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 Safety National Casualty Corporation for the period ended December 31, 2023, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director, 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 findings, history, corporate records, management and control, territory and plan of operations, accounts and records, financial statements, comments on the financial statements, subsequent events and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Safety National Casualty Corporation as of December 31, 2023, be and is hereby ADOPTED as filed and for Safety National Casualty Corporation 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) implement and verify compliance with each item mentioned in the Comments on the Financial Statement and/or Summary of Recommendations section of such report; and (2) 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 27th day of June, 2025.

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

SAFETY NATIONAL CASUALTY CORPORATION

AS OF
DECEMBER 31, 2023

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Saint Louis, MO
May 20, 2025

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

Safety National Casualty Corporation (NAIC #15105)

hereinafter referred to as such, as SNCC, or as the Company. Its administrative office is located at 1832 Schuetz Rd., St. Louis, MO 63146, telephone number (314) 692-1369. The fieldwork for this examination began on March 18, 2024, 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 Safety National Casualty Corporation. The last examination of the Company by the Department covered the period of January 1, 2014, through December 31, 2018. The current examination covers the period of January 1, 2019, through December 31, 2023, 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 SNCC included Capital and Surplus, Investments, Reinsurance Assumed, Reinsurance Ceded, Related Parties, Underwriting, Reserves and Claims Handling. 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 Safety National subgroup of Tokio Marine Holdings, Inc., which consists of three insurance companies domiciled in Missouri and Illinois. The Pennsylvania Department of Insurance is the lead state regulator for the group. The Missouri Department is the lead state for the Safety National subgroup. Along with Missouri, Illinois participated in the coordinated examination. The examination was also conducted concurrently with the examination of the Company's Missouri-domiciled affiliate, Safety Specialty Insurance Company (SSIC).

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

Safety Mutual Casualty Corporation was incorporated in the state of Missouri on November 28, 1942, and commenced business on December 28, 1942, as a mutual property and casualty insurer operating under Chapter 379 RSMo (Insurance Other than Life).

Safety Mutual Casualty Corporation was converted to a stock company on September 30, 1991, and its name was changed to Safety National Casualty Corporation. At that time, SIG Holdings, Inc., a Missouri corporation, became the sole shareholder of the Company.

On March 5, 1996, SIG Holdings, Inc., a Delaware corporation and subsidiary of Delphi Financial Group, Inc., (DFG) purchased SIG Holdings, Inc. of Missouri and merged it into SIG Holdings, Inc. of Delaware.

In 2012, Tokio Marine Holdings, Inc. acquired 100% of the stock of Delphi Financial Group, Inc. As a result of this transaction Tokio Marine Holdings, Inc. is now the ultimate controlling entity of the Company.

Mergers, Acquisitions, and Major Corporate Events
No mergers, acquisitions or major corporate events occurred during the exam period.

Dividends and Capital Contributions
No capital contributions were received during the exam period. The Company paid the following dividends to its parent during the exam period:

Year	Amount
2019	$ 2,000,000
2020	2,000,000
2021	77,000,000
2022	127,000,000
2023	127,000,000
Total	**$ 335,000,000**

Surplus Notes
SNCC issued a $40,000,000 surplus note to Delphi Financial Group, Inc. (DFG) in exchange for cash on December 24, 2008. The effective interest rate for this note is 7.0% per annum, paid semiannually. The Company paid $14,031,111 interest on this note during the examination period. The initial maturity date was set at January 15, 2029. The note was amended in 2009 to extend the maturity date to January 15, 2035.

SNCC issued a $40,000,000 surplus note to Reliance Standard Life Insurance Company (RSLIC) in exchange for cash on December 29, 2014. The effective interest rate for the note is 5.0% per annum, paid semiannually. The Company paid $10,144,444 interest on this note during the examination period. The maturity date is January 15, 2045.

Issuance of the surplus notes and subsequent interest payments were properly requested by the Company and approved by the Department. No principal payments have been made on either note by the Company to date.

MANAGEMENT AND CONTROL

Board of Directors

The management of the Company is vested in a Board of Directors that are elected by the shareholder. The Company's Articles of Incorporation specify that there shall be no less than nine nor more than twenty-five members. The Board of Directors elected and serving as of December 31, 2023, were as follows:

Name and Address	Principal Occupation and Business Affiliation
Gus E. Aivaliotis St. Louis, MO	Chief Underwriting Officer Safety National Casualty Corporation
John P. Csik St. Louis, MO	President Safety National Casualty Corporation
Thomas V. Grove St. Louis, MO	Chief Client Officer Safety National Casualty Corporation
Duane A. Hercules St. Louis, MO	Chief Executive Officer Safety National Casualty Corporation
Steven A. Hirsh Highland Park, IL	President and Chairman Astro Communications, Inc.
Seigo Ishimaru Tokyo, Japan	General Manager Tokio Marine Holding, Inc.
James N. Meehan Arlington Heights, IL	Retired Managing Director Bank of America
Cynthia A. Morton St. Louis, MO	Chief Operating Officer and Chief Innovation Officer Safety National Casualty Corporation
Donald A. Sherman Estero, FL	Financial Service Executive Waterfield Mortgage Company
Daisuke Ugaeri New York, NY	Chief Executive Officer Tokio Marine Management, Inc.
Mark A. Wilhelm St. Louis, MO	Executive Chairman Safety National Casualty Corporation

Senior Officers
The officers elected and serving, as of December 31, 2023, were as follows:

Name	Office
Mark A. Wilhelm	Executive Chairman
Duane A. Hercules	Chief Executive Officer
Steven C. Devine	Treasurer and Chief Financial Officer
John P. Csik	President
Nicholas A. Kriegel	Secretary, General Counsel, Senior V.P. of Operations
Gus E. Aivoliotis	Chief Underwriting Officer
Kimberly M. Barnett	Executive Vice President of Treaty Reinsurance
Thomas V. Grove	Chief Client Officer
Robert E. Leitner	Senior Vice President of Business Development
Cynthia A. Morton	Chief Operating Officer and Chief Innovation Officer
Mitchell A. Neuhaus	Senior Vice President of Claims
Curtis L. Reno	Senior Vice President of Insurance Underwriting

Principal Committees
The Bylaws require the Board of Directors to maintain an Executive and Investment Committee and grant them the power to establish other committees.

Derivative Use Plan Committee
Mark A. Wilhelm, Chair
Duane A. Hercules
Steven F. Luebbert

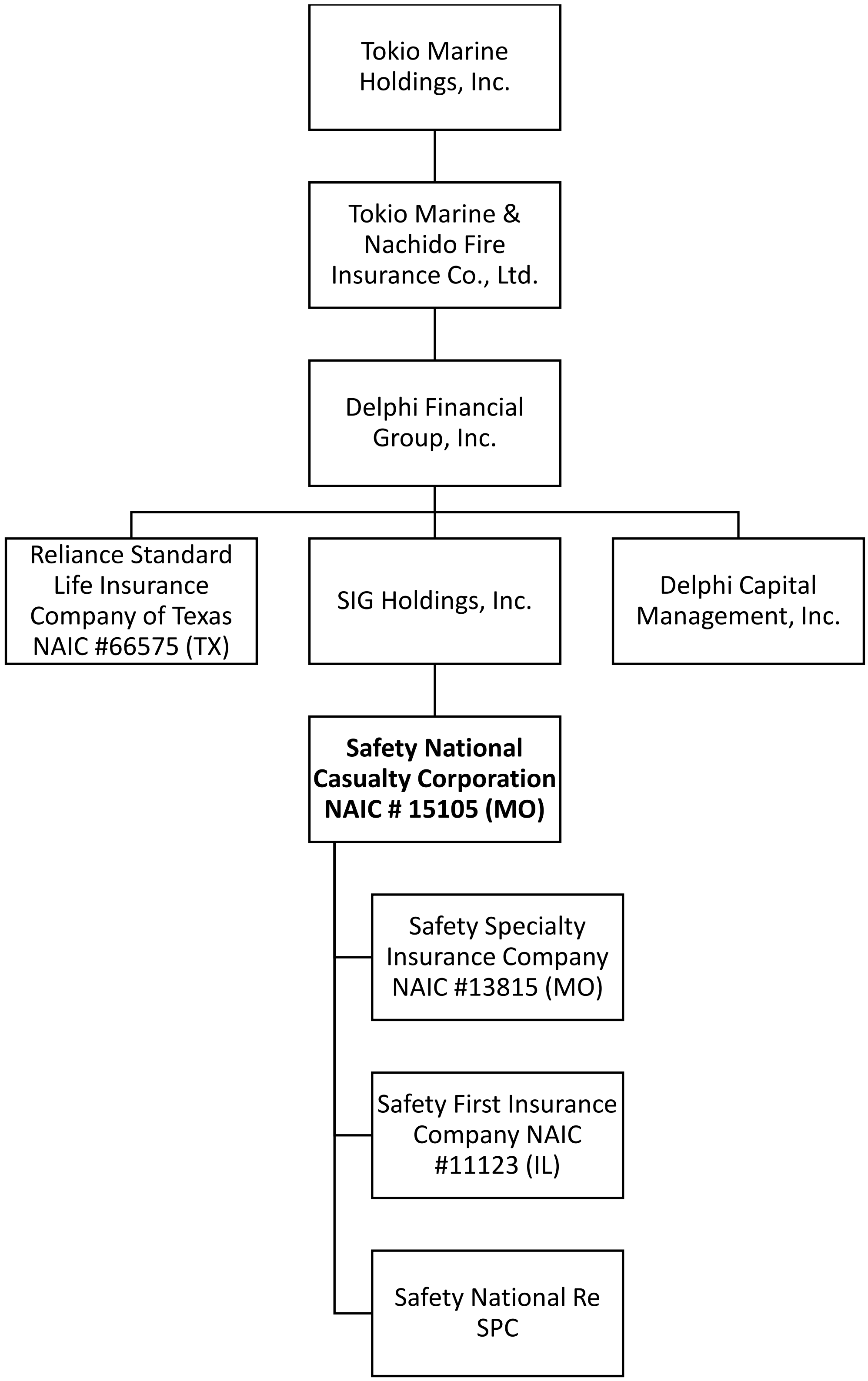
Audit Committee
James N. Meehan, Chair
Steven A. Hirsh
James M. Litvack

Executive and Investment Committee
John P. Csik, Chair
Duane A. Hercules
Donald A. Sherman
Mark A. Wilhelm

Corporate Records
The Company's Articles of Incorporation (Articles) and Bylaws were reviewed. There were no changes to the Articles or Bylaws during the examination period. The minutes of the board of directors, committees, and shareholder were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates
SNCC is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). Tokio Marine Holdings, Inc. (TMHI) is the ultimate controlling entity within the holding company system. TMHI directly or indirectly owns five life and twenty-five property and casualty insurance companies in the United States and numerous alien insurers.

Organizational Chart
The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2023. All subsidiaries shown are wholly owned unless otherwise noted.



Intercompany Transactions
The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2023. A brief description of these agreements is as follows:

Tax Allocation Agreement: An agreement between SNCC, DFG, and other affiliates, effective March 5, 1996, whereby DFG files a consolidated federal tax return annually on behalf of all parties to the agreement. Each party pays its share of the consolidated tax liability as if it had filed its tax return on a separate and individual basis.

Cost Sharing Agreement: An agreement between SNCC and Delphi Capital Management, Inc. (DCM), effective January 1, 1997, whereby DCM provides investment advisory and administrative services necessary to SNCC. SNCC pays DCM for services under the agreement on an at-cost basis.

Cost Sharing Agreement: An agreement between SNCC and First Reliance Standard Life Insurance Company (FRSL), effective December 16, 1997, whereby FRSL provides office space and personnel support to SNCC within its offices in the state of New York. SNCC pays FRSL for services under the agreement on an at-cost basis.

Inter-Company Service Agreement: An agreement between SNCC and SFIC, effective December 16, 1997, whereby SNCC provides services, staff and data processing functions to SFIC.

Inter-Company Service Agreement: An agreement between SNCC and SSIC, effective January 1, 2016, whereby SNCC provides services, staff, and data processing functions to SSIC.

Revolving Loan Agreement: An agreement between SNCC and DFG, effective August 25, 2011, whereby SNCC will advance funds to DFG for short-term cash needs as deemed necessary for the conduct of DFG's operations. As of December 31, 2023, DFG owed $206 million in principal and interest to SNCC under the agreement.

Amended and Restated Loan Agreement: An agreement between SNCC and DFG, effective February 23, 2011, whereby DFG will advance funds to SNCC for short-term cash needs as deemed necessary for the conduct of SNCC's operations.

Capital Support Agreement: An agreement between SNCC, SSIC, and Tokio Marine & Nichido Fire Insurance Co. LTD (TMNF), effective May 21, 2013, whereby TMNF agrees to provide capital necessary to maintain SNCC and SSIC's surplus at a level of at least equal to 300% of the authorized control level RBC.

Investment Expense Sharing Agreement: An agreement between SNCC, DCM, RSLIC, Philadelphia Indemnity Insurance Company (PIIC), and Tokio Millennium Re AG (TMR), effective July 1, 2014, whereby DCM provides investment services to the other parties to the agreement. DCM may utilize third-party investment managers.

Master Participation Loan Agreement: An agreement between SNCC, RSLIC, PIIC, Delphi CRE Funding LLC (DCRE), ACORE Capital, LP (ACORE), and ACORE Capital Mortgage, LP (ACORE Mortgage), effective July 15, 2015, whereby SNCC acquires participating interest in commercial real estate mortgage loans from DCRE. Loans are originated and serviced by ACORE through ACORE Mortgage.

Capital Support Agreement: An agreement between SNCC and TMK effective January 1, 2017, whereby TMK agrees to provide capital support as necessary to SNCC based on results of the property insurance program ceded by SSIC to TMK.

Capital Support Agreement: An agreement between SNCC and TMNF effective February 15, 2021, whereby TMNF provides capital support to SNCC to offset any negative effect of business written by PURE Program, LLC for SSIC by bringing SNCC's capital back to the level without the program.

SNCC has several reinsurance agreements with affiliates, as described in the Assumed Reinsurance section of this report. SNCC has surplus notes issued to affiliates, as described in the Surplus Notes section of this report.

TERRITORY AND PLAN OF OPERATION

SNCC is licensed in Missouri under Chapter 379 RSMo (Insurance Laws Other than Life) to write property, liability, fidelity and surety, accident and health, and miscellaneous insurance. The Company is licensed in all 50 states, the District of Columbia, Guam, Puerto Rico, the US Virgin Islands, and Canada.

The Company's largest line of business is excess workers' compensation for self-insured employers, which comprised approximately 29 percent of earned premiums in 2023. Excess workers' compensation business results primarily in coverage of disability and death cases which are in excess of the self-insured employers' retention. The Company's excess workers' compensation policyholders consist primarily of municipalities, hospitals, educational institutions, and manufacturing entities.

Other lines of business offered include primary and large deductible workers' compensation, workers' compensation self-insured loss portfolio transfer, primary captive workers' compensation, excess unemployment compensation, Texas non-subscriber occupations injury programs, excess workers' compensation self-insured bonds, commercial automobile and general liability, treaty reinsurance, cyber liability, defense base act, and multi-national. These lines of business have expanded in recent years and are expected to continue to represent growth opportunities in the future.

Business is produced through a network of independent agents and brokers. The Company uses licensed third-party administrators to provide loss control and claims settlement services.

GROWTH OF COMPANY AND LOSS EXPERIENCE

SNCC experienced steady growth in net premiums written during the examination period. 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
2019	$ 1,154,847	$ 138,951	$ 2,715,186	43%
2020	1,274,059	119,512	2,918,824	44%
2021	1,358,375	84,316	3,263,286	42%
2022	1,429,043	70,667	3,386,331	42%
2023	1,548,162	119,120	4,103,654	38%

SNCC's loss ratio decreased during the examination period from increased net premiums earned and a small change in incurred losses. 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
2019	$ 1,073,645	$ 906,085	84%
2020	1,233,473	1,065,874	86%
2021	1,309,771	1,011,678	77%
2022	1,380,119	1,046,436	76%
2023	1,470,969	939,286	64%

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	2019	2020	2021	2022	2023
Direct Premiums Written	$ 911,414	$ 994,370	$ 1,020,419	$ 1,092,331	$ 1,261,276
Reinsurance Assumed:					
Affiliates	15,356	18,803	26,696	38,400	1,578
Non-Affiliates	427,348	504,653	563,973	607,138	614,946
Reinsurance Ceded:					
Affiliates	110,792	140,415	140,917	167,446	170,973
Non-Affiliates	88,479	103,353	111,797	141,380	158,665
Net Premiums Written	**$ 1,154,847**	**$ 1,274,059**	**$ 1,358,375**	**$ 1,429,043**	**$ 1,548,162**

Assumed Reinsurance

The Company assumes business primarily through approved intermediaries. Its core lines of business include workers' compensation, employers' liability and casualty risks, which are written on a specific excess of loss or a quota share basis. Aggregate excess of loss coverage and other lines, including fidelity, property, and surety are also offered on a limited basis. In general, treaties are for one-year terms and coverage for losses arising out of nuclear, biological, chemical, and radiological weapons terrorism is excluded.

The Company also assumes business from affiliated entities under several quota share agreements.

Effective June 1, 2001, the Company entered a quota share reinsurance agreement with SFIC. Under the agreement, the Company assumes 95% of premiums and losses on business classified as large deductible workers' compensation.

Effective January 1, 2007, the Company entered a quota share reinsurance agreement with SFIC. Under the agreement, the Company assumes 90% of premiums and losses on business classified as workers' compensation self-insurance surety bonds.

Effective March 15, 2016, the Company entered a quota share reinsurance agreement with SSIC. Under the agreement, the Company assumes 90% of premiums and losses on business classified as public officials liability, educators legal liability and law enforcement liability insurance.

Ceded Reinsurance

The Company cedes a portion of its direct and assumed exposures to affiliated and unaffiliated reinsurers to reduce net liability on individual risks and to protect against catastrophic losses. Most of the reinsurance agreements are for one-year terms and are renegotiated annually. Below is a summary of the key coverages in effect during the examination period.

- Treaty reinsurance coverage in the amount of $680 million in excess of $20 million per occurrence with various levels of participation on its specific excess workers' compensation, specific large deductible workers' compensation, and primary workers' compensation business.
- Treaty reinsurance coverage in the amount of $20 million in excess of $5 million per occurrence on its motor vehicle conveyance excess workers' compensation exposure.
- 28% quota share of its net retained liability on its specific excess workers' compensation, aggregate excess workers' compensation, and employers' liability business.
- Three-year treaty reinsurance in the amount of $10 million in excess of the greater of the policy deductible or self-insured retention or $250,000 per occurrence on its industrial aid aircraft business.
- Treaty reinsurance coverage in the amount of $35 million in excess of $15 million per occurrence on its assumed workers' compensation business.
- Treaty reinsurance coverage in the amount of $10 million in excess of $7.5 million per occurrence on its professional and casualty business.
- Treaty reinsurance coverage in the amount of $8 million in excess of $2 million per occurrence on its Texas non-subscribers employers' excess indemnity, umbrella, automobile liability, general liability and professional liability business.
- 50% quota share on business classified as first and third-party cyber liability standalone policies. Per policy limit is $25 million.

The Company does not maintain reinsurance for aggregate and specific excess unemployment compensation and surety business. Instead, it attempts to limit exposure to these coverages through its policy terms and underwriting practices.

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, PricewaterhouseCooper LLC, in Saint Louis, Missouri, performed the statutory audit of the Company for all years in the examination period. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion
The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by T.J. Clinch, for 2019, 2020 and 2021, and David Wolf, for 2022 and 2023. Mr. Clinch and Mr. Wolf are employed by Safety National Casualty Corporation in Saint Louis, Missouri.

Consulting Actuary
Pursuant to a contract with the Department, Kristine Fitzgerald of Actuarial & Technical Solutions, Inc., reviewed the underlying actuarial assumptions and methodologies used by SNCC to determine the adequacy of loss reserves and LAE reserves. Mrs. 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, 2023.

Information Systems
Pursuant to a contract with the Department, Dennis Schaefer, CISSP of Baker Tilly, conducted a review of the Company's information systems. The Department information technology examiner-in-charge, Kimberly Dobbs, MBA, CFE, AES, CIS, reviewed the work of Baker Tilly.

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 Safety National Casualty Corporation for the period ending December 31, 2023. 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, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 7,632,832,681	$ 0	$ 7,632,832,681
Stocks:			
Preferred Stocks	118,912,210	0	118,912,210
Common Stocks	644,130,400	9,774,488	634,355,912
Mortgage Loans on Real Estate:			
First Liens	2,510,805,681	0	2,510,805,681
Other than First Liens	237,699,801	0	237,699,801
Real Estate:			
Properties Occupied by the Company	48,579,918	0	48,579,918
Properties Held for the Production of Income	4,470,252	0	4,470,252
Properties Held for Sale	58,591,698	0	58,591,698
Cash, Cash Equivalents, and Short-Term Investments	535,858,906	0	535,858,906
Derivatives	385,701	0	385,701
Other Invested Assets	869,502,935	0	869,502,935
Receivable for securities	157,076,167	6,922,641	150,153,526
Investment Income Due and Accrued	118,770,287	835,459	117,934,828
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	129,030,872	18,766,828	110,264,044
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due	256,686,908	0	256,686,908
Accrued Retrospective Premiums	36,947,679	114,029	36,833,650
Reinsurance:			
Amounts Recoverable from Reinsurers	13,521,893	0	13,521,893
Funds Held by or Deposited with Reinsured Companies	4,727,174	0	4,727,174
Net Deferred Tax Asset	78,511,716	27,966,580	50,545,136
Guaranty Funds Receivable or on Deposit	742,099	0	742,099
Electronic Data Processing Equipment and Software	16,623,049	13,959,979	2,663,070
Furniture and Equipment, Including Health Care Delivery Assets	9,512,070	9,512,070	0
Receivables from Parent, Subsidiaries, and Affiliates	7,986,591	0	7,986,591
Aggregate Write-Ins for Other-Than-Invested Assets	64,058,012	5,895,061	58,162,951
TOTAL ASSETS	**$ 13,555,964,700**	**$ 93,747,135**	**$ 13,462,217,565**

LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2023

Losses	$ 7,088,995,778
Loss Adjustment Expenses	454,374,932
Commissions Payable, Contingent Commissions, and Other Similar Charges	28,465,725
Other Expenses	95,992,258
Taxes, Licenses, and Fees	23,468,462
Current Federal and Foreign Income Taxes	29,120,821
Unearned Premiums	718,890,897
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)	35,504,595
Funds Held by Company Under Reinsurance Treaties	39,975,038
Amounts Withheld or Retained by Company for Account of Others	46,605,345
Remittances and Items Not Allocated	29,904,164
Provision for Reinsurance	3,482,454
Payable to Parent, Subsidiaries, and Affiliates	5,120,107
Derivatives	12,250,532
Payable for Securities	20,824,226
Aggregate Write-Ins for Liabilities	725,588,563
TOTAL LIABILITIES	**$ 9,358,563,897**
Common Capital Stock	5,000,000
Preferred Capital Stock	25,000,000
Surplus Notes	82,237,777
Gross Paid In and Contributed Surplus	401,649,399
Unassigned Funds (Surplus)	3,589,766,492
TOTAL CAPITAL AND SURPLUS	**$ 4,103,653,668**
TOTAL LIABILITIES AND SURPLUS	**$ 13,462,217,565**

STATEMENT OF INCOME
For the Year Ended December 31, 2023

Premiums Earned	$ 1,470,969,321
DEDUCTIONS:	
Losses Incurred	853,408,652
Loss Adjustment Expenses Incurred	85,877,293
Other Underwriting Expenses Incurred	423,523,993
Aggregate Write-Ins for Underwriting Deductions	(19,713,854)
Total Underwriting Deductions	$ 1,343,096,084
Net Income of Protected Cells	0
Net Underwriting Gain (Loss)	**$ 127,873,237**
Net Investment Income Earned	833,513,177
Net Realized Capital Gains	(101,189,661)
Net Investment Gain (Loss)	**$ 732,323,516**
Net Gain (Loss) from Agents' or Premium Balances Charged Off	(6,793,648)
Aggregate Write-Ins for Miscellaneous Income	420,747
Federal and Foreign Income Taxes Incurred	185,602,671
NET INCOME (LOSS)	**$ 668,221,181**

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2019 to December 31, 2023

($000s omitted)

	2019	2020	2021	2022	2023
Capital and Surplus, Beginning of Year	$ 2,366,907	$ 2,694,041	$ 2,918,824	$ 3,263,286	$ 3,386,331
Net Income (Loss)	266,512	161,301	344,965	497,074	668,221
Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax	74,971	53,222	85,494	(201,713)	158,291
Change in Net Unrealized Foreign Exchange Capital Gain (Loss)	(986)	9,373	(7,275)	(14,310)	5,601
Change in Net Deferred Income Tax	(678)	13,551	4,639	2,374	18,080
Change in Nonadmitted Assets	3,742	(11,096)	(4,607)	(17,065)	(21,451)
Change in Provision for Reinsurance	6,747	461	(1,753)	(16,315)	15,580
Change in Surplus Notes	2,222	2,222	2,217	2,261	2,238
Dividends to Stockholders	(2,000)	(2,000)	(77,000)	(127,000)	(127,000)
Aggregate Write-Ins for Gains and Losses in Surplus	(2,252)	(2,252)	(2,217)	(2,261)	(2,238)
Net Change in Capital and Surplus	348,279	224,783	344,463	123,044	717,323
Capital and Surplus, End of Year	**$ 2,715,783**	**$ 2,918,824**	**$ 3,263,286**	**$ 3,386,331**	**$ 4,103,654**

COMMENTS ON FINANCIAL STATEMENT ITEMS

In 2020, the Company identified an error in the financial statements resulting from overstated deferred premiums receivable. The cumulative after-tax value of the accounting error was $29.5 million. The error was corrected by restating the beginning 2019 surplus by $13.6 million and decreasing 2019 and 2020 net income and deferred premium receivable by $7.5 million and $8.4 million, respectively. The error was not material to the financial statements, and the Company was not required to file an amended 2019 annual statement with the Department. From the correction of this accounting error, the 2019 ending capital and surplus balance does not agree with the 2020 beginning capital and surplus balance in the Reconciliation of Capital and Surplus.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2023, through the date of the report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Safety National Casualty Corporation during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Scott Reeves, CPA, CFE, CAMS, CCA, CHE, CSCD, examiner-in-charge, and James Le, CFE, CPA, CPCU, Ken Tang, CFE, CPCU, CLU, and James Simmerman, CFE, CFP, CPCU, ARM, EdD, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Brian D. Hammann, CPA, 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 Safety National Casualty Corporation, 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.

Brian D. Hamman

Brian D. Hammann, CPA, CFE
Examiner-In-Charge
Missouri Department of Commerce and Insurance

Sworn to and subscribed before me this 21st day of May, 2025.

My commission expires: March 30, 2027

Hailey Luebbert
Notary Public

HAILEY LUEBBERT
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES MARCH 30, 2027
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.

Michael R. Shadowens

Michael R. Shadowens, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance