



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 Specialty Insurance Company 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 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.

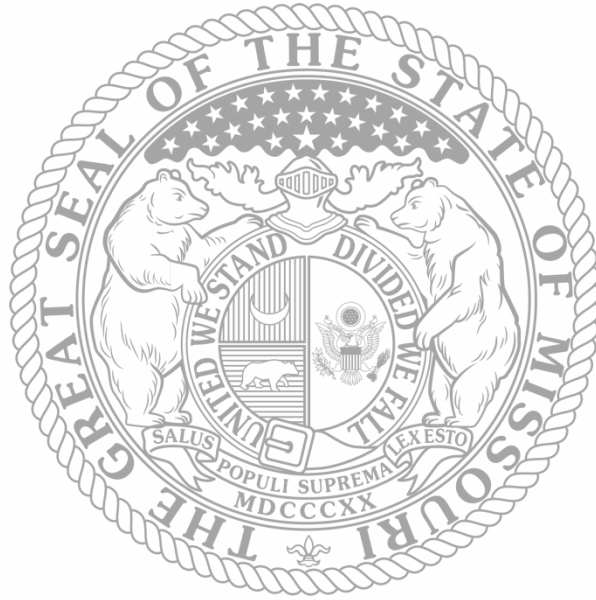
Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Safety Specialty Insurance Company as of December 31, 2023, be and is hereby ADOPTED as filed and for Safety Specialty Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 27th day of June, 2025.



A handwritten signature in blue ink that reads "Angela L. Nelson".

Angela L. Nelson, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

SAFETY SPECIALTY INSURANCE COMPANY

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 Specialty Insurance Company (NAIC #13815)

hereinafter referred to as such, as SSIC, 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 Specialty Insurance Company. 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 SSIC 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 National Casualty Corporation (SNCC).

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

Prior to 2014, SSIC was known as SPARTA Specialty Insurance Company, a Connecticut-domiciled insurer owned by SPARTA Insurance Company. In 2014, after incurring heavy losses, the Company was put in run-off status. Later in 2014, SPARTA Insurance Company was acquired by Catalina Holdings Bermuda, Ltd., which became the ultimate controlling entity.

In April of 2015, SPARTA Insurance Company entered into a Stock Purchase Agreement with SNCC for the sale of SPARTA Specialty Insurance Company. The sale was completed in December 2015, at which time the Company became a wholly owned subsidiary of SNCC. In conjunction with the acquisition, the Company redomiciled from Connecticut to Missouri, changed its name to Safety Specialty Insurance Company and became licensed as a domestic surplus lines insurer under Chapter 384 RSMo (Surplus Lines Insurance Laws).

SSIC was a shell company at the time of acquisition with no existing operations, in-force policies or outstanding claims. The transaction was accounted for as a quasi-reorganization in accordance with SSAP No. 72 (Surplus and Quasi-Reorganizations), and SSIC's unassigned funds (surplus) balance was reset to \$0 upon completion of the purchase. Effective December 31, 2015, SNCC made a \$30 million capital contribution to SSIC to enhance SSIC's surplus and further its ability to write surplus lines insurance on a national basis.

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 |
|--------------|----------------------|
| 2022 | \$ 37,810,030 |
| 2023 | 13,400,000 |
| Total | \$ 51,210,030 |

Surplus Notes

The Company issued a \$8.6 million surplus note to Tokio Marine Kiln, Ltd (TMK) in exchange for cash on December 31, 2018. The interest rate for this note was 4%, and it had a maturity date of January 15, 2039. The Company paid off this surplus note and simultaneously issued a new \$12.6 million surplus note to TMK on December 31, 2019. The interest rate for the new note was 4% and it had a maturity date of January 15, 2040. The Company paid \$8.0 million of the principal balance to TMK on July 15, 2022. The remaining principal balance of \$4.6 million was paid on May 1, 2023. The Company paid TMK interest of \$1,796,199 on surplus notes during the exam period.

The Company issued a \$5.6 million surplus note to Tokio Marine & Nichido Fire Insurance Company (TMNF) in exchange for cash on March 2, 2021. The interest rate for this note was 3.6%, and it had a maturity date of March 2, 2041. The Company paid the entire principal balance of \$5.6 million of the principal balance to TMNF on May 15, 2023. The Company paid TMNF interest of \$450,240 on this note.

Issuance of the surplus notes and subsequent interest payments were properly requested by the Company and approved by the Department.

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

Gus E. Aivaliotis
St. Louis, MO

Kimberly M. Barnett
Naples, FL

John P. Csik
St. Louis, MO

Steven C. Divine
St. Louis, MO

Thomas V. Grove
St. Louis, MO

Duane A. Hercules
St. Louis, MO

Nicholas A. Kriegel
St. Louis, MO

Cynthia A. Morton
St. Louis, MO

Mark A. Wilhelm
St. Louis, MO

Principal Occupation and Business Affiliation

Chief Underwriting Officer
Safety National Casualty Corporation

EVP - Chief Underwriting Officer of Treaty Reinsurance
Safety National Casualty Corporation

President
Safety National Casualty Corporation

Treasurer and Chief Financial Officer
Safety National Casualty Corporation

Chief Client Officer
Safety National Casualty Corporation

Chief Executive Officer
Safety National Casualty Corporation

SVP of Operations, General Counsel and Secretary
Safety National Casualty Corporation

Chief Operating Officer and Chief Innovation Officer
Safety National Casualty Corporation

Executive Chairman
Safety National Casualty Corporation

Senior Officers

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

Name

Duane A. Hercules
John P. Csik
Steven C. Divine
Nicholas A. Kriegel
Gus E. Aivaliotis
Kimberly M. Barnett
Thomas V. Grove
Robert. E. Leitner
Cynthia A. Morton
Mitchell A. Neuhaus
Curtis L. Reno
Mark A. Wilhelm

Office

Chief Executive Officer
President
Treasurer
Secretary
Chief Underwriting Officer
EVP – Chief Underwriting Officer of Treaty Reinsurance
Chief Client Officer
SVP - Business Development
Chief Operating Officer and Chief Innovation Officer
Senior Vice President - Claims
Senior Vice President - Insurance Underwriting
Executive Chairman

Principal Committees

The Bylaws grants the board of directors the power to maintain an Executive and Investment Committee and other committees.

Audit Committee

John P. Csik, Chair
Duane A. Hercules
Mark A. Wilhelm

Executive and Investment Committee

John P. Csik, Chair
Duane A. Hercules
Mark A. Wilhelm

Corporate Records

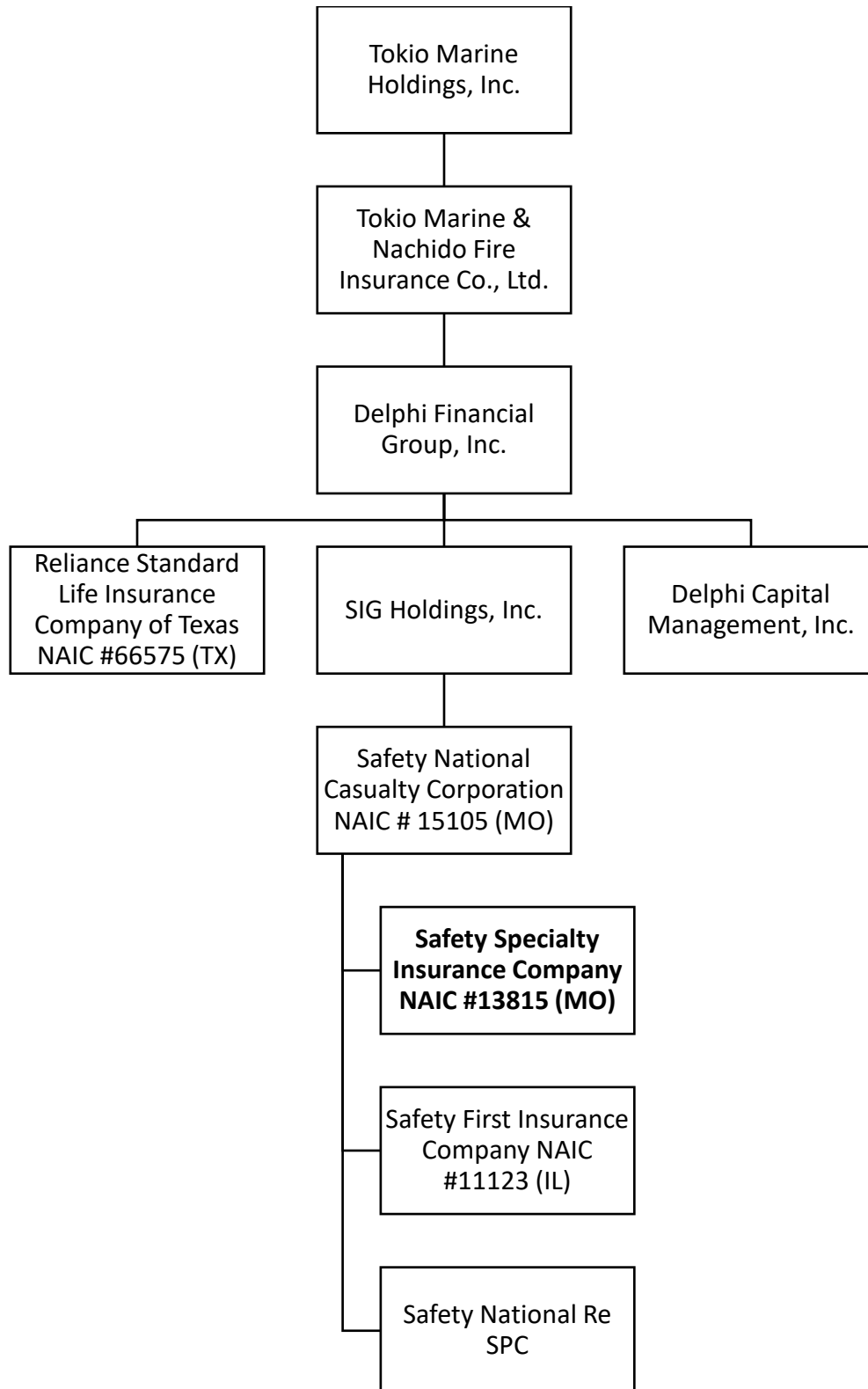
The Company's Articles of Incorporation (Articles) and Bylaws were reviewed. There were no changes to the Articles or Bylaws during the examination period. The minutes of the Board of Directors, committees and shareholder were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates

SSIC 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: SSIC was added to the agreement between SNCC, Delphi Financial Group (DFG), and other affiliates, effective February 18, 2016, whereby DFG files a consolidated federal tax return annually on behalf of all parties of 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.

Capital Support Agreement: SSIC was added to the agreement between SNCC and TMNF, effective May 20, 2016, whereby TMNF agrees to provide capital necessary to maintain SNCC and SSIC surplus at a level at least equal to 300% of the authorized control level RBC.

Cost Sharing Agreement: An agreement between SSIC and Delphi Capital Management, Inc. (DCM), effective March 22, 2016, whereby DCM provides investment advisory and administrative services to SSIC. SSIC pays DCM for services under the agreement on an at-cost basis.

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.

Inter-Company Service Agreement: An agreement between SSIC and TMK, effective January 1, 2017, whereby TMK provides claims, legal, administration, actuarial, financial and data processing services related to SSIC's commercial and residential property program reinsured by TMK.

Assumption Agreement: An agreement between SSIC and TMK, effective January 1, 2017, whereby TMK indemnifies SSIC for liabilities not included in the quota share agreement and arising from various commercial and residential property insurance programs written by SSIC and ceded to TMK.

Third Party Administration Agreement: An agreement between SSIC and Precise Adjustments, Inc. (PAI), effective January 1, 2017, whereby PAI provided claims handling services for commercial and residential property coverage written by SSIC and ceded to TMK.

Third Party Administration Agreement: An agreement between SSIC and Midland Claims Administrators (MCA), effective April 1, 2019, whereby MCA provided claims handling services for certain coverages written by SSIC.

Services Agreement: An agreement between SSIC and WNC Insurance Services, Inc. (WNC), an affiliate, effective January 1, 2020, whereby WNC administers certain business underwritten by WNC.

Underwriting Management Agreement: An agreement between SSIC and PURE Programs, LLC (PURE), an affiliate, effective February 15, 2021, whereby PURE underwrites and administers certain business for SSIC and PURE receives a commission for the services provided under the agreement.

Claims Administration Agreement: An agreement between SSIC and PURE, effective February 15, 2021, whereby PURE administers claims for SSIC on business underwritten by PURE.

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

TERRITORY AND PLAN OF OPERATION

SSIC is licensed in Missouri under Chapter 384 RSMo (Surplus Lines Insurance) to write surplus lines insurance in Missouri. The Company is eligible or approved to write surplus lines insurance in all 50 states and the District of Columbia, as well as all U.S. territories and Canada. SSIC currently offers public entity liability, general liability captive, cyber liability, and property insurance.

Gross premiums written decreased 69% in 2023, attributed primarily to the winding down of the property insurance business and the public entity business being renewed with its affiliate, SNCC.

GROWTH OF COMPANY AND LOSS EXPERIENCE

SSIC experienced growth in net premiums written and had a low writing ratio 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 | \$ 2,132 | \$ 1,002 | \$ 96,731 | 2% |
| 2020 | 3,150 | 1,018 | 106,854 | 3% |
| 2021 | 6,814 | 3,664 | 120,539 | 6% |
| 2022 | 11,663 | 4,849 | 87,838 | 13% |
| 2023 | 10,572 | (1,091) | 71,306 | 15% |

SSIC experienced a decrease in the loss ratio during the examination period. 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 | \$ 1,686 | \$ 1,270 | 75% |
| 2020 | 2,694 | 1,913 | 71% |
| 2021 | 4,686 | 2,991 | 64% |
| 2022 | 9,337 | 5,761 | 62% |
| 2023 | 11,110 | 7,669 | 69% |

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 | \$ 96,552 | \$ 133,947 | \$ 197,984 | \$ 229,520 | \$ 71,833 |
| Reinsurance Ceded: | | | | | |
| Affiliates | 44,077 | 53,501 | 68,135 | 85,678 | 37,374 |
| Non-Affiliates | 50,343 | 77,297 | 123,035 | 132,180 | 23,887 |
| Net Premiums Written | \$ 2,132 | \$ 3,150 | \$ 6,814 | \$ 11,663 | \$ 10,572 |

Assumed Reinsurance

The Company does not assume any business.

Ceded Reinsurance

The Company cedes a large portion of direct business to affiliated and unaffiliated reinsurers to transfer risk exposure. Below is a summary of the key coverages in effect during the examination period.

Effective March 15, 2016, the Company entered a quota share reinsurance agreement with Safety National Casualty Corporation. Under the agreement, the Company cedes 90% of premiums and losses on business classified as Public Officials Liability, Educators Legal Liability and Law Enforcement Liability insurance.

Effective January 1, 2017, the Company entered a fronting arrangement with Tokio Marine Kiln, Ltd. (TMK) to cover commercial and residential property business. Under the arrangement, the Company cedes 100% of premiums and losses to TMK syndicates and unaffiliated reinsurers. The arrangement was terminated effective January 1, 2023.

Effective June 1, 2017, the Company entered a quota share reinsurance agreement with TMK. Under the current agreement, the Company cedes 50% of premiums and losses on business classified as First and Third Party Cyber Liability standalone policies. The limit is \$25 million per policy.

Effective December 1, 2021, the Company entered a fronting arrangement with TMK to cover commercial transportation business. Under the arrangement, the Company cedes 100% of premiums and losses to TMK syndicates.

Effective January 1, 2021, the Company entered a fronting arrangement with PURE Programs, LLC to cover personal lines excess liability and excess & surplus homeowners business. Under the arrangement, the Company cedes 100% of premiums and losses to unaffiliated reinsurers.

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 during 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 SSIC 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 Specialty Insurance Company 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 | \$ 155,808,385 | 0 | \$ 155,808,385 |
| Cash, Cash Equivalents, and Short-Term Investments | 25,680,514 | 0 | 25,680,514 |
| Other Invested Assets | 695,253 | 0 | 695,253 |
| Receivables for Securities | 160,000 | 0 | 160,000 |
| Investment Income Due and Accrued | 1,950,183 | 0 | 1,950,183 |
| Premiums and Considerations: | | | |
| Uncollected Premiums and Agents' Balances in the Course of Collection | 3,444,465 | 367,729 | 3,076,736 |
| Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due | 170,236 | 0 | 170,236 |
| Reinsurance: | | | |
| Amounts Recoverable from Reinsurers | 4,799,458 | 0 | 4,799,458 |
| Other Amounts Receivable Under Reinsurance Contracts | 110,978 | 0 | 110,978 |
| Current Federal and Foreign Income Tax Recoverable and Interest Thereon | 285,476 | 0 | 285,476 |
| Net Deferred Tax Asset | 962,643 | 478,821 | 483,822 |
| Receivables from Parent, Subsidiaries, and Affiliates | 569,304 | 0 | 569,304 |
| Aggregate Write-Ins for Other-Than-Invested Assets | 18,058,708 | 0 | 18,058,708 |
| TOTAL ASSETS | \$ 212,695,603 | \$ 846,550 | \$ 211,849,053 |

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2023

| | |
|--|-----------------------|
| Losses | \$ 11,369,632 |
| Loss Adjustment Expenses | 2,802,965 |
| Commissions Payable, Contingent Commissions, and Other Similar Charges | 752,862 |
| Other Expenses | 21,802 |
| Taxes, Licenses, and Fees | 192,873 |
| Unearned Premiums | 5,413,708 |
| Ceded Reinsurance Premiums Payable (Net of Ceding Commissions) | 4,070,606 |
| Funds Held by Company Under Reinsurance Treaties | 87,421,801 |
| Amounts Withheld or Retained by Company for Account of Others | 109 |
| Remittances and Items Not Allocated | 3,448,429 |
| Provision for Reinsurance | 7,490,896 |
| Payable to Parent, Subsidiaries, and Affiliates | 17,557,162 |
| TOTAL LIABILITIES | \$ 140,542,845 |
| Common Capital Stock | 4,200,000 |
| Gross Paid In and Contributed Surplus | 59,817,973 |
| Unassigned Funds (Surplus) | 7,288,235 |
| TOTAL CAPITAL AND SURPLUS | \$ 71,306,208 |
| TOTAL LIABILITIES AND SURPLUS | \$ 211,849,053 |

STATEMENT OF INCOME
For the Year Ended December 31, 2023

| | |
|--|---------------------|
| Premiums Earned | \$ 11,110,100 |
| DEDUCTIONS: | |
| Losses Incurred | 5,950,376 |
| Loss Adjustment Expenses Incurred | 1,718,817 |
| Other Underwriting Expenses Incurred | (1,546,876) |
| Total Underwriting Deductions | \$ 6,122,317 |
| Net Income of Protected Cells | 0 |
| Net Underwriting Gain (Loss) | \$ 4,987,783 |
| Net Investment Income Earned | 5,265,660 |
| Net Realized Capital Gains | (864,213) |
| Net Investment Gain (Loss) | \$ 4,401,447 |
| Net Gain (Loss) from Agents' or Premium Balances Charged Off | (3,187) |
| Federal and Foreign Income Taxes Incurred | 2,059,159 |
| NET INCOME (LOSS) | \$ 7,326,884 |

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 | \$ 85,009 | \$ 96,731 | \$ 106,854 | \$ 120,539 | \$ 87,838 |
| Net Income (Loss) | 7,631 | 10,032 | 13,770 | 15,451 | 7,327 |
| Change in Net Unrealized | | | | | |
| Capital Gains (Losses) | | | | | |
| Less Capital Gains Tax | 170 | (50) | 2 | (845) | 187 |
| Change in Net Deferred | | | | | |
| Income Tax | 14 | (7) | 151 | 451 | 106 |
| Change in Nonadmitted | | | | | |
| Assets | (93) | 147 | (265) | (425) | (156) |
| Change in Provision for | | | | | |
| Reinsurance | 0 | 0 | (5,571) | (1,524) | (396) |
| Change in Surplus Notes | 4,001 | 235 | 6,007 | (7,818) | (10,200) |
| Dividend to Stockholders | 0 | 0 | 0 | (37,810) | (13,400) |
| Aggregate Write-Ins for | | | | | |
| Gains and Losses in | | | | | |
| Surplus | (1) | (235) | (407) | (182) | 0 |
| Net Change in Capital and | | | | | |
| Surplus | 11,722 | 10,122 | 13,686 | (32,702) | (16,532) |
| Capital and Surplus, End | | | | | |
| of Year | \$ 96,731 | \$ 106,854 | \$ 120,539 | \$ 87,838 | \$ 71,306 |

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, 2023, through the date of the report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Safety Specialty Insurance Company 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 Specialty 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.

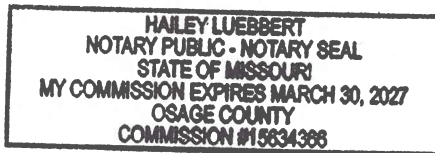
Brian D. Hammann

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.

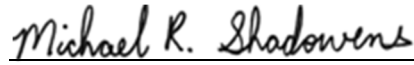
My commission expires: March 30, 2027

Hailey Luebbert
 Notary Public



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