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 Insurance Company for the period ended December 31, 2024, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, 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 Insurance Company as of December 31, 2024, be and is hereby ADOPTED as filed and for Arch 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 29th day of June, 2026.

Angela L. Nelson, Director
Department of Commerce and Insurance

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

REPORT OF
FINANCIAL EXAMINATION OF

ARCH INSURANCE COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Jefferson City, MO
May 19, 2026

Honorable Angela L. Nelson, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Nelson:

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

Arch Insurance Company (NAIC #11150)

hereinafter referred to as such, as AIC, or as the Company. Its primary office is located at Harborside 3, 210 Hudson Street, Suite 600, Jersey City, New Jersey, 07311, telephone number (201) 743-4000. The fieldwork for this examination began on April 7, 2025, 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 AIC. The last examination of the Company by the Department covered the period of January 1, 2018, through December 31, 2020. The current examination covers the period of January 1, 2021, through December 31, 2024, 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. The 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 examination was conducted concurrently with the examinations of the Company's Missouri-domiciled affiliates, Arch Specialty Insurance Company (ASIC), Arch Property Casualty Insurance Company (APCIC), Arch Indemnity Insurance Company (AIIC), and Arch Wilsure Insurance Company (AWIC), formerly known as Watford Insurance Company (WIC).

This examination report includes significant findings of fact, as mentioned in section 374.205 of the 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

Arch Insurance Company, formerly known as First American Insurance Company, was incorporated on December 15, 1971, as a joint stock insurance company, and was granted authority pursuant to the provisions of Chapter 379 RSMo (Insurance Other than Life) to commence the business of insurance effective June 30, 1980. AIC was incorporated as a wholly-owned subsidiary of First American Financial Corporation (FAFC).

On June 4, 2001, the Department approved the acquisition of FAFC and the Company by Arch Capital Group Ltd (ACGL). Effective October 2, 2002, the name of First American Financial Corporation was changed to Arch Insurance Group, Inc. (AIGI). On June 19, 2002, the Department approved the name change of First American Insurance Company to Arch Insurance Company.

A change in Arch Insurance Company's direct owner occurred on December 15, 2015, when AIGI issued a stock dividend to Arch Reinsurance Company (ARC), granting ARC 100% of its stock ownership in AIC. The stock dividend did not change AIC's ultimate controlling entity, ACGL, and had no impact on operations, management, or the Directors/Officers of AIC or its subsidiaries.

Mergers, Acquisitions, and Major Corporate Events

On December 16, 2022, Arch Financial Holdings Europe III Limited purchased all of the outstanding shares of AIC's subsidiary, Arch Insurance Canada Ltd.

On July 1, 2024, the Company purchased all of the outstanding shares of its affiliate, Arch Wilsure Insurance Company, from its other affiliate, Watford Specialty Insurance Company.

On August 1, 2024, ACGL completed its acquisition of Allianz U.S. MidCorp and Entertainment insurance business, underwritten by Fireman's Fund Insurance Company (FFIC). As part of this acquisition, AIC entered into a reinsurance agreement with FFIC, effective August 1, 2024. AIC also received a capital contribution of $220.0 million from its direct parent, ARC, related to the acquisition.

Dividends and Capital Contributions

AIC is a wholly owned subsidiary of Arch Reinsurance Company, a Delaware-domiciled insurer. During the examination period, ARC made the following capital contributions to AIC:

Year	Amount
2021	$ 450,000,000
2022	301,906,086
2023	-
2024	220,000,000
Total	**$ 971,906,086**

The Company also received a $100.0 million dividend from its subsidiary ASIC on October 31, 2024. No dividends were declared or paid by AIC 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. The Directors elected and serving as of December 31, 2024, were as follows:

Name and Address	Principal Occupation and Business Affiliation
Catherine B. Kelly Minneapolis, MN	Executive Vice President and Director of Corporate Underwriting Arch Insurance Company and subsidiaries
Valerie I.D. Turpin Tucson, AZ	Executive Vice President and Chief Underwriting Officer Arch Insurance Company and subsidiaries
Thomas J. Ahern Ridgewood, NJ	Executive Vice President, Chief Financial Officer, and Treasurer Arch Insurance Company and subsidiaries
Brian D. First Canton, CT	President Arch Insurance Company and subsidiaries
Regan A. Shulman Larchmont, NY	Executive Vice President, General Counsel, and Secretary Arch Insurance Company and subsidiaries
Patrick K. Nails Yardley, PA	Executive Vice President and Chief Claims Officer Arch Insurance Company and subsidiaries
Andrew S. Becker Towaco, NJ	Executive Vice President and Chief Actuary 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 Company and subsidiaries

Senior Officers

The Officers elected and serving, as of December 31, 2024, were as follows:

Name	Office
Brian D. First	President
Regan A. Shulman	Executive Vice President, General Counsel, and Secretary
Thomas J. Ahern	Executive Vice President, Chief Financial Officer, and Treasurer
Andrew S. Becker	Executive Vice President and Chief Actuary
Richard A. Stock	Executive Vice President and Chief Underwriting Officer
Catherine B. Kelly	Executive Vice President and Director of Corporate Underwriting
Valerie I.D. Turpin	Executive Vice President and Chief Underwriting Officer
John A. Rafferty	Executive Vice President and Chief Underwriting Officer

Principal Committees
AIC's Board designates the ACGL Audit Committee to act as its Audit Committee. As of December 31, 2024, ACGL's Audit Committee consisted of Eileen Mallesch (Chair), Laurie Goodman, Francis Ebong, Moira Kilcoyne, and Eugene Sunshine. ACGL's Board determined that all the Audit Committee members were independent under the applicable standards of NASDAQ and the Securities Exchange Act of 1934, and that Ms. Mallesch qualifies as a financial expert under the rules of the Securities and Exchange Commission.

AIC has also established various management committees to provide additional oversight and guidance. The management committees established as of December 31, 2024, 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 Committee, and the Privacy and Security Committee.

Corporate Records
The Company's Articles of Incorporation and Bylaws were reviewed for any changes during the period under examination. There were no revisions to either document during the examination period. The minutes of the Board of Directors' meetings and Committee meetings were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates
AIC is a member of an insurance holding company system as defined by section 382.010, RSMo (Definitions). The Company is directly owned by ARC, a Delaware-domiciled insurer and is ultimately owned by ACGL, a Bermuda-based publicly held limited liability company. ACGL is traded on the NASDAQ National Market under the symbol ACGL. The Vanguard Group owned approximately 10.9% of the outstanding common shares of ACGL as of December 31, 2024.

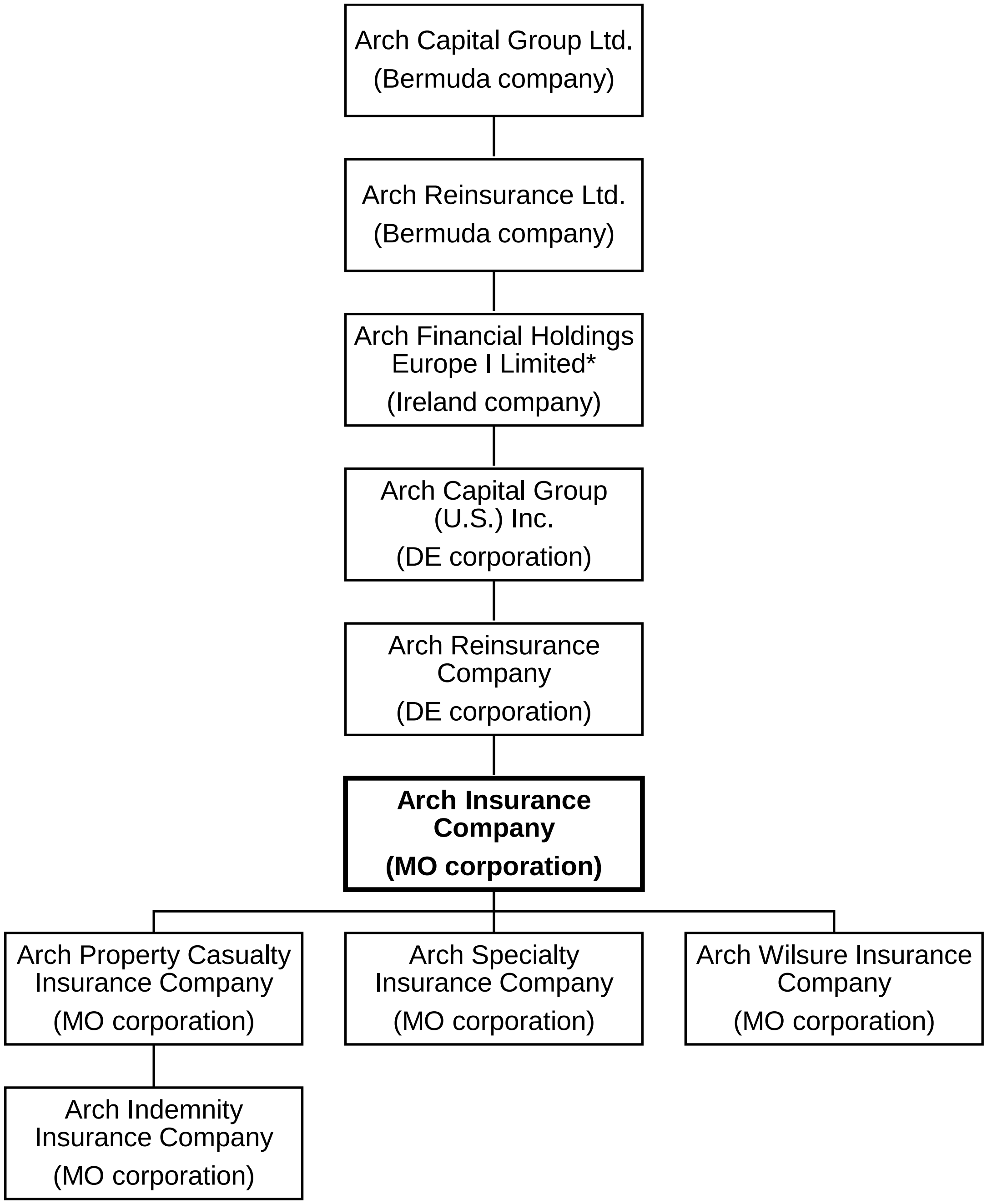
ACGL provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries and classifies its businesses into three underwriting segments: insurance, reinsurance, and mortgage insurance. The insurance segment product lines include commercial automobile; commercial multiperil; other liability – claims made, which includes financial and professional lines; other liability – occurrence, which includes admitted and excess and surplus casualty lines; property and short-tail specialty; workers compensation; and other.

AIC either directly or indirectly owns 100% of the following insurance subsidiaries:

- **Arch Specialty Insurance Company:** ASIC is domiciled and licensed in Missouri as a domestic surplus lines insurer and eligible as an excess and surplus lines carrier in all other US states, the District of Columbia, Puerto Rico, and the US Virgin Islands. ASIC provides excess and surplus lines property and casualty coverages, with a focus on specialty lines of insurance.
- **Arch Property Casualty Insurance Company:** APCIC is a Missouri domestic property and casualty insurance company. In addition to Missouri, APCIC is also licensed in 46 states, including the District of Columbia. APCIC is seeking to expand its licenses in the remaining states where it currently does not hold a license. APCIC is a wholly owned subsidiary of Arch Insurance Company. It is not currently writing a material amount of business. All previous business is in runoff and is ceded to AIC.
- **Arch Indemnity Insurance Company:** AIIC is a Missouri domestic property and casualty insurance company licensed in all states and the District of Columbia. AIIC is a wholly owned subsidiary of APCIC, making AIIC an indirect subsidiary of AIC through AIC's ownership of APCIC. AIIC primarily writes workers' compensation insurance.
- **Arch Wilsure Insurance Company (formerly known as Watford Insurance Company):** AWIC is a fully licensed Missouri domestic property and casualty company. AWIC is a wholly owned subsidiary of AIC. AWIC was purchased by AIC from its affiliate Watford Specialty Insurance Company on July 1, 2024, and changed its name effective May 7, 2025. AWIC writes business through managing general underwriters on a program basis; however, as of December 31, 2024, all the program business was in runoff. AWIC is licensed in all fifty states and the District of Columbia and intends to underwrite the following coverages in the future: commercial automobile, general liability, property, umbrella, and workers' compensation.

Organizational Chart

The following organizational chart depicts an abbreviated section of insurance companies within the holding company group as of December 31, 2024. All subsidiaries are wholly-owned unless otherwise noted.



*Arch Financial Holdings Europe I Limited has a 90% interest in Arch Capital Group (U.S.) Inc. Arch Reinsurance Europe Underwriting Designated Activity Company owns the other 10%.

Intercompany Transactions

The following is a brief description of significant agreements executed with affiliated entities that were in effect as of December 31, 2024:

Amended and Restated Investment Manager Agreement: This agreement, effective January 1, 2015, is between AIC and Arch Investment Management Ltd. (AIML). Per the agreement, AIML provides investment management services on behalf of AIC. The services include the investment and reinvestment of the Company's 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.

Service Agreement: This agreement, effective September 9, 2008, is between AIC and Arch Insurance Group Inc. (AIGI). Per the agreement, AIGI provides AIC with supervision of all phases of its 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.

Producer Agreement: This agreement, effective November 1, 2013, was amended effective December 1, 2019, is between AIC and Arch Insurance Solutions, Inc. (AISI). Per the agreement, AISI is appointed as an agent to underwrite and sell travel insurance products. AISI also performs other services, including claims administration services and account management services.

Amended and Restated Tax Sharing Agreement: This agreement, amended and restated effective October 31, 2022, is between Arch Capital Group (U.S.) Inc. (ACGI) and various subsidiaries (including AIC, ASIC, APCIC, AIIC, and AWIC). 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.

MGA Agreement: This agreement, originally effective January 1, 2020 and amended effective November 1, 2021, is between AIC and McNeil & Company, Inc. (McNeil). Per the agreement, McNeil is responsible for soliciting, underwriting, collecting premiums, settling and paying claims, etc. for products detailed in the agreement. In addition to this agreement, AIC is party to numerous other agreements with McNeil, including a claims services agreement, a producer agreement, and a surety agency agreement.

The Company is also party to various reinsurance agreements with affiliates that are described under the Reinsurance section of this report.

TERRITORY AND PLAN OF OPERATION

AIC is licensed as a property and casualty insurer by the Department under Chapter 379 RSMo (Insurance Other than Life). The Company is licensed and writes direct business in all 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. The Company's largest states by direct written premiums are California, New York, Texas, and Florida, accounting for approximately 40% of total direct written premiums.

As noted under the Holding Company, Subsidiaries, and Affiliates subsection above, AIC and its subsidiaries write business under ACGL's insurance underwriting segment. AIC's strategy is to focus on writing specialty lines of business through various avenues, while specializing in writing commercial lines property and casualty business. The Company's current insurance operations consist of the following business units: Lenders, Guarantee Cost Comp, P&C Programs, Small Commercial, Alternative Markets, Construction, E&S Casualty, Entertainment, Executive Assurance, Healthcare, High Excess Comp, Midcorp, National Accounts, Professional Liability, Property, Retail Energy, Surety, and Travel & Accident

GROWTH OF COMPANY AND LOSS EXPERIENCE

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
2021	$ 2,150,203	15.04%	$ 1,623,105	1.32
2022	2,768,638	28.76%	1,980,596	1.40
2023	3,238,046	16.95%	2,442,393	1.33
2024	4,138,103	27.80%	2,667,442	1.55

The Company's net premiums written increased each year under examination, with notable increases in 2022 and 2024. The increase in 2022 was driven by increases in the professional liability, property, and travel and accident lines of business, while the increase in 2024 was primarily due to the premium assumed under the reinsurance agreement with Fireman's Fund Insurance Company, related to ACGL's acquisition of the Allianz U.S. MidCorp & Entertainment business. Alternative Markets, Programs, and E&S Casualty lines of business also increased.

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
2021	$ 1,939,673	$ 1,292,701	66.65%
2022	2,361,276	1,285,448	54.44%
2023	3,031,983	1,524,480	50.28%
2024	3,361,221	1,774,512	52.79%

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	2021	2022	2023	2024
Direct Premiums Written	$ 3,125,185	$ 3,407,815	$ 3,824,393	$ 3,965,145
Reinsurance Assumed:				
Affiliates	873,267	1,212,915	1,340,153	1,540,462
Non-Affiliates	28,514	28,048	30,413	1,106,322
Reinsurance Ceded:				
Affiliates	710,253	687,131	670,210	1,091,295
Non-Affiliates	1,166,509	1,193,008	1,286,703	1,382,531
Net Premiums Written	**$ 2,150,203**	**$ 2,768,638**	**$ 3,238,046**	**$ 4,138,103**

Assumed Reinsurance
The Company primarily assumes business of affiliated entities under various quota share reinsurance agreements. For 2024, a majority of the premiums were assumed from ASIC, accounting for 49.5% of total assumed premiums. In 2024, the Company also entered into a fronting agreement with Fireman's Fund Insurance Company, accounting for 40.6% of total assumed premiums. The remaining premiums were assumed from other affiliates, pools, and third-party cedents.

Ceded Reinsurance
AIC manages gross and net exposures through various reinsurance treaties with external reinsurers on a facultative, quota share, per risk excess of loss, and catastrophe excess of loss basis. Additional quota share and/or excess of loss reinsurance are obtained on an intercompany basis as deemed necessary. The retention, limit, and structure of the treaties vary depending on the product line being protected.

For 2024, AIC and its other North American affiliates purchased workers' compensation catastrophe coverage up to $100 million in excess of $50 million. Additionally, the property catastrophe agreements covered losses up to $400 million in excess of a $300 million.

AIC's most significant reinsurer during the examination period was its affiliate, ARL, with ceded premiums of $954.1 million (38.6% of total premiums ceded) in 2024 and a net amount recoverable of $1.7 billion (35.4% of total net amounts recoverable from reinsurers) at year-end 2024. AIC ceded premiums of $1.4 billion (55.9% of total premiums ceded) to non-affiliated reinsurers in 2024 and reported $2.7 billion in net amounts recoverable (55.3% of total net recoverable) from non-affiliated reinsurers at year-end 2024. None of the non-affiliated reinsurers had net amounts recoverable that exceeded 3% of the total net amounts recoverable.

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 examination. Reliance was placed on 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 Group Inc., an affiliate of Arch Insurance Company located in Jersey City, New Jersey.

Consulting Actuary

Pursuant to a contract with the Department, Solomon L. Frazier, FCAS, FSA, MAAA, Senior Consulting Actuary with Examination Resources, LLC., reviewed the underlying actuarial assumptions and methodologies used by AIC to determine the adequacy of loss reserves and LAE reserves. Mr. Frazier 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, 2024.

Information Systems

Kimberly Dobbs, CFE, AES, CISA, Information Systems Financial Examiner-in-Charge 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 AIC for the period ending December 31, 2024. 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, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 7,485,879,345	$ -	$ 7,485,879,345
Stocks:			
Preferred Stocks	17,241,355	-	17,241,355
Common Stocks	939,620,798	-	939,620,798
Cash, Cash Equivalents, and Short-Term Investments	175,754,117	-	175,754,117
Other Invested Assets	702,667,432	-	702,667,432
Receivables for Securities	23,408,835	-	23,408,835
Investment Income Due and Accrued	75,304,349	373,099	74,931,250
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	760,091,810	75,614,848	684,476,962
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due	710,909,730	-	710,909,730
Accrued Retrospective Premiums	11,302,013	93,207	11,208,806
Reinsurance:			
Amounts Recoverable from Reinsurers	207,424,142	-	207,424,142
Funds Held by or Deposited with Reinsured Companies	42,305,066	-	42,305,066
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	33,857,057	-	33,857,057
Net Deferred Tax Asset	243,996,316	67,580,335	176,415,981
Receivables from Parent, Subsidiaries, and Affiliates	16,370,499	166,548	16,203,951
Aggregate Write-Ins for Other-Than-Invested Assets	929,273,662	248,635,226	680,638,436
TOTAL ASSETS	**$ 12,375,406,526**	**$ 392,463,263**	**$ 11,982,943,263**

LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2024

Losses	$ 3,318,983,156
Reinsurance Payable on Paid Losses and Loss Adjustment Expenses	121,832,261
Loss Adjustment Expenses	707,375,528
Commissions Payable, Contingent Commissions, and Other Similar Charges	25,712,224
Other Expenses	1,590,742
Taxes, Licenses, and Fees	34,476,736
Unearned Premiums	2,547,334,728
Advance Premiums	7,638,163
Dividends Declared and Unpaid:	
Policyholders	3,972,057
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)	1,430,834,505
Funds Held by Company Under Reinsurance Treaties	386,018,657
Amounts Withheld or Retained by Company for Account of Others	158,863,371
Remittances and Items Not Allocated	34,218,089
Provision for Reinsurance	12,171,306
Payable to Parent, Subsidiaries, and Affiliates	157,506,184
Payable for Securities	54,801,671
Aggregate Write-Ins for Liabilities	312,171,944
TOTAL LIABILITIES	**$ 9,315,501,322**
Common Capital Stock	5,000,000
Gross Paid In and Contributed Surplus	1,924,073,836
Unassigned Funds (Surplus)	738,368,105
TOTAL CAPITAL AND SURPLUS	**$ 2,667,441,941**
TOTAL LIABILITIES AND SURPLUS	**$ 11,982,943,263**

STATEMENT OF INCOME

For the Year Ended December 31, 2024

Premiums Earned	$ 3,361,221,366
DEDUCTIONS:	
Losses Incurred	1,427,591,269
Loss Adjustment Expenses Incurred	346,920,668
Other Underwriting Expenses Incurred	1,628,215,622
Total Underwriting Deductions	$ 3,402,727,559
Net Underwriting Gain (Loss)	**$ (41,506,193)**
Net Investment Income Earned	463,564,882
Net Realized Capital Gains	(4,497,104)
Net Investment Gain (Loss)	**$ 459,067,778**
Net Gain (Loss) from Agents' or Premium Balances Charged Off	(1,282,227)
Aggregate Write-Ins for Miscellaneous Income	(106,939,138)
Dividends to Policyholders	1,329,745
Federal and Foreign Income Taxes Incurred	66,856,952
NET INCOME (LOSS)	**$ 241,153,524**

RECONCILIATION OF CAPITAL AND SURPLUS

Changes from January 1, 2021, to December 31, 2024

($000s omitted)

	2021	2022	2023	2024
Capital and Surplus, Beginning of Year	$ 1,132,465	$ 1,623,105	$ 1,980,596	$ 2,442,393
Net Income (Loss)	20,421	26,615	381,227	241,154
Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax	10,845	24,740	53,276	(66,727)
Change in Net Deferred Income Tax	9,419	31,385	11,464	91,878
Change in Nonadmitted Assets	2,183	(29,990)	12,577	(242,304)
Change in Provision for Reinsurance	(2,228)	2,834	3,253	(5,185)
Capital Changes:				
Paid In	450,000	301,906	-	220,000
Aggregate Write-Ins for Gains and Losses in Surplus	-	-	-	(13,766)
Net Change in Capital and Surplus	$ 490,640	$ 357,490	$ 461,797	$ 225,049
Capital and Surplus, End of Year	**$ 1,623,105**	**$ 1,980,596**	**$ 2,442,393**	**$ 2,667,442**

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2024, through the date of this report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Arch Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kimberly Dobbs, CFE, AES, CISA, Kim Waller, CFE, Alicia Galm, CFE, Brad Brunton, CFE, and James Le, CPA, CFE, CPCU, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

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 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.

HAILEY LUEBBERT
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES MARCH 30, 2027
OSAGE COUNTY
COMMISSION #15634366

Marc Peterson

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

Sworn to and subscribed before me this 27th day of May, 2026.

My commission expires: March 30, 2027

Notary Public

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