REPORT ON EXAMINATION AS TO THE CONDITION OF

ATLANTIC EMPLOYERS INSURANCE COMPANY

JERSEY CITY, NEW JERSEY 07302

AS OF DECEMBER 31, 2024

NAIC GROUP CODE 0626

NAIC COMPANY CODE 38938

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Lt. Governor

SUSAN OCHS
Acting Commissioner

May 28, 2026

Honorable Susan Ochs
Acting Commissioner
Department of Banking and Insurance
State of New Jersey
20 West State Street
Trenton, New Jersey 08625-0325

Acting Commissioner:

In compliance with your instructions and pursuant to Insurance Laws and Rules of the State of New Jersey and as adopted by the National Association of Insurance Commissioners ("NAIC"), a comprehensive risk focused examination has been made of the books, records and financial condition of

ATLANTIC EMPLOYERS INSURANCE COMPANY
JERSEY CITY, NEW JERSEY
NAIC GROUP CODE 0626
NAIC COMPANY CODE 38938

a domestic insurer duly authorized to transact the business of insurance in the State of New Jersey. Hereinafter referred to as the "Company". The following examination report as to the condition of the Company is respectfully submitted.

SCOPE OF EXAMINATION

The New Jersey Department of Banking and Insurance, hereinafter referred to as the “NJDOBI” or “We”, conducted a risk-focused financial condition examination (the “Examination”) of Atlantic Employers Insurance Company, for the period of January 1, 2020 to December 31, 2024, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination. The Examination was conducted pursuant to the authority granted by N.J.S.A. 17:23-22 and was last examined as of December 31, 2019.

The Examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (the “Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company. This is accomplished by obtaining information about the Company including: corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with statutory accounting principles and annual statement instructions when applicable to domestic state regulations.

The Examination was performed under the holding company group approach and on a coordinated basis with the Commonwealth of Pennsylvania as the NAIC lead state. The insurance companies examined under this approach benefit to a large degree from common board and management members, governance policies, information systems, internal controls insurance products, and risk management processes, which are generally administered at the consolidated holding company or ultimate parent. NJDOBI participated in the coordinated examination of the Company and its insurance affiliates. The following is a listing of the Chubb Group of Companies that were examined concurrently with the Examination of the Company:

Company	State	NAIC Code
ACE American Insurance Company	PA	22667
ACE Capital Title Reinsurance Company	NY	50028
ACE Fire Underwriters Insurance Company	PA	20702
ACE Insurance Company of the Midwest	IN	26417
ACE Life Insurance Company	CT	60348
ACE Property and Casualty Insurance Company	PA	20699
Agri General Insurance Company	IA	42757
Bankers Standard Insurance Company	PA	18279
Century Indemnity Company	PA	20710
Chubb Custom Insurance Company	NJ	38989
Chubb Indemnity Insurance Company	NY	12777
Chubb Insurance Company of New Jersey	NJ	41386
Chubb Lloyds Insurance Company of Texas	TX	27774
Chubb National Insurance Company	IN	10052
Combined Insurance Company of America	IL	62146

Company	State	NAIC Code
Combined Life Insurance Company of New York	NY	78697
Executive Risk Indemnity Inc.	DE	35181
Executive Risk Specialty Insurance Company	CT	44792
Federal Insurance Company	IN	20281
Great Northern Insurance Company	IN	20303
Illinois Union Insurance Company	IL	27960
Indemnity Insurance Company of North America	PA	43575
Insurance Company of North America	PA	22713
Pacific Employers Insurance Company	PA	22748
Pacific Indemnity Company	DE	20346
Penn Millers Insurance Company	PA	14982
Vigilant Insurance Company	NY	20397
Westchester Fire Insurance Company	PA	10030
Westchester Surplus Lines Insurance Company	GA	10172

The NJDOBI exam team reviewed and leveraged the work performed by the Commonwealth of Pennsylvania Insurance Department including but not limited to: examination planning assessments, identification of key functional activities, risks and inherent risk assessment, risk mitigation or internal control testing, and substantive testing.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. The examination report only addresses regulatory information revealed by the examination process in accordance with the Handbook. All other financial matters were reviewed and determined not to be material for discussion in this report.

The Certified Public Accounting ("CPA") firm of PricewaterhouseCoopers LLP ("PwC") provided an unqualified audit opinion on the fair presentation of the Company's year-end financial statements based on statutory accounting principles for the reporting year period ending December 31, 2024. Relevant work performed by PwC during its annual audit of the Company was reviewed during the examination and incorporated into the examination work papers whenever feasible to facilitate efficiencies. Consideration was also given to work performed by the Company's Internal Audit Department and Sarbanes-Oxley compliance procedures. Certain work papers have been incorporated into the work papers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination.

