

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

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

ORDER

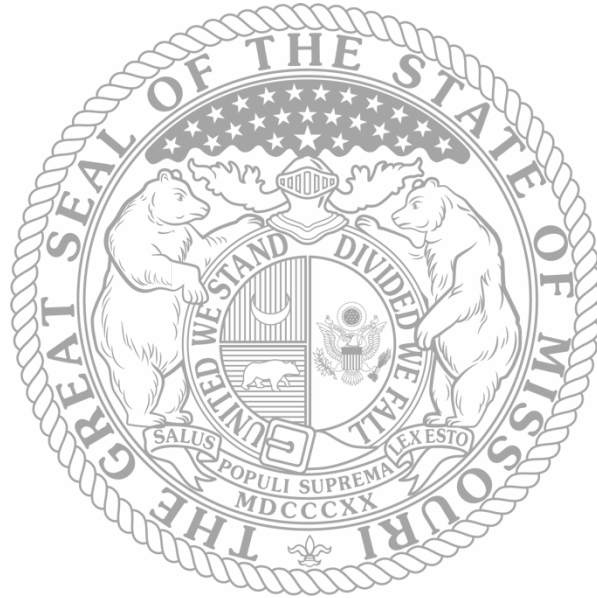
After full consideration and review of the report of the financial examination of Washington International Insurance Company for the period ended December 31, 2021, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director 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 Washington International Insurance Company as of December 31, 2021, be and is hereby ADOPTED as filed and for Washington International 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 20th day of June, 2023.



Chlora Lindley-Myers
Chlora Lindley-Myers, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

WASHINGTON INTERNATIONAL 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

Washington International Insurance Company (NAIC #32778)

hereinafter referred to as such, as WIIC, 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 WIIC. 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 WIIC 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)
- First Specialty Insurance Corporation (FSIC)
- Swiss Re Property & Casualty America, Inc. (SRPCA)
- North American Elite Insurance Company (NAE)
- North American Specialty Insurance Company (NAS)
- 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

WIIC was incorporated on February 3, 1976, under the laws of the state of Arizona and began business in July of the same year.

The Company was originally owned by the Roanoke Companies, Inc., a privately-held holding company in Schaumburg, Illinois. On November 1, 1996, the Company's direct parent, Washington International Holdings, Inc., was sold to Jupiter Holdings, Inc., a subsidiary of The Northland Company. On January 5, 2000, The Northland Company sold Washington International Holdings, Inc. to NAS. At the time of the sale, NAS was a wholly-owned subsidiary of Swiss Reinsurance America Corporation (SRAC). The Company redomiciled from Arizona to New Hampshire on September 30, 2008.

Upon the completion of the internal Swiss Re Group restructuring on October 4, 2011, the Company's indirect parent became WIC, a Missouri domiciled property and casualty insurer. WIIC resides in the Corporate Solutions (CorSo) business unit of the Swiss Re Group headed by, at the time, 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 Swiss Re Corporate Solutions Ltd (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 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

The Company paid a dividend of \$25,000,000 to NAS in 2019.

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 Articles of Incorporation specify that there shall be nine members 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:

| <u>Name and Address</u> | <u>Principal Occupation and Business Affiliation</u> |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Laura Fincke Coppola* Cranford, New Jersey | Managing Director, Head of Casualty and FINPRO Swiss Re Corporate Solutions North America |
| Ivan Javier Gonzalez* Larchmont, New York | President/Head of 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 North America 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, were as follows:

| <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 & Chief Risk Officer |
| 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 Gonzalez.

*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 of Directors functions as the Executive and Audit Committees. The Company does not have any additional committees but relies on information and strategic guidance provided by numerous board and committees at the direct or indirect parent level including, but not limited to the following committees: Audit, Risk, Compensation, Investment and Finance.

Corporate Records

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

Holding Company, Subsidiaries, and Affiliates

WIIC is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). WIIC 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 SRL, a corporation based in Zurich, Switzerland.

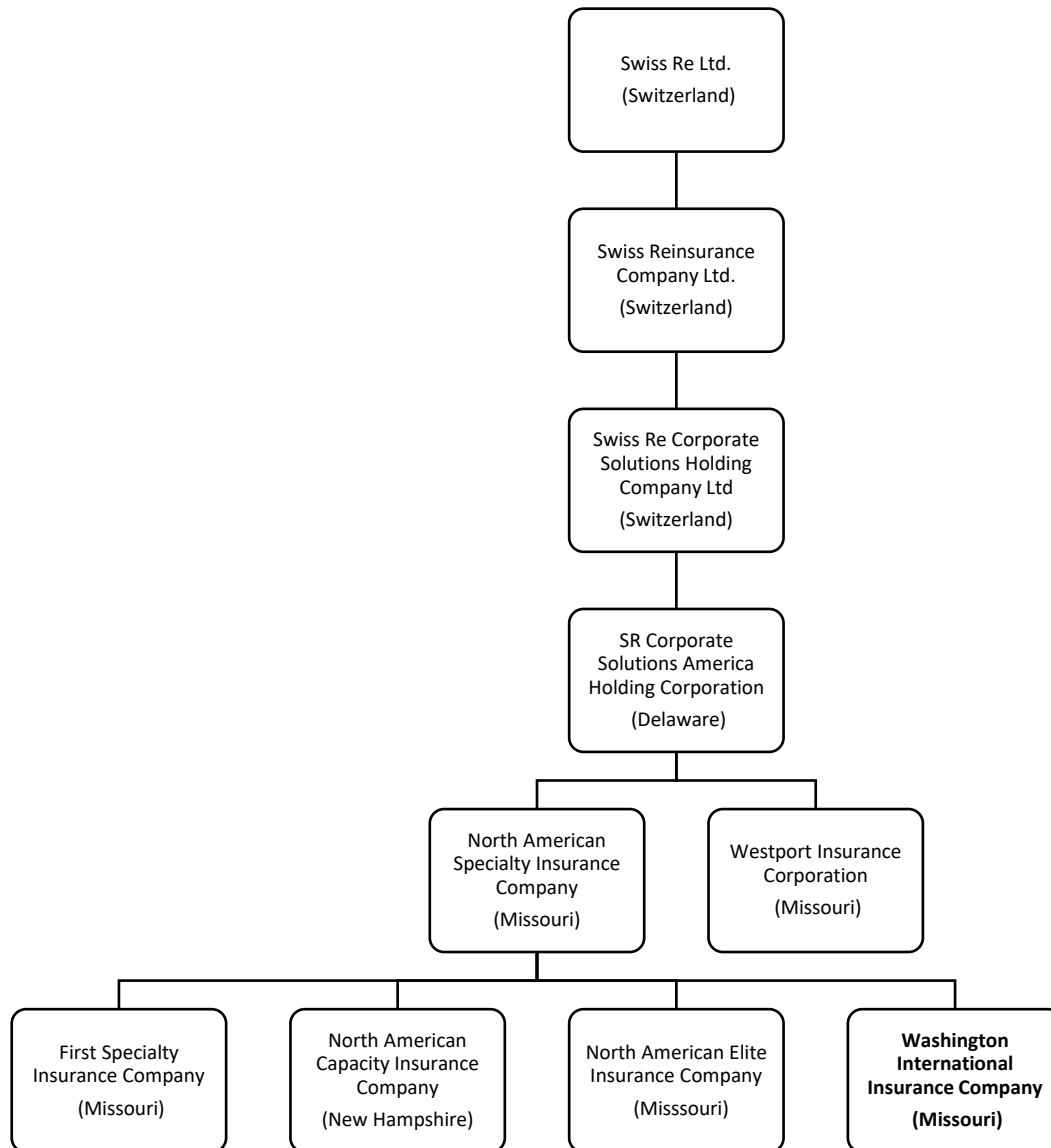
SRL is a diversified global reinsurer, offering a wide variety of reinsurance products and financial services solutions to manage capital and risk. SRL is a publicly traded company on the SIX Swiss Exchange under the symbol SREN; no single shareholder was determined to own 10% or more of its outstanding 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 WIIC and SR Corporate Solutions America Holding Corporation (SRCSAH). Per the agreement, SRCSAH provides WIIC with general management and administrative services such as legal, personnel, information systems, accounting, finance, risk management, actuarial, underwriting, claims, and other services. WIIC reimburses SRCSAH for the cost incurred in providing the services.

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

Branding Agreement: This agreement, effective January 1, 2012, is between WIIC and SRL. Per the agreement, WIIC 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 WIIC. Per the agreement, WIIC 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 WIIC and SRCSAH. Per the agreement, SRCSAH agrees to manage the investment portfolio of WIIC and assist and advise WIIC 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 will include cash management, tax basis reporting, and performance monitoring. Investments will be managed within the parameters established by WIIC. SRCSAH will be reimbursed for costs incurred.

TERRITORY AND PLAN OF OPERATION

The Company currently writes surety business only and plans to continue writing this line of business.

Through the new Elevate commercial underwriting platform, the Company plans to extend its middle market reach as the carrier used for sub-standard risk tier offerings for certain workers' compensation, general liability, property coverages and commercial multi-peril.

GROWTH OF COMPANY AND LOSS EXPERIENCE

The Company has ceded effectively 100% of its business through reinsurance arrangements described in the Reinsurance section below. 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)

| Premium Type | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Direct Premiums Written | \$ 17,845 | \$ 14,348 | \$ 13,203 | \$ 12,849 | \$ 12,041 |
| Reinsurance Assumed: | | | | | |
| Affiliates | - | - | - | - | - |
| Non-Affiliates | - | - | - | - | - |
| Reinsurance Ceded: | | | | | |
| Affiliates | 17,837 | 14,345 | 13,203 | 12,844 | 11,717 |
| Non-Affiliates | - | - | - | - | 324 |
| Net Premiums Written | \$ 8 | \$ 3 | \$ - | \$ 5 | \$ - |

Assumed Reinsurance

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

Ceded Reinsurance

Effective January 1, 2012, the Company ceded 80 to 100% of new and renewal business to WIC. For underwriting years 2015 and forward, the Company cedes 100% of its business to WIC.

Effective January 1, 2022, the Company terminated its existing 100% quota share arrangement with WIC on a cutoff basis and ceded 100% of new and renewal business to NAS.

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 year of 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 of 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 year 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 WIIC 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 WIIC 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

| | Assets | Nonadmitted Assets | Net Admitted Assets |
|-----------------------------------------------------------------------|----------------------|-------------------------------|--------------------------------|
| Bonds | \$ 59,276,855 | \$ - | \$ 59,276,855 |
| Cash, Cash Equivalents, and Short-Term Investments | 17,799,932 | - | 17,799,932 |
| Investment Income Due and Accrued | 77,224 | - | 77,224 |
| Uncollected Premiums and Agents' Balances in the Course of Collection | 1,740,284 | 836,360 | 903,924 |
| Amounts Recoverable from Reinsurers | (717,089) | - | (717,089) |
| Net Deferred Tax Asset | 228,272 | 52,510 | 175,762 |
| Guarantee Funds Receivable | 432 | - | 432 |
| Aggregate Write-Ins for Other-Than-Invested Assets | 1,455,618 | 250,000 | 1,205,618 |
| TOTAL ASSETS | \$ 79,861,529 | 1,138,870 | \$ 78,722,659 |

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2021

| | |
|----------------------------------------------------------------|----------------------|
| Losses | \$ 698,891 |
| Loss Adjustment Expenses | 125,335 |
| Taxes, Licenses and Fees | 47,941 |
| Current Federal and Foreign Income Taxes | 37,215 |
| Unearned Premiums | 492 |
| Ceded Reinsurance Premiums Payable (Net of Ceding Commissions) | 1,376,692 |
| Amounts Withheld or retained by Company for Accounts of Others | 6,296,324 |
| Remittances and Items Not Allocated | 728,969 |
| Payable to Parent, Subsidiaries, and Affiliates | 1,119,492 |
| Aggregate Write-Ins for Liabilities | 2,379,335 |
| TOTAL LIABILITIES | \$ 12,810,686 |
| Common Capital Stock | 4,200,000 |
| Gross Paid In and Contributed Surplus | 3,825,000 |
| Unassigned Funds (Surplus) | 57,886,973 |
| TOTAL CAPITAL AND SURPLUS | \$ 65,911,973 |
| TOTAL LIABILITIES AND SURPLUS | \$ 78,722,659 |

STATEMENT OF INCOME
For the Year Ended December 31, 2021

| | | |
|--------------------------------------------------------------|-----------|-----------------|
| Premiums Earned | \$ | 390 |
| DEDUCTIONS: | | |
| Losses Incurred | | (489,979) |
| Loss Adjustment Expenses Incurred | | (89,621) |
| Other Underwriting Expenses Incurred | | 664,071 |
| Aggregate Write-Ins for Underwriting Deductions | | (34,000) |
| Total Underwriting Deductions | \$ | 50,471 |
| Net Underwriting Gain (Loss) | \$ | (50,081) |
| Net Investment Income Earned | | 692,254 |
| Net Realized Capital Gains | | 8,936 |
| Net Investment Gain (Loss) | \$ | 701,190 |
| Net Gain (Loss) from Agents' or Premium Balances Charged Off | | (9,056) |
| Aggregate Write-Ins for Miscellaneous Income | | 9,022 |
| Federal and Foreign Income Taxes Incurred | | 34,840 |
| NET INCOME (LOSS) | \$ | 616,235 |

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 | \$ 80,052 | \$ 82,439 | \$ 85,392 | \$ 64,162 | \$ 65,370 |
| Net Income (Loss) | 2,025 | 2,897 | 3,814 | 1,219 | 616 |
| Change in Net Unrealized | | | | | |
| Capital Gains (Losses) | | | | | |
| Less Capital Gains | | | | | |
| Taxes | 52 | (44) | 48 | - | - |
| Change in Net Deferred | | | | | |
| Income Tax | (435) | 59 | 2 | (25) | (92) |
| Change in Nonadmitted | | | | | |
| Assets | 745 | (141) | (94) | 14 | 18 |
| Change in Provision for | | | | | |
| Reinsurance | - | 182 | - | - | - |
| Dividends to Stockholders | - | - | (25,000) | - | - |
| Net Change in Capital and | | | | | |
| Surplus | 2,387 | 2,953 | (21,230) | 1,208 | 542 |
| Capital and Surplus, End | | | | | |
| of Year | \$ 82,439 | \$ 85,392 | \$ 64,162 | \$ 65,370 | \$ 65,912 |

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

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

Effective February 21, 2022, WIIC exited the Elevate commercial underwriting platform market.

Effective April 29, 2022, WIIC changed its name to Swiss Reinsurance Corporate Solutions Premier Insurance Corporation (SRCS Premier).

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 Washington International Insurance Company 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 Washington International 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.



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