

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 Arch Property Casualty Insurance 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.

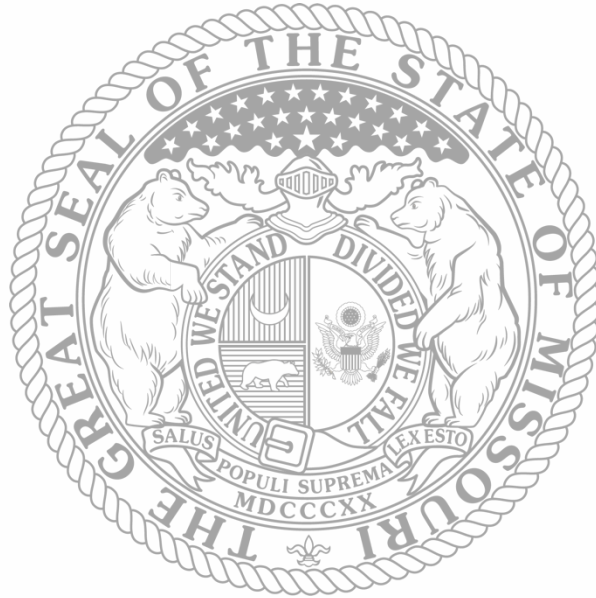
Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Arch Property Casualty Insurance Company as of December 31, 2020 be and is hereby ADOPTED as filed and for Arch Property Casualty Insurance Company to take the following action or actions, which I consider 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 18th day of May, 2022.



Chlora Lindley-Myers

Chlora Lindley-Myers, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

ARCH PROPERTY CASUALTY INSURANCE COMPANY

AS OF
DECEMBER 31, 2020

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

| | |
|---|----------|
| SCOPE OF EXAMINATION | 1 |
| PERIOD COVERED..... | 1 |
| PROCEDURES..... | 1 |
| SUMMARY OF SIGNIFICANT FINDINGS | 2 |
| COMPANY HISTORY | 2 |
| GENERAL..... | 2 |
| MERGERS, ACQUISITIONS, AND MAJOR CORPORATE EVENTS | 2 |
| DIVIDENDS AND CAPITAL CONTRIBUTIONS | 2 |
| SURPLUS NOTES..... | 2 |
| MANAGEMENT AND CONTROL | 2 |
| BOARD OF DIRECTORS | 2 |
| SENIOR OFFICERS | 3 |
| PRINCIPAL COMMITTEES | 3 |
| CORPORATE RECORDS..... | 4 |
| HOLDING COMPANY, SUBSIDIARIES, AND AFFILIATES..... | 4 |
| ORGANIZATIONAL CHART | 5 |
| INTERCOMPANY TRANSACTIONS | 6 |
| TERRITORY AND PLAN OF OPERATION | 6 |
| GROWTH OF COMPANY AND LOSS EXPERIENCE | 6 |
| REINSURANCE | 7 |
| GENERAL..... | 7 |
| ASSUMED REINSURANCE | 7 |
| CEDED REINSURANCE..... | 7 |
| ACCOUNTS AND RECORDS | 7 |
| INDEPENDENT AUDITOR | 7 |

| | |
|---|-----------|
| ACTUARIAL OPINION | 7 |
| CONSULTING ACTUARY | 7 |
| INFORMATION SYSTEMS | 7 |
| FINANCIAL STATEMENTS..... | 8 |
| ASSETS..... | 9 |
| LIABILITIES, SURPLUS AND OTHER FUNDS..... | 9 |
| STATEMENT OF INCOME | 10 |
| RECONCILIATION OF CAPITAL AND SURPLUS | 10 |
| COMMENTS ON FINANCIAL STATEMENT ITEMS | 11 |
| FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION | 11 |
| SUMMARY OF RECOMMENDATIONS..... | 11 |
| SUBSEQUENT EVENTS..... | 11 |
| ACKNOWLEDGMENT | 12 |
| VERIFICATION..... | 12 |
| SUPERVISION | 13 |

Jefferson City, MO
April 22, 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

Arch Property Casualty Insurance Company (NAIC #10946)

hereinafter referred to as such, as APCIC, or as the Company. Its primary office is located at Harborside 3, 210 Hudson Street, Suite 300, Jersey City, New Jersey, 07311, telephone number (201) 743-4000. The fieldwork for this examination began on January 4, 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 APCIC. The last examination of the Company by the Department covered the period of January 1, 2015 through December 31, 2017. The current examination covers the period of January 1, 2018 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. Those activities considered in the examination as key to AIC included Investments, Underwriting, Claims Handling, 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 Arch Insurance Group, which consists of numerous insurance companies domiciled in several states. The Missouri Department of Commerce and Insurance is the lead U.S. state regulator for the group. Along with Missouri, Delaware and Kansas participated in the coordinated examination. The Wisconsin and North Carolina Insurance Departments performed concurrent examinations of their domestic companies. The examination was also conducted concurrently with the examinations of the Company's Missouri domiciled affiliates, Arch Specialty Insurance Company (ASIC), Arch Indemnity Insurance Company (AIIIC), and Arch Insurance Company (AIC).

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

Arch Property Casualty Insurance Company (originally known as Guard Hill Insurance Company) was incorporated on July 2, 1998, as a stock casualty insurance company and was granted authority pursuant to the provisions of Nebraska Law to commence business of property and casualty insurance within Nebraska and to operate as an excess and surplus lines insurer in other jurisdictions. The Company changed its name to Cross River Insurance Company on October 2, 1998, to Arch Excess & Surplus Insurance Company on August 1, 2002. The Company redomiciled to the State of Missouri effective September 30, 2014. Effective May 21, 2019, the Company converted to a property and casualty insurer and changed its name to Arch Property Casualty Insurance Company.

Mergers, Acquisitions, and Major Corporate Events

There were no mergers or acquisitions involving the Company during the examination period.

Dividends and Capital Contributions

No dividends were declared or paid by APCIC during the examination period. APCIC did not receive any capital contributions during the examination period.

Surplus Notes

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

MANAGEMENT AND CONTROL

Board of Directors

The Company's Articles of Incorporation specify that the Board of Directors (Board) shall consist of between nine and twenty-five members. This complies with 379.035 RSMo (Articles of Incorporation for Stock Companies). The Directors elected and serving as of December 31, 2020

were as follows:

| <u>Name and Address</u> | <u>Principal Occupation and Business Affiliation</u> |
|---|---|
| Nicolas, A.E. Papadopoulo Paget, Bermuda | Chairman and Chief Executive Officer Arch Worldwide Insurance Group |
| John P. Mentz Lakeville, MN | President, Arch Insurance North America Chief Operating Officer, Arch Worldwide Insurance Group |
| Thomas J. Ahern Ridgewood, NJ | Executive Vice President, Chief Financial Officer, and Treasurer Arch Insurance Company and subsidiaries |
| Brian D. First Canton, CT | Executive Vice President and Chief Underwriting Officer Arch Insurance Company and subsidiaries |
| Patrick K. Nails Yardley, PA | Executive Vice President and Chief Claims Officer Arch Insurance North America |
| Marita A. Oliver New York, NY | Executive Vice President, Corporate Underwriting Arch Insurance Company and subsidiaries |
| John A. Rafferty Western Springs, IL | Executive Vice President and Chief Underwriting Officer Arch Insurance Company and subsidiaries |
| Richard A. Stock Eagan, MN | Executive Vice President and Chief Underwriting Officer Arch Insurance Company and subsidiaries |
| Matthew A. Shulman New Canaan, CT | Chief Executive Officer Arch Insurance North America |

Senior Officers

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

| <u>Name</u> | <u>Office</u> |
|--------------------------|--|
| Nicolas A.E. Papadopoulo | Chairman |
| Matthew A. Shulman | Chief Executive Officer |
| John P. Mentz | President |
| Thomas J. Ahern | Executive Vice President, Chief Financial Officer, and Treasurer |
| Regan A. Shulman | Executive Vice President, General Counsel, and Secretary |
| Andrew S. Becker | Executive Vice President |
| Patrick K. Nails | Executive Vice President and Chief Claims Officer |
| Brian D. First | Executive Vice President and Chief Underwriting Officer |
| Marita A. Oliver | Executive Vice President, Corporate Underwriting |
| John A. Rafferty | Executive Vice President and Chief Underwriting Officer |
| Richard A. Stock | Executive Vice President and Chief Underwriting Officer |

Principal Committees

Pursuant to APCIC's Bylaws, the Board of Directors may designate one or more committees comprised solely of members of the Board, each of which shall consist of at least two members. The Board committee in existence at December 31, 2020 was the Investment and Finance Committee. Appointed members of the Investment and Finance Committee as of December 31, 2020 were Nicholas A.E. Papadopoulo (Chairman), Thomas J. Ahern, John P. Mentz, and Patrick

K. Nails.

APCIC's Board of Directors designates the ACGL Audit Committee to act as its Audit Committee. As of December 31, 2020, ACGL's Audit Committee consisted of Brian S. Posner (Chairman), Laurie S. Goodman, Thomas R. Watjen, and Eugene S. Sunshine. ACGL's Board determined that all of the Audit Committee members were independent under the applicable standards of NASDAQ and the Securities Exchange Act of 1934, and that Mr. Posner qualifies as an audit committee financial expert under the rules of the Securities and Exchange Commission.

Other than the Board committees discussed above, AIC has also established various management committees to provide additional oversight and guidance. The management committees established as of December 31, 2020 included the Anti-Fraud Controls Steering Committee, the Reinsurance Steering Committee, the Information Technology Steering Committee, the Reserve Review Committee, the Information Governance Steering Committee, the Enterprise Risk Management Steering Committee, and the Privacy and Security Committee.

Corporate Records

The Company's Articles of Incorporation (Articles) and Bylaws were reviewed for any changes during the period under examination. The Articles were not amended during the examination period. The Bylaws were amended in 2019 to eliminate three of the named Board of Directors' committees and to add a new non-Board Committee, the Anti-Fraud Controls Steering Committee.

Holding Company, Subsidiaries, and Affiliates

APCIC is a member of an insurance holding company system as defined by Section 382.010 RSMo (Definitions). APCIC is directly owned by AIC, a Missouri domestic insurer that is wholly-owned by Arch Reinsurance Company (ARC), a Delaware-domiciled insurer. APCIC wholly-owns Arch Indemnity Insurance Company, a Missouri domestic insurer that exclusively writes workers compensation business. APCIC and its affiliates are ultimately owned by ACGL, a Bermuda-based publicly held limited liability company. ACGL is traded on the NASDAQ National Market under the symbol ACGL. As of December 31, 2020, no one stockholder owned 10% or more of ACGL.

ACGL was formed in September 2000 and focuses on writing specialty lines of insurance and reinsurance on a global basis through its wholly-owned subsidiaries. ACGL classifies its business operations into three underwriting segments and two other operating segments. The three underwriting segments are insurance, reinsurance, and mortgage, and the two other operating segments are classified as other and corporate (non-underwriting). The largest segment based on net written premiums is the insurance segment, which accounted for 45.8% (\$3.2 billion) of ACGL's net written premiums of \$6.9 billion in 2020. Of the \$3.2 billion of the insurance segment's net written premiums, AIC and its US subsidiaries produced 68.2% (\$2.2 billion) of the net written premiums. The rest of the premiums for the insurance segment were produced by ACGL subsidiaries in Bermuda, Europe, the United Kingdom, Australia, and Canada.

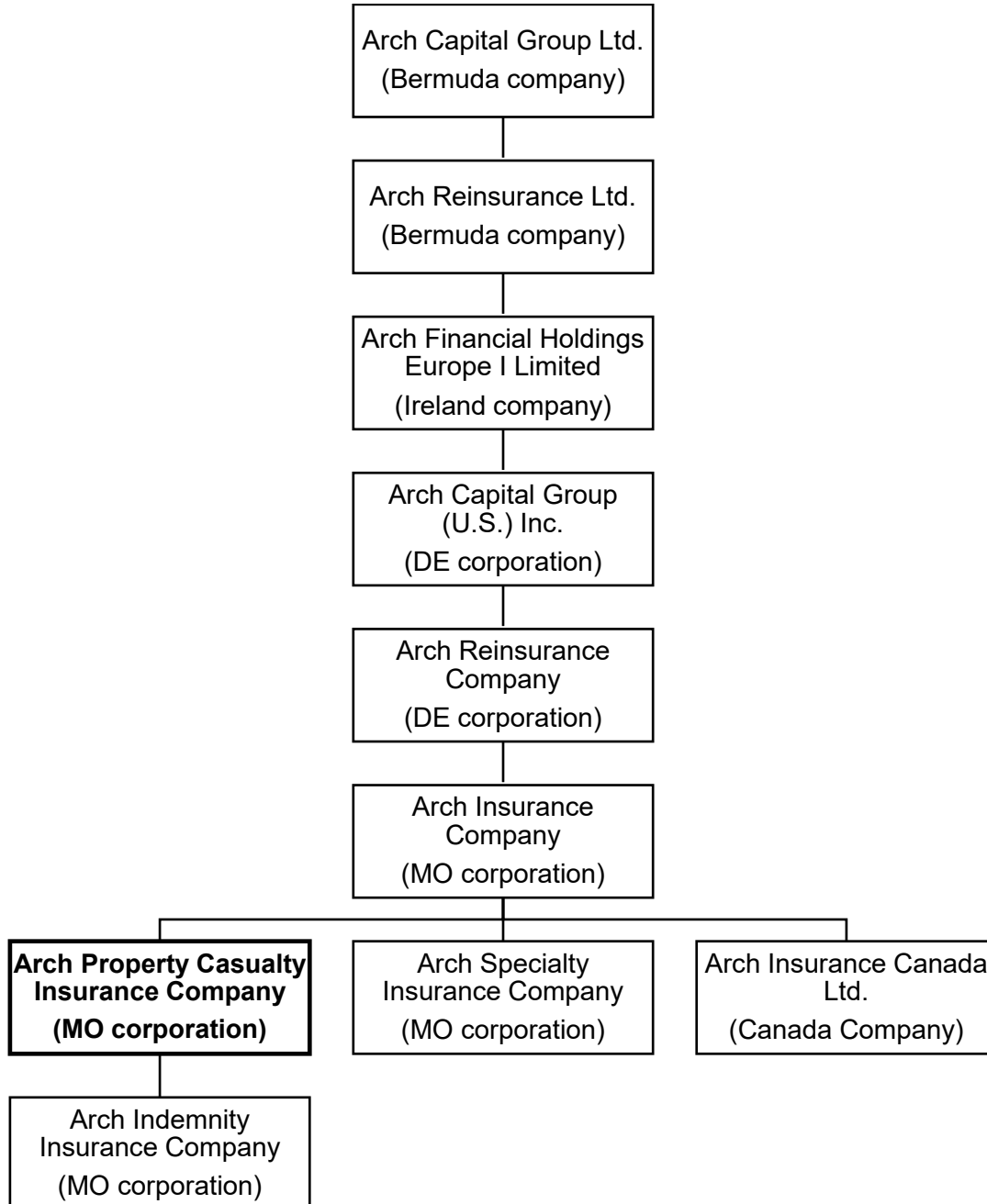
In addition to its direct subsidiary AIC, the Company is also affiliated with the following insurance companies within the North American insurance segment of ACGL:

- **Arch Insurance Company:** a Missouri-domiciled insurer that is licensed in all 50 states, the District of Columbia, and various other U.S. and alien territories. AIC writes mostly workers' compensation and liability lines of business and had direct written premium of \$2.6 billion in 2020.

- **Arch Specialty Insurance Company:** a Missouri-domiciled insurer that is licensed in Missouri and is approved as an excess and surplus lines insurer in the remaining 49 states and the District of Columbia. ASIC writes mostly commercial property and liability lines of business and had direct written premium of \$701.0 million in 2020.
- **Arch Insurance Canada, Ltd.:** a Canadian domestic insurer that is authorized in all provinces and territories and writes various lines of property and casualty business.

Organizational Chart

The following organizational chart depicts an abbreviated section of insurance companies within the holding company group as of December 31, 2020. All subsidiaries are wholly-owned unless otherwise noted.



Intercompany Transactions

The following is a brief description of significant agreements with affiliated entities that were in effect as of December 31, 2020.

Amended and Restated Investment Manager Agreement: This agreement, effective January 1, 2015, is between AIC, ASIC, APCIC, AIIC, and Arch Investment Management Ltd. (AIML). Per the agreement, AIML provides investment management services on behalf of the companies. The services include the investment and reinvestment of companies' assets, the reporting of the market value of investments, the reconciliation of accounting, transaction, and investment summary data with custodian reports, and the appointment of brokers. Services by AIML also include the engagement of third-party investment managers as deemed necessary, as well as the supervision and oversight of any third-party investment manager's activities. The companies compensate AIML on a monthly basis, in arrears, based upon their individual account balances managed by AIML.

Service Agreement – General Services: This agreement, effective January 1, 2004, is between AIC, ASIC, APCIC, AIIC and Arch Insurance Group, Inc. (AIGI). Per the agreement, AIGI provides the companies with supervision of all phases of their operations, including, but not limited to, accounting services, data processing services, information technology services, legal services, underwriting services, claims handling services, and actuarial services. AIGI is compensated the direct costs incurred in providing services without any additional mark-ups or fees.

Amended and Restated Tax Sharing Agreement: This agreement, effective January 1, 2014, is between Arch Capital Group (U.S.) Inc. (ACGI) and various subsidiaries (including AIC, ASIC, APCIC, and AIIC). Per the agreement, ACGI collects from, or refunds to each subsidiary the amount of taxes or benefits determined as if the subsidiary filed a separate return.

Claims Services Agreement: This agreement, effective December 6, 2018, is between AIC, ASIC, APCIC, AIIC, and McNeil & Co, Inc. (McNeil). Per the agreement, McNeil is responsible for processing and settling claims associated with the Program and Producer agreements. McNeil is compensated based on a percentage of gross written premium.

The Company has a reinsurance agreement with AIC that is described in the Ceded Reinsurance section of this report.

TERRITORY AND PLAN OF OPERATION

APCIC is licensed in Missouri as a property and casualty insurer under Chapter 379 RSMo (Insurance Other Than Life). The Company is also licensed in 35 other states/territories, including the District of Columbia and is an approved surplus lines writer in 15 other states. The Company has not reported any direct written premium since 2011; however, some of its prior business remains in run-off.

GROWTH OF COMPANY AND LOSS EXPERIENCE

Although the Company did not write any business during the examination period, its capital and surplus increased from \$73.9 million in 2018 to \$93.3 million in 2020. This increase was largely attributable to unrealized capital gains related to its investment in AIIC and net investment income.

REINSURANCE

General

The Company did not have any written premium activity on a direct, assumed, or ceded basis for the period under examination.

Assumed Reinsurance

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

Ceded Reinsurance

Although the Company does not currently have any active business, APCIC maintains a quota share agreement with AIC to cede 100% of its net retained liability under all policies, contracts, agreements, binders, endorsements, etc. that may be written in the future.

Additionally, catastrophe reinsurance is purchased by AGL on behalf of ASIC and other AGL subsidiaries. For 2020, the property catastrophe agreements covered losses up to \$550 million in excess of a \$150 million. APCIC is also included in the workers compensation excess of loss agreement with other North American affiliates, which provides coverage up to \$75 million in excess of \$50 million.

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, PricewaterhouseCoopers LLP, in New York, NY, performed the statutory audit of the Company for the years under exam. Reliance was placed upon the CPA workpapers as deemed appropriate. Such reliance included, but was not limited to, fraud risk analysis, journal entry testing, internal control narratives, tests of internal controls, and substantive testing.

Actuarial Opinion

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Gregory Babushkin, FCAS, MAAA, for all years in the examination period. Mr. Babushkin is employed by Arch Insurance Company in Jersey City, New Jersey.

Consulting Actuary

Pursuant to a contract with the Department, Robert Daniel, ACAS, MAAA of Merlino and Associates, reviewed the underlying actuarial assumptions and methodologies used by APCIC to determine the adequacy of loss reserves and LAE reserves. Robert Daniel 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

In conjunction with this examination, Kimberly Dobbs, CFE, AES, Information Systems Financial Examiner with the Department, conducted a review of the Company's information systems.

