,589	132,405,602
Reinsurance:			
Amounts Recoverable from Reinsurers	644,728	-	644,728
Guaranty Funds Receivable or on Deposit	37,071	-	37,071
Electronic Data Processing Equipment and Software	74,383	74,383	-
Furniture and Equipment, Including Health Care Delivery Assets	487,803	487,803	-
Receivables from Parent, Subsidiaries, and Affiliates	16,033,149	-	16,033,149
Aggregate Write-Ins for Other-Than- Invested Assets	15,753,211	5,112,263	10,640,948
TOTAL ASSETS	\$ 1,691,270,817	\$ 6,184,913	\$ 1,685,085,904

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2020

Losses	\$ 278,318,998
Loss Adjustment Expenses	45,308,226
Commissions Payable, Contingent Commissions, and Other Similar Charges	26,166,645
Other Expenses	10,147,997
Taxes, Licenses, and Fees	5,238,937
Current Federal and Foreign Income Taxes	5,545,525
Net Deferred Tax Liability	12,220,911
Unearned Premiums	305,833,585
Advance Premiums	6,305,514
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)	21,494,227
Amounts Withheld or Retained by Company for Account of Others	211,833
Remittances and Items Not Allocated	390,302
Payable to Parent, Subsidiaries, and Affiliates	16,565,318
Aggregate Write-Ins for Liabilities	163,712,101
TOTAL LIABILITIES	\$ 897,460,119
Common Capital Stock	4,200,000
Gross Paid In and Contributed Surplus	153,507,864
Unassigned Funds (Surplus)	629,917,921
TOTAL CAPITAL AND SURPLUS	\$ 787,625,785
TOTAL LIABILITIES AND SURPLUS	\$ 1,685,085,904

STATEMENT OF INCOME

For the Year Ended December 31, 2020

Premiums Earned	\$ 726,375,110
DEDUCTIONS:	
Losses Incurred	426,592,669
Loss Adjustment Expenses Incurred	53,791,204
Other Underwriting Expenses Incurred	222,781,024
Total Underwriting Deductions	\$ 703,164,897
Net Underwriting Gain (Loss)	\$ 23,210,213
Net Investment Income Earned	39,741,990
Net Realized Capital Gains	1,978,168
Net Investment Gain (Loss)	\$ 41,720,158
Net Gain (Loss) from Agents' or Premium Balances Charged Off	(1,666,570)
Finance and Service Charges Not Included in Premiums	2,834,395
Aggregate Write-Ins for Miscellaneous Income	462,196
Federal and Foreign Income Taxes Incurred	12,839,804
NET INCOME (LOSS)	\$ 53,720,588

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2016 to December 31, 2020

(\$000s omitted)

	2016	2017	2018	2019	2020
Capital and Surplus, Beginning of Year	\$ 635,854	\$ 626,985	\$ 656,461	\$ 639,496	\$ 722,289
Net Income (Loss)	7,125	13,448	15,892	32,990	53,721
Change in Net Unrealized Capital Gains (Losses)					
Less Capital Gains Tax	5,460	16,711	(21,118)	43,567	31,938
Change in Net Deferred Income Tax	(7,846)	3,938	539	(2,178)	804
Change in Nonadmitted Assets	(6,548)	2,065	(5,666)	20,997	4,707
Change in Provision for Reinsurance	(77)	53	(15)	25	14
Dividends to Stockholders	(7,500)	(6,000)	(6,000)	(15,400)	(25,400)
Aggregate Write-Ins for Gains and Losses in Surplus	517	(740)	(597)	2,792	(447)
Net Change in Capital and Surplus	(8,869)	29,475	(16,965)	82,793	65,337
Capital and Surplus, End of Year	\$ 626,985	\$ 656,461	\$ 639,496	\$ 722,289	\$ 787,626

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

On August 6, 2021, ANAT entered into an Agreement and Plan of Merger (Merger Agreement) with Brookfield Asset Management Reinsurance Partners Ltd. (BAM Re), an exempted company limited by shares existing under the laws of Bermuda, and Freestone Merger Sub Inc. (Merger Sub), a Delaware corporation and an indirect, wholly-owned subsidiary of BAM Re. Pursuant to the terms of the Merger agreement, effective May 25, 2022, Merger Sub merged with and into ANAT, with ANAT as the surviving entity, which became an indirect, wholly-owned subsidiary of BAM Re. The merger was unanimously approved by the Company's Board of Directors and was approved by the written consent of stockholders owning a majority of ANAT's common stock. The merger was the subject of Form A approvals issued by the Department as well as the insurance departments of Texas, New York, California and Louisiana.

Effective December 1, 2021, AN Holdings merged with and into ANH Investments, LLC (ANHI), a Nevada limited liability company, with ANHI surviving the merger. The assets, liabilities, and management of ANHI immediately following such merger were the same as those of AN Holdings immediately prior to such merger.

The COVID-19 pandemic has continued to develop, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. The Department has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The Department continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of American National Property And Casualty Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Brian Hammann, CFE, CPA, and Lisa Li, CFE, CPA, ARe, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Ronald Musopole, CFE, CIA, MBA, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of American National Property And Casualty Company, its agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.



Ronald Musopole, CFE, CIA, MBA
Examiner-In-Charge
Missouri Department of Commerce and
Insurance

Sworn to and subscribed before me this 2nd day of June, 2022.

My commission expires: March 4, 2024 Kathryn Latimer
Notary Public



KATHRYN LATIMER
My Commission Expires
March 4, 2024
Cole County
Commission #12418395

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the *Financial Condition Examiners Handbook* has been confirmed, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.



Sara McNeely, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance