

STATE OF INDIANA) BEFORE THE INDIANA
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Federal Insurance Company)
202B Hall's Mill Road)
Whitehouse Station, New Jersey 08889)

Examination of: **Federal Insurance Company**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Federal Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Federal Insurance Company, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

6/25/2026

Date



Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 5564

STATE OF INDIANA)
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Federal Insurance Company)
202B Hall's Mill Road)
Whitehouse Station, New Jersey 08889)

Examination of: **Federal Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Federal Insurance Company (hereinafter “Company”) for the time period January 1, 2020 through December 31, 2024.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 28, 2026.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on June 1, 2026, and was received by the Company on June 11, 2026.

On June 18, 2026, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

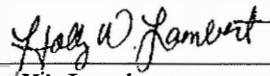
1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2024.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 25th day of
June, 2026.



Holly W. Lambert
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

FEDERAL INSURANCE COMPANY

NAIC Co. CODE 20281
NAIC GROUP CODE 626

As of

December 31, 2024

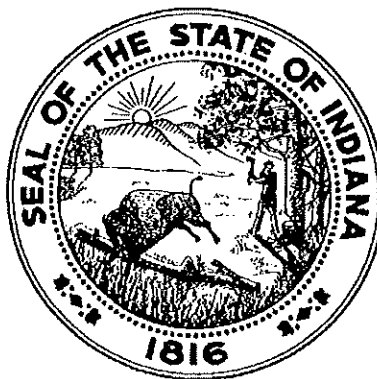


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STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance

Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

May 28, 2026

Honorable Holly W. Lambert, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4229, an examination has been made of the affairs and financial condition of:

**Federal Insurance Company
202B Hall's Mill Road
Whitehouse Station, New Jersey 08889**

hereinafter referred to as the "Company", or "Federal", an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate office staff in Whitehouse Station, New Jersey.

The Report of Examination, reflecting the status of the Company as of December 31, 2024, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
317-232-2389

COMPANY COMPLIANCE
317-232-3495

CONSUMER SERVICES
317-232-2395/1-800-622-4461

FINANCIAL SERVICES
317-232-2390

MEDICAL MALPRACTICE
317-232-5253

COMPANY RECORDS
317-232-2383

STATE HEALTH INSURANCE PROGRAM
1-800-452-4800

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2017, through December 31, 2019. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2020, through December 31, 2024, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). 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 identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the Indiana domestic insurance companies of the Chubb Limited Group (Group) NAIC Group Code #0626 was called by the Pennsylvania Insurance Department (PID) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The PID served as the lead state on the examination, and the INDOI, California Department of Insurance, Connecticut Department of Insurance, Delaware Department of Insurance, Georgia Office of Insurance and Safety Fire Commissioner, Illinois Department of Insurance, Iowa Insurance Division, New Jersey Department of Banking and Insurance, New York State Department of Financial Services, and Texas Department of Insurance all served as participants.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating 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.

This examination report includes significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer 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 separately communicated to other regulators and/or the Company.

HISTORY

Federal was incorporated on February 15, 1901, under the laws of the state of New Jersey, and commenced business on March 2, 1901. Federal became an Indiana domiciled company effective March 23, 1990.

Until January 14, 2016, the ultimate parent company of Federal was The Chubb Corporation (Chubb Corp.), a holding company for property and casualty insurance companies, and until January 15, 2016, Federal was a wholly owned subsidiary of Chubb Corp.

On July 1, 2015, it was announced that ACE Limited (ACE) had agreed to acquire Chubb Corp. Effective January 14, 2016, Chubb Corp. merged with William Investment Holdings Corporation, a wholly owned subsidiary of ACE created for the purpose of the transaction. Chubb Corp. was the surviving corporation and became a wholly owned indirect subsidiary of ACE. On January 15, 2016, Chubb Corp. merged with and into ACE INA Holdings Inc. (ACE INA), a Delaware corporation and indirect subsidiary of ACE, with ACE INA continuing as the surviving corporation. ACE INA subsequently changed its name to Chubb INA Holdings, Inc., which was subsequently

converted into a limited liability company and changed its name to Chubb INA Holdings LLC. On January 15, 2016, ACE was renamed Chubb Limited. Federal is a wholly owned subsidiary of Chubb INA Holdings LLC.