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 APCIC 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 | \$ 38,384,477 | \$ 506,918 | \$ 37,877,559 |
| Stocks: | | | |
| Common Stocks | 53,293,474 | - | 53,293,474 |
| Cash, Cash Equivalents, and Short- Term Investments | 2,006,745 | - | 2,006,745 |
| Investment Income Due and Accrued | 152,545 | - | 152,545 |
| Net Deferred Tax Asset | 128,338 | 28,891 | 99,447 |
| Aggregate Write-Ins for Other Than Invested Assets | 5,525 | 5,525 | - |
| TOTAL ASSETS | \$ 93,971,104 | \$ 541,334 | \$ 93,429,770 |

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2020

| | |
|---|----------------------|
| Losses | \$ 12,118 |
| Loss Adjustment Expenses | 72,261 |
| Commissions Payable, Contingent Commissions, and Other Similar Charges | 747 |
| Other Expenses | 18,643 |
| Current Federal and Foreign Income Taxes | 11,766 |
| Ceded Reinsurance Premiums Payable (Net of Ceding Commissions) | (1,250) |
| Funds Held by Company Under Reinsurance Treaties | 2,654 |
| Provision for Reinsurance | 6,024 |
| Payable to Parent, Subsidiaries, and Affiliates | 12,283 |
| Aggregate Write-Ins for Liabilities | 33,159 |
| TOTAL LIABILITIES | \$ 168,404 |
| Common Capital Stock | 5,000,000 |
| Gross Paid In and Contributed Surplus | 43,994,298 |
| Unassigned Funds (Surplus) | 44,267,068 |
| TOTAL CAPITAL AND SURPLUS | \$ 93,261,366 |
| TOTAL LIABILITIES AND SURPLUS | \$ 93,429,770 |

STATEMENT OF INCOME
For the Year Ended December 31, 2020

| | | |
|---|-----------|--------------------------------|
| Premiums Earned | \$ | - |
| DEDUCTIONS: | | |
| Losses Incurred | | 32,241 |
| Loss Adjustment Expenses Incurred | | (37,003) |
| Other Underwriting Expenses Incurred | | 329,993 |
| Total Underwriting Deductions | \$ | <u>325,231</u> |
| Net Underwriting Gain (Loss) | \$ | (325,231) |
| Net Investment Income Earned | | 775,229 |
| Net Realized Capital Gains | | 689,540 |
| Net Investment Gain (Loss) | \$ | <u>1,464,770</u> |
| Federal and Foreign Income Taxes Incurred | | 103,371 |
| NET INCOME (LOSS) | \$ | <u><u>1,036,168</u></u> |

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2018 to December 31, 2020

(\$000s omitted)

| | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|--------------------------------|--------------------------------|--------------------------------|
| Capital and Surplus, Beginning of Year | \$ 69,240 | \$ 73,907 | \$ 80,844 |
| Net Income (Loss) | 288 | 829 | 1,036 |
| Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax | 4,394 | 6,114 | 11,773 |
| Change in Net Deferred Income Tax | (10) | (8) | 138 |
| Change in Nonadmitted Assets | (2) | 2 | (528) |
| Change in Provision for Reinsurance | (3) | 1 | (2) |
| Net Change in Capital and Surplus | <u>\$ 4,667</u> | <u>\$ 6,937</u> | <u>\$ 12,418</u> |
| Capital and Surplus, End of Year | <u><u>\$ 73,907</u></u> | <u><u>\$ 80,844</u></u> | <u><u>\$ 93,261</u></u> |

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

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 Arch Property Casualty Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kimberly Dobbs, CFE, AES, Kim Waller, AFE, Alicia Galm, CFE, Bernie Troop, CFE, Lisa Li, CPA, CFE, James Le, CPA, CFE, CPCU, ARE, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination. Robert Daniel, ACAS, MAAA of Merlino and Associates, also participated as a consulting actuary.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Marc Peterson, 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 Arch Property Casualty 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

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

Sworn to and subscribed before me this 10th day of April, 2022.

My commission expires: March 30, 2023 *Hailey Webb*

Notary Public



HAILEY WEBB
My Commission Expires
March 30, 2023
Osage County
Commission #15634366

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