

# 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 North American Specialty Insurance Company for the period ended December 31, 2021, 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.

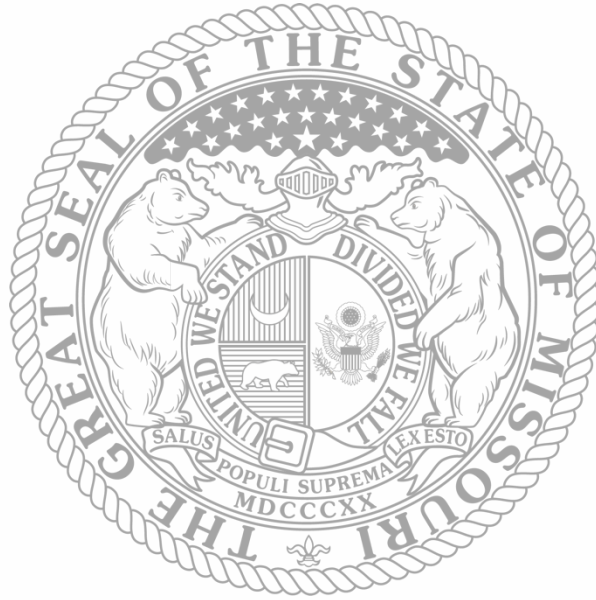
Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of North American Specialty Insurance Company as of December 31, 2021, be and is hereby ADOPTED as filed and North American Specialty Insurance Company to take the following action or actions, which I 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 20<sup>th</sup> day of June, 2023.



*Chlora Lindley-Myers*

Chlora Lindley-Myers, Director  
Department of Commerce and Insurance



REPORT OF  
FINANCIAL EXAMINATION OF

# **NORTH AMERICAN ELITE INSURANCE COMPANY**

AS OF  
DECEMBER 31, 2021

**STATE OF MISSOURI  
DEPARTMENT OF COMMERCE & INSURANCE**

JEFFERSON CITY, MISSOURI

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Jefferson City, MO  
May 31, 2023

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

**North American Elite Insurance Company (NAIC #29700)**

hereinafter referred to as such, as NAE, or as the Company. Its administrative office is located at 1200 Main Street, Suite 800, Kansas City, Missouri 64105, telephone number 816-235-3700. The fieldwork for this examination began on May 2, 2022, and concluded on the above date.

**SCOPE OF EXAMINATION**

**Period Covered**

The Missouri Department of Commerce and Insurance (Department) has performed a multiple-state financial examination of NAE. The prior examination covered the period of January 1, 2012, through December 31, 2016, and was performed by the New Hampshire Department of Insurance. The current examination covers the period of January 1, 2017, through December 31, 2021, 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. Those activities considered in the examination as key to NAE included Investments, Premiums and Underwriting, Claims Handling and Reserving, Reinsurance, and Related Party Transactions. 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 U.S. domestic insurers/reinsurers within the Swiss Re Ltd (SRL) holding company system (Swiss Re or Group), which, for the purposes of this examination, consists of fourteen insurers (including two captives) domiciled in Missouri, New Hampshire, and New York. The Missouri Department of Commerce and Insurance is the lead state regulator for the Group. Along with Missouri, New Hampshire and New York participated in the coordinated examination. The examination was also conducted concurrently with the examinations of the Company's Missouri domiciled affiliates, as follows:

- Swiss Re Life & Health America Inc. (SRLHA)
- Westport Insurance Corporation (WIC)
- Swiss Re Property & Casualty America, Inc. (SRPCA)
- First Specialty Insurance Corporation (FSIC)
- North American Specialty Insurance Company (NAS)
- Washington International Insurance Company (WIIC)
- Lumico Life Insurance Company (LLIC)
- Elips Life Insurance Company (ELIC)
- Wing Re Inc. (Wing Re)
- Wing Re II Inc. (Wing Re II)

This examination report includes significant findings of fact, as mentioned in Section 374.205 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**

NAE was incorporated on December 28, 1987, under the laws of the state of New Hampshire as Western Atlantic Reinsurance Corporation (Western Atlantic) and began business on October 1, 1988. On December 31, 1995, Western Atlantic was sold by Swiss Reinsurance America Corporation (SRAC) to Swiss Reinsurance Company (SRZ).

On May 17, 1996, the Company's name was changed to European Reinsurance Corporation of America (European Reinsurance). On August 21, 1996, the capital stock of European Reinsurance was contributed by SRZ to European Reinsurance Company (Zurich, Switzerland). Effective October 30, 1998, the Company was reacquired by SRAC. In July 1999, the Company's name was changed to North American Elite Insurance Company to reflect its change in focus from a reinsurer to that of a primary carrier.

Upon the completion of the internal Swiss Re Group restructuring on October 4, 2011, the Company's direct parent became WIC, a Missouri domiciled property and casualty insurer. As a result, NAE resided in the Corporate Solutions (CorSo) business unit of the Swiss Re Group headed by Swiss Re Corporate Solutions Ltd. (SRCS). CorSo functions as the commercial insurance arm of the Group, offering customized, tailored insurance solutions to businesses.

**Mergers, Acquisitions, and Major Corporate Events**

In order to simplify the organizational structure, reduce complexity, and strategically align operational and business models, CorSo North America has undergone a reorganization. The reorganization was designed to permit the Group to more efficiently allocate capital and leverage a common carrier to pool business and risks. The reorganization consists of the creation of a new holding company, Swiss Re Corporate Solutions Holding, as a subsidiary of SRZ and the merger of SRCS with and into SRZ. In furtherance of the reorganization, WIC transferred via extraordinary dividend, ownership of its subsidiaries to SR Corporate Solutions America Holding Corporation (SRCSAH) on September 1, 2021. In turn, FSIC, NAE, and North American Capacity Insurance Company (NAC) were contributed by SRCSAH to NAS.

Effective December 29, 2021, NAS and its subsidiaries, NAE and WIIC, redomiciled from New Hampshire to Missouri.

**Dividends and Capital Contributions**

There were no dividends paid during the examination period. The Company received a \$60,000,000 capital contribution from WIC in 2021.

**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 are elected by the stockholders. The Company's Bylaws specify that there shall be no fewer than nine and no more than twenty-five members. The Board of Directors elected and serving as of December 31, 2021, are listed on the following page:

**Name and Address**

**Principal Occupation and Business Affiliation**

Laura Fincke Coppola\*  
Cranford, New Jersey

Managing Director, Head of Casualty and Fin Pro  
Swiss Re Corporate Solutions North America

Ivan Javier Gonzalez\*  
Larchmont, New York

President/Head North America  
Swiss Re Corporate Solutions

Robin Renee LaFollette  
Overland Park, Kansas

Senior Vice President, Head Fin Pro Claims  
Swiss Re Corporate Solutions North America

Michael Pasquale LaRocca  
New York, New York

Managing Director, Head of Property & Specialty  
Swiss Re Corporate Solutions North America

Kathleen Ann McGrath  
Haddonfield, New Jersey

Managing Director, Head Accident & Health  
Swiss Re Corporate Solutions North America

Elizabeth Tesson McInerney  
Scarsdale, New York

Managing Director, Head of Business Operations  
Swiss Re Corporate Solutions North America

Sharon Mary O’Sullivan  
Scarsdale, New York

Managing Director, Chief Financial Officer Americas  
Swiss Re Corporate Solutions

Katarina Scamborova  
New York, New York

Managing Director, Head Standard Propositions  
Swiss Re Corporate Solutions North America

Elizabeth Pittman Whitney  
Chicago, Illinois

Senior Vice President, Head Agents US  
Swiss Re Corporate Solutions North America

\*Effective August 8, 2022, John William Fries replaced Ivan Javier Gonzalez.

\*Effective December 31, 2022, David Gerard Satory replaced Laura Fincke Coppola.

**Senior Officers**

The officers elected and serving, as of December 31, 2021, are listed on the following page:



<u>Name</u>	<u>Office</u>
Ivan Javier Gonzalez*	Chief Executive Officer & President
Deryck Michael Malone*	Chief Financial Officer & Senior Vice President
Elissa Beth Rueben Kenny	Secretary & Senior Vice President
Christopher Roy Ritter	Senior Vice President & Appointed Actuary
Steven Paul Anderson*	Senior Vice President
Stephanie Schrandt Boone*	Managing Director
Michael Gray Bohannon	Vice President
Laura Fincke Coppola*	Managing Director
Krystle Marie Dunn	Senior Vice President
Annette Marie Kurtzweil	Senior Vice President
Michael Pasquale LaRocca	Managing Director
Kathleen Ann McGrath	Managing Director
Elizabeth Tesson McInerney	Managing Director
Sharon Mary O'Sullivan	Managing Director
Katarina Scamborova	Managing Director

\*Effective July 1, 2022, Kathleen Ann McGrath replaced Ivan Javier Gonzalezs.

\*Effective May 26, 2022, Allison Lynn Burke replaced Deryck Michael Malone.

\*Effective March 31, 2022, Steven Paul Anderson retired from the Company.

\*Effective May 16, 2022, Stephanie Schrandt Boone left the Company.

\*Effective November 4, 2022, Laura Coppola left the Company.

### **Principal Committees**

The entire Board functions as the Executive and Audit Committees.

### **Corporate Records**

The Company's Articles of Incorporation and Bylaws were reviewed. The Articles of Incorporation and Bylaws were amended to reflect the redomestication from New Hampshire to Missouri effective December 29, 2021. The minutes of the Board of Directors were reviewed for the period under examination.

### **Holding Company, Subsidiaries, and Affiliates**

NAE is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). NAE is part of the Swiss Re Group. The Swiss Re Group is a wholesale provider of reinsurance, insurance, and other insurance-based forms of risk transfer. Working through brokers and a network of offices around the globe, the Group serves a client base made up of insurance companies, medium-to-large-sized corporations and public sector clients. The ultimate controlling party of the Group is Swiss Re Ltd. (SRL), a corporation based in Zurich, Switzerland.

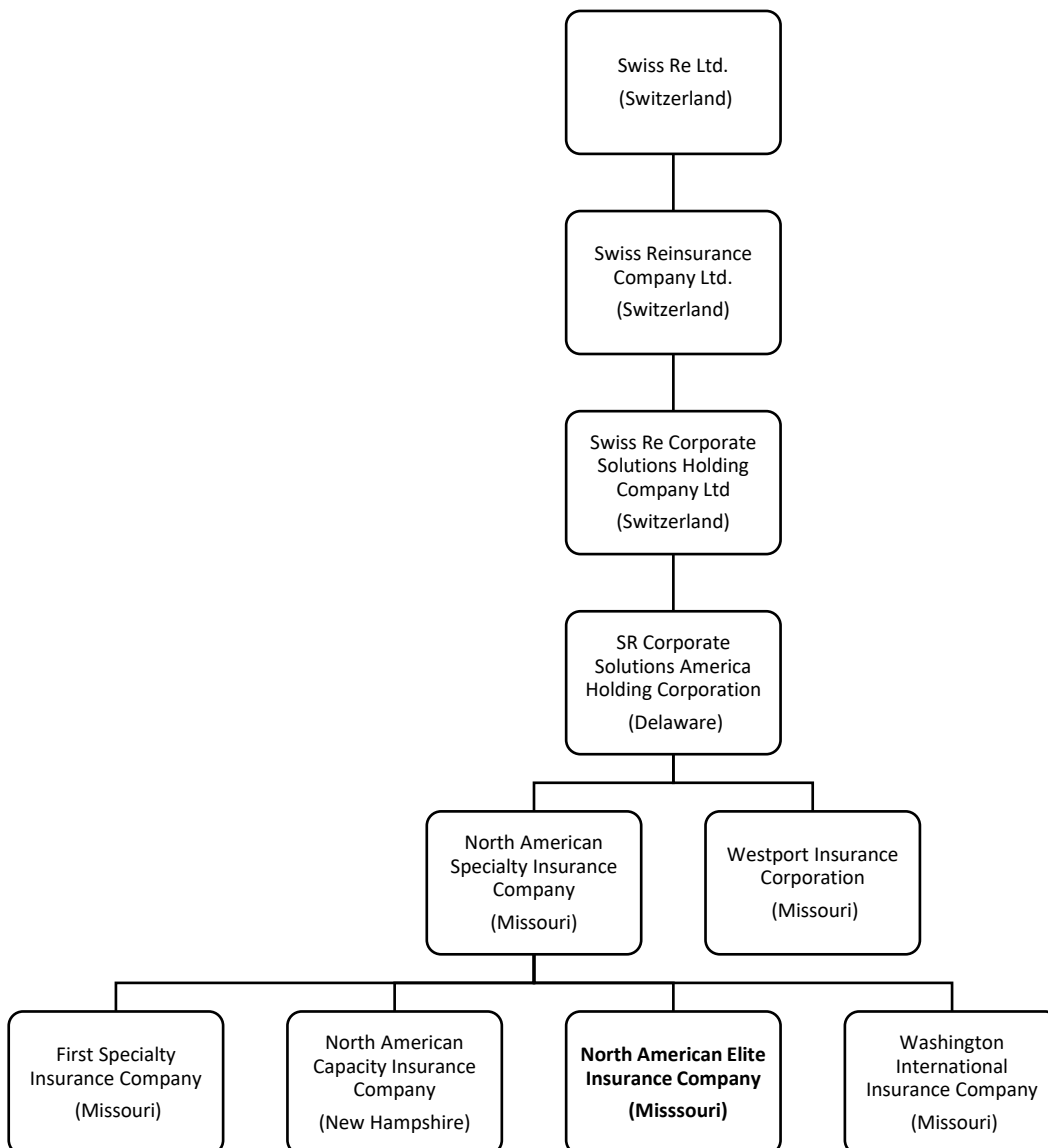
SRL is a diversified global reinsurer, offering a wide variety of reinsurance products and financial services solutions to manage capital and risk. SRL is a publicly traded company on the SIX Swiss Exchange under the symbol SREN; no single shareholder was determined to own 10% or more of its outstanding shares. Swiss Financial Market Supervisory Authority (FINMA) is the lead international regulator of the Swiss Re Group. As the lead state, Missouri represents the U.S. regulators in the Swiss Re Group Supervisory College organized by FINMA.

Following a restructuring and effective for the 2021 financial reports, the Group's operations are managed and reported through two business units and one stand-alone division that correspond to the Group's core activities, as described below:

- **Reinsurance Business Unit**  
The reinsurance business unit offers traditional reinsurance products, insurance-based capital market instruments, and risk management services globally through two operating segments – P&C Reinsurance and L&H Reinsurance.
- **Corporate Solutions Business Unit**  
The Corporate Solutions Business Unit is the commercial arm of the Group, providing risk transfer solutions to large and mid-sized corporations around the world.
- **Division iptiQ**  
iptiQ is a global Business-to-Business-to-Consumer digital insurance platform aimed at both digital and traditional affinity distribution partners.

**Organizational Chart**

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2021.



**Intercompany Transactions**

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2021. A brief description of these agreements are as follows:

**Service Agreement:** This agreement, effective May 1, 2012, is between NAE and SRCSAH. Per the agreement, SRCSAH provides NAE with general management and administrative services such as legal, personnel, information systems, accounting, finance, risk management, actuarial, underwriting, claims, and other services. NAE reimburses SRCSAH for the costs incurred in providing the services.

**Service Agreement:** This agreement, effective January 1, 2013, is between NAE and WIC. Per the agreement, WIC provides NAE with general management and administrative services such as legal, personnel, information systems, accounting, finance, risk management, actuarial, underwriting, claims, and other services. NAE reimburses WIC for the cost incurred in providing the services.

**Branding Agreement:** This agreement, effective January 1, 2012, is between NAE and SRL. Per the agreement, NAE is granted the non-exclusive, non-transferable, and non-sub-licensable right to use all registered and unregistered trademarks and other rights, including goodwill, in and to the Swiss Re brand worldwide.

**Tax Allocation Agreement:** This agreement, effective October 7, 2011, is between SRCSAH and its subsidiaries, including NAE. Per the agreement, NAE agrees to join in the filing of the consolidated federal income tax returns filed by SRCSAH. Each insurance subsidiary computes its federal income tax liability on a separate return basis, but in no event are payments made by an insurance subsidiary to exceed its tax liability on a separate return basis for the year. SRCSAH reimburses the subsidiary for the subsidiary's loss or credit used in the consolidated return to reduce the consolidated tax liability.

**Investment Management Agreement:** This agreement, effective January 1, 2019, is between NAE and SRCSAH. Per the agreement, SRCSAH agrees to manage the investment portfolio of NAE and assist and advise NAE in the preparation of the financial statements as they relate to investments managed, valuations, purchases and sales, and income on a monthly basis. Other services include cash management, tax basis reporting, and performance monitoring. Investments are managed within the parameters established by NAE. SRCSAH is reimbursed for costs incurred.

**TERRITORY AND PLAN OF OPERATION**

The Company writes property and casualty and large risks and offers bespoke insurance solutions to commercial clients. Bespoke insurance solutions are tailored products built around customer needs. The Company currently offers the following: General liability, including but not limited to construction risk insurance products; Property, including but not limited to engineering & builders' insurance; and Weather & energy. In mid-2019, the Company exited certain lines of business, including Aerospace and Casualty.

**GROWTH OF COMPANY AND LOSS EXPERIENCE**

The Company has ceded effectively 100% of its business under various reinsurance agreements from underwriting years 2015 and forward. As a result, net premiums written and net losses incurred were not significant for any year under examination.

## 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)*

<b>Premium Type</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Direct Premiums Written	\$191,427	\$211,674	\$215,307	\$174,985	\$202,145
Reinsurance Assumed:					
Affiliates	2,667	3,293	1,830	(2,811)	2,450
Non-Affiliates	(115)	132	4,382	(4,599)	6,431
Reinsurance Ceded:					
Affiliates	188,523	193,272	201,387	161,311	209,116
Non-Affiliates	5,456	21,827	20,132	6,264	1,910
<b>Net Premiums Written</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Assumed Reinsurance

The Company did not assume any significant premiums during the period under examination.

### Ceded Reinsurance

The Company has reinsurance agreements with affiliated and non-affiliated companies. Significant agreements with affiliates are principally with WIC and SRZ.

Effective January 1, 2012, the Company entered into a multiple line non-obligatory quota share reinsurance agreement with WIC. Under the agreement, the Company ceded up to 100% of covered net liability. The agreement was terminated effective January 1, 2020. On the same date, the Company entered into a similar quota share agreement with SRCS and Wing Re III. Effective January 1, 2021, the agreement with SRCS and Wing Re III was terminated, and the Company entered into a similar agreement with WIC. The agreement with WIC was terminated on a cutoff basis effective January 1, 2022.

Effective January 1, 2022, NAE cedes 100% of its business written and renewed to NAS, SRZ, and SRAC under separate agreements.

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, KPMG LLP, in New York, New York, performed the Company's 2021 statutory audit. The CPA firm, PricewaterhouseCoopers LLP, in New York, New York, performed the statutory audit of the Company for the years 2017 through 2020. Reliance was placed upon the CPA workpapers as deemed appropriate. Such reliance included, but was not limited to, narrative descriptions of information technology processes and controls, internal control and substantive testing relating to claim and premium activities, and fraud risk analysis.

**Actuarial Opinion**

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Christopher Ritter, ACAS, MAAA, for the year 2021. Christopher Ritter is employed by WIC in Kansas City, Missouri. The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Giuseppe F. Le Pera, ACAS, MAAA, for the years 2017 through 2020. Giuseppe F. Le Pera was employed by WIC in Kansas City, Missouri.

**Consulting Actuary**

Pursuant to a contract with the Department, Kristine M. Fitzgerald, ACAS, MAAA, FCA of Actuarial & Technical Solutions, Inc., reviewed the underlying actuarial assumptions and methodologies used by NAE to determine the adequacy of loss reserves and LAE reserves. Kristine M. Fitzgerald 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, 2021.

**Information Systems**

The Department also engaged a third-party firm, Noble Consulting Services Inc. (Noble), to perform a review of the Group's information technology systems, policies, and procedures. Noble's work was completed under the supervision of Kimberly Dobbs, CFE, AES, CISA, Information Systems Examiner-in-Charge for the Department.

**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 NAE for the period ending December 31, 2021. 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, 2021

	<b>Assets</b>	<b>Nonadmitted Assets</b>	<b>Net Admitted Assets</b>
Bonds	\$ 83,301,825	\$ -	\$ 83,301,825
Cash, Cash Equivalents, and Short- Term Investments	53,205,658	-	53,205,658
Investment Income Due and Accrued Premiums and Considerations:	50,025	-	50,025
Uncollected Premiums and Agents' Balances in the Course of Collection	42,162,370	9,393,033	32,769,337
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due	3,700,733	-	3,700,733
Accrued Retrospective Premiums			
Reinsurance:			
Amounts Recoverable from Reinsurers	50,221,435	-	50,221,435
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	158,890	-	158,890
Net Deferred Tax Asset	2,074,143	107,127	1,967,016
Guaranty Funds Receivable or on Deposit	4,004	-	4,004
Aggregate Write-Ins for Other-Than- Invested Assets	23,449,913	-	23,449,913
<b>TOTAL ASSETS</b>	<b>\$ 258,328,996</b>	<b>\$ 9,500,160</b>	<b>\$ 248,828,836</b>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

As of December 31, 2021

Losses	\$	27
Reinsurance Payable on Paid Losses and Loss Adjustment Expenses		75,362
Loss Adjustment Expenses		205,427
Taxes, Licenses, and Fees		1,587,578
Unearned Premiums		(12)
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)		57,463,995
Funds Held by Company Under Reinsurance Treaties		16,657,161
Remittances and Items Not Allocated		50,209,544
Provision for Reinsurance		9,000
Payable to Parent, Subsidiaries, and Affiliates		4,445,034
Payable for Securities		1,499,896
Aggregate Write-Ins for Liabilities		4,504,054
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>136,657,066</b>
Common Capital Stock		3,500,000
Gross Paid In and Contributed Surplus		86,500,000
Unassigned Funds (Surplus)		22,171,770
<b>TOTAL CAPITAL AND SURPLUS</b>	<b>\$</b>	<b>112,171,770</b>
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$</b>	<b>248,828,836</b>

**STATEMENT OF INCOME**  
For the Year Ended December 31, 2021

Premiums Earned	\$	(8)
DEDUCTIONS:		
Losses Incurred		(45)
Loss Adjustment Expenses Incurred		(47,954)
Other Underwriting Expenses Incurred		1,206,712
Aggregate Write-Ins for Underwriting Deductions		(231,000)
Total Underwriting Deductions	\$	<u>927,713</u>
<b>Net Underwriting Gain (Loss)</b>	<b>\$</b>	<b>(927,721)</b>
Net Investment Income Earned		138,062
Net Realized Capital Gains		(3,676)
<b>Net Investment Gain (Loss)</b>	<b>\$</b>	<b><u>134,386</u></b>
Net Gain (Loss) from Agents' or Premium Balances Charged Off		31,272
Aggregate Write-Ins for Miscellaneous Income		43,568
Federal and Foreign Income Taxes Incurred		<u>(158,690)</u>
<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b><u><u>(559,805)</u></u></b>

**RECONCILIATION OF CAPITAL AND SURPLUS**  
Changes from January 1, 2017 to December 31, 2021

(\$000s omitted)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital and Surplus,					
Beginning of Year	\$ 41,309	\$ 42,033	\$ 41,182	\$ 44,730	\$ 56,194
Net Income (Loss)	2,226	3,734	6,279	3,625	(560)
Change in Net Unrealized					
Capital Gains (Losses)					
Less Capital Gains Tax	1	0	0	0	0
Change in Net Deferred					
Income Tax	(420)	(222)	(14)	210	908
Change in Nonadmitted					
Assets	(1,083)	1,027	580	(1,058)	(4,361)
Change in Provision for					
Reinsurance	0	(5,390)	(3,297)	8,687	(9)
Capital Changes:					
Paid In	0	0	0	0	60,000
Net Change in Capital and					
Surplus	<u>724</u>	<u>(851)</u>	<u>3,548</u>	<u>11,464</u>	<u>55,978</u>
<b>Capital and Surplus, End</b>					
<b>of Year</b>	<b>\$ 42,033</b>	<b>\$ 41,182</b>	<b>\$ 44,730</b>	<b>\$ 56,194</b>	<b>\$ 112,172</b>



**COMMENTS ON FINANCIAL STATEMENT ITEMS**

None.

**FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION**

None.

**SUMMARY OF RECOMMENDATIONS**

None.

**SUBSEQUENT EVENTS**

Effective April 29, 2022, NAE changed its name to Swiss Reinsurance Corporate Solutions Elite Insurance Company (SRCS Elite).

Effective January 1, 2022, SRCS Elite cedes 100% of its business written and renewed to NAS.

In 2023, Swiss Re streamlined its organizational structure. The Reinsurance Business Unit was split into P&C Reinsurance and L&H Reinsurance, with each having full authority over the respective underwriting and claims management processes. Corporate Solution's organizational model is not changing. The Group Functions will also adapt to optimally align with the new setup. The reorganization will not change the way Swiss Re reports its financial results externally. The reorganization was effective April 3, 2023.

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 NAE during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Laura Church – CFE, CPA, Kim Waller – CFE, Lisa Li – CFE, CPA, ARe, Emily Pennington – CFE, Adrienne Lewis, James Le – CFE, CPA, ARe, Josh Nash – CFE, CPA, Kimberly Dobbs - CFE, AES, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

**VERIFICATION**

State of Missouri            )  
  )  
County of Cole                )    ss

I, Marc Peterson, CFE, 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 North American Elite Insurance 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.

  
\_\_\_\_\_  
Marc Peterson, CFE  
Examiner-In-Charge  
Missouri Department of Commerce and  
Insurance

Sworn to and subscribed before me this 2nd day of June, 2023.

My commission expires: May 18 2024   
\_\_\_\_\_  
Notary Public



KIMBERLY LANDERS  
My Commission Expires  
May 18, 2024  
Callaway County  
Commission #12558402

### **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.



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