

REPORT ON EXAMINATION AS TO THE CONDITION OF

CHUBB CUSTOM INSURANCE COMPANY

WHITEHOUSE STATION, NEW JERSEY 08889

AS OF DECEMBER 31, 2024

NAIC GROUP CODE 0626

NAIC COMPANY CODE 38989



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DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE
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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

**CHUBB CUSTOM INSURANCE COMPANY
WHITEHOUSE STATION, NEW JERSEY
NAIC COMPANY CODE 38989
NAIC GROUP CODE 0626**

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 THE 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 Chubb Custom 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:

<u>Company</u>	<u>State</u>	<u>NAIC Code</u>
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
Atlantic Employers Insurance Company	NJ	38938
Bankers Standard Insurance Company	PA	18279
Century Indemnity Company	PA	20710
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

<u>Company</u>	<u>State</u>	<u>NAIC Code</u>
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 REPORT ON EXAMINATION 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 October 3, 1980, pursuant to the laws in the State of Delaware, and commenced business on December 26, 1980. On April 1, 2013, the Company re-domesticated

from Delaware to New Jersey.

The Company is a wholly owned subsidiary of Executive Risk Indemnity Inc. Chubb Limited is the ultimate controlling parent of the Company. On December 31, 2024, the Company had 2,500 shares of capital common stock authorized; 1,500 shares were issued and outstanding with a par value of \$2,500 per share. Total common capital stock reported was \$3,750,000.

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. (and is 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 surplus lines certificate of authority to the Company on January 17, 2017. This amended certificate authorizes the Company to transact surplus lines only basis in the kinds of insurance specified in paragraphs “a”, “b”, “c”, “f”, “g”, “i”, “j”, “k”, “l”, “m”, 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 202B Hall’s Mill Road, Whitehouse Station, New Jersey 08889. The Corporation Trust Company was appointed as the Company’s registered agent, upon whom legal process may be served.

TERRITORY AND PLAN OF OPERATION

Chubb Custom Insurance Company (the “Company”) is a New Jersey domestic surplus lines insurer and eligible to write excess and surplus lines insurer in all other US states and the District of Columbia.

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:

<u>Year</u>	<u>Direct Written Premium</u>
2020	\$166,398,229
2021	\$227,111,390
2022	\$280,627,688
2023	\$358,552,223
2024	\$567,545,865

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

<u>Line of Business Written</u>	<u>Direct Written Premium</u>
Private flood	\$ 8,591,148
Homeowners multiple peril	267,039,670
Commercial multiple peril (non-liability portion)	14,052,870
Commercial multiple peril (liability portion)	7,003,071
Inland marine	17,459,439
Medical professional liability - occurrence	67,200
Medical professional liability - claims-made	6,717,232
Earthquake	914,747
Other liability - occurrence	153,539,597
Other liability - claims-made	61,340,339
Products liability - occurrence	1,058,870
Products liability - claims-made	23,580,861
Other commercial auto liability	169,069
Private passenger auto physical damage	625,190
Fidelity	2,382,619
Burglary and theft	1,314,159
Boiler and machinery	1,689,784
Total	\$ 567,545,865

REINSURANCE

Intercompany Quota Share Reinsurance & Reinsurance Pool

Effective January 1, 2018, the Company entered into a 100% quota share reinsurance agreement with an affiliate, Federal Insurance Company, which reinsures the Company's gross underwriting exposure. Federal Insurance Company in turn entered into a 100% intercompany reinsurance pooling agreement (the "Chubb Pool") where 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 members in proportion to their agreed upon pool share.

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

<u>Pool Participants</u>	<u>Pool Participation Percentage</u>
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%
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 3 rd Party reinsurance.
(B)	Federal Insurance Company assumes from other Pool/Quota Share arrangements, and then retrocedes 100% gross loss, LAE and underwriting expenses to ACE American Insurance Company.

MANAGEMENT AND CONTROL

The Bylaws provide that the business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors. The number of Directors constituting the Board of Directors shall be fixed from time to time by resolution passed by a majority of the Board of Directors. The Directors shall be elected at the annual meeting of shareholders and shall hold office until the next annual shareholders' meeting following their election or until their earlier resignation or removal. Directors elected and serving as of December 31, 2024:

<u>Director</u>	<u>Location</u>	<u>Title</u>
Caroline J. Clouser	Newtown, Pennsylvania	Executive Vice President, Healthcare, North America, Chubb
Latrell Johnson	Robbinsville, New Jersey	Executive Vice President, Human Resources, North America, Chubb
James S. Sanpietro	Wantagh, New York	General Counsel, North America, Chubb
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
Kevin M. Harkin	Ivyland, Pennsylvania	Chief Financial Officer, North America, Chubb
Kevin M. Rampe	New Hope, Pennsylvania	Executive Vice President, Head of North America Claims, Chubb
Drew K. Spitzer	Summit, New Jersey	Executive Vice President, Finance and Treasurer, Chubb
Ana Robic	Summit, New Jersey	Senior Vice President, Chubb Group; Division President, North America Personal Risk Services, Chubb
Juan Luis Ortega	Pinecrest, Florida	Executive Vice President, Chubb Group; President, North America Insurance, 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 designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the power and authority of the Board of Directors in the management of the business and the affairs of the Corporation.

The Committees and their members designated by the Board as of December 31, 2024, were as follows:

Executive Committee

John J. Lupica¹
Kevin M. Harkin
Drew K. Spitzer
Juan Luis Ortega

¹ Chairman

Investment Committee

John J. Lupica¹
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. Scully¹

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, one or more Vice Presidents, a Secretary, and a Treasurer, and such additional officers, if any, as shall be elected by the Board of Directors. The following officers were elected and serving at December 31, 2024:

Officer

Juan Luis Ortega

Kevin M. Harkin

Brandon M. Peene

Christopher A. Maleno

James S. Sanpietro

Scott E. Henck

Kevin M. Rampe

John P. Taylor

Michael Jones

Ana Robic

Title

President

Treasurer and Executive Vice President

Secretary

Executive Vice President

Executive Vice President

Chief Actuary

Executive Vice President

Senior Vice President

Executive Vice President

Executive Vice President

CONFLICT OF INTEREST

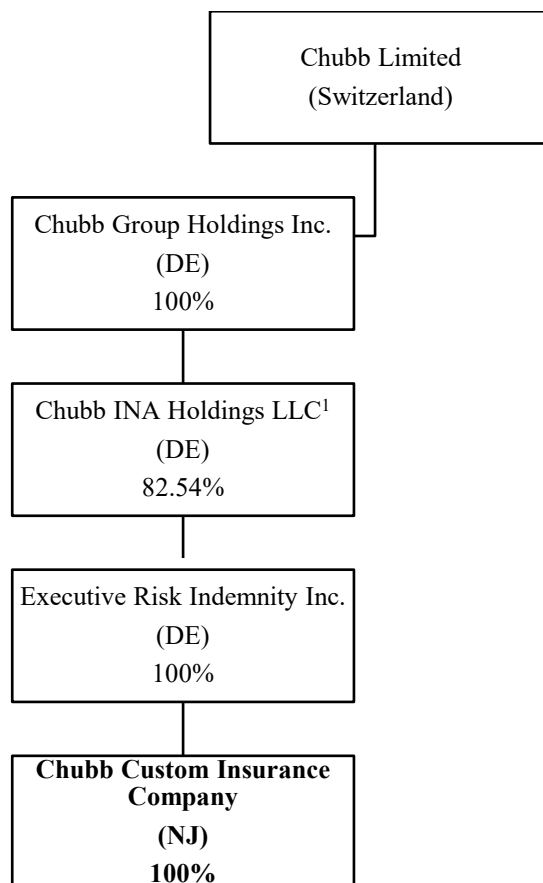
The Company has established a Code of Conduct policy for disclosure to its Board of any material interest or affiliation on the part of its directors, officers and employees that are in conflict with the official duties of such persons. All employees are required annually to review the Code that they 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:

Management Service Agreement

Effective January 1, 1998, and as amended on December 31, 2007, the Company entered into a Service Agreement with Federal Insurance Company. Pursuant to the agreement, Federal Insurance Company provides facilities, services, and personnel to the Company. Effective March 14, 2016, Federal and ACE American Insurance Company (“ACE American”) entered into a

service agreement whereby Federal and ACE American provide a variety of services to each other. The Company was added to the agreement effective January 1, 2018 under which ACE American directly provides management services to the Company.

Service Agreement with Chubb Insurance Company of Europe SE

Effective January 1, 1998, and as amended on December 31, 2007, January 2008, and January 1, 2009, the Company entered into a Service Agreement with Federal Insurance Company and Chubb Insurance Company of Europe SE (“CICE”). Pursuant to the agreement, Federal Insurance Company provides the Company and CICE certain employees and related administrative services on an expense reimbursement basis. CICE merged into Chubb European in May 2017 and changed its name to Chubb European Group Limited.

Service Agreement with Chubb Custom Market Inc.

Effective January 1, 1998, and as amended on December 31, 2007, the Company entered into a Service Agreement with Chubb Custom Market Inc. (“CCM”). Pursuant to the agreement, CCM provides services and personnel to the Company.

Claims Agent Agreement

Effective January 1, 2000, and as amended December 31, 2007, Federal Insurance Company entered into a Claims Agreement with the Company. Pursuant to the agreement, Federal Insurance Company provides certain claim handling services for the Company in connection with claims that arise and are payable in Japan under insurance policies issued by the Company with exposure(s) in Japan.

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.

Investment Advisory Services Agreement

Effective July 1, 2016, the Company entered into an Investment Advisory Services Agreement with Chubb Asset Management, Inc. (“Chubb Asset”) 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.

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.

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.

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

Binding Authority for Surplus Lines Underwriting Facilities

Effective March 1, 2018, the Company and Westchester Specialty Insurance Services Inc. (“WSIS”) entered into an Affiliated Surplus Lines Producer – Binding Authority for Surplus Lines Underwriting Facilities Agreement. Pursuant to the agreement WSIS acts as a surplus lines producer for the Company with binding authority for Surplus Lines Underwriting Facilities in accordance with applicable insurance laws and regulations. In those states where WSIS has a surplus lines broker license, and subject to certain limitations, the Agreement authorizes WSIS (or an employee or representative) to (1) accept submissions from properly licensed surplus lines brokers on behalf of the Company, and (2) transact surplus lines business and act on behalf of the Company in keeping with individual statements of underwriting authority issued by the Company in compliance with laws that dictate where underwriting functions can be located.

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.

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.

To support the merger, the Legacy Chubb underwriting related systems feed downstream in the following data flow implemented in January 2017 into EPIC, to PROFIT, to PROFIT+, to Enterprise PeopleSoft General Ledger. A description of each of these systems follows:

EPIC – A system used as a centralized repository of data with feeds from the various upstream premium, loss and reinsurance applications, and data from EPIC flows downstream to PROFIT. EPIC creates standardized feeds to PROFIT. Manual journal entries cannot be recorded in EPIC.

PROFIT – A system that is a Financial centralized repository/data warehouse using mainframe flat files. Manual journal entries cannot be recorded in PROFIT.

PROFIT+ – A system that is the Legacy Chubb Financial data warehouse which includes the PROFIT data enhanced to support the Enterprise PeopleSoft General Ledger and Enterprise Management reporting. PROFIT+ supports processes enabling adjustments and overrides by manually updating supporting tables.

PROFIT+ Informatica – Automated interfaces extracted from PROFIT+ transforming the data to support the PeopleSoft General Ledger which includes further data enhancements and generation of double-sided journals. Manual updates are not available.

Beginning December 2017, Legacy Chubb underwriting system integrated into the existing Legacy ACE financial system flow through Genius to feed the PeopleSoft general ledger. The integrations concluded in October 2023, with only one main Legacy Chubb underwriting system remaining. Genius supports processes enabling adjustments and overrides by manually updating through the Genius portal.

PeopleSoft – This is the general ledger where consolidated Enterprise results are maintained. 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. 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.

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 is in compliance with N.J.S.A. 17:29B-4(10).

CONTINUITY 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 special deposits by state that were reported at December 31, 2024:

<u>State</u>	<u>Book/Adjusted Carrying Value</u>
Massachusetts	\$ 170,490
New Jersey	2,609,097
Total	<u><u>\$ 2,779,587</u></u>

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 |

Chubb Custom Insurance Company
EXHIBIT A: Statement of Financial Position
As of December 31, 2024

	Balance per Examination @ 12/31/24	Balance per Company @ 12/31/24	Examination Change	Note
<u>ASSETS</u>				
Bonds	\$ 230,348,379	\$ 230,348,379	\$ -	1
Cash, cash equivalents and short-term investments	4,852,125	4,852,125	-	
Receivable for securities	-	-	-	
Subtotals, cash and invested assets	235,200,504	235,200,504	-	
Investment income due and accrued	1,255,588	1,255,588	-	
Premiums and considerations:				
Uncollected premiums and agents' balances	31,026,223	31,026,223	-	
Deferred premiums	10,204,380	10,204,380	-	
Accrued retrospective premiums	-	-	-	
Reinsurance:				
Amounts recoverable from reinsurers	33,941,623	33,941,623	-	
Net deferred tax asset	90,266,902	90,266,902	-	
Receivables from parent, subsidiaries and affiliates	-	-	-	
Total Net Admitted Assets	\$ 401,895,220	\$ 401,895,220	\$ -	
<u>LIABILITIES</u>				
Losses	\$ -	\$ -	\$ -	2
Loss adjustment expenses	-	-	-	2
Current federal and foreign income taxes	546,211	546,211	-	
Net deferred tax liability	110,376	110,376	-	
Ceded reinsurance premiums payable	138,033,344	138,033,344	-	
Payable to parent, subsidiaries and affiliates	1,871,240	1,871,240	-	
Aggregate write-ins for liabilities	91,227	91,227	-	
Total Liabilities	\$ 140,652,398	\$ 140,652,398	\$ -	
<u>CAPITAL AND SURPLUS</u>				
Common capital stock	\$ 3,750,000	\$ 3,750,000	\$ -	3
Gross paid in and contributed surplus	30,850,000	30,850,000	-	3
Unassigned funds (surplus)	226,642,822	226,642,822	-	3
Surplus as Regards Policyholders	\$ 261,242,822	\$ 261,242,822	\$ -	
Total Liabilities, Capital and Surplus	\$ 401,895,220	\$ 401,895,220	\$ -	

Chubb Custom Insurance Company
EXHIBIT B: Statement of Operating Results
For the Five-Year Period Ended December 31, 2024

	2024	2023	2022	2021	2020
<u>UNDERWRITING INCOME</u>					
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)	-	-	-	-	-
<u>INVESTMENT INCOME</u>					
Net investment income earned	9,001,336	8,074,860	6,542,375	6,086,134	6,804,042
Net realized capital gains (losses)	(1,073,968)	(416,687)	(2,243,306)	(233,979)	655,400
Net Investment Gain or (Loss)	7,927,368	7,658,173	4,299,069	5,852,155	7,459,442
<u>OTHER INCOME</u>					
Net gain (loss) from agents' or premium balances charged off	-	-	-	-	-
Aggregate write-ins for miscellaneous income	(362)	(8,275)	(25,107)	(39,254)	(47,062)
Total Other Income	(362)	(8,275)	(25,107)	(39,254)	(47,062)
Net Income Before Dividends to Policyholders, and Other Federal and Foreign Income Taxes	7,927,006	7,649,898	4,273,962	5,812,901	7,412,380
Dividends to policyholders	-	-	-	-	-
Federal and foreign income taxes	1,880,285	1,633,046	1,206,740	1,168,188	1,349,330
Net Income	\$ 6,046,721	\$ 6,016,852	\$ 3,067,222	\$ 4,644,713	\$ 6,063,050

Chubb Custom 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	<u>\$ 255,209,634</u>	<u>\$ 249,185,740</u>	<u>\$ 245,990,029</u>	<u>\$ 241,317,439</u>	<u>\$ 235,262,977</u>
Net Income	6,046,721	6,016,852	3,067,222	4,644,713	6,063,050
Change in net unrealized capital gains or (losses)	6,861	4,704	(11,566)	-	-
Change in net unrealized foreign exchange capital gain (loss)	(29,821)	(28,525)	123,218	26,822	(47,273)
Change in net deferred income tax	7,604	27,547	(74,845)	47,226	(2,055,226)
Change in nonadmitted assets	1,823	3,316	91,682	(44,401)	2,084,150
Aggregate write-ins for gains and losses in surplus	-	-	-	(1,770)	9,761
Total Adjustments	<u>(13,533)</u>	<u>7,042</u>	<u>128,489</u>	<u>27,877</u>	<u>(8,588)</u>
Net Change in Capital and Surplus for the Year	6,033,188	6,023,894	3,195,711	4,672,590	6,054,462
Capital and Surplus					
December 31, Current Year	<u><u>\$ 261,242,822</u></u>	<u><u>\$ 255,209,634</u></u>	<u><u>\$ 249,185,740</u></u>	<u><u>\$ 245,990,029</u></u>	<u><u>\$ 241,317,439</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(NOTE 1) – BONDS

The Company reported an admitted asset for bonds of \$230,348,379 at December 31, 2024. The amount reported was 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 Chubb Custom 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 \$261,242,822, which consisted of common capital stock of \$3,750,000, gross paid in and contributed surplus of \$30,850,000 and unassigned funds of \$226,642,822. 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 Chubb Custom 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, CFE
CFE Reviewer – Supervising Examiner
New Jersey Department of Banking and Insurance

AFFIDAVIT

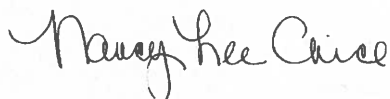
I, Kathleen Wilson, the undersigned, hereby certify that the foregoing Report of Examination accurately discloses, to the best of my knowledge, all material and relevant information related to the financial condition of Chubb Custom Insurance Company in accordance with the NAIC Financial Condition Examiners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

Respectfully submitted,



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

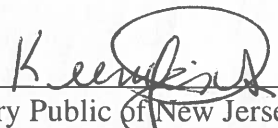
Under the supervision of:



Nancy Lee Chice, 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

