



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
OF THE CONDITION AND AFFAIRS OF THE
Western Surety Company

NAIC Group Code 0218 (Current) 0218 (Prior) NAIC Company Code 13188 Employer's ID Number 46-0204900

Organized under the Laws of SD, State of Domicile or Port of Entry SD
Country of Domicile United States of America

Incorporated/Organized 07/16/1900 Commenced Business 07/20/1900

Statutory Home Office 101 S. Reid Street, Sioux Falls, SD, US 57103
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 151 N. Franklin Street, Chicago, IL, US 60606
(Street and Number) (City or Town, State, Country and Zip Code)
312-822-5000 (Area Code) (Telephone Number)

Mail Address 151 N. Franklin Street, Chicago, IL, US 60606
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 151 N. Franklin Street, Chicago, IL, US 60606
(Street and Number) (City or Town, State, Country and Zip Code)
312-822-5000 (Area Code) (Telephone Number)

Internet Website Address www.cna.com

Statutory Statement Contact Anthony M. Recchia, 312-822-2201
(Name) (Area Code) (Telephone Number)
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OFFICERS

Chairman of the Board, Chief Executive Officer & President: Dino Ennio Robusto
Executive Vice President & General Counsel: Susan Ann Stone
Executive Vice President & Chief Financial Officer: Scott Robert Lindquist

OTHER

Amy Caroline Adams, SVP & Treasurer; Elizabeth Ann Aguinaga, EVP & Chief Human Resources Officer; Nick Creatura, President & Chief Executive Officer, Canada; Stathy Darcy, SVP, Deputy General Counsel & Secretary; Daniel Paul Franzetti, EVP & Chief Administrative Officer #; Robert Joseph Hopper, EVP & Chief Actuary; Mark Steven James, EVP, Chief Risk & Reinsurance Officer; Jane Elizabeth Possell, EVP, Chief Information Officer, Analytics, Operations; Jallil Ur Rehman, President & Chief Executive Officer, UK & Europe; Amy Marie Smith, SVP & Chief Accounting Officer; Douglas Merle Worman, EVP & Global Head of Underwriting

DIRECTORS OR TRUSTEES

Robert Joseph Hopper, Scott Robert Lindquist, Dino Ennio Robusto
Susan Ann Stone, Douglas Merle Worman

State of Illinois SS
County of Cook

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

[Signature of Dino Ennio Robusto]

[Signature of Stathy Darcy]

[Signature of Scott Robert Lindquist]

DINO ENNIO ROBUSTO, Chairman of the Board, Chief Executive Officer & President
STATHY DARCY, Senior Vice President, Deputy General Counsel & Secretary
SCOTT ROBERT LINDQUIST, Executive Vice President & Chief Financial Officer

Subscribed and sworn to before me this 14th day of February, 2024

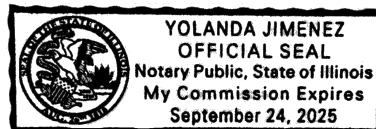
- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

[Signature of Yolanda Jimenez]

Yolanda Jimenez

September 24, 2025

*Mr. Costonis is no longer reflected as his role changed effective December 1, 2023



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,935,600,431	0	1,935,600,431	1,963,735,416
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	15,281,696	0	15,281,696	16,356,743
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$1,544,381, Schedule E - Part 1), cash equivalents (\$34,790,972, Schedule E - Part 2) and short-term investments (\$0, Schedule DA)	36,335,353	0	36,335,353	842,484
6. Contract loans (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivable for securities	14,770,000	0	14,770,000	50,000
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,001,987,480	0	2,001,987,480	1,980,984,643
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	18,185,645	0	18,185,645	18,288,449
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	80,656,010	17,526,166	63,129,845	51,396,408
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$10,768,520 earned but unbilled premiums)	8,440,574	842,410	7,598,164	7,263,687
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,459,042	0	4,459,042	31,089,427
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	18,755,918	553,645	18,202,272	16,569,622
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	12,895,815	0	12,895,815	0
24. Health care (\$0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	160,030	2,288	157,742	1,385
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,145,540,514	18,924,509	2,126,616,005	2,105,593,621
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	2,145,540,514	18,924,509	2,126,616,005	2,105,593,621
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Miscellaneous receivable	157,742	0	157,742	1,385
2502. Prepaid expenses	2,288	2,288	0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	160,030	2,288	157,742	1,385

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	247,328,673	191,034,021
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	56,340,495	52,287,429
4. Commissions payable, contingent commissions and other similar charges	13,245,319	12,200,032
5. Other expenses (excluding taxes, licenses and fees)	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	5,075,390	3,809,360
7.1 Current federal and foreign income taxes (including \$ 83,216 on realized capital gains (losses))	829,556	6,216,918
7.2 Net deferred tax liability	0	0
8. Borrowed money \$0 and interest thereon \$0	0	0
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$789,583 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	316,760,881	288,685,277
10. Advance premium	6,183,112	7,968,584
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	4,347,066	6,756,776
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	124,077
14. Amounts withheld or retained by company for account of others	3,094,680	9,359,697
15. Remittances and items not allocated	(6,171)	25,535
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	157,388	280,005
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	9,464	10,262,438
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$0 and interest thereon \$0	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	653,365,853	589,010,150
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	653,365,853	589,010,150
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	4,000,000	4,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	286,896,195	286,896,195
35. Unassigned funds (surplus)	1,182,353,957	1,225,687,276
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$0)	0	0
36.2 .....0 shares preferred (value included in Line 31 \$0)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,473,250,152	1,516,583,471
38. TOTALS (Page 2, Line 28, Col. 3)	2,126,616,005	2,105,593,621
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	449,181,855	414,069,640
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	112,592,399	53,356,342
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	17,141,166	16,972,530
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	256,706,025	230,603,603
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	386,439,590	300,932,475
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	62,742,266	113,137,165
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	79,398,458	76,284,226
10. Net realized capital gains (losses) less capital gains tax of \$0 (Exhibit of Capital Gains (Losses))	(3,685,896)	(6,863,737)
11. Net investment gain (loss) (Lines 9 + 10)	75,712,563	69,420,490
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$0 amount charged off \$ 1,384,640)	(1,384,640)	(1,534,977)
13. Finance and service charges not included in premiums	0	0
14. Aggregate write-ins for miscellaneous income	137	127
15. Total other income (Lines 12 through 14)	(1,384,502)	(1,534,851)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	137,070,326	181,022,804
17. Dividends to policyholders	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	137,070,326	181,022,804
19. Federal and foreign income taxes incurred	29,738,013	37,798,508
20. Net income (Line 18 minus Line 19)(to Line 22)	107,332,313	143,224,296
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,516,583,471	1,527,563,306
22. Net income (from Line 20)	107,332,313	143,224,296
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 524,254	1,260,198	(2,847,762)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	2,240,516	1,909,072
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(2,688,963)	(3,846,996)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	122,617	5,981,555
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	(151,600,000)	(155,400,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(43,333,318)	(10,979,835)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,473,250,152	1,516,583,471
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	0	0
1401. Miscellaneous profit and (loss) items	137	127
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	137	127
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	456,983,477	433,141,589
2. Net investment income	79,241,868	77,221,002
3. Miscellaneous income	137	127
4. Total (Lines 1 through 3)	536,225,482	510,362,718
5. Benefit and loss related payments	29,667,362	105,066,217
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	267,469,817	241,554,256
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ (35,747) tax on capital gains (losses)	35,125,374	31,479,956
10. Total (Lines 5 through 9)	332,262,553	378,100,429
11. Net cash from operations (Line 4 minus Line 10)	203,962,929	132,262,289
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	166,810,873	248,049,893
12.2 Stocks	363,051	2,457,554
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(3,667)	(3,931)
12.7 Miscellaneous proceeds	0	54,774
12.8 Total investment proceeds (Lines 12.1 to 12.7)	167,170,257	250,558,290
13. Cost of investments acquired (long-term only):		
13.1 Bonds	139,594,370	282,988,884
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	14,720,000	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	154,314,370	282,988,884
14. Net increase/(decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	12,855,887	(32,430,594)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	151,600,000	155,400,000
16.6 Other cash provided (applied)	(29,725,947)	24,263,898
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(181,325,947)	(131,136,102)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	35,492,869	(31,304,407)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	842,484	32,146,891
19.2 End of period (Line 18 plus Line 19.1)	36,335,353	842,484

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	0	0	0	0
2.1 Allied lines	0	0	0	0
2.2 Multiple peril crop	0	0	0	0
2.3 Federal flood	0	0	0	0
2.4 Private crop	0	0	0	0
2.5 Private flood	0	0	0	0
3. Farmowners multiple peril	0	0	0	0
4. Homeowners multiple peril	0	0	0	0
5.1 Commercial multiple peril (non-liability portion)	0	0	0	0
5.2 Commercial multiple peril (liability portion)	0	0	0	0
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	0	0	0	0
9. Inland marine	0	0	0	0
10. Financial guaranty	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0
12. Earthquake	0	0	0	0
13.1 Comprehensive (hospital and medical) individual	0	0	0	0
13.2 Comprehensive (hospital and medical) group	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0
15.1 Vision only	0	0	0	0
15.2 Dental only	0	0	0	0
15.3 Disability income	0	0	0	0
15.4 Medicare supplement	0	0	0	0
15.5 Medicaid Title XIX	0	0	0	0
15.6 Medicare Title XVIII	0	0	0	0
15.7 Long-term care	0	0	0	0
15.8 Federal employees health benefits plan	0	0	0	0
15.9 Other health	0	0	0	0
16. Workers' compensation	0	0	0	0
17.1 Other liability - occurrence	2,843,647	4,654,214	5,317,170	2,180,692
17.2 Other liability - claims-made	2,070,218	829,871	796,471	2,103,619
17.3 Excess workers' compensation	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0
19.1 Private passenger auto no-fault (personal injury protection)	0	0	0	0
19.2 Other private passenger auto liability.....	0	0	0	0
19.3 Commercial auto no-fault (personal injury protection)	0	0	0	0
19.4 Other commercial auto liability.....	0	0	0	0
21.1 Private passenger auto physical damage	0	0	0	0
21.2 Commercial auto physical damage	0	0	0	0
22. Aircraft (all perils)	0	0	0	0
23. Fidelity	24,039,520	15,980,483	15,413,116	24,606,887
24. Surety	447,468,656	256,694,845	284,230,614	419,932,887
26. Burglary and theft	383,766	208,996	234,991	357,771
27. Boiler and machinery	0	0	0	0
28. Credit	0	0	0	0
29. International	0	0	0	0
30. Warranty	0	0	0	0
31. Reinsurance - nonproportional assumed property	0	0	0	0
32. Reinsurance - nonproportional assumed liability	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0
35. TOTALS	476,805,807	278,368,410	305,992,361	449,181,855
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	0	0	0	0	0
2.1 Allied lines	0	0	0	0	0
2.2 Multiple peril crop	0	0	0	0	0
2.3 Federal flood	0	0	0	0	0
2.4 Private crop	0	0	0	0	0
2.5 Private flood	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0
4. Homeowners multiple peril	0	0	0	0	0
5.1 Commercial multiple peril (non-liability portion)	0	0	0	0	0
5.2 Commercial multiple peril (liability portion)	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0
8. Ocean marine	0	0	0	0	0
9. Inland marine	0	0	0	0	0
10. Financial guaranty	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0	0
12. Earthquake	0	0	0	0	0
13.1 Comprehensive (hospital and medical) individual	0	0	0	0	0
13.2 Comprehensive (hospital and medical) group	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0
15.1 Vision only	0	0	0	0	0
15.2 Dental only	0	0	0	0	0
15.3 Disability income	0	0	0	0	0
15.4 Medicare supplement	0	0	0	0	0
15.5 Medicaid Title XIX	0	0	0	0	0
15.6 Medicare Title XVIII	0	0	0	0	0
15.7 Long-term care	0	0	0	0	0
15.8 Federal employees health benefits plan	0	0	0	0	0
15.9 Other health	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0
17.1 Other liability - occurrence	600,175	4,716,994	0	0	5,317,170
17.2 Other liability - claims-made	783,234	13,236	0	0	796,471
17.3 Excess workers' compensation	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0
19.1 Private passenger auto no-fault (personal injury protection)	0	0	0	0	0
19.2 Other private passenger auto liability.....	0	0	0	0	0
19.3 Commercial auto no-fault (personal injury protection)	0	0	0	0	0
19.4 Other commercial auto liability.....	0	0	0	0	0
21.1 Private passenger auto physical damage	0	0	0	0	0
21.2 Commercial auto physical damage	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0
23. Fidelity	8,947,585	6,465,531	0	0	15,413,116
24. Surety	104,063,340	190,935,794	(10,768,520)	0	284,230,614
26. Burglary and theft	151,985	83,006	0	0	234,991
27. Boiler and machinery	0	0	0	0	0
28. Credit	0	0	0	0	0
29. International	0	0	0	0	0
30. Warranty	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	0	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0
35. TOTALS	114,546,319	202,214,562	(10,768,520)	0	305,992,361
36. Accrued retrospective premiums based on experience					0
37. Earned but unbilled premiums					10,768,520
38. Balance (Sum of Line 35 through 37)					316,760,881
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case Daily pro rata

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	0	0	0	0	0	0
2.1 Allied lines	0	0	0	0	0	0
2.2 Multiple peril crop	0	0	0	0	0	0
2.3 Federal flood	0	0	0	0	0	0
2.4 Private crop	0	0	0	0	0	0
2.5 Private flood	0	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0	0
4. Homeowners multiple peril	0	0	0	0	0	0
5.1 Commercial multiple peril (non-liability portion)	0	0	0	0	0	0
5.2 Commercial multiple peril (liability portion)	0	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	0	0	0	0	0	0
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0
13.1 Comprehensive (hospital and medical) individual	0	0	0	0	0	0
13.2 Comprehensive (hospital and medical) group	0	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15.1 Vision only	0	0	0	0	0	0
15.2 Dental only	0	0	0	0	0	0
15.3 Disability income	0	0	0	0	0	0
15.4 Medicare supplement	0	0	0	0	0	0
15.5 Medicaid Title XIX	0	0	0	0	0	0
15.6 Medicare Title XVIII	0	0	0	0	0	0
15.7 Long-term care	0	0	0	0	0	0
15.8 Federal employees health benefits plan	0	0	0	0	0	0
15.9 Other health	0	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0	0
17.1 Other liability - occurrence	3,024,915	859,232	0	0	1,040,500	2,843,647
17.2 Other liability - claims-made	2,021,544	53,072	0	0	4,397	2,070,218
17.3 Excess workers' compensation	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1 Private passenger auto no-fault (personal injury protection)	0	0	0	0	0	0
19.2 Other private passenger auto liability	0	0	0	0	0	0
19.3 Commercial auto no-fault (personal injury protection)	0	0	0	0	0	0
19.4 Other commercial auto liability	0	0	0	0	0	0
21.1 Private passenger auto physical damage	0	0	0	0	0	0
21.2 Commercial auto physical damage	0	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	23,848,481	469,765	0	0	278,727	24,039,520
24. Surety	470,744,153	4,010,800	48,395	0	27,334,693	447,468,656
26. Burglary and theft	374,886	8,880	0	0	0	383,766
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Warranty	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	0	0
32. Reinsurance - nonproportional assumed liability	XXX	0	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0
35. TOTALS	500,013,979	5,401,749	48,395	0	28,658,316	476,805,807
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$0

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A , Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	0	0	0	0	0	0	0	0.0
2.1 Allied lines	0	0	0	0	0	0	0	15.4
2.2 Multiple peril crop	0	0	0	0	0	0	0	0.0
2.3 Federal flood	0	0	0	0	0	0	0	0.0
2.4 Private crop	0	0	0	0	0	0	0	0.0
2.5 Private flood	0	0	0	0	0	0	0	0.0
3. Farmowners multiple peril	0	0	0	0	0	0	0	0.0
4. Homeowners multiple peril	0	0	0	0	0	0	0	0.0
5.1 Commercial multiple peril (non-liability portion)	0	0	0	0	0	0	0	0.0
5.2 Commercial multiple peril (liability portion)	0	0	0	0	0	0	0	0.0
6. Mortgage guaranty	0	0	0	0	0	0	0	0.0
8. Ocean marine	0	0	0	0	0	0	0	0.0
9. Inland marine	0	0	0	0	0	0	0	0.0
10. Financial guaranty	0	0	0	0	0	0	0	0.0
11.1 Medical professional liability - occurrence	0	0	0	0	0	0	0	0.0
11.2 Medical professional liability - claims-made	0	0	0	0	0	0	0	0.0
12. Earthquake	0	0	0	0	0	0	0	0.0
13.1 Comprehensive (hospital and medical) individual	0	0	0	0	0	0	0	0.0
13.2 Comprehensive (hospital and medical) group	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15.1 Vision only	0	0	0	0	0	0	0	0.0
15.2 Dental only	0	0	0	0	0	0	0	0.0
15.3 Disability income	0	0	0	0	0	0	0	0.0
15.4 Medicare supplement	0	0	0	0	0	0	0	0.0
15.5 Medicaid Title XIX	0	0	0	0	0	0	0	0.0
15.6 Medicare Title XVIII	0	0	0	0	0	0	0	0.0
15.7 Long-term care	0	0	0	0	0	0	0	0.0
15.8 Federal employees health benefits plan	0	0	0	0	0	0	0	0.0
15.9 Other health	0	0	0	0	0	0	0	0.0
16. Workers' compensation	0	0	0	0	0	0	0	0.0
17.1 Other liability - occurrence	35,069	6,793	0	41,862	610,051	834,785	(182,872)	(8.4)
17.2 Other liability - claims-made	661,345	11,203	0	672,548	36,037	590,760	117,826	5.6
17.3 Excess workers' compensation	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence	0	0	0	0	0	0	0	0.0
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0.0
19.1 Private passenger auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0.0
19.2 Other private passenger auto liability	0	0	0	0	0	0	0	0.0
19.3 Commercial auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0.0
19.4 Other commercial auto liability	0	0	0	0	0	0	0	0.0
21.1 Private passenger auto physical damage	0	0	0	0	0	0	0	0.0
21.2 Commercial auto physical damage	0	0	0	0	0	0	0	0.0
22. Aircraft (all perils)	0	0	0	0	0	0	0	0.0
23. Fidelity	624,191	(59)	1,583	622,549	11,277,683	9,260,614	2,639,618	10.7
24. Surety	75,369,774	392,182	20,832,852	54,929,104	235,334,582	180,467,656	109,796,030	26.1
26. Burglary and theft	31,684	0	0	31,684	70,321	(119,793)	221,798	62.0
27. Boiler and machinery	0	0	0	0	0	0	0	0.0
28. Credit	0	0	0	0	0	0	0	0.0
29. International	0	0	0	0	0	0	0	0.0
30. Warranty	0	0	0	0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	0	0	0	0.0
32. Reinsurance - nonproportional assumed liability	XXX	0	0	0	0	0	0	0.0
33. Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	0	0	0	0.0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35. TOTALS	76,722,064	410,119	20,834,436	56,297,747	247,328,673	191,034,021	112,592,399	25.1
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0.0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	0	0	0	0	0	0	0	0	0
2.1 Allied lines	0	0	0	0	0	0	0	0	0
2.2 Multiple peril crop	0	0	0	0	0	0	0	0	0
2.3 Federal flood	0	0	0	0	0	0	0	0	0
2.4 Private crop	0	0	0	0	0	0	0	0	0
2.5 Private flood	0	0	0	0	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril	0	0	0	0	0	0	0	0	0
5.1 Commercial multiple peril (non-liability portion)	0	0	0	0	0	0	0	0	0
5.2 Commercial multiple peril (liability portion)	0	0	0	0	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0	0	0	0
9. Inland marine	0	0	0	0	0	0	0	0	0
10. Financial guaranty	0	0	0	0	0	0	0	0	0
11.1 Medical professional liability - occurrence	0	0	0	0	0	0	0	0	0
11.2 Medical professional liability - claims-made	0	0	0	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0	0	0	0
13.1 Comprehensive (hospital and medical) individual	0	0	0	0	0	0	0	(a)	0
13.2 Comprehensive (hospital and medical) group	0	0	0	0	0	0	0	(a)	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0	0
15.1 Vision only	0	0	0	0	0	0	0	(a)	0
15.2 Dental only	0	0	0	0	0	0	0	(a)	0
15.3 Disability income	0	0	0	0	0	0	0	(a)	0
15.4 Medicare supplement	0	0	0	0	0	0	0	(a)	0
15.5 Medicaid Title XIX	0	0	0	0	0	0	0	(a)	0
15.6 Medicare Title XVIII	0	0	0	0	0	0	0	(a)	0
15.7 Long-term care	0	0	0	0	0	0	0	(a)	0
15.8 Federal employees health benefits plan	0	0	0	0	0	0	0	(a)	0
15.9 Other health	0	0	0	0	0	0	0	(a)	0
16. Workers' compensation	0	0	0	0	0	0	0	0	0
17.1 Other liability - occurrence	5,353	20,596	1	25,948	1,059,221	305,210	780,329	610,051	287,988
17.2 Other liability - claims-made	58	4	0	62	41,198	2,526	7,749	36,037	223,471
17.3 Excess workers' compensation	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0	0
19.1 Private passenger auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0	0
19.2 Other private passenger auto liability	0	0	0	0	0	0	0	0	0
19.3 Commercial auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0	0
19.4 Other commercial auto liability	0	0	0	0	0	0	0	0	0
21.1 Private passenger auto physical damage	0	0	0	0	0	0	0	0	0
21.2 Commercial auto physical damage	0	0	0	0	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0	0	0	0	0
23. Fidelity	169	0	4	165	11,300,577	311,592	334,652	11,277,683	1,838,751
24. Surety	28,890,991	132	13,860,240	15,030,883	261,486,955	1,903,156	43,086,412	235,334,582	53,959,388
26. Burglary and theft	16	0	0	16	96,425	4,545	30,666	70,321	30,897
27. Boiler and machinery	0	0	0	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0	0	0	0
29. International	0	0	0	0	0	0	0	0	0
30. Warranty	0	0	0	0	0	0	0	0	0
31. Reinsurance - nonproportional assumed property	XXX	0	0	0	XXX	0	0	0	0
32. Reinsurance - nonproportional assumed liability	XXX	0	0	0	XXX	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines	XXX	0	0	0	XXX	0	0	0	0
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	28,896,587	20,732	13,860,245	15,057,074	273,984,376	2,527,029	44,239,807	247,328,673	56,340,495
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including \$ 0 for present value of life indemnity claims reported in Lines 13 and 15.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	11,062,016	0	0	11,062,016
1.2 Reinsurance assumed	149,599	0	0	149,599
1.3 Reinsurance ceded	2,427,847	0	0	2,427,847
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	8,783,767	0	0	8,783,767
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	125,758,736	0	125,758,736
2.2 Reinsurance assumed, excluding contingent	0	4,528,677	0	4,528,677
2.3 Reinsurance ceded, excluding contingent	0	1,011,986	0	1,011,986
2.4 Contingent - direct	0	8,892,542	0	8,892,542
2.5 Contingent - reinsurance assumed	0	0	0	0
2.6 Contingent - reinsurance ceded	0	0	0	0
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) ..	0	138,167,969	0	138,167,969
3. Allowances to managers and agents	0	0	0	0
4. Advertising	139	111,645	32	111,816
5. Boards, bureaus and associations	0	420,742	0	420,742
6. Surveys and underwriting reports	21,096	509,807	4,267	535,170
7. Audit of assureds' records	311	437	0	748
8. Salary and related items:				
8.1 Salaries	6,169,424	74,149,194	2,397,854	82,716,472
8.2 Payroll taxes	294,426	3,636,644	112,119	4,043,189
9. Employee relations and welfare	17,790	514,873	47,784	580,447
10. Insurance	0	568,156	533	568,689
11. Directors' fees	0	0	0	0
12. Travel and travel items	74,733	2,228,758	11,416	2,314,907
13. Rent and rent items	103,384	4,595,374	71,819	4,770,577
14. Equipment	1,349,548	9,042,764	645,804	11,038,116
15. Cost or depreciation of EDP equipment and software	51,562	1,769,962	8,712	1,830,237
16. Printing and stationery	5,617	391,775	2,995	400,387
17. Postage, telephone and telegraph, exchange and express	216,098	2,383,124	(5,721)	2,593,501
18. Legal and auditing	49,503	236,461	137,611	423,575
19. Totals (Lines 3 to 18)	8,353,630	100,559,716	3,435,226	112,348,572
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 560	0	13,643,285	0	13,643,285
20.2 Insurance department licenses and fees	0	2,164,566	0	2,164,566
20.3 Gross guaranty association assessments	0	599,691	0	599,691
20.4 All other (excluding federal and foreign income and real estate)	0	1,036,558	0	1,036,558
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	17,444,100	0	17,444,100
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	3,768	534,240	(38,406)	499,603
25. Total expenses incurred	17,141,166	256,706,025	3,396,820	(a) 277,244,011
26. Less unpaid expenses - current year	56,340,495	18,320,709	0	74,661,204
27. Add unpaid expenses - prior year	52,287,429	16,009,392	0	68,296,820
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	13,088,100	254,394,708	3,396,820	270,879,628
DETAILS OF WRITE-INS				
2401. Miscellaneous (income) expenses	3,768	534,240	(38,406)	499,603
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	3,768	534,240	(38,406)	499,603