COMPLIANCE WITH PRIOR EXAMINATION REPORT RECOMMENDATIONS

There were no findings and/or recommendations noted in the prior report on examination.

HISTORY AND KIND OF BUSINESS

The Company was incorporated on December 23, 1980, pursuant to the provisions of Chapter 17 of the Revised Statutes of the State of New Jersey, and commenced business on December 31, 1980.

The Company is a wholly owned subsidiary of ACE Property and Casualty Insurance Company ("ACE P&C"). Chubb Limited is the ultimate controlling parent of the Company. On December 31, 2024, the Company had 10,000 shares of common capital stock authorized, issued, and outstanding with a par value of $1,000 per share. Total common capital stock reported was $10,000,000.

The Company was a subsidiary of CIGNA's Property and Casualty Group. The Company was a wholly owned subsidiary of Insurance Company of North America ("INA") from December 23, 1980 until January 1, 1999. On November 2, 1998, INA directors resolved to dividend all their stock in the Company to INA Holdings Corporation on or before January 1, 1999. On January 1, 1999, INA Holdings Corporation then made a capital contribution of all the issued and outstanding capital stock in the Company to CIGNA Property and Casualty Insurance Company (renamed as ACE Property and Casualty Insurance Company on November 1, 1999).

On June 25, 1999, the Commissioner of Banking and Insurance of the State of New Jersey Issued Order #A-96-110 approving the restructuring and recapitalization of CIGNA's Property and Casualty Group by ACE Limited. On July 2, 1999, pursuant to the terms of an Acquisition Agreement by and among CIGNA Corporation, CIGNA Holdings, Inc. and ACE Limited (now Chubb Limited) dated January 11, 1999, ACE Limited acquired certain assets and companies of the Property and Casualty Division of CIGNA Corporation. As a result of the acquisition, the Company became an indirect wholly owned subsidiary of ACE Limited.

On July 1, 2015, it was announced that ACE Limited ("ACE") had agreed to acquire The Chubb Corporation. On January 14, 2016, The Chubb Corporation merged with William Investment Holdings Corporation, a wholly owned subsidiary of ACE created for the purpose of the transaction. The Chubb Corporation was the surviving corporation and became a wholly owned indirect subsidiary of ACE. The Chubb Corporation subsequently merged with and into ACE INA Holdings, Inc., a Delaware corporation and indirect subsidiary of ACE, with ACE INA Holdings Inc. continuing as the surviving corporation. ACE INA Holdings Inc. subsequently changed its name to Chubb INA Holdings Inc. (now known as Chubb INA Holdings LLC). On January 15, 2016, ACE was renamed Chubb Limited. Chubb Limited is a Swiss-incorporated holding company of the Chubb Group of Companies.

The Commissioner of Banking and Insurance of the State of New Jersey issued an amended certificate of authority to the Company on April 11, 2001. This amended certificate authorizes the Company to transact the kinds of insurance specified in paragraphs "a", "b", "e", "f", "g", "i", "j", "k", "l", "m", "n" and "o" of N.J.S.A. 17:17-1 and "Health Insurance" as defined in N.J.S.A. 17B:17-4.

The statutory home office of the Company is located at 10 Exchange Place, 9th Floor, Jersey City, NJ 07302. The Corporation Trust Company was appointed as the Company's registered agent, upon whom legal process may be served.

TERRITORY AND PLAN OF OPERATION

The Company is authorized and licensed to transact business only in the State of New Jersey.

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

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

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

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

Direct written premiums for the period under examination are as follows:

Year	Direct Written Premium
2020	$46,494,362
2021	$45,690,340
2022	$46,860,131
2023	$49,583,913
2024	$54,778,397

Direct written premium in 2024 by line of business is summarized as follows:

Line of Business Written	Direct Written Premium
Private flood	$ 129,084
Homeowners multiple peril	22,658,395
Inland marine	3,776,117
Earthquake	73,214
Workers' compensation	7,157
Other liability - occurrence	3,973,235
Other liability - claims-made	38,000
Private passenger auto no-fault (personal injury protection)	1,865,853
Other private passenger auto liability	9,038,074

Line of Business Written	Direct Written Premium
Private passenger auto physical damage	13,063,235
Burglary and Theft	15,457
Boiler and Machinery	140,576
Total	$ 54,778,397

REINSURANCE

Century Indemnity Company

Effective December 31, 1995, the Company along with certain other affiliated companies entered into a reinsurance agreement with Century Indemnity Company, whereby Century Indemnity Company assumes risk exposures for all general liability policies issued by the Company with inception dates prior to January 1, 1987.

Reinsurance Pool

Effective January 1, 2018, the Company participates in an intercompany reinsurance pooling agreement (the "Chubb Pool") in which ACE American Insurance Company is the lead Company. ACE American Insurance Company ultimately reinsures the gross business written by each of the companies listed below through the pooling agreement or a 100% quota share reinsurance agreement. All ceded reinsurance in force for the Chubb Pool and certain foreign branch business, inures to ACE American Insurance Company's benefit. After placing ceded reinsurance, ACE American Insurance Company retrocedes the remaining net business to each of the other Chubb Pool member in proportion to their agreed upon pool share. The Company is a net zero participant in the Chubb Pool.

The names and pool participation percentages of the intercompany pool members are as follows:

Pool Participants	Pool Participation Percentage
ACE American Insurance Company **(A)**	25%
Federal Insurance Company **# (B)**	25%
ACE Property and Casualty Insurance Company #	20%
Pacific Indemnity Company ##	20%
Executive Risk Indemnity Inc. ##	10%
ACE Fire Underwriters Insurance Company #	0%
ACE Insurance Company of the Midwest #	0%
Atlantic Employers Insurance Company #	0%
Bankers Standard Insurance Company #	0%
Chubb Insurance Company of New Jersey ##	0%
Chubb National Insurance Company ##	0%
Great Northern Insurance Company ##	0%
Insurance Company of North America #	0%
Pacific Employers Insurance Company #	0%
Penn Millers Insurance Company #	0%

Pool Participants	Pool Participation Percentage
Westchester Fire Insurance Company #	0%
Indemnity Insurance Company of North America #	0%

\# Company cedes 100% gross loss, LAE and underwriting expenses to ACE American Insurance Company.

\## Company cedes 100% gross loss, LAE and underwriting expenses to Federal Insurance Company.

(A) ACE American Insurance Company aggregates and cedes the Pool's 3rd Party reinsurance.

(B) Federal Insurance Company assumes from other Pool/Quota Share arrangements, then retrocedes 100% gross loss, LAE and underwriting expenses to ACE American.

MANAGEMENT AND CONTROL

The Bylaws provide that the Directors shall have all authority permitted or required by the law of each jurisdiction in which the Company does business to the end that they are fully empowered to make and execute all rules and decisions necessary or proper for the efficient conduct of the affairs of the Company.

The Bylaws also provide that there shall be such number of Directors, not less than seven nor more than twenty-one, as the Board shall from time to time determine; except that if disqualifications, death, disabilities or resignations at any time reduce the number of qualified and able Directors to less than a quorum of the Board as then established, the size of the Board shall be automatically reduced, without need of Board action, to the number of Directors then qualified and able to serve, or to the minimum permitted by law, whichever is greater. Each Director elected by the shareholder(s) shall serve for a term of one year. Each Director chosen by the Board to fill a vacancy as defined in the Bylaws shall serve until the next Annual Meeting of Stockholders. In either case each Director shall serve until his successor is elected and qualified.

Directors elected and serving as of December 31, 2024:

Director	Location	Title
Caroline J. Clouser	Newtown, Pennsylvania	Executive Vice President, Healthcare, North America, Chubb
James S. Sanpietro	Wantagh, New York	General Counsel, North America, Chubb
Latrell Johnson	Robbinsville, New Jersey	Executive Vice President, Human Resources, North America, Chubb
Kevin M. Harkin	Ivyland, Pennsylvania	Chief Financial Officer, North America, Chubb

Director	Location	Title
John J. Lupica	Newtown, Pennsylvania	Vice Chairman, Chubb Group; Executive Chairman, North America Insurance, Chubb
Michelle McLaughlin	Monroe, New Jersey	Executive Vice President, Commercial Insurance Chief Underwriting Officer, North America, Chubb
Ana Robic	Summit, New Jersey	Senior Vice President, Chubb Group; Division President, North America Personal Risk Services, Chubb
Kevin M. Rampe	New Hope, Pennsylvania	Executive Vice President, Head of North America Claims, Chubb
Juan Luis Ortega	Pinecrest, Florida	Executive Vice President, Chubb Group; President, North America Insurance, Chubb
Drew K. Spitzer	Summit, New Jersey	Executive Vice President, Finance and Treasurer, Chubb
Benjamin J. Rockwell	Mendham, New Jersey	Senior Vice President, Chubb Group; Division President, North America Middle Market, Chubb

The Company's Bylaws allow the Board to create committees consisting of members of the Board to have the authority to conduct business of the Company between regular meetings. The Committees and their members designated by the Board as of December 31, 2024, were as follows:

Executive Committee
John J. Lupica[1]
Kevin M. Harkin
Drew K. Spitzer
Juan Luis Ortega

[1] Chairman

Investment Committee
John J. Lupica[1]
Kevin M. Harkin
Drew K. Spitzer
Juan Luis Ortega

[1] Chairman

N.J.S.A. 17:27A-4d (3) states, “Not less than one-third of the directors of a domestic insurer, and not less than one-third of the members of each committee of the board of directors of any domestic insurer, shall be persons who are not officers or employees of that insurer or of any entity controlling, controlled by, or under common control with, that insurer and who are not beneficial owners of a controlling interest in the voting securities of that insurer or any such entity. At least one such person shall be included in any quorum for the transaction of business at any meeting of the board of directors or any committee thereof.”

N.J.S.A. 17:27A-4d (4) states, “The board of directors of a domestic insurer shall establish one or more committees comprised solely of directors who are not officers or employees of the insurer or of any entity controlling, controlled by, or under common control with, the insurer and who are not beneficial owners of a controlling interest in the voting securities of the insurer or any such entity. The committee shall be responsible for recommending the selection of independent certified public accountants, reviewing the insurer’s financial condition, the scope and results of the independent audit and any internal audit, nominating candidates for director for election by shareholders or policyholders, evaluating the performance of officers deemed to be principal officers of the insurer and recommending to the board of directors the selection and compensation, including bonuses or other special payments, of the principal officers.”

N.J.S.A. 17:27A-4d (5) states, “The provisions of (3) and (4) of this subsection d. shall not apply to a domestic insurer if the person controlling the insurer is an entity having a board of directors and committees thereof that substantially meet the requirements of those paragraphs.”

The Company designated the Chubb Limited Audit Committee to be their Audit Committee. Chubb Limited, a public corporation, is the ultimate parent of the Company. Chubb Limited maintains a board of directors and committees, thereof that substantially meet the requirements of N.J.S.A. 17:27A–4d (3) and (4). Therefore, the Company was in compliance with the provisions of the aforementioned statutes as of the examination date. Members serving on Chubb Limited Audit Committee as of December 31, 2024, were as follows:

Audit Committee
Robert W. Scully[1]
Nancy K. Buese
Nelson J. Chai
Theodore E. Shasta

[1] Chairman

The Company’s Bylaws provides for the appointment and election of officers. The Directors shall annually elect a President who shall be a member of the Board, one or more Vice Presidents, a Corporate Secretary, a Treasurer, and one or more Assistant Corporate Secretaries, and Assistant Treasurers, and such other officers as they may deem necessary for the proper conduct of the business of the Company. The following officers were elected and serving at December 31, 2024:

Officer	Title
Juan Luis Ortega	President

Officer	Title
Kevin M. Harkin	Treasurer and Executive Vice President
Brandon M. Peene	Secretary
Caroline J. Clouser	Executive Vice President
Michael Jones	Executive Vice President
Matthew G. Merna	Executive Vice President
Ana Robic	Executive Vice President
David J. Lupica	Executive Vice President
Scott A. Meyer	Executive Vice President
James S. Sanpietro	Executive Vice President
Scott E. Henck	Chief Actuary
Christopher A. Maleno	Executive Vice President
Kevin M. Rampe	Executive Vice President
John P. Taylor	Senior Vice President

CONFLICT OF INTEREST

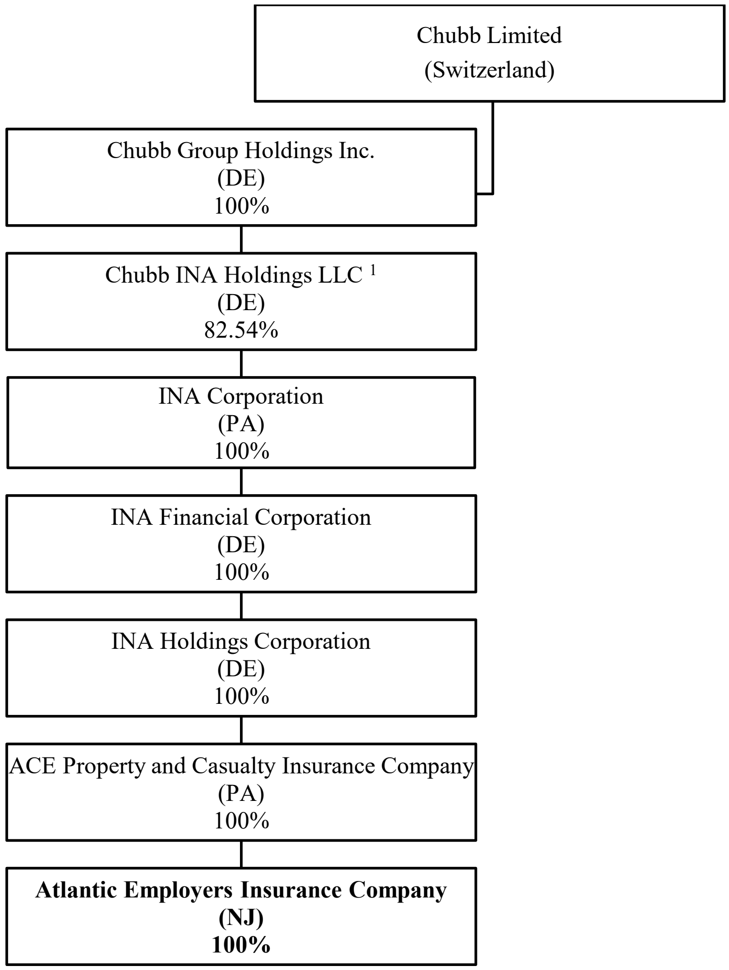
The Company has established a Code of Conduct policy for disclosure to its Board of any material interest or affiliation on the part of its directors, officers and employees that are in conflict with the official duties of such persons. All employees are required annually to review the Code that they have read and understood the Code. The certification or "affirmation" process also reminds employees of their obligation to report concerns about possible ethical violations as well as potential conflicts of interest, and provides them with a means of doing so.

Chubb Global Compliance, as directed by the Chubb Group Chief Compliance and Business Ethics Officer, is responsible for monitoring compliance with the Company's Code of Conduct, inclusive of its Conflict of Interest policy. The Chubb Limited Audit Committee oversees the Company's Code of Conduct.

PARENT, SUBSIDIARIES AND AFFILIATES

The Company is a member of an insurance holding company system as defined in N.J.S.A. 17:27A-1 and has filed an annual holding company registration statement with the Commissioner of the Department of Banking and Insurance from the State of New Jersey in compliance with N.J.S.A. 17:27A-3.

A simplified organizational chart as of December 31, 2024, reflecting the ownership of the Company within the holding company system, is shown below. A complete organizational chart of the holding company system was disclosed in the Company's 2024 annual statement (Schedule Y – Part 1).



[1] The remaining 17.46% of Chubb INA Holdings LLC is held directly by Chubb Limited.

INTERCOMPANY AGREEMENTS

A summary of material and currently active intercompany agreements follows:

Service Agreement with ACE American
Effective December 31, 1995, and as amended January 1, 1999, January 1, 2007, December 31, 2011, and December 31, 2012, ACE American Insurance Company along with the Company and other affiliated companies entered into a Service Agreement. Pursuant to this agreement ACE American Insurance Company provides all necessary services for the continuing insurance and reinsurance operations of the companies, including, without limitation, underwriting, accounting, statistical, management, and other administrative services, including auditing, litigation, data processing, actuarial and personal services.

Service Agreement with Century
Effective December 31, 1995, and as amended January 1, 1999, January 1, 2007, and December 31, 2007, Century Indemnity Company along with ACE American Insurance Company, the Company, and other affiliated companies, entered into a Service Agreement. Pursuant to this

agreement Century Indemnity Company provides all services required to adjust major claims, with respect to the collection of reinsurance recoverables, including without limitation, accounting, statistical, management, and other administrative services, including auditing, litigation, data processing, actuarial, and personnel services.

Acquisition Agreement

Pursuant to the terms of an acquisition agreement effective July 2, 1999, Chubb INA Holdings LLC allocates corporate overhead expenses to its affiliated and subsidiary domestic insurance companies.

Investment Advisory Services Agreement

Effective January 1, 2001 and as amended on January 1, 2011, and December 31, 2012, the Company entered into an Investment Advisory Services Agreement with Chubb Asset Management Inc. pursuant to which Chubb Asset assists Company with the evaluation and selection of the Company's investment advisors and monitor the performance, compliance and risk profile of the Company's portfolio.

Managing General Agency Agreement

Effective January 1, 2002 and amended June 30, 2012, the Company entered into a MGA agreement with Rain and Hail LLC, whereby the Company pays a 26% commission plus 1% if the calendar year loss ratio is equal to or less than 55%, on its retained farm premium.

Accounts Receivable Sale Agreement

Effective May 1, 2008, and as amended January 1, 2015, March 1, 2015 and July 1, 2016, an Accounts Receivable Sale Agreement was entered into by and among ACE American Insurance Company and certain of its affiliated insurance companies and Recovery Services International, Inc. ("RSI"). Pursuant to this agreement, the insurance companies can sell their uncollectible or past due premium accounts receivables to RSI.

Amended and Restated Master Claims Service Agreement

On October 21, 2024, the Department approved an Amended and Restated Master Claims Services Agreement between a number of Chubb insurers, including the Company, and ESIS, Inc., pending all regulatory approvals.

SIU Service and Support Agreement

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

- Investigation of suspect claims
- Statistical data relative to SIU investigation activity
- SIU consultation
- Fraud awareness training

Intercompany Tax Allocation Agreement

The Company and various specified affiliates and subsidiaries of the Chubb Group Holdings, Inc. are party to a tax allocation agreement. The agreement is effective December 1, 2016.

Service Agreement with RSI

Effective August 1, 1978, as amended November 1, 2007, May 13, 2014, and November 1, 2014, Insurance Company of North America (“INA”), a Pennsylvania affiliate, entered into a Service Agreement with Recovery Services International, Inc. ("RSI"), a Delaware entity. INA assigned its rights and obligations under the Agreement to ACE American, a Pennsylvania affiliate. Pursuant to this Service Agreement, RSI provides services for the collection of various insurance receivables and/or overpayments from clients, producers and insureds. AEIC was added as an additional party to the Service Agreement by way of the May 13, 2014 amendment.

Chubb Insurance Solutions Agency Inc. Producer Agreement

Effective June 27, 2017, the Company was added as a part to the Chubb Insurance Solutions Agency Inc. (“CISA”) Producer Agreement between certain Chubb Group Property and Casualty Insurance Companies and CISA. The CISA Producer Agreement originally went into effect on January 1, 2012, and was amended on April 19, 2018. Pursuant to this agreement, CISA acts as an insurance agent for the Chubb Group Property and Casualty Insurance Companies.

FIDELITY BOND AND OTHER INSURANCE COVERAGE

The Company is a participant in a combined blanket fidelity bond that covers Chubb Group Holdings Inc. and its subsidiaries. The bond was issued by National Union Fire Insurance Company of Pittsburgh, PA. The bond provides Chubb Group Holdings Inc. and its affiliates with fidelity coverage up to a single loss limit of liability of $15,000,000 for each of the insuring agreements with a single loss deductible of $5,000,000 for each of the insuring agreements. The aggregate liability of the participating underwriters during the bond period was $15,000,000. This amount of fidelity coverage as measured on a consolidated basis by the NAIC’s formula and exposure index was deemed adequate. The Company was also insured on various other insurance policies issued to Chubb Limited or Chubb Group Holdings Inc. and its subsidiaries. The insurance policies include: automobile liability, business travel and accident, cyber liability, directors’ and officers’ errors and omissions liability, employment practices liability, environmental liability, fiduciary liability, general liability, property, umbrella excess liability, and workers’ compensation and employers’ liability.

ACCOUNTS AND RECORDS

The Chubb Group of Companies filed combined audited statutory financial statements and letters of qualification during the examination period under review. The Company complied with N.J.A.C. 11:2-26.4 and N.J.A.C. 11:2-26.12.

The primary location of the Company’s books and records is the main administrative office in Philadelphia, Pennsylvania.

The Company uses PeopleSoft G/L system for its General Ledger.

The Company’s premiums are processed through ACE Private Risk Services (“PRS”), which has its own system. The PRS system loads the data into the Company’s general ledger system.

The Company’s losses are processed through a number of systems with the primary system being the PRS system.

Premium receipts are recorded in a deferred liability account if it is a future policy. Otherwise, on in force policies, receipts are recorded to offset the receivable balance.

Interest income on the Company’s investment portfolio is captured in the custody accounts at State Street Bank. This information is provided to State Street Accounting Services who records the payment in the PAM system; the Company’s investment accounting platform.

Claims are authorized for payment following an appropriate investigation and upon receipt of proper documentation. If the settlement amount is above the adjuster’s authority, management approval is required.

Commissions are recorded in a deferred commission liability account when the related premium is in force. Commissions are paid once a month on policies that the Company has received payment on. The Company will pay 100% of the commission as long as they have received 85% of the payment amount.

TREATMENT OF POLICYHOLDERS

The Company records complaints in a permanent complaint database. The Company maintains standards in responding to individual complaints including time, submission method, resolution, retention, etc. The Company's complaint log includes the date of complaint, insured name, policy number, complaint type, reason, reply date and a summary of the complaint. The Company complies with N.J.S.A. 17:29B-4 (10).

CONTINUTIY OF OPERATIONS

A business continuity plan is necessary to help ensure the Company can adequately recover from a system failure or business interruption in a timely fashion and without the loss of significant data. Management should assess how the Company’s reputation and financial status would be impacted in the event of a major processing disruption and, based on this assessment, develop an appropriate continuity plan that would help to ensure the Company can adequately recover from a system failure or business disruption in a timely fashion.

The Company’s comprehensive Business Continuity Plan was reviewed by Risk and Regulatory Consulting, LLC as part of the Commonwealth of Pennsylvania Department of Insurance’s Examination. There were no exceptions noted or recommendations made during the review.

Additionally, the Company has made provisions for the succession of officers in its Bylaws.

STATUTORY DEPOSITS

The Company is required to maintain special deposits for the benefit of all policyholders or the policyholders of a particular state. The following is a list of specials deposits by state that were reported at December 31, 2024:

State	Book/Adjusted Carrying Value
District of Columbia	$ 45,163
New Jersey	160,779
Total	$ 205,942

FINANCIAL STATEMENTS AND OTHER EXHIBITS

The financial statements and other exhibits contained in this report are listed below:

Exhibit A	Statement of Financial Position as of December 31, 2024
Exhibit B	Statement of Operating Results for the Five-Year Period Ending December 31, 2024
Exhibit C	Changes in Capital and Surplus Account for the Five-Year Period Ending December 31, 2024

Atlantic Employers Insurance Company

EXHIBIT A: Statement of Financial Position

As of December 31, 2024

ASSETS	Balance per Examination @ 12/31/24	Balance per Company @ 12/31/24	Examination Change	Note
Bonds	$ 64,435,375	$ 64,435,375	$ -	1
Cash, cash equivalents and short-term investments	3,969,064	3,969,064	-	
Receivable for securities	3,831	3,831	-	
Subtotals, cash and invested assets	68,408,270	68,408,270	-	
Investment income due and accrued	422,948	422,948	-	
Premiums and considerations:				
Uncollected premiums and agents' balances	-	-	-	
Deferred premiums	-	-	-	
Accrued retrospective premiums	48,403	48,403	-	
Reinsurance:				
Amounts recoverable from reinsurers	7,501,004	7,501,004	-	
Current federal and foreign income tax recoverable and interest	598,890	598,890	-	
Total Net Admitted Assets	**$ 76,979,515**	**$ 76,979,515**	**$ -**	
LIABILITIES				
Losses	$ -	$ -	$ -	2
Loss adjustment expenses	-	-	-	2
Net deferred tax liability	28,613	28,613	-	
Ceded reinsurance premiums payable	48,403	48,403	-	
Payable to parent, subsidiaries and affiliates	6,766,324	6,766,324	-	
Payable for securities	808,427	808,427	-	
Aggregate write-ins for liabilities	21,265	21,265	-	
Total Liabilities	**$ 7,673,032**	**$ 7,673,032**	**$ -**	
CAPITAL AND SURPLUS				
Common capital stock	$ 10,000,000	$ 10,000,000	$ -	3
Gross paid in and contributed surplus	19,000,000	19,000,000	-	3
Unassigned funds (surplus)	40,306,483	40,306,483	-	3
Surplus as Regards Policyholders	**$ 69,306,483**	**$ 69,306,483**	**$ -**	
Total Liabilities, Capital and Surplus	**$ 76,979,515**	**$ 76,979,515**	**$ -**	

Atlantic Employers Insurance Company

EXHIBIT B: Statement of Operating Results

For the Five-Year Period Ended December 31, 2024

	2024	2023	2022	2021	2020
UNDERWRITING INCOME					
Premiums earned	$ -	$ -	$ -	$ -	$ -
Deductions:					
Losses incurred	-	-	-	-	-
Loss adjustment expenses incurred	-	-	-	-	-
Other underwriting expenses incurred	-	-	-	-	-
Aggregate write-ins for underwriting deductions	-	-	-	-	-
Total underwriting deductions	-	-	-	-	-
Net Underwriting Gain or (Loss)	-	-	-	-	-
INVESTMENT INCOME					
Net investment income earned	2,555,318	2,329,473	1,778,532	1,740,521	1,793,816
Net realized capital gains (losses)	(113,614)	(56,537)	(220,805)	(49,938)	63,842
Net Investment Gain or (Loss)	2,441,704	2,272,936	1,557,727	1,690,583	1,857,658
OTHER INCOME					
Net gain (loss) from agents' or premium balances charged off	-	-	-	-	-
Aggregate write-ins for miscellaneous income	(3,000)	(17,000)	(517,000)	(40,000)	(113,000)
Total Other Income	(3,000)	(17,000)	(517,000)	(40,000)	(113,000)
Net Income Before Dividends to Policyholders, and Other Federal and Foreign Income Taxes	2,438,704	2,255,936	1,040,727	1,650,583	1,744,658
Dividends to policyholders	-	-	-	-	-
Federal and foreign income taxes	521,273	466,971	194,601	333,457	327,993
Net Income	**$ 1,917,431**	**$ 1,788,965**	**$ 846,126**	**$ 1,317,126**	**$ 1,416,665**

Atlantic Employers Insurance Company

EXHIBIT C: Changes in Capital and Surplus

For the Five-Year Period Ended December 31, 2024

	2024	2023	2022	2021	2020
Capital and Surplus December 31, Previous Year	$ 67,394,648	$ 65,603,597	$ 64,773,204	$ 63,454,986	$ 62,048,773
Net Income	1,917,431	1,788,965	846,126	1,317,126	1,416,665
Change in net unrealized capital gains or (losses)	4,731	3,245	(7,976)	-	8
Change in net deferred income tax	(11,586)	(3,686)	(59,439)	(588,681)	(613,228)
Change in nonadmitted assets	1,259	2,527	51,682	589,773	602,768
Total Adjustments	(5,596)	2,086	(15,733)	1,092	(10,452)
Net Change in Capital and Surplus for the Year	1,911,835	1,791,051	830,393	1,318,218	1,406,213
Capital and Surplus December 31, Current Year	**$ 69,306,483**	**$ 67,394,648**	**$ 65,603,597**	**$ 64,773,204**	**$ 63,454,986**

NOTES TO THE FINANCIAL STATEMENTS

(NOTE 1) – BONDS

The Company reported an admitted asset for bonds of $64,435,375 at December 31, 2024. This amount will be accepted as stated by this examination.

(NOTE 2) – LOSSES AND LOSS ADJUSTMENT EXPENSES

The Company's reported liabilities at December 31, 2024, for unpaid losses and unpaid loss adjustment expenses, net of reinsurance, amounted to $0 and $0, respectively.

Scott E. Henck, FCAS, MAAA, Chief Actuary of Atlantic Employers Insurance Company, and appointed by the Board of Directors, rendered an opinion that claims unpaid and loss adjustment expense reserves recorded as of December 31, 2024, made a reasonable provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements.

The Commonwealth of Pennsylvania Department of Insurance contracted with Risk and Regulatory Consulting, LLC to review the Chubb Group of Companies' loss reserves and actuarial liabilities, and the examination actuarial consultants determined the recorded amounts were reasonably stated. The Property and Casualty Actuarial Unit of the NJDOBI, Office of Solvency Regulation performed a review and evaluation of the outstanding gross and net loss and loss adjustment expense reserves. This review determined the year-end loss provisions established by the Company to be reasonably stated.

(NOTE 3) – SURPLUS AS REGARDS TO POLICYHOLDERS

The Company's surplus as regards to policyholders at December 31, 2024 was $69,306,483, which consisted of common capital stock of $10,000,000, gross paid in and contributed surplus of $19,000,000 and unassigned funds of $40,306,483. The amounts reported were accepted as stated by this examination.

SUBSEQUENT EVENTS

No events occurred subsequent to the report date requiring disclosure.

CONCLUSION

The undersigned hereby certifies that an examination has been made of Atlantic Employers Insurance Company and the foregoing report is true to the best of my knowledge and belief.

Respectfully submitted,

____

Kathleen Wilson, CFE
Examiner-in-Charge
Representing the State of New Jersey
Risk & Regulatory Consulting, LLC

Under the supervision of:

Nancy Lee Chice

____

Nancy Lee Chice, CFE
CFE Reviewer – Supervising Examiner
New Jersey Department of Banking and Insurance

AFFIDAVIT

I, Kathleen Wilson, the undersigned, hereby certify that the foregoing Report of Examination accurately discloses, to the best of my knowledge, all material and relevant information related to the financial condition of Atlantic Employers Insurance Company in accordance with the NAIC Financial Condition Examiners Handbook and New Jersey State Regulations.

Respectfully submitted,

Kathleen Wilson, CFE
Examiner-in-Charge
Representing the State of New Jersey
Risk & Regulatory Consulting, LLC

Under the supervision of:

Nancy Lee Chice

Nancy Lee Chice, CFE
CFE Reviewer – Supervising Examiner
New Jersey Department of Banking and Insurance

State of New Jersey
County of Mercer

Subscribed and sworn to before me, Keena Jones, on this 27 day of May, 2026.

Notary Public of New Jersey

My commission expires: 10/13/2030

KEENA R JONES
NOTARY PUBLIC
STATE OF NEW JERSEY
ID #2401258
MY COMMISSION EXPIRES OCT. 13, 2030