



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

ORDER ADOPTING REPORT OF EXAMINATION

I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut, having fully considered and reviewed the Examination Report (the "Report") of Hartford Fire Insurance Company and its Combined Affiliates (the "Company") as of December 31, 2022, do hereby adopt the findings and recommendations contained therein based on the following findings and conclusions.

TO WIT:

1. I, Andrew N. Mais, Insurance Commissioner of the State of Connecticut and as such is charged with the duty of administering and enforcing the provisions of Title 38a of the Connecticut General Statutes ("C.G.S.").
2. The Company is a domestic insurer authorized to transact the business of insurance in the State of Connecticut.
3. On May 7, 2024, the verified Report of the Company was filed with the Connecticut Insurance Department (the "Department").
4. In accordance with C.G.S. §38a-14(e)(3), the Company was afforded a period of thirty (30) days within which to submit to the Department a written submission or rebuttal with respect to any matters contained in the Report.
5. On May 29, 2024, the Company notified the Department of certain responses and comments on certain items contained in the Report.
6. Following review of the Report, it was deemed necessary and appropriate to modify the Report. A copy of the Report is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, it is ordered as follows:

1. That the Report of the Company is hereby adopted as filed with the Department.
2. That the Company shall comply with the recommendations set forth in the Report, and that failure by the Company to so comply shall result in sanctions or administrative action as provided by Title 38a of the C.G.S.
3. Section 38a-14(e)(4)(A) of the CGS requires that:

"The secretary of the Board of Directors or similar governing body of the entity shall provide a copy of the report or summary to each director and shall certify to the Commissioner, in writing, that a copy of the report or summary has been provided to each director."

Please address the certification to the Commissioner but send said certification to the care/attention of Michael Shanahan, Supervising Examiner, of the Financial Regulation Division.

4. Section 38a-14(e)(4)(B) of the CGS requires that:

"Not later than one hundred twenty days after receiving the report or summary the chief executive officer or the chief financial officer of the entity examined shall present the report of summary to the entity's Board of Directors or similar governing body at a regular or special meeting."

This will be verified by the Insurance Department either through analysis or examination follow-up.

Dated at Hartford, Connecticut, this 6th day of June, 2024.



Andrew N. Mais
Insurance Commissioner



Exhibit A

MULTI-ENTITY EXAMINATION REPORT OF:

NAIC#

19682 Hartford Fire Insurance Company
30104 Hartford Underwriters Insurance Company
39608 Nutmeg Insurance Company
38261 Hartford Insurance Company of the Southeast
26743 Maxum Indemnity Company

NAIC#

22357 Hartford Accident and Indemnity Company
10046 Pacific Insurance Company, Limited
27120 Trumbull Insurance Company
11000 Sentinel Insurance Company, Ltd.
10784 Maxum Casualty Insurance Company

(collectively defined as Hartford Fire Insurance Company and its Combined Affiliates)

AS OF DECEMBER 31, 2022

BY THE

CONNECTICUT INSURANCE DEPARTMENT



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HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

April 25, 2024

The Honorable Andrew N. Mais
Commissioner of Insurance
State of Connecticut Insurance Department
153 Market Street
Hartford, Connecticut 06103

Dear Commissioner:

In compliance with your instructions and pursuant to the requirements of Section 38a-14 of the General Statutes of the State of Connecticut (CGS), the undersigned has conducted a financial examination of the condition and affairs of the Connecticut companies within

Hartford Fire Insurance Company and its Combined Affiliates

(hereinafter referred to as the Group) incorporated under the laws of the State of Connecticut and having its statutory home office and its main administrative office located at One Hartford Plaza, Hartford, Connecticut. The report on such examination is submitted herewith.

SCOPE OF EXAMINATION

The previous examination of the Group was conducted by the Financial Regulation Division of the Connecticut Insurance Department (Department), as of December 31, 2017. The current examination, which covers the period from January 1, 2018 to December 31, 2022, was conducted at the statutory home office in Hartford, Connecticut.

Concurrent examinations were made of the following Connecticut and non-Connecticut domestic property and casualty companies within The Hartford Financial Services Group, Inc. (HFSG), collectively referred to as HFIP:

Hartford Fire Insurance Company (CT)
Trumbull Insurance Company (CT)
Hartford Accident and Indemnity Company (CT)
Hartford Insurance Company of Illinois (IL)
Hartford Casualty Insurance Company (IN)
Hartford Underwriters Insurance Company (CT)
Pacific Insurance Company, Limited (CT)
Twin City Fire Insurance Company (IN)
Nutmeg Insurance Company (CT)
Hartford Insurance Company of the Midwest (IN)
Hartford Insurance Company of the Southeast (CT)
Property and Casualty Insurance Company of Hartford (IN)
Hartford Lloyd's Insurance Company (TX)
Sentinel Insurance Company, Ltd. (CT)

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Maxum Casualty Insurance Company (CT)
Maxum Indemnity Company (CT)

The states of Indiana, Illinois, and Texas participated in the financial examination of their domestic property/casualty companies.

The Department also performed concurrent financial examinations of three Connecticut domestic affiliates which are currently in run-off:

First State Insurance Company (FSIC)
New England Insurance Company (NEIC)
New England Reinsurance Corporation (NERC)

These companies are collectively referred to as the First State Insurance Pool (FSIG).

The Department also performed a concurrent financial examination of the following life insurance affiliate:

Hartford Life and Accident Insurance Company (CT)

The New York Department Financial Services also performed concurrent financial examinations of the following insurance affiliates:

Navigators Insurance Company (NY)
Navigators Specialty Insurance Company (NY)

As a part of the examination planning procedures, the Department reviewed the following documentation submitted by the Group for the period under examination:

- Annual Statements filed with the Department from 2018 through 2022;
- Statements of Actuarial Opinion from 2018 through 2022;
- Management's Discussion and Analysis from 2018 through 2022;
- documentation supporting section 404 of the Sarbanes Oxley Act of 2002 (SOX) and the Model Audit Rule;
- reports of the Group's Internal Audit Department from 2018 through 2022;
- minutes of the Board of Directors (Board) and other Committees, affiliate and custodial agreements and other documents related to significant transactions that require prior Department approval; and
- statutory basis audit reports from 2018 through 2022, prepared by Deloitte & Touche, LLP (D&T), the Group's independent certified public accountants.

A comprehensive review was made of the financial analysis files and documents submitted to the Financial Analysis Unit of the Department and reports from the National Association of Insurance Commissioners (NAIC) database, which indicated no material concerns with respect to financial condition or regulatory compliance issue.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Risk & Regulatory Consulting, LLC (RRC) was engaged by the Department to conduct an evaluation of the Group's Information Technology (IT) controls.

Milliman, Inc. (Milliman) was engaged by the Department to conduct evaluations of the Group's reserving, reinsurance and pricing/underwriting processes.

Winthrop Capital Management was engaged by the Indiana Department of Insurance to conduct an evaluation of the Group's investment holdings.

Work papers prepared by D&T in connection with its annual statutory audit were reviewed and relied upon to the extent deemed appropriate.

We conducted our examination 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 Group, 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 currently and prospectively.

All accounts and activities of the Group 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 Group's financial statements.

This examination report includes significant findings of fact 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 Group.

Failure of items in this report to add to totals or for totals to agree with captioned amounts is due to rounding.

HISTORY

Hartford Fire Insurance Company (Hartford Fire)

Hartford Fire derives its corporate existence and powers from a charter granted in May 1810 by the General Assembly of the State of Connecticut. The original charter, which authorized the corporation to insure against losses sustained by fire, has been amended from time to time. The Certificate of Incorporation (COI) was amended and restated and then adopted by a vote of its Board on November 14, 2001, which authorized Hartford Fire

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

to write any and all forms of insurance that any corporation now or hereafter chartered by the State of Connecticut and empowered to do an insurance business may now or hereafter lawfully do.

In June 1970, International Telephone and Telegraph Corporation (ITT Corporation) acquired 99% of the outstanding common stock of Hartford Fire by exchange offer of one share of Series N Preferred Stock of ITT Corporation for one share of common stock of the Company. The Department approved the offer subject to conditions included in the restated Certificate of Incorporation approved by the Board at the November 18, 1975, meeting.

In December 1985, ITT Hartford Group Inc., (IHG) was formed as a new holding company and as a direct and wholly owned subsidiary of ITT Corporation. ITT Corporation transferred all of its outstanding common stock of Hartford Fire to IHG which then became the immediate parent of Hartford Fire.

In September 1992, Hartford Fire transferred its ownership of FSIG by a \$813 million dividend to its ultimate parent, ITT Corporation. Effective December 31, 1992, FSIG ceased participation in the HFIP and simultaneously formed its own pool with FSIC as the lead company. On August 3, 1993, Hartford Fire's Certificate of Incorporation (COI) was amended and adopted by its Board to authorize removal of FSIG from HFIP. On September 28, 1994, the COI was amended stating that the Company's capital stock would not be less than five million dollars. The authorized number of shares of capital stock would be 20,000 of common stock with a par value of \$5,000 per share.

In 1995, ITT distributed all of its outstanding shares of common stock of IHG. Following the distribution, IHG continued as one of the largest insurance companies in the United States. Hartford Accident and Indemnity Company, a subsidiary of Hartford Fire, then exchanged all of its shares of the Nutmeg Insurance Company (Nutmeg) for 1,638,000 shares of the IHG stock, resulting in Nutmeg becoming the direct, wholly owned subsidiary of IHG. In addition, Hartford Fire and its remaining subsidiaries were contributed to Nutmeg by IHG. Nutmeg then replaced Hartford Fire as the direct or indirect parent of all participants in the Hartford Insurance Group Reinsurance and Pooling Agreement (Pooling Agreement). Participation by member companies within the Pooling Agreement remained unchanged with Hartford Fire continuing as the lead company.

In May 1997, IHG formally changed its name to The Hartford Financial Services, Group, Inc.

In May 2000, Nutmeg made an extraordinary dividend of \$6,879,187,230 to HFSG. The extraordinary dividend consisted of all of the outstanding shares of Hartford Fire. HFSG became the immediate parent of Hartford Fire.

In August 2002, a new holding company, Hartford Holdings, Inc. (Hartford Holdings) was formed as a direct subsidiary of HFSG. HFSG contributed one hundred percent of its

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

ownership of Nutmeg to Hartford Holdings. Hartford Fire transferred ownership of Hartford Life, Inc. to Hartford Holdings in exchange for Preferred Stock, Series A.

In December 2002, Hartford Fire sold to HFSG; Trumbull Insurance Company, Property and Casualty Insurance Company of Hartford, Hartford Insurance Company of the Midwest and Hartford Insurance Company of the Southeast, all of which became wholly owned and direct subsidiaries of HFSG.

In July 2003, Hartford Fire transferred ownership of Hartford Casualty Insurance Company to Hartford Accident and Indemnity Company.

On June 30, 2009, Hartford Fire conveyed all of its equity interest in XDimensional to XD Holdings, Inc., a California limited liability company.

On December 28, 2009, 100% of the vested ownership interest in Catalyst360, LLC was contributed to Hartford Fire through a series of intercompany transactions.

On July 29, 2016, Northern Homelands Company (NHC), Maxum Indemnity Company's (MIC) direct parent, was acquired by HFSG. As a result, Northern Homelands wholly-owned subsidiary MIC and its wholly-owned subsidiary, Maxum Casualty Insurance Company (MCIC) became wholly-owned subsidiaries of Hartford Fire, with HFSG as the ultimate controlling parent. As of December, 2016, all Connecticut surplus lines policies were transferred to the Hartford Insurance Company of Illinois.

On January 1, 2017, the Maxum companies entered into a 100% quota share treaty with Hartford Fire covering the net liabilities of Maxum policies written with effective dates on or after March 1, 2003. As a result, Hartford Fire now reinsures the entire net results of the Maxum companies on both a retrospective and prospective basis.

In the second quarter of 2017, Hartford Fire sold its U.K. property and casualty run-off subsidiaries, Hartford Financial Products International Limited and Downlands Liability Management Limited, in a cash transaction to Catalina Holdings U.K. Limited.

On November 28, 2018 the State of Connecticut Insurance Department approved merger of NHC and MIC. NHC merged with MIC effective November 30, 2018. NHC ceased to exist as the effective date and MIC survived and continues as an insurance company domiciled in CT.

Hartford Underwriters Insurance Company (HUIC)

HUIC was incorporated by the State of Connecticut on December 23, 1987, pursuant to Section 33-236 of the CGS. On July 1, 1988, the New York Underwriters Insurance Company, a New York domiciled corporation, was merged into the HUIC.

Pacific Insurance Company, Limited (PIC)

The Connecticut Secretary of State issued a Certificate of Incorporation to PIC on May 24, 1994, pursuant to Section 33-286 of the CGS. Subsequently, on December 15, 1994, the

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Hawaii Secretary of State accepted a charter amendment that increased the common stock par value of the Pacific Insurance Company, Limited (Pacific – HI), domiciled in Hawaii, from \$6.25 to \$10.50 in order to facilitate the merger of Pacific – HI and Pacific Insurance Company of Connecticut (Pacific – CT). Effective January 20, 1995, the Department approved the Articles of Merger and the Agreement and Plan of Merger dated December 20, 1994, between Pacific – HI and Pacific – CT, which simultaneously changed its name to Pacific Insurance Company, Limited. On January 26, 1995, the PIC re-domesticated to Connecticut and commenced business.

Hartford Insurance Company of the Southeast (HICS)

HICS was incorporated in Florida on December 28, 1979, and commenced business on January 1, 1980, as a wholly-owned subsidiary of Hartford Fire. In December 2002, Hartford Fire sold to HFSG, Trumbull Insurance Company, Property and Casualty Insurance Company of Hartford, Hartford Insurance Company of the Midwest and Hartford Insurance Company of the Southeast, all of which became wholly owned and direct subsidiaries of HFSG. The Department approved this transaction on December 7, 2005, and HICS re-domesticated from the State of Florida to Connecticut.

Nutmeg Insurance Company (Nutmeg)

Nutmeg was originally chartered as the Hartford Insurance Company of Connecticut by Special Act No. 80-10 of the Connecticut General Assembly on November 19, 1980. On December 18, 1980, it commenced business and changed its name to the Nutmeg Insurance Company.

In December 1985, IHG was formed as a new holding company and a direct and wholly owned subsidiary of ITT Corporation. ITT Corporation transferred all of its outstanding common stock of Hartford Fire to IHG which then became the immediate parent of Hartford Fire.

Effective December 19, 1995, in conjunction with the corporate restructuring (spin-off) of the IHG from ITT Corporation, Hartford Accident and Indemnity Company, a subsidiary of Hartford Fire, exchanged all of its shares of Nutmeg for 1,638,000 shares of the IHG stock, resulting in Nutmeg becoming the direct, wholly owned subsidiary of IHG. As part of the transaction, Hartford Fire and its remaining subsidiaries were contributed to Nutmeg by IHG in December 1995. Nutmeg thereby replaced Hartford Fire as the direct or indirect parent of all participants in the Pooling Agreement. Participation by member companies within the Pooling Agreement remained unchanged with Hartford Fire continuing as the lead company. In May 1997, the IHG formally changed its name to HFSG.

Sentinel Insurance Company, Ltd. (SIC)

Sentinel Insurance Company (Sentinel – HI) was originally incorporated on November 30, 1955, under the laws of the Territory of Hawaii. Sentinel - HI commenced business immediately, writing all lines of insurance under its Certificate of Authority. In 1963, Hartford Fire acquired PIC and its subsidiary Sentinel – HI.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Sentinel Insurance Company of Connecticut (Sentinel-CT) was incorporated in Connecticut on July 6, 1999, for the purposes of re-domesticating Sentinel – HI from Hawaii to Connecticut. Effective October 14, 1999, Sentinel – HI merged with and into Sentinel – CT, with Sentinel – CT remaining as the surviving corporation. Simultaneous with the merger, Sentinel – CT changed its name to SIC. As part of the merger, ownership of the SIC changed from PIC to Hart Re Group, LLC (Hart Re) a wholly owned subsidiary of Nutmeg. SIC is a member of the HFIP. In June 2003, Hart Re transferred ownership of SIC to HFSG.

Trumbull Insurance Company (TIC)

TIC is a continuation of the Hartford Insurance Company of Alabama (Hartford of Alabama), which was incorporated on August 28, 1979, under the laws of Alabama and commenced business on January 1, 1980. During 1987, Hartford of Alabama was merged into the Hartford Insurance Company of Connecticut (Hartford of Connecticut). Hartford of Connecticut was formed by a Certificate of Formation pursuant to Section 33-286 of the Connecticut insurance laws and was incorporated under the Stock Corporation Act on October 10, 1986. The objectives underlying the formation of Hartford of Connecticut were first, to provide the HFIP with expanded capacity to offer new programs and to write new insurance products (as well as to write the traditional lines of property/casualty insurance presently being offered by other members of the HFIP), and second, to provide a vehicle for the re-domestication of Hartford of Alabama from the State of Alabama to Connecticut. Effective April 22, 1992, TIC's current name was adopted.

In December 2002, Hartford Fire sold to HFSG, TIC, Property and Casualty Insurance Company of Hartford, Hartford Insurance Company of the Midwest, and HICS, all of which became wholly owned and direct subsidiaries of HFSG.

Hartford Accident and Indemnity Company (HAIC)

HAIC derives its corporate existence and powers from a Special Act of the General Assembly of the State of Connecticut, approved May 8, 1913. The restated charter, which was amended and accepted by the shareholders in 1966, authorized HAIC to insure persons, firms or corporations against any risk or casualty which now or hereafter may be the subject of fire, marine, inland marine, liability, casualty, accident, health, fidelity, indemnity, surety, or livestock business.

Maxum Casualty Insurance Company (MCIC) and Maxum Indemnity Company (MIC)

On July 29, 2016, Northern Homelands Company, Maxum Indemnity Company's direct parent, was acquired by HFSG. As a result, Northern Homelands wholly-owned subsidiary MIC and its wholly-owned subsidiary, Maxum Casualty Insurance Company became wholly-owned subsidiaries of Hartford Fire, with HFSG as the ultimate controlling parent. As of December, 2016, all Connecticut surplus lines policies were transferred to the Hartford Insurance Company of Illinois.

On January 1, 2017, the Maxum companies entered into a 100% quota share treaty with Hartford Fire covering the net liabilities of Maxum policies written with effective dates on

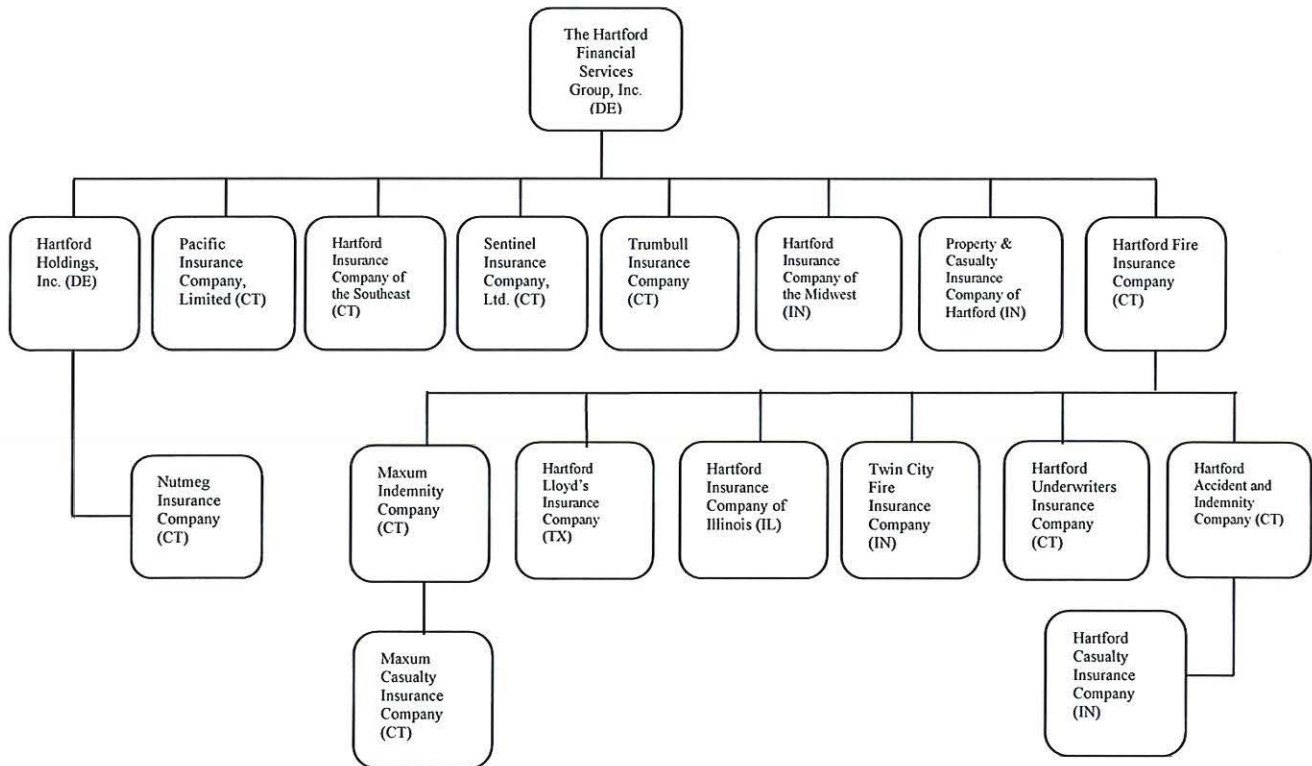
HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

or after March 1, 2003. As a result, Hartford Fire now reinsures the entire net results of the Maxum companies on both a retrospective and prospective basis.

On November 28, 2018 State of CT Insurance Department approved merger of NHC and MIC. NHC merged with MIC effective November 30, 2018. NHC ceased to exist as the effective date and MIC survived and continues as an insurance company domiciled in CT.

ORGANIZATIONAL CHART

The following is a portion of the organizational chart of the HFIP as of December 31, 2022:



Notes to Organizational Chart

The HFSG also owns one hundred percent of Heritage Holdings, Inc., the parent company of FSIC. FSIC is the parent company of NEIC and NERC.

MANAGEMENT AND CONTROL

Annual Shareholders Meetings

The bylaws state that the annual meeting of the shareholders shall be held at such place (within or outside the state of Connecticut), date and hour as shall be determined by the Board to elect members of the Board for the succeeding year and transact any business properly brought before said meeting.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Special meetings of the shareholders may be called at any time by the chairman of the Board, the president, the secretary, or any assistant secretary, or by a majority of the entire board.

Written notice of every meeting of the shareholders and the time and place thereof shall be given by the secretary or any assistant secretary of the individual companies within the Group, no fewer than ten and no more than sixty days prior to the time appointed for such meeting, which notice shall also state in the case of a special meeting, the purpose or purposes for which the meeting is called.

Board of Directors

The business and affairs of each company in the Group shall be managed by or under the direction of its Board, which may exercise all the powers of the Group except such as required to be performed by the shareholders. The number of directors shall not be less than three. Regular and special meetings of the Board shall be held either within or outside the state of Connecticut, or such other place as may be designated by the Board and at such times and on such dates as may be determined by the Board. A majority of the members of the Board, present at a regular or special meeting, shall constitute a quorum for the transaction of business.

Directors serving the Group as of December 31, 2022, were:

<u>Name</u>	<u>Title and Principal Business Affiliation</u>
Michael Ross Fisher	Executive Vice President, P&C Chief Underwriting Officer The Hartford Financial Services Group, Inc.
Eapen Attupurathu Chandy	Assistant Vice President and Assistant Treasurer, Enterprise Treasury The Hartford Financial Services Group, Inc.
Amy Marie Stepnowski	Executive Vice President, Chief Investment Officer The Hartford Financial Services Group, Inc.

Officers

The Board may from time to time elect or appoint a Chairman, a President, one or more Vice Presidents, a Treasurer, a Secretary, and one or more Assistant Treasurers, and Assistant Secretaries to serve at the pleasure of the Board. At any time, the Board may elect or appoint such other officers or agents with such duties as it may deem necessary. The President, or his or her designee, shall have authority to appoint any officer other than the Chairman or President of the Group.

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Officers serving the Group as of December 31, 2022, were:

<u>Name</u>	<u>Title</u>
Michael Ross Fisher	President
James Michael Yanosy	Senior Vice President and Chief Financial Officer
Kathleen Elizabeth Jorens	Senior Vice President and Treasurer
Allison Gayle Niderno	Vice President and Controller
Suzanne Elizabeth Henderson	Vice President and Appointed Actuary
Kevin Floyd Barnett	Corporate Secretary

Board Committees

The Board by resolution may designate individuals to serve on one or more Committees from among its members. One-third of the members of a Committee, but no less than two, will constitute a quorum. The following are the current HFIP Board Committees:

- a. Audit Committee. The Audit Committee shall oversee the Group's accounting and financial reporting processes and the audits of the Group's financial statements and it shall have and discharge such other powers and duties as are granted and imposed upon it by resolution of the Board.
- b. Finance Committee. The Finance Committee shall have the power and it shall be its duty to oversee the finances of the Group and it shall have and discharge such other powers and duties as are granted and imposed upon it by the By-laws or the Board of Directors. Such powers and duties shall include oversight of the mode, manner and time of making investments, the sale, transfer and exchange of investments, and the re-investment of the proceeds thereof.

RELATED PARTY AGREEMENTS

Investment Management and Administration Agreement

The Group and other affiliates are party to an Amended and Restated Investment Management Agreement (Agreement) with Hartford Investment Management Company (HIMCO). Pursuant to the terms of the Agreement, HIMCO provides a broad spectrum of investment services, including but not limited to providing advice to the Group concerning the development of investment strategies and objectives, the development of investment

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

policies and guidelines, the investment and management of assets, the measurement and evaluation of investment performance, investment accounting, cash management, the management of banking relationships, the management of a custodial relationship, and administrative support.

Investment Pooling Agreement

The Group, as well as other affiliates, participate in a Third Amended and Restated Investment Pooling Agreement with HIMCO. HIMCO acts as the investment manager to invest certain cash balances available to the participants in the investment pool known as the "Hartford Short-Term Investment Pool". HIMCO is compensated at least quarterly for all incurred direct and indirect costs related to the services provided to the Group.

Liquidity Agreement

The Group entered in an intercompany Liquidity Agreement with HFSG and certain insurance company affiliates. The agreement allows for short term advances of funds between affiliates for liquidity and other general corporate purposes.

Tax Allocation Agreement (TAA)

The Group is party to a TAA with HFSG and its direct and indirect subsidiaries. The TAA governs the tax return filing, payment and allocation of federal, state and local income tax liability between HFSG and its subsidiaries. Each member will calculate its separate tax liability, and the consolidated federal regular income tax liability will be apportioned among the members in accordance with the ratio which is consistent with the taxable income. Payment to the parent will be made by the due date of the consolidated return payment to the Internal Revenue Service.

Stop Loss Reinsurance Agreement

Hartford Fire issued a stop loss reinsurance agreement to FSIC and its consolidated affiliates to support the runoff of the insurance obligations of FSIC. The terms of this agreement obligate the Hartford Fire to make payments up to \$1.2 billion to FSIC to the extent that (i) FSIC's net retained paid losses exceed a stipulated dollar amount and (ii) FSIC maintain a level of statutory capital and surplus within a range above \$25 million to \$35 million.

Services and Cost Allocation Agreement – The Group and Various Affiliates

The Group is party to an amended and restated Services and Cost Allocation agreement with various insurance and non-insurance affiliates. This agreement provides for affiliates to obtain a variety of services from each other to conduct day to day business and be compensated on a fair and equitable basis for their services. Costs for services include, but shall not be limited to, employee salaries and benefits, taxes, fixed assets including furniture and personal computers, miscellaneous accounts payable including rent, travel

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and entertainment, insurance, advertising, taxes, licenses and fees, and other costs related to corporate services.

Services and Cost Allocation – HFSG and Hartford Fire

Hartford Fire is party to a Services and Cost Allocation agreement with HFSG. Services shall include but shall not be limited to, employee costs such as salaries, benefits and taxes, fixed assets, including furniture and personal computers, and miscellaneous accounts payable, including rent, travel and entertainment, insurance, advertising, taxes, licenses and fees, etc. related to the corporate services provided to HFSG by Hartford Fire.

Services and Cost Allocation Agreement – HFSG, Hartford Fire and Navigators companies

Hartford Fire is party to a Services and Cost Allocation agreement with HFSG, Navigators Insurance Company and Navigators Specialty Insurance Company. Services shall include any service to conduct its business and which is provided to or acquired by the parties to the agreement. The services shall include, but shall not be limited to, employee costs such as salaries, benefits and taxes, fixed assets, including furniture and personal computers, and miscellaneous accounts payable, including rent, travel and entertainment, insurance, advertising, taxes, licenses and investment expenses and other fees related to the corporate services.

Management Services Agreement

Hartford Fire and Horizon Management Group, LLC (Horizon), an indirect affiliate, entered into a services agreement with FSIG. Pursuant to the terms of the agreement, Hartford Fire and Horizon provide all management and administrative services required to conduct its business operation. These services relate without limitation to the handling and servicing of claims, losses and loss adjustment expenses to the FSIG.

TERRITORY AND PLAN OF OPERATION

The Group sells diverse and innovative products through multiple distribution channels. The majority of the Group's United States business is primarily written through entities that participate in the HFIP. The HFIP provides: (1) workers' compensation, property, automobile, marine, livestock, liability and umbrella coverage to commercial accounts primarily throughout the United States; (2) a variety of customized insurance products and risk management services including professional liability, fidelity, surety and specialty casualty coverage to commercial accounts; (3) standard automobile, homeowners and home-based business coverage to individuals across the United States, including a special program designed exclusively for members of the American Association of Retired Persons (AARP). It also operates a member contact center for health insurance products offered through the AARP Health program.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

REINSURANCE

The property and casualty companies listed below participate in the Pooling Agreement, an intercompany reinsurance and pooling agreement whereby all property and casualty business written by these companies is ceded to Hartford Fire, the lead participant. The total pool of business is then redistributed to the various participants based on pre-determined percentages.

Each participant in the HFIP agrees to cede to Hartford Fire and Hartford Fire accepts, assumes and reinsures 100% of each participant's underwriting liabilities. Hartford Fire then cedes to each participant and each participant accepts and assumes its proportionate share as identified below, net of external reinsurance. The participants share (to the extent of their pooling percentages): (a) all premiums written by the HFIP; (b) all amounts paid or incurred during such period for losses and loss adjustment expenses (LAE); other underwriting expenses and other specific losses arising out of their underwriting operations; (c) all claims and settlements involving business covered by the agreement; and (d) all resulting net underwriting income or loss.

The following are the member company participation percentages in effect at December 31, 2022:

	<u>Pooling Percentages</u>
Hartford Fire Insurance Company	41.50
Hartford Accident and Indemnity Company	32.69
Hartford Insurance Company of Illinois	10.10
Hartford Casualty Insurance Company	5.50
Hartford Underwriters Insurance Company	4.00
Pacific Insurance Company, Limited	1.70
Twin City Fire Insurance Company	1.50
Nutmeg Insurance Company	0.70
Trumbull Insurance Company	0.50
Hartford Insurance Company of the Midwest	0.50
Property and Casualty Insurance Company of Hartford	0.50
Hartford Insurance Company of the Southeast	0.50
Sentinel Insurance Company, Ltd.	0.30
Hartford Lloyd's Insurance Company	<u>0.01</u>
Pool Total	<u>100.0%</u>

All accident and health business written by the Group and its United States affiliates is 100% reinsured with Hartford Life and Accident Insurance Company.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

MIC and MCIC:

The Maxum companies are included in the combined Group based on their participation in a 100% coinsurance agreement effective January 1, 2017 with Hartford Fire Insurance Company.

Assumed Reinsurance

All reinsurance assumed from external companies is booked by Hartford Fire. Hartford Fire engages in limited assumed reinsurance business from four business activities including; pools and associations, certain State of Texas business, large property, and multinational operations. Hartford Fire participates in a limited number of mandatory reinsurance pools and associations that cede premium to carriers. Within the State of Texas, Hartford Fire assumes business from a "front company" (i.e. Republic Underwriters) to achieve an alternative rating vehicle for certain personal lines business and premium income resulting from participation in the National Council on Compensation Insurance, Inc., and the National Workers' Compensation pool. Hartford Fire assumes property reinsurance on specific risks within its large property business unit. Hartford Fire's Multinational business unit assumes reinsurance from foreign insurance carriers for risks placed on behalf of domestic insurance customers.

Ceded Reinsurance

The Group maintains various reinsurance treaties including a property per-risk excess of loss and a property catastrophe reinsurance program intended to limit group-level exposures to pre-determined levels of risk. These corporate excess of loss and catastrophe reinsurance programs cover the HFIP. Hartford Fire places \$240 million in per-risk loss exposure above a loss retention of \$10 million per covered risk with a group of reinsurers. Coverage is provided by four individual layers, with coverage excess of \$20 million for the top three layers fully subscribed by various external reinsurers. As of July 1, 2022, the first \$10 million in excess of \$10 million layer for Middle Large Commercial risks moved to 50% placed from 100%.

The Workers' Compensation Catastrophe Excess of Loss Reinsurance program is a multi-layer program that covers industrial accident perils, natural perils and terrorism perils on an excess of loss basis with a limit of \$350 million excess of \$100 million and is 80% placed. In addition, the program includes a non-catastrophe, industrial accident layer for 80% of \$30 million excess of a \$20 million retention.

Effective January 1, 2022, the Hartford Fire Core Property Catastrophe Program remains structured with three layers. The first layer of the program (\$150 million x \$350 million) was placed at 75% on an annual basis expiring on December 31, 2022. In addition, 30% of the second layer (\$300 million x \$500 million) and 30% of the third layer (\$300 million x \$800 million) were placed on a multi-year basis from January 1, 2020 to December 31, 2022. Also, 30% of the second layer and 30% of the third layer were placed on a multi-year basis from January 1, 2021 to December 31, 2023. In addition, 30% of the second layer and 30% of the third layer are placed on a multi-year basis from January 1, 2022 to December 31, 2024. The layers include coverage of domestic, non-nuclear, biological, chemical, and radiological terrorism losses. Hartford Fire purchased additional Occurrence

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

protection of 70% of \$250 million excess of \$100 million underlying layer that excludes Named Storm and Earthquake. This coverage was in place from January 1, 2022 to December 31, 2022 and available after \$50 million annual aggregate deductible. Hartford Fire also purchased 100% of \$200 million excess of \$700 million Annual Aggregate Catastrophe Treaty for an accumulation of catastrophe loss events, which provided horizontal protection for multiple events throughout the year within the Group's Core Property Catastrophe Program retention. This coverage was in place from January 1, 2022 to December 31, 2022.

Effective December 31, 2016, Hartford Fire, on behalf of the HFIP participants, entered into an asbestos and environmental adverse development cover (ADC) reinsurance agreement with National Indemnity Company (NICO), a subsidiary of Berkshire Hathaway Inc., to reduce uncertainty about potential adverse reserve development. Under the ADC, Hartford Fire paid consideration of \$650 million for NICO to assume adverse net loss and allocated loss adjustment expense reserve development up to \$1.5 billion above the existing net asbestos and environmental reserves of approximately \$1.7 billion, as of December 31, 2016. Hartford Fire has retained the risk of collection on amounts due from other third party reinsurers and continues to be responsible for claims handling and other administrative services, subject to certain conditions. Activity related to the ADC and any future net adverse development up to the \$1.5 billion limit under the ADC will be recorded on the books of Hartford Fire.

Hartford Fire also cedes business covering specified business units to external reinsurers on both a facultative and treaty basis. Facultative reinsurance is purchased covering specified individual risks depending on need. The reinsurance treaties cover specified property and casualty business segments and consist of working layers, umbrella layers and catastrophe layers. Hartford Fire's retention will vary based upon business unit and corporate risk appetite.

INFORMATION TECHNOLOGY CONTROLS

RRC performed a risk-based assessment and review of the Group's Information Technology General Controls (ITGCs) in accordance with NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Group's ITGCs was derived from Exhibit C Part 1 – Information Technology Planning Questionnaire (ITPQ) and Exhibit C Part 2 – Information Technology Work Program (collectively, Exhibit C). The Group's responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

RRC's objectives were to obtain reasonable assurance about whether:

- the Group had a process in place to effectively identify, mitigate and manage its IT risks;
- the Group's control structure policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- the Group's policies and procedures were in place during the examination period.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

The objectives above were achieved through a combination of reviewing the Group's policies and procedures, testing in key areas related to Exhibit C, interviewing the Group's IT senior management and reviewing IT risk assessment processes.

In accordance with the Handbook, specific areas of review included:

- IT governance and organization structure;
- strategic planning, systems architecture and project oversight;
- IT risk management;
- vendor management;
- development and maintenance of policies;
- physical and logical security;
- business continuity and disaster recovery planning;
- end user or business developed applications; and
- cybersecurity and incident response.

Based upon the risk-based assessment and review, the Group's ITGCs were determined to be effective.

ACCOUNTS AND RECORDS

The Group records all financial accounting transactions in The Hartford's Enterprise General Ledger (EGL) application which uses the PeopleSoft Financials product. The EGL is the official book of records for the Group's financial accounting operations. Some external reporting is done out of TM1 which receives a feed of data from the EGL.

The Sovos Statutory Reporting software package is used to create the annual statement. It receives data from multiple sources, including the EGL for creation of the balance sheet and income statement. Sovos also receives data from TM1 (via EGL) that produces the Underwriting and Investment Exhibits, State pages and Schedule T of the annual statement.

FINANCIAL STATEMENTS

The financial statements in Appendix A reflect the Group's financial position, as filed by the Group as of December 31, 2022.

LOSSES AND LAE

Milliman performed a review of reserving, reinsurance and pricing/underwriting risk. No material issues were noted during the review of reserving, reinsurance or pricing/underwriting risks.

GROWTH OF COMPANY

The reconciliation of the policyholders' surplus during the period under examination is reflected in Appendix B. Changes reflected in the Group's policyholder surplus over the

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

examination period were largely due to results from operations and the payment of ordinary dividends.

SUMMARY OF RECOMMENDATIONS

None noted.

SUBSEQUENT EVENTS

On March 28, 2023, the civil district court affirmed the bankruptcy court's ruling regarding Boy Scouts of America's plan of reorganization, including the written settlement (Settlement). The civil district court's ruling is now final, all conditions precedent to Settlement have been satisfied and on April 20, 2023, HFSG paid the Settlement amount of \$787 million.

On May 2, 2023, HAIC donated 215,000 shares of stock of its ultimate parent, HFSG, in furtherance of HFSG's philanthropic goals.

The following dividends were paid by HFIP companies domiciled in Connecticut:

- On March 16, 2023, Hartford Fire paid an ordinary cash dividend of \$188.9 million to HFSG.
- On March 16, 2023, TIC paid an ordinary cash dividend of \$16.2 million to HFSG.
- On April 17, 2023, PIC paid an ordinary cash dividend of \$30.5 million to HFSG.
- On April 17, 2023, HICS paid an ordinary cash dividend of \$8.7 million to HFSG.
- On June 20, 2023, Hartford Fire paid an ordinary cash dividend of \$364.9 million to HFSG.
- On June 20, 2023, SIC paid an ordinary cash dividend of \$27.5 million to HFSG.
- On September 19, 2023, Hartford Fire paid an ordinary cash dividend of \$437.4 million to HFSG.
- On December 18, 2023, Hartford Fire paid an ordinary cash dividend of \$472.4 million to HFSG.
- On December 18, 2023, Nutmeg paid an ordinary cash dividend of \$30.5 million to Hartford Holdings, Inc.
- On March 18, 2024, Hartford Fire paid an ordinary cash dividend of \$150.6 million to HFSG.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

- On March 18, 2024, TIC paid an ordinary cash dividend of \$15.2 million to HFSG.
- On April 17, 2024, PIC paid an ordinary cash dividend of \$31.3 million to HFSG.
- On April 17, 2024, HICS paid an ordinary cash dividend of \$9.5 million to HFSG.

CONCLUSION

As a result of the examination, there were no adjustments made to surplus.

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

SIGNATURE

In addition to the undersigned, the following members of the Department participated in the examination: Michael Shanahan, CFE; Wanchin Chou, FCAS, MAAA, CPCU, CSPA, CCRMP; Qing He, FCAS, MAAA; Amy Waldhauer, FCAS, MAAA; Kenneth Roulier, AFE, CISA, AES; Michael Daniels, CFE; Grace Jiang, CFE; Dawn Cormier, CPA; Ronald Jankowski, CFE; Tahjma Roberson; Aishah Abdullah, and the professional services firms of RRC and Milliman.

I, Michael Estabrook, CFE, do solemnly swear that the foregoing report on examination is hereby represented to be a full and true statement of the condition and affairs of the subject insurer as of December 31, 2022, to the best of my information, knowledge and belief.

Respectfully submitted,



Michael Estabrook, CFE
Examiner-In-Charge
State of Connecticut
Insurance Department

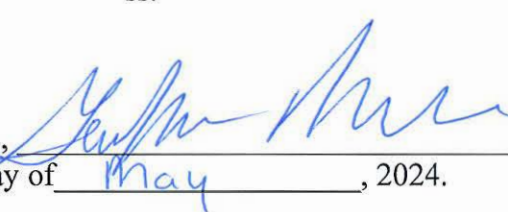
State of Connecticut

ss.

County of Hartford

Subscribed and sworn to before me,

Notary Public on this 7 day of May, 2024.



HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

APPENDIX A

ASSETS	1	2	3	4	5
	Hartford Fire Insurance Company	Hartford Accident and Indemnity Company	Hartford Underwriters Insurance Company	Pacific Insurance Company, Ltd.	Nutmeg Insurance Company
Net Admitted Assets					
Bonds	\$7,681,965,082	\$7,695,816,814	\$1,487,413,133	\$679,495,437	\$446,544,230
Preferred stocks	79,743,075	45,595,995	0	8,942,647	0
Common stocks	5,923,533,316	1,403,497,973	0	0	4,888,440
Mortgage loans on real estate - first liens	1,640,501,358	1,396,155,990	147,866,171	16,463,564	6,305,245
Real estate - properties occupied by the company	307,379,729	0	0	0	0
Cash, cash equivalents and short-term investments	772,117,148	587,873,816	89,762,789	45,191,119	27,681,369
Derivatives	36,804,275	54,954,636	1,087,388	0	0
Other invested assets	4,399,575,540	1,329,232,188	2,868,753	0	0
Receivables for securities	8,303,644	5,542,924	21,070	4,774	0
Aggregate write-ins for invested assets	61,213,485	70,844,692	886,924	0	0
Investment income due and accrued	70,228,123	71,054,235	13,007,000	5,620,114	3,338,194
Uncollected premiums and agents' balances in the course of collection	525,352,365	235,007,990	29,165,831	12,150,300	5,001,281
Deferred premiums, agents' balances and installments	2,827,054,002	0	0	0	0
Amounts recoverable from reinsurers	388,386,217	0	0	0	0
Funds held by or deposited with reinsured companies	(4,170,222)	0	0	0	0
Current federal and foreign income tax recoverable and interest thereon	0	20,426,658	1,746,324	1,313,142	530,534
Net deferred tax asset	360,238,010	159,519,699	19,254,000	8,096,000	3,334,000
Guaranty funds receivable or on deposit	626,245	493,301	60,361	25,654	10,563
Electronic data processing equipment and software	15,847,718	0	0	0	0
Receivables from parent, subsidiaries and affiliates	32,124,305	2,025,992	0	289,385	260,827
Aggregate write-ins for other-than-invested assets	810,951,396	131,730	5,916,365	2,882	68,242
Total	<u>\$25,937,774,811</u>	<u>\$13,078,174,633</u>	<u>\$1,799,056,109</u>	<u>\$777,595,018</u>	<u>\$497,962,925</u>

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

<u>ASSETS</u>	6	7	8	9	10
	Trumbull Insurance Company	Hartford Insurance Company of the Southeast	Sentinel Insurance Company, Ltd	Maxum Indemnity Company	Maxum Casualty Insurance Company
Net Admitted Assets					
Bonds	\$267,966,951	\$184,199,781	\$333,802,431	49,493,352	\$13,460,180
Preferred stocks	0	6,910,860	0	0	0
Common stocks	0	0	0	19,199,658	0
Mortgage loans on real estate - first liens	0	0	0	0	0
Real estate - properties occupied by the company	0	0	0	0	0
Cash, cash equivalents and short-term investments	20,852,272	23,913,886	22,371,471	10,044,983	1,654,139
Derivatives	0	0	0	0	0
Other invested assets	0	2,182	9,241	0	0
Receivables for securities	0	0	0	4	103
Aggregate write-ins for invested assets	0	0	0	0	0
Investment income due and accrued	2,423,912	1,503,904	3,544,535	250,479	79,769
Uncollected premiums and agents' balances in the course of collection	4,617,794	3,661,509	3,476,375	15,588,164	1,300,587
Deferred premiums, agents' balances and installments	0	0	0	0	0
Amounts recoverable from reinsurers	0	0	0	23,131,607	4,178,030
Funds held by or deposited with reinsured companies	0	0	0	0	0
Current federal and foreign income tax recoverable and interest thereon	0	261,823	386,491	352,743	0
Net deferred tax asset	2,381,000	2,382,000	1,428,000	173,764	0
Guaranty funds receivable or on deposit	7,543	7,546	4,527	0	0
Electronic data processing equipment and software	0	0	0	0	0
Receivables from parent, subsidiaries and affiliates	653,946	196,153	0	0	1,272,092
Aggregate write-ins for other-than-invested assets	996,005	28,851	623,240	566,735	6,656
<u>Total</u>	<u>\$299,899,423</u>	<u>\$223,068,495</u>	<u>\$365,646,311</u>	<u>\$118,801,489</u>	<u>\$21,951,555</u>

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

LIABILITIES, SURPLUS AND OTHER FUNDS	1	2	3	4	5
	Hartford Fire Insurance Company	Hartford Accident and Indemnity Company	Hartford Underwriters Insurance Company	Pacific Insurance Company, Ltd.	Nutmeg Insurance Company
Current Year Liabilities					
Losses	\$8,773,913,055	\$6,208,976,476	\$759,740,162	\$322,889,569	\$132,954,529
Reinsurance payable on paid losses and loss adjustment expenses	7,583,489	173,259,675	21,200,327	9,010,139	3,710,057
Loss adjustment expenses	1,960,056,666	1,266,454,346	154,965,354	65,860,276	27,118,937
Commissions payable, contingent commissions and other similar charges	74,563,689	58,734,627	7,186,862	3,054,417	1,257,701
Other expenses (excluding taxes, licenses and fees)	89,896,769	70,919,050	8,817,639	3,774,035	1,629,779
Taxes, licenses and fees (excluding federal and foreign income taxes)	45,156,600	35,570,347	4,352,444	1,849,789	761,678
Current federal and foreign income taxes	53,713,790	0	0	0	0
Unearned premiums	2,376,051,468	1,871,641,502	229,017,008	97,332,228	40,077,976
Advance premium	88,561,501	0	0	0	0
Dividends declared and unpaid – policyholders	12,439,625	9,798,828	1,199,000	509,575	209,825
Ceded reinsurance premiums payable (net of ceding commissions)	566,577,742	0	0	0	0
Funds held by company under reinsurance treaties	19,251,412	0	0	0	0
Amounts withheld or retained by company for account of others	513,472,426	0	0	0	0
Remittances and items not allocated	10,800,223	4,740,829	207,994	26,957	0
Provision for reinsurance	49,759,000	0	0	0	0
Net adjustments in assets and liabilities due to foreign exchange rates	27,665,000	0	0	0	0
Drafts outstanding	312,002,755	0	0	0	0
Payable to parent, subsidiaries and affiliates	41,021,234	0	2,666,660	0	0
Derivatives	78,007,932	89,153,244	1,837,898	0	0
Payable for securities	17,180,901	3,494,842	5,996,770	5,190	0
Aggregate write-ins for liabilities	(823,473,246)	43,446,916	242,620	0	0
Total liabilities	14,294,202,031	9,836,190,682	1,197,430,738	504,312,175	207,720,482
Aggregate write-ins special surplus funds	593,900,000	0	0	0	0
Common capital stock	55,320,000	40,000,000	6,504,000	7,200,000	4,200,000
Gross paid in and contributed surplus	4,698,570,035	582,242,572	87,930,207	146,290,145	58,011,061
Unassigned funds (surplus)	6,303,799,431	2,619,741,379	507,191,164	119,792,698	228,031,382
Shares common (value included in common capital stock \$116) (less treasury stock at cost)	8,016,686	0	0	0	0
Surplus as regards policyholders	11,643,572,780	3,241,983,951	601,625,371	273,282,843	290,242,443
Total	\$25,937,774,811	\$13,078,174,633	\$1,799,056,109	\$777,595,018	\$497,962,925

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

LIABILITIES, SURPLUS AND OTHER FUNDS	6	7	8	9	10
	Trumbull Insurance Company	Hartford Insurance Company of the Southeast	Sentinel Insurance Company, Ltd	Maxum Indemnity Company	Maxum Casualty Insurance Company
Current Year Liabilities					
Losses	\$94,967,521	\$94,967,520	\$56,980,512	\$0	\$0
Reinsurance payable on paid losses and loss adjustment expenses	2,650,041	2,650,041	1,590,025	110,312	1,011,162
Loss adjustment expenses	19,370,667	19,370,670	11,622,401	0	0
Commissions payable, contingent commissions and other similar charges	898,354	898,358	539,016	0	0
Other expenses (excluding taxes, licenses and fees)	1,135,819	1,107,512	755,092	0	0
Taxes, licenses and fees (excluding federal and foreign income taxes)	544,048	544,058	326,433	0	0
Current federal and foreign income taxes	30,372	0	0	0	18,881
Net deferred tax liability	0	0	0	0	178,280
Unearned premiums	28,627,134	28,627,125	17,176,275	0	0
Advance premium	0	0	0	0	0
Dividends declared and unpaid – policyholders	149,875	149,875	89,925	0	0
Ceded reinsurance premiums payable (net of ceding commissions)	0	0	0	7,298,763	1,336,244
Funds held by company under reinsurance treaties	0	0	0	231,441	75,470
Amounts withheld or retained by company for account of others	0	0	0	1,131	0
Remittances and items not allocated	0	1,312	0	707,978	14,860
Provision for reinsurance	0	0	0	630,000	117,000
Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0	0
Drafts outstanding	0	0	0	5,150,093	0
Payable to parent, subsidiaries and affiliates	0	0	1,195,067	1,315,461	0
Derivatives	0	0	0	0	0
Payable for securities	138	0	0	0	0
Aggregate write-ins for liabilities	0	0	0	0	0
Total liabilities	148,373,969	148,316,471	90,274,746	15,445,179	2,751,897
Common capital stock	4,000,000	2,500,000	4,200,000	3,500,000	3,500,000
Gross paid in and contributed surplus	34,547,544	7,267,853	15,787,500	63,717,149	8,700,000
Unassigned funds (surplus)	112,977,910	64,984,171	255,384,065	36,139,161	6,999,658
Shares common	0	0	0	0	0
Surplus as regards policyholders	151,525,454	74,752,024	275,371,565	103,356,310	19,199,658
Total	\$299,899,423	\$223,068,495	\$365,646,311	118,801,489	21,951,555

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

STATEMENT OF INCOME	1	2	3	4	5
Current Year Income	Hartford Fire Insurance Company	Hartford Accident and Indemnity Company	Hartford Underwriters Insurance Company	Pacific Insurance Company, Ltd.	Nutmeg Insurance Company
Premiums earned	\$4,759,747,446	\$3,749,304,677	\$458,770,839	\$194,977,607	\$80,284,897
Losses incurred	2,596,789,243	1,914,822,060	234,300,649	99,577,776	41,002,613
Loss adjustment expenses incurred	503,903,130	347,477,474	42,517,892	18,070,104	7,440,632
Other underwriting expenses incurred	1,469,761,120	1,157,746,772	141,663,723	60,207,082	24,791,151
Total underwriting deductions	4,570,453,493	3,420,046,306	418,482,264	177,854,962	73,234,396
Net underwriting gain (loss)	189,293,953	329,258,371	40,288,575	17,122,645	7,050,501
Net investment income earned	1,555,245,281	582,362,189	53,799,843	22,226,805	29,460,038
Net realized capital gains (losses)	(83,972,724)	(126,836,897)	(9,344,139)	(2,024,835)	(2,466,192)
Net investment gain (loss)	1,471,272,557	455,525,292	44,455,704	20,201,970	26,993,846
Net gain (loss) from agents' or premium balances charged off	(47,047,222)	0	0	0	0
Finance and service charges not included in premiums	13,374,606	3,934,063	9,228,820	621,429	782,651
Aggregate write-ins for miscellaneous income	69,909,582	(14,856)	4	0	0
Total other income	36,236,966	3,919,207	9,228,824	621,429	782,651
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	1,696,803,476	788,702,870	93,973,103	37,946,044	34,826,998
Dividends to policyholders	10,293,882	8,108,603	992,181	421,677	173,632
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	1,686,509,594	780,594,267	92,980,922	37,524,367	34,653,366
Federal and foreign income taxes incurred	222,831,207	127,512,280	19,391,219	6,956,790	4,132,845
Net income	<u>\$1,463,678,387</u>	<u>\$653,081,987</u>	<u>\$73,589,703</u>	<u>\$30,567,577</u>	<u>\$30,520,521</u>

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

<u>STATEMENT OF INCOME</u>	6	7	8	9	10
Current Year Income	Trumbull Insurance Company	Hartford Insurance Company of the Southeast	Sentinel Insurance Company, Ltd	Maxum Indemnity Company	Maxum Casualty Insurance Company
Premiums earned	\$57,346,349	\$57,346,355	\$34,407,813	0	0
Losses incurred	29,287,584	29,287,580	17,572,548	0	0
Loss adjustment expenses incurred	5,314,733	5,314,737	3,188,842	0	0
Other underwriting expenses incurred	17,707,960	17,707,966	10,624,780	0	0
Total underwriting deductions	52,310,277	52,310,283	31,386,170	0	0
Net underwriting gain (loss)	5,036,072	5,036,072	3,021,643	0	0
Net investment income earned	8,072,879	6,347,463	9,560,508	1,104,466	244,460
Net realized capital gains (losses)	(124,655)	(1,667,672)	(848,198)	(1,654,965)	(95,371)
Net investment gain (loss)	7,948,224	4,679,791	8,712,310	(550,499)	149,089
Net gain (loss) from agents' or premium balances charged off	0	0	0	(23,545)	0
Finance and service charges not included in premiums	7,165,234	1,487,492	6,752,641	0	0
Aggregate write-ins for miscellaneous income	0	0	0	1,500	0
Total other income	7,165,234	1,487,492	6,752,641	(22,045)	0
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	20,149,530	11,203,355	18,486,594	(572,544)	149,089
Dividends to policyholders	124,022	124,023	74,414	0	0
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	20,025,508	11,079,332	18,412,180	(572,544)	149,089
Federal and foreign income taxes incurred	3,816,864	2,317,244	2,888,526	221,349	45,483
Net income	<u>\$16,208,644</u>	<u>\$8,762,088</u>	<u>\$15,523,654</u>	<u>(\$793,893)</u>	<u>\$103,606</u>

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

APPENDIX B

Growth of the Company	1	2	3	4	5
Surplus	Hartford Fire Insurance Company	Hartford Accident & Indemnity Company	Hartford Underwriters Insurance Company	Pacific Insurance Company, Ltd	Nutmeg Insurance Company
Surplus as regards policyholders, December 31, 2017	\$9,916,024,902	\$2,833,377,111	\$581,559,697	\$238,035,343	\$257,769,765
Net income	6,913,632,882	3,337,010,886	381,290,762	150,544,761	155,818,401
Change in net unrealized capital gains or (losses) less capital gains tax	1,482,374,511	203,789,838	1,428,314	(889,389)	18,310,754
Change in net unrealized foreign exchange capital gain (loss)	(2,091,902)	276,537	0	0	0
Change in net deferred income tax	222,377,686	16,385,162	4,267,794	1,914,928	678,409
Change in non-admitted assets	(253,768,680)	0	(3,061,229)	(1,382,315)	(19,159,392)
Change in provision for reinsurance	(25,490,777)	0	0	0	0
Surplus adjustment: paid in	189,510,464	0	0	0	0
Dividends to stockholders	(6,817,971,000)	(3,150,000,000)	(364,000,000)	(115,000,000)	(123,200,000)
Aggregate write-ins for gains and losses in surplus	18,974,694	1,144,417	140,033	59,515	24,506
Net Change in Capital and Surplus for the Year	1,727,547,878	408,606,840	20,065,674	35,247,500	32,472,678
Capital and Surplus, December 31, 2022	<u>\$11,643,572,780</u>	<u>\$3,241,983,951</u>	<u>\$601,625,371</u>	<u>\$273,282,843</u>	<u>\$290,242,443</u>

HARTFORD FIRE INSURANCE COMPANY AND ITS COMBINED AFFILIATES

Growth of the Company	6	7	8	9	10
Surplus	Trumbull Insurance Company	Hartford Insurance Company of the Southeast	Sentinel Insurance Company, Ltd.	Maxum Indemnity Company	Maxum Casualty Insurance Company
Surplus as regards policyholders, December 31, 2017	\$109,762,413	\$63,421,095	\$196,108,210	\$104,303,525	\$17,271,558
Net income	88,308,555	45,825,744	79,099,242	5,617,560	1,973,504
Change in net unrealized capital gains or (losses) less capital gains tax	3,215,260	(471,907)	(1)	3,870,457	113,737
Change in net unrealized foreign exchange capital gain (loss)	0	0	0	0	0
Change in net deferred income tax	442,687	693,918	(17,816)	(2,909,422)	(642,850)
Change in non-admitted assets	(3,420,966)	(884,331)	171,430	4,087,331	600,709
Change in provision for reinsurance	0	0	0	(630,000)	(117,000)
Surplus adjustment: paid in	0	150,000	0	0	0
Dividends to stockholders	(46,800,000)	(34,000,000)	0	(11,000,000)	0
Aggregate write-ins for gains and losses in surplus	17,504	17,504	10,502	16,859	0
Net Change in Capital and Surplus for the Year	41,763,040	11,330,928	79,263,357	(947,215)	1,928,100
Capital and Surplus, December 31, 2022	<u>\$151,525,454</u>	<u>\$74,752,024</u>	<u>\$275,371,565</u>	<u>\$103,356,310</u>	<u>\$19,199,658</u>