(a) Includes management fees of \$ 2,517,655 to affiliates and \$ 0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 1,359,895	..... 1,412,633
1.1	Bonds exempt from U.S. tax	(a) 6,267,783	..... 5,609,993
1.2	Other bonds (unaffiliated)	(a) 70,537,856	..... 71,040,106
1.3	Bonds of affiliates	(a) 0	..... 0
2.1	Preferred stocks (unaffiliated)	(b) 0	..... 0
2.11	Preferred stocks of affiliates	(b) 0	..... 0
2.2	Common stocks (unaffiliated) .....	..... 0	..... 0
2.21	Common stocks of affiliates .....	..... 1,136,949	..... 1,136,949
3.	Mortgage loans	(c) 0	..... 0
4.	Real estate	(d) 0	..... 0
5.	Contract loans .....	..... 0	..... 0
6.	Cash, cash equivalents and short-term investments	(e) 3,557,717	..... 3,557,717
7.	Derivative instruments	(f) 0	..... 0
8.	Other invested assets .....	..... 0	..... 0
9.	Aggregate write-ins for investment income .....	..... 37,882	..... 37,882
10.	Total gross investment income	82,898,082	82,795,279
11.	Investment expenses		(g) 3,396,820
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income .....		..... 0
16.	Total deductions (Lines 11 through 15) .....		..... 3,396,820
17.	Net investment income (Line 10 minus Line 16)		79,398,458
DETAILS OF WRITE-INS			
0901.	Miscellaneous Investment and Interest Income .....	..... 37,882	..... 37,882
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	37,882	37,882
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		..... 0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$3,046,949 accrual of discount less \$2,779,653 amortization of premium and less \$ 172,093 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$2,763,631 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(33,346)	0	(33,346)	0	0
1.1	Bonds exempt from U.S. tax	21,693	0	21,693	0	0
1.2	Other bonds (unaffiliated)	(3,670,574)	0	(3,670,574)	2,496,449	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	(711,997)	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	(3,668)	0	(3,668)	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(3,685,896)	0	(3,685,896)	1,784,453	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	17,526,166	14,936,043	(2,590,122)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..	842,410	806,286	(36,124)
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	553,645	470,034	(83,611)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	12,238	12,238
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	0	0	0
25. Aggregate write-ins for other than invested assets	2,288	10,944	8,656
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,924,509	16,235,546	(2,688,963)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	18,924,509	16,235,546	(2,688,963)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid expenses	2,288	10,944	8,656
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,288	10,944	8,656

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NOTES TO FINANCIAL STATEMENTS

Western Surety Company (WSC or the Company) is a wholly-owned subsidiary of Continental Casualty Company (CCC), which is an indirect wholly-owned subsidiary of CNA Financial Corporation (CNAF). Loews Corporation (Loews) owned approximately 92% of the outstanding common stock of CNAF as of December 31, 2023.

Other related entities include American Casualty Company of Reading, Pennsylvania (ACCO), Bantry Insurance Company (BIC), CNA Insurance Company (Europe) S.A. (CICE), CNA Insurance Company Limited (CICL), Columbia Casualty Company (COL), Hardy Underwriting Bermuda Limited (Hardy), Inverin Insurance Company (IIC), National Fire Insurance Company of Hartford (NFI), Surety Bonding Company of America (SBCA), The Continental Insurance Company (CIC), The Continental Insurance Company of New Jersey (CNJ), Transportation Insurance Company (TPI), Universal Surety of America (USA), and Valley Forge Insurance