CAPITAL AND SURPLUS

The Company had 3,499,971 authorized shares of common stock with a par value of \$6 per share and 3,496,678 shares issued and outstanding throughout the examination period.

No capital contributions were made or received during the examination period.

DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends, (in 000s), to Chubb INA during the examination period:

<u>Year</u>	<u>Total</u>	<u>Ordinary Dividends</u>	<u>Extraordinary Dividends</u>
2024	\$ 450,000	\$ 450,000	\$ -
2023	325,000	325,000	-
2022	750,000	-	750,000
2021	430,000	430,000	-
2020	225,000	225,000	-
Total	<u>\$ 2,180,000</u>	<u>\$ 1,430,000</u>	<u>\$ 750,000</u>

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The Company paid one (1) extraordinary dividend during the examination period with the prior approval of the INDOI. Other dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

MANAGEMENT AND CONTROL

Directors

The Company's Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board), the number of which shall be fixed by resolution passed by a majority of the Board. The shareholders, at each annual meeting, elect the members of the Board. IC 27-1-7-11 and the Company's Bylaws require that at least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors as of December 31, 2024, and their principal occupations as of that date:

Name and Location	Principal Occupation
Caroline Clouser Newtown, Pennsylvania	Executive Vice President ACE American Insurance Company
Kevin Harkin Ivyland, Pennsylvania	Executive Vice President and Treasurer ACE American Insurance Company
Latrell Johnson Robbinsville, New Jersey	Director ACE American Insurance Company
John Lupica Newtown, Pennsylvania	Vice Chairman Chubb Limited
Michelle McLaughlin Monroe Township, New Jersey	Director ACE American Insurance Company
Juan Luis Ortega Pinecrest, Florida	Executive Vice President Chubb Group Holdings, Inc.
Kevin Rampe New Hope, Pennsylvania	Executive Vice President ACE American Insurance Company
Ana Robic Summit, New Jersey	Executive Vice President ACE American Insurance Company
Benjamin Rockwell Mendham, New Jersey	Director ACE American Insurance Company
James Sanpietro Wantagh, New York	Executive Vice President and General Counsel ACE American Insurance Company
Bradley Smith McCordsville, Indiana	Director Federal Insurance Company
Drew Spitzer Summit, New Jersey	Treasurer Chubb Group Holdings, Inc.

Officers

The Company's Bylaws state that the elected officers of the Company shall consist of a President, one (1) or more Vice Presidents, a Treasurer, and a Secretary. The Board may also elect from time to time such other officers as is deemed necessary. All officers shall hold office at the pleasure of the Board.

The following is a list of key officers and their respective titles as of December 31, 2024:

<u>Name</u>	<u>Office</u>
Juan Luis Ortega	President
Brandon Peene	Secretary
Kevin Harkin	Treasurer and Executive Vice President
Scott Henck	Chief Actuary
Michael Jones	Executive Vice President
Christopher Maleno	Executive Vice President
Kevin Rampe	Executive Vice President
Ana Robic	Executive Vice President
James Sanpietro	Executive Vice President
Drew Spitzer	Chief Financial Officer
John Taylor	Senior Vice President

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2024.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2024.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may

provide. The Company's Bylaws do not specify the date or time the annual meeting of shareholders is to be held. For each year under review, the annual meeting of the sole shareholder was held within five (5) months following the close of each fiscal year.

The Company committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee (Chubb Limited), Executive Committee, and Investment Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent, subsidiaries, and certain affiliates as of December 31, 2024, that were included in this examination:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Chubb Limited		
Chubb Group Holdings Inc.		
Chubb US Holdings Inc.		
Westchester Fire Insurance Company	10030	PA
Westchester Surplus Lines Insurance Company	10172	GA
Chubb INA Holdings LLC ^A		
Executive Risk Indemnity Inc.	35181	DE
Chubb Custom Insurance Company	38989	NJ
Executive Risk Specialty Insurance Company	44792	CT
Federal Insurance Company	20281	IN
Chubb National Insurance Company	10052	IN
Great Northern Insurance Company	20303	IN
Chubb Insurance Company of New Jersey	41386	NJ
Chubb Indemnity Insurance Company	12777	NY
Chubb Lloyds Insurance Company of Texas	27774	TX
Vigilant Insurance Company	20397	NY
Pacific Indemnity Company	20346	DE
INA Corporation		
INA Financial Corporation		
INA Holdings Corporation		
ACE American Insurance Company	22667	PA
Indemnity Insurance Company of North America	43575	PA
Bankers Standard Insurance Company	18279	PA
Penn Millers Holding Corporation		
Penn Millers Insurance Company	14982	PA
Pacific Employers Insurance Company	22748	PA
Illinois Union Insurance Company	27960	IL
ACE Property and Casualty Insurance Company	20699	PA
ACE Insurance Company of the Midwest	26417	IN
Atlantic Employers Insurance Company	38938	NJ
ACE Fire Underwriters Insurance Company	20702	PA
ESIS, Inc.		
Insurance Company of North America	22713	PA
Chubb & Son Inc.		
Chubb Insurance Solutions Agency Inc.		

^A As of December 31, 2024, owned by Chubb Group Holdings Inc. (82.54%) and Chubb Limited (17.46%).

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Service Agreement (ACE American)

Effective March 14, 2016, Federal and ACE American Insurance Company (“ACE American”) entered into a service agreement whereby Federal and ACE American provide a variety of services to each other, including actuarial, administrative support, administrative, audit, claims, communications/marketing, compliance, financial, human resources, information technology, internal audit, investment, legal, loss control, operations support, reinsurance related, treasury, underwriting and other. The agreement was amended in 2018 to add various insurers and allow ACE American to directly provide management services to all the insurers.

Service Agreement (Chubb Custom)

Effective January 1, 1998, and as amended December 31, 2007, Federal entered into a Service Agreement with Chubb Custom whereby Federal provided facilities, services, and personnel to Chubb Custom. Chubb Effective March 14, 2016, Federal and ACE American Insurance Company (“ACE American”) entered into a service agreement whereby Federal and ACE American provide a variety of services to each other. Chubb Custom was added to the agreement effective January 1, 2018 under which ACE American directly provides the management services to Chubb Custom.

SIU Service and Support Agreement

Effective August 12, 2010, and as amended, a SIU service and support agreement was entered into by and between certain Chubb property and casualty insurance companies and affiliate ESIS, Inc. Amendment 4, which was made effective January 1, 2018, added Federal to the agreement. The services provided under the agreement include but are not limited to:

- Investigation of suspect claims.
- Statistical data relative to SIU investigation activity.
- SIU consultation.
- Fraud Awareness Training

Producer Agreement

Effective January 1, 2012, and as amended April 19, 2018, a Producer Agreement was entered into between Chubb Insurance Solutions Agency Inc. (“CISA”), a Delaware affiliate, and various Chubb Group property and casualty insurers (“Chubb Insurers”) whereby CISA acts as an insurance agent for the Chubb Insurers.

Investment Advisory Services Agreement

Effective July 1, 2016, Federal entered into an Investment Advisory Agreement with Chubb Asset pursuant to which Chubb Asset assists with the evaluation and selection of Federal's investment advisors and monitors the performance, compliance and risk profile of Federal's portfolio.

Deposits Service Agreement (ESIS)

The Company was a party to a Service Agreement with ESIS effective December 1, 2016. Under the Agreement, ESIS assumes the responsibility of maintaining the deposits required under agreements entered into between Federal and certain third-party administrators.

Amended and Restated Tax Allocation Agreement

The Company and various specified affiliates and subsidiaries of the Chubb Group Holdings, Inc. are party to a tax

allocation agreement. The agreement is effective December 1, 2016.

Net Worth and Liquidity Maintenance Agreement

The Company was a party to a Net Worth and Liquidity Maintenance Agreement with Chubb Insurance Company of Australia, Ltd. (Chubb Australia) originally effective May 15, 2000, and most recently amended December 31, 2007. Under the Agreement, the Company causes Chubb Australia to maintain the necessary capital and liquidity to qualify for a Standard & Poor's rating at one level below Federal's Standard & Poor's rating.

Intercompany Pooling Agreement

The Company was a party to an Intercompany Reinsurance Pooling Agreement. See the Reinsurance section of this Report of Examination.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by National Union Fire Insurance Company. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2024, including but not limited to automobile liability, cyber/privacy liability, directors' and officers' liability, environmental liability, errors and omissions liability, fiduciary liability, employment practices liability, general liability, property, umbrella/excess liability, workers' compensation.

TERRITORY AND PLAN OF OPERATION

Chubb's North America Commercial Property and Casualty (P&C) insurance segment comprises operations that provide P&C and Accident & Health insurance and services to large, middle market, and small commercial businesses in the U.S., Canada, and Bermuda. In the U.S., this segment includes:

- Commercial Insurance – the retail division focused on middle market customers and small businesses.
- Major Accounts – the retail division focused on large institutional organizations and corporate companies.
- Westchester – a wholesale and specialty division.

The North American Personal P&C insurance segment includes business written by Chubb's Personal Risk Services division, which includes high-net-worth personal lines business.

Finally, Chubb's North America agricultural insurance segment comprises U.S. operations that provide a variety of coverages, including crop insurance, primarily multiple peril crop insurance and crop-hail insurance as well as farm and ranch and specialty P&C commercial insurance products and services.

Federal is licensed in all fifty (50) states, the District of Columbia, Puerto Rico, American Samoa, Guam, U.S. Virgin Islands, and the Northern Mariana Islands. The Company also has a Canadian branch operation that is licensed in all provinces. The Company writes, directly or indirectly, nearly all personal and commercial property and casualty lines through participation in an Intercompany Reinsurance Pooling Agreement (see Intercompany Reinsurance Pooling Agreement in the Reinsurance section of this Report of Examination).

The Company's largest states, by total direct premium written as of December 31, 2024, are California (\$1.5 billion or 18.4%), Florida (\$876.9 million or 10.7%), New York (\$771.0 million or 9.4%), Texas (\$558.7 million or 6.8%), and Massachusetts (\$328.7 million or 4.0%). These states accounted for 49.5% of total writings in 2024.

REINSURANCE

Reinsurance Pool

Effective January 1, 2018, the Company participates in an Intercompany Reinsurance Pooling Agreement (the "Chubb Pool") in which ACE American is the lead company. ACE American ultimately reinsures the gross business written by each of the companies in the pool via the pooling agreement or a 100% quota share reinsurance agreement. All ceded reinsurance in force for the Chubb Pool, and certain foreign branch business, inures to ACE American's benefit. After placing ceded reinsurance, ACE American retrocedes the remaining net business to each of the other Chubb Pool members in proportion to their agreed upon pool share.

Following is a list of the companies within the Chubb Pool and their respective contract percentage:

Name of Pool Members	Percentage of Pool	Domiciliary State
ACE American Insurance Company (A)	25%	PA
Federal Insurance Company (B)(C)	25%	IN
ACE Property and Casualty Insurance Company (C)	20%	PA
Pacific Indemnity Company (D)	20%	DE
Executive Risk Indemnity Inc. (D)	10%	DE
ACE Fire Underwriters Insurance Company (C)	0%	PA
ACE Insurance Company of the Midwest (C)	0%	IN
Atlantic Employers Insurance Company (C)	0%	NJ
Bankers Standard Insurance Company (C)	0%	PA
Chubb Insurance Company of New Jersey (D)	0%	NJ
Chubb National Insurance Company (D)	0%	IN
Great Northern Insurance Company (D)	0%	IN
Indemnity Insurance Company of North America (C)	0%	PA
Insurance Company of North America (C)	0%	PA
Pacific Employers Insurance Company (C)	0%	PA
Penn Millers Insurance Company (C)	0%	PA
Westchester Fire Insurance Company (C)	0%	PA
Total	<u>100.0%</u>	

(A) ACE American aggregates and cedes the pool's third-party reinsurance; as a result, it has recorded the Chubb Pool's provision for reinsurance.

(B) Federal assumes from other pool/quota share companies, then retrocedes 100% gross loss, LAE and underwriting expenses to ACE American.

(C) Company cedes 100% gross loss, LAE and underwriting expenses to ACE American.

(D) Company cedes 100% gross loss, LAE and underwriting expenses to Federal.

Ceded Reinsurance

At year-end 2024, the Company had no material ceded reinsurance treaties in force, apart from the cession described in the reinsurance pool described above.

Assumed Reinsurance

In 2024, the Company assumed \$12.5 billion in reinsurance premiums. The reinsurance pool described above accounted for \$10.5 billion of the Company's assumed premiums. At year-end 2024, the Company was also a party to the following assumed treaties:

Effective January 1, 2018, Federal and Chubb Custom Insurance Company (Chubb Custom) entered into a quota share reinsurance agreement under which Federal assumes a 100% pro rata quota share of Chubb Custom's liabilities for loss, loss expenses, other underwriting expenses, uncollected agents' balances, policyholder dividends, extra contractual obligations and loss in excess of policy limits under, and with respect to, the policies covered by the agreement.

Effective January 1, 2018, Federal and Chubb Indemnity Insurance Company (Chubb Indemnity) entered into a quota share reinsurance agreement under which Federal assumes a 100% pro rata quota share of Chubb Indemnity's liabilities for loss, loss expenses, other underwriting expenses, uncollected agents' balances, policyholder dividends, extra contractual obligations and loss in excess of policy limits under, and with respect to, the policies covered by the agreement.

Effective January 1, 2018, Federal and Chubb Lloyds Insurance Company of Texas (Chubb Lloyds) entered into a quota share reinsurance agreement under which Federal assumes a 100% pro rata quota share of Chubb Lloyds's liabilities for loss, loss expenses, other underwriting expenses, uncollected agents' balances, policyholder dividends, extra contractual obligations and loss in excess of policy limits under, and with respect to, the policies covered by the agreement.

Effective January 1, 2018, Federal and Vigilant Insurance Company (Vigilant) entered into a quota share reinsurance agreement under which Federal assumes a 100% pro rata quota share of Vigilant's liabilities for loss, loss expenses, other underwriting expenses, uncollected agents' balances, policyholder dividends, extra contractual obligations and loss in excess of policy limits under, and with respect to, the policies covered by the agreement.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the company with the INDOI and present the financial condition of the company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

FEDERAL INSURANCE COMPANY

Assets

As of December 31, 2024

(in 000s)

	Per Company*
Bonds	\$ 12,910,842
Stocks:	
Preferred stocks	5,033
Common stocks	1,697,207
Cash, cash equivalents and short-term investments	(355,746)
Other invested assets	1,568,643
Receivables for securities	4,894
Subtotals, cash and invested assets	15,830,874
Investment income due and accrued	120,381
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	825,236
Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,677,577
Accrued retrospective premium	71,978
Reinsurance:	
Amounts recoverable from reinsurers	1,641,659
Funds held by or deposited with reinsured companies	46,004
Current federal and foreign income tax recoverable and interest thereon	30,260
Net deferred tax asset	316,367
Receivables from parent, subsidiaries and affiliates	571,980
Equities and deposits in pools and associations	44,927
Amounts receivable under high deductible and self-insured retention	19,593
Other miscellaneous assets	243,408
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	21,440,244
Totals	\$ 21,440,244

* The balances include immaterial rounding differences.

FEDERAL INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2024
(in 000s)

	Per Company ¹
Losses	\$ 8,472,824
Reinsurance payable on paid losses and loss adjustment expenses	1,730,804
Loss adjustment expenses	2,139,269
Commissions payable, contingent commissions and other similar charges	73,030
Taxes, licenses and fees	33,777
Unearned premiums	3,117,855
Dividends declared and unpaid:	
Policyholders	23,124
Ceded reinsurance premiums payable	417,703
Amounts withheld or retained by company for account of others	44,076
Remittances and items not allocated	18,840
Drafts outstanding	31,391
Payable to parent, subsidiaries and affiliates	26,410
Payable for securities	117,729
Other miscellaneous liabilities	139,432
Deposit liabilities	13,917
Commission payable	61,654
Total liabilities excluding protected cell liabilities	<u>16,461,835</u>
Total liabilities	<u>16,461,835</u>
Common capital stock	20,980
Gross paid in and contributed surplus	2,711,474
Unassigned funds (surplus)	<u>2,245,956</u>
Surplus as regards policyholders	<u>4,978,410</u>
Totals	<u><u>\$ 21,440,244</u></u>

¹ The balances include immaterial rounding differences.

FEDERAL INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2024
(in 000s)

	<u>Per Company²</u>
UNDERWRITING INCOME	
Premiums earned	\$ 6,255,779
DEDUCTIONS	
Losses incurred	3,836,199
Loss adjustment expenses incurred	722,028
Other underwriting expenses incurred	1,551,547
Total underwriting deductions	<u>6,109,774</u>
Net underwriting gain	146,005
INVESTMENT INCOME	
Net investment income earned	796,845
Net realized capital losses less capital gains tax	<u>(110,335)</u>
Net investment gain	686,510
OTHER INCOME	
Miscellaneous expense	(2,575)
Premium deficiency reserve	100
Total other income	<u>(2,475)</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	830,039
Dividends to policyholders	<u>10,552</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	819,487
Federal and foreign income taxes incurred	<u>259,970</u>
Net income	<u>\$ 559,517</u>

² The balances include immaterial rounding differences.

FEDERAL INSURANCE COMPANY
Reconciliation of Capital and Surplus Account
(in 000s)

	2024	2023	2022 ³	2021	2020 ³
Surplus as regards policyholders, December 31 prior year	\$ 4,811,672	\$ 4,277,857	\$ 4,635,976	\$ 4,324,172	\$ 4,039,335
Net income	559,517	972,206	421,105	431,210	341,981
Change in net unrealized capital gains or (losses) less capital gains tax	(12,190)	(48,642)	(72,632)	148,452	107,880
Change in net unrealized foreign exchange capital gain (loss)	(105)	2,771	2,672	147	11,020
Change in net deferred income tax	125,984	(124,881)	109,921	265,021	10,336
Change in nonadmitted assets	(55,915)	56,028	(69,184)	(105,681)	42,582
Dividends to stockholders	(450,000)	(325,000)	(750,000)	(430,000)	(225,000)
Prior period adjustment	(553)	1,333	-	2,655	(3,961)
Change in surplus as regards policyholders for the year	166,738	533,815	(358,119)	311,803	284,838
Surplus as regards policyholders, December 31 current year	<u>\$ 4,978,410</u>	<u>\$ 4,811,672</u>	<u>\$ 4,277,857</u>	<u>\$ 4,635,976</u>	<u>\$ 4,324,172</u>

³ The balances include immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2024, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no significant issues based on the results of this examination.

SUBSEQUENT EVENTS

Effective April 1, 2025, Ana Robic was removed from the Board of Directors and Melissa Scheffler was appointed to the Board of Directors and as Executive Vice President.

Effective June 18, 2025, Scott Meyer appointed as Executive Vice President.

Effective December 31, 2025, John Lupica was removed from the Board of Directors.

Effective May 7, 2026, Kevin Rampe was removed from the Board of Directors and Lisa Wilson was appointed to the Board of Directors.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Risk & Regulatory Consulting, LLC, performed an examination of Federal Insurance Company, as of December 31, 2024.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Federal Insurance Company as of December 31, 2024, as determined by the undersigned.



Matthew Jones, CFE, MCM
Noble Consulting Services, Inc.

Under the Supervision of:



Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 22nd day of June, 2026, before me personally appeared, Matthew Jones and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:

My 2, 2033 

