

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

IN THE MATTER OF:)

Wellfleet Insurance Company)
5814 Reed Road)
Fort Wayne, Indiana 46835)

Examination of: **Wellfleet 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 Wellfleet Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 22, 2025, 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 Wellfleet 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.

Date

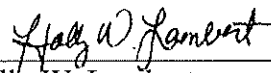
6/30/2025


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6741

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, 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. 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 30th day of
June, 2025.



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

WELLFLEET INSURANCE COMPANY

NAIC Co. CODE 32280

NAIC GROUP CODE 0031

As of

December 31, 2023

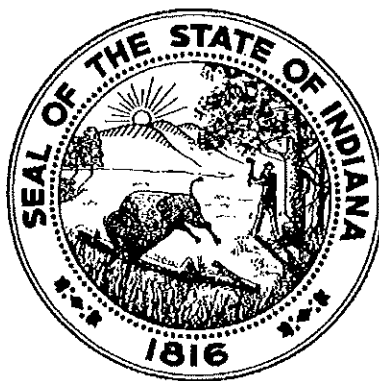


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STATE OF INDIANA

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 22, 2025

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 4183, an examination has been made of the affairs and financial condition of:

Wellfleet Insurance Company
5814 Reed Road
Fort Wayne, Indiana 46835

hereinafter referred to as the "Company", or "WIC", an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate office staff in Fort Wayne, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2023, 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, 2018. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2019 through December 31, 2023, 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 Medical Protective Subgroup (MedPro or Subgroup) of the Berkshire Hathaway Group (Group) was called by the INDOI in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The Nebraska Department of Insurance is the lead state of the Group. The INDOI served as the facilitating state on the examination of the MedPro Subgroup. The California Department of Insurance, District of Columbia Department of Insurance Securities and Banking, New Jersey Department of Banking and Insurance, New York Department of Financial Services, and Oklahoma Insurance Department served as participants.

The actuarial specialists of Davies North America provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2023.

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

The Company was incorporated as a business corporation under the laws of the state of California in March 1986, and commenced business in August 1987. The name, Commercial Casualty Insurance Company (CCIC), was adopted in January 1991. Effective October 2016, the Company was sold by Railsplitter Holdings Corporation (Railsplitter) to an affiliate, Columbia Insurance Company (CIC), pursuant to a stock purchase agreement between the parties. Immediately upon acquiring the Company, CIC contributed all the issued and outstanding shares to its wholly owned subsidiary, MedPro Group Inc. (MPG), an Indiana corporation. CIC, domiciled in the state of Nebraska, is 100% owned by BH Columbia, Inc. a direct, wholly-owned subsidiary of Berkshire Hathaway, Inc. (Berkshire). Effective September 2016, the Company re-domesticated from California to Indiana. The Company's name change from Commercial Casualty Insurance Company to Wellfleet Insurance Company was approved by the INDOI on March 25, 2019. Prior to the sale to CIC, the Company was incorporated under the laws of the state of California. All of the issued and outstanding shares of the Company's common stock were owned by Railsplitter,

which is wholly-owned by General Reinsurance Corporation, a Delaware insurance company and indirectly wholly-owned by Berkshire. The Company has been in runoff since 2004. Prior to the runoff, the Company had written workers' compensation insurance. In 2018, WIC recommenced underwriting operations with a focus on blanket accident and student health products and workers' compensation insurance.

CAPITAL AND SURPLUS

The Company had 10,000 authorized shares of common stock with a par value of \$300 per share and 10,000 shares issued and outstanding throughout the examination period. MPG owned 100% of the Company's issued and outstanding stock as of the examination date.

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

DIVIDENDS TO STOCKHOLDERS

No dividends were paid to the Stockholders 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) consisting of at least five (5) directors, and at least two (2) directors shall constitute a quorum at any meeting. 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. All directors shall hold office until their successors are elected.

The following is a listing of persons serving as directors as of December 31, 2023, and their principal occupations as of that date:

<u>Name and Location</u>	<u>Principal Occupation</u>
Timothy John Kenesey Cassopolis, Michigan	President and Chief Executive Officer MedPro Group Inc.
Anthony Allen Bowser Fort Wayne, Indiana	Vice President, Chief Financial Officer and Treasurer MedPro Group Inc.
Angela Marie Adams Fort Wayne, Indiana	Vice President and Secretary MedPro Group Inc.
James Douglas Kunce Roanoke, Indiana	Senior Vice President and Chief Actuary The Medical Protective Company
Mark Tatnal Walthour Angola, Indiana	Senior Vice President The Medical Protective Company
Andrew Michael DiGiorgio Monson, Massachusetts	President Wellfleet Insurance Company

Officers

The Company's Bylaws state that the elected officers of the Company shall consist of a President, a Vice President, a Secretary, and a Chief Financial Officer. The Board may designate a Chairman of the Board or other officers at the discretion of the Board. One (1) person may hold two (2) or more offices, except the office of President and Secretary may not be held by the same person. Each of these officers is elected annually by the Board and shall hold office until a successor is chosen or until their resignation or removal.

The following is a list of key officers and their respective titles as of December 31, 2023:

<u>Name</u>	<u>Office</u>
Andrew Michael DiGiorgio	President
Anthony Allen Bowser	Vice President and Treasurer
Angela Marie Adams	Secretary
Brad Alan Ober	Chief Health Actuary
Stephen Matthew Pennie	Assistant Treasurer

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, 2023.

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, 2023.

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 shareholders was held within five (5) months following the close of each fiscal year.

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

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates with intercompany agreements as of December 31, 2023 that were included in this examination:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Berkshire Hathaway Inc.		DE
National Fire & Marine Insurance Company	20079	NE
National Liability & Fire Insurance Company	20052	CT
National Indemnity Company	20087	NE
Berkshire Hathaway European Insurance Designated Activities Company		IRL
Berkshire Hathaway International Insurance Limited		GBR
Finial Reinsurance Company	39136	CT
MLMIC Insurance Company	34231	NY
M2 Liability Solutions, Inc.		NY
MLMIC Services, Inc.		NY
SLI Holding Limited		GBR
Resolute Management Limited		GBR
WestGUARD Insurance Company	11981	NE
The Lubrizol Corporation		OH
BH Columbia Inc.		NE
Columbia Insurance Company	27812	NE
Berkshire Hathway Direct Insurance Company	10391	NE
biBERK Insurance Services, Inc.		NE
MedPro Group Inc.		IN
AttPro RRG Reciprocal Risk Retention Group	13795	DC
MedPro RRG Risk Retention Group	13589	DC
MedPro Risk Retention Services, Inc.		IN
Medical Protective Finance Corporation		IN
PLICO, Inc.	39594	OK
Princeton Insurance Company	42226	NJ
The Medical Protective Company	11843	IN
C&R Insurance Services, LLC		PA
C&R Legal Insurance Agency, LLC		PA
Daniels-Head Management Corporation		TX
Daniels-Head General Agency		GA
Daniels-Head Insurance Agency Inc. TX		TX
Daniels-Head Insurance Agency Inc. CA		CA
MedPro Insurance Services, LLC		IN
Somerset Services, LLC		IN
Wellfleet Benefits, LLC		MA
Wellfleet Group, LLC		MA
Wellfleet Insurance Company	32280	IN
Wellfleet New York Insurance Company	20931	NY

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.

Cost Sharing Agreement

As amended and restated effective April 1, 2017, WIC is party to a Cost Sharing Agreement in which the parent, MPG, and its subsidiaries agree to share certain expenses of administration, data processing, investments, management, payroll, personnel, taxes, and other shared expenses. Each party shall be responsible for and pay the charges, costs, and expenses for each service that can be reasonably identified as being incurred for the sole benefit of that party. Pursuant to this agreement, WIC incurred \$629,037 in expenses in 2023.

Management and Administrative Service Agreements

Effective November 1, 2008, WIC and Resolute Management (RMI) entered into an Intercompany Service Agreement in which RMI provides certain administrative and special services for WIC and makes available certain property, equipment, and facilities. Services provided under the Agreement include accounting, underwriting, claims, recoveries, actuarial, information technology and data processing. Pursuant to this agreement, WIC incurred \$110,801 in 2023.

Effective November 1, 2008, WIC, National Liability & Fire Insurance Company (NL&F) and National Indemnity Company (NICO) entered into an Intercompany Services Agreement whereby NL&F and NICO provide certain administrative and special services reasonably necessary to conduct operations. NL&F and NICO will make available certain property, equipment, and facilities for the benefit of WIC. Services provided under the Agreement include accounting, underwriting, claims, recoveries, actuarial, information technology and data processing. Effective October 12, 2017, the Agreement was amended to clarify terms or add provisions related to WIC's re-domestication from California to Indiana. WIC did not incur any expenses related to this agreement in 2023.

Effective April 15, 2018, WIC entered into a Service Agreement with WestGUARD Insurance Company (WGIC) under which WGIC will perform underwriting support, administrative, claims handling services and provide access to WGIC's proprietary software for policy administration, billing and claims. In exchange for the services provided, WGIC shall receive a percentage of Gross Written Premium on the Small Commercial Insurance Policies issued in accordance with each service level provided. Effective July 1, 2018, the Agreement was amended to modify the fee structure of the Agreement. Effective August 4, 2021, the Agreement was amended to recognize CCIC's name change to WIC and to allow WGIC to provide services from their Special Investigations Unit. Pursuant to this agreement, WIC incurred \$239,517 in expenses in 2023.

On September 1, 2017, WIC and Wellfleet Group, LLC (formerly known as Consolidated Health Plans, Inc.) entered into an Administrative Services Agreement whereby Wellfleet Group, LLC, as a third-party administrator, will perform key functions including, but not limited to, underwriting, sales & marketing, claims administration, actuarial analysis and general administration. Effective November 1, 2019, the Agreement was amended to recognize the name changes of the entities and to allow the Wellfleet Group, LLC to expand the products for which it provides services to the insurer and included Health Benefit Plan Addendums for plans written in North Carolina and New Jersey to ensure compliance with state provisions. Pursuant to this agreement, WIC paid expenses of \$21,906,681 in 2023.

Effective April 1, 2019, WIC entered into an Intercompany Service Agreement with Berkshire Hathaway Direct Insurance Company (BHDIC). Under the terms of the Agreement, BHDIC will perform certain administrative services and provide the use of facilities. Services provided under the Agreement include accounting, underwriting,

claims, recoveries, actuarial, information technology and data processing.

Tax Allocation Agreement

Effective January 1, 2017, WIC entered into a Tax Allocation Agreement with MPG. Under this agreement, each part will bear its own expenses and costs, and each party is responsible for its own proportionate share of any resulting tax liability.

Revolving Loan Agreement

Effective May 1, 2017, WIC entered into a Revolving Loan Agreement with TMPC. Under the Agreement, WIC may borrow up to \$25 million from TMPC. There was no balance due as of the exam date. Effective December 31, 2018, the Agreement was amended to allow WIC to extend the maturity date to December 31, 2021, instead of at the end of the calendar year in which the loan was made. Effective December 31, 2021, the Agreement was amended to extend the maturity date to December 31, 2026, and to allow for interest rate flexibility if the 30- day LIBOR rate is not available.

Agency Agreement

Effective May 1, 2016, biBerk Insurance Services, Inc. (biBerk) entered into an Agency Agreement with BHDIC and NL&F to solicit applications for insurance. Effective August 16, 2018, the Agreement was amended to add WIC and WNYIC as parties to the Agreement.

Reinsurance Agreements

Effective July 1, 2016, WIC and Finial Reinsurance Company (Finial) entered into a Quota Share Reinsurance Agreement under which Finial agreed to assume 100% of all policies of insurance or agreements of reinsurance issued or entered into prior to July 1, 2016.

Effective January 1, 2017, WIC entered into a Quota Share Agreement with TMPC under which WIC cedes 100% of the net loss arising from occurrences taking place on or after January 1, 2017 on all lines of insurance and reinsurance written by WIC and administered by its affiliated third party administrator, Consolidated Health Plans, Inc. (CHP, now known as Wellfleet Group, LLC. Effective January 1, 2018, the Agreement was amended to update the Business Reinsured Article to include all accident and health lines of insurance and reinsurance written by WIC and administered by CHP. Effective March 1, 2019, the Agreement was further amended to change the Business Reinsured Article back to the original language to include all lines of insurance and reinsurance written by WIC and administered by CHP. Effective August 1, 2020, the Agreement was amended to update the reports and remittances article to provide the option of deferring a payment due for up to twenty-four (24) months if mutually agreed upon. Effective June 1, 2023, the Agreement was amended to update the Business Reinsured Article to all lines of insurance and reinsurance, unless written through the biBerk program.

Effective January 1, 2018, WIC entered into a Quota Share Reinsurance Agreement with NICO under which WIC cedes on a quota share basis 90% of the net losses arising from occurrences taking place on or after January 1, 2018. Business reinsured under the Agreement applies to all workers' compensation, commercial property and commercial casualty lines of insurance and reinsurance written by the Company through the biBerk program.

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 Continental Insurance Company. The primary fidelity bond has a single loss coverage limit of \$5 million, with a \$100 thousand single loss deductible. The excess fidelity bond has an aggregate loss limit of \$5 million. 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, 2023, including but not limited to fiduciary policy, agents errors and omissions, commercial auto liability, employee benefits liability, employment practices liability, commercial general liability, insurance company professional liability, property coverage, umbrella liability, cyber liability, and workers' compensation liability.

TERRITORY AND PLAN OF OPERATION

The Company is licensed in forty-nine (49) states, along with the District of Columbia. The Company's primary business segments are student health insurance plans, blanket accident coverage for student athletes, workplace benefit accident policies, and workers' compensation products. The student health insurance program provides one-year term coverage to college and university students. The student athlete and intercollegiate sport participant accident policies are issued on a blanket basis and renewable after a one-year term. The workplace benefits accident policies are marketed to small and medium-sized employers. The workers' compensation policies are issued to small and medium-sized employers and are administered by an affiliate in the Group.

The Company's largest states, by total Direct Written Premium as of December 31, 2023 are: California (\$102 million), Connecticut (\$17 million), Texas (\$15 million), Florida (\$10 million), and Ohio (\$10 million). These states accounted for 63% of total writings in 2023.

REINSURANCE

Ceded Reinsurance

The Company engages in reinsurance transactions as part of its overall underwriting and risk-management strategy. The Company's reinsurance program includes ceded coverages that limit the amount of individual claims to a fixed amount or percentage. As of December 31, 2023, the Company engaged in ceded reinsurance contracts with affiliates as mentioned in the Affiliated Agreements section above.

The Company cedes 100% of its total direct accident and health business written to affiliate TMPC. This affiliated contract accounted for approximately \$213 million of the total ceded reinsurance premium and \$196 million reinsurance recoverable as of December 31, 2023.

The Company cedes 90% of its workers' compensation business written to affiliate NICO. This affiliated contract accounted for approximately \$27 million of the total ceded reinsurance premium and \$36 million reinsurance recoverable as of December 31, 2023.

Assumed Reinsurance

No business was assumed by the Company during the examination period, other than from the mandatory pools and associations.

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, 2023. 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.

WELLFLEET INSURANCE COMPANY

Assets

As of December 31, 2023

	Per Company*
Bonds	\$ 6,078,606
Cash, cash equivalents and short-term investments	110,753,346
Subtotals, cash and invested assets	116,831,952
Investment income due and accrued	110,431
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	29,561,753
Deferred premiums, agents' balances and installments booked but deferred and not yet due	84,196,281
Reinsurance:	
Amounts recoverable from reinsurers	45,722,815
Net deferred tax asset	2,048,860
Receivables from parent, subsidiaries and affiliates	2,334,984
Aggregate write-ins for other than invested assets	1,741,671
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	282,548,748
Totals	\$ 282,548,748

* The balances include immaterial rounding differences.

WELLFLEET INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2023

	Per Company*
Losses	\$ 2,039,146
Reinsurance payable on paid losses and loss adjustment expenses	27,739
Loss adjustment expenses	251,601
Commissions payable, contingent commissions and other similar charges	888,023
Other expenses (excluding taxes, licenses and fees)	2,017,235
Taxes, licenses and fees (excluding federal and foreign income taxes)	(606,699)
Current federal and foreign income taxes	261,190
Unearned premiums	1,498,991
Advance premium	134,626
Ceded reinsurance premiums payable	209,441,209
Provision for reinsurance	91,416
Payable to parent, subsidiaries and affiliates	4,350,401
Aggregate write-ins for liabilities	390,840
Total liabilities excluding protected cell liabilities	<u>220,785,717</u>
Total liabilities	<u>220,785,717</u>
Common capital stock	3,000,000
Gross paid in and contributed surplus	53,253,594
Unassigned funds (surplus)	5,509,437
Surplus as regards policyholders	<u>61,763,031</u>
Totals	<u><u>\$ 282,548,748</u></u>

* The balances include immaterial rounding differences.

WELLFLEET INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2023

	<u>Per Company*</u>
UNDERWRITING INCOME	
Premiums earned	\$ 2,221,050
DEDUCTIONS	
Losses incurred	1,308,499
Loss adjustment expenses incurred	306,942
Other underwriting expenses incurred	1,105,788
Total underwriting deductions	<u>2,721,229</u>
Net underwriting gain (loss)	(500,179)
INVESTMENT INCOME	
Net investment income earned	4,419,818
Net realized capital gains (losses) less capital gains tax	<u>(6,167)</u>
Net investment gain (loss)	4,413,650
OTHER INCOME	
Net gain (loss) from agents' or premium balances charged off	(1,204,067)
Finance and service charges not included in premiums	30,058
Aggregate write-ins for miscellaneous income	367,759
Total other income	<u>(806,250)</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>3,107,222</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	3,107,222
Federal and foreign income taxes incurred	932,640
Net income	<u>\$ 2,174,581</u>

* The balances include immaterial rounding differences.

WELLFLEET INSURANCE COMPANY
Reconciliation of Capital and Surplus Account

	2023	2022	2021	2020	2019
Surplus as regards policyholders, December 31 prior year	\$ 57,979,311	\$ 58,676,492	\$ 62,443,842	\$ 64,148,356	\$ 63,317,196
Net income	2,174,581	(188,358)	(577,021)	(213,099)	1,060,279
Change in net deferred income tax	1,676	260,337	958,899	441,511	66,361
Change in nonadmitted assets	1,219,367	(379,104)	(4,059,772)	(1,932,927)	(295,481)
Change in provision for reinsurance	388,096	(390,056)	(89,456)	-	-
Change in surplus as regards policyholders for the year	3,783,719	(697,181)	(3,767,350)	(1,704,515)	831,159
Surplus as regards policyholders, December 31 current year*	<u>\$ 61,763,031</u>	<u>\$ 57,979,311</u>	<u>\$ 58,676,492</u>	<u>\$ 62,443,842</u>	<u>\$ 64,148,355</u>

* The balances include immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2023, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues identified during this examination.

SUBSEQUENT EVENTS

There were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.


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 Davies North America, performed an examination of Wellfleet Insurance Company, as of December 31, 2023.

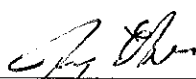
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

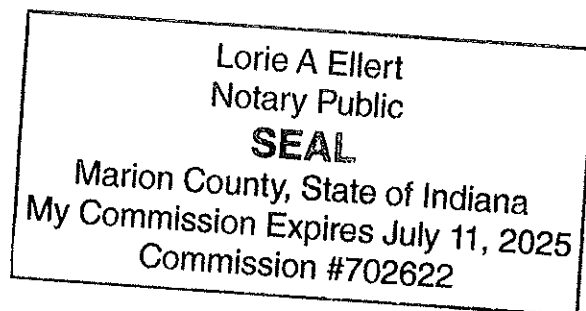
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing 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 Wellfleet Insurance Company as of December 31, 2023, as determined by the undersigned.


Joanne Smith, CFE, MCM
Noble Consulting Services, Inc.

Under the Supervision of:


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

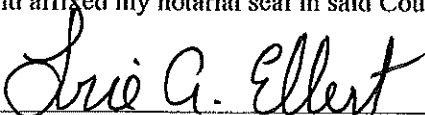


State of: Indiana
County of: Marion

On this 23rd day of JUNE, 2025, before me personally appeared, Joanne Smith 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:

July 11, 2025 
Notary Public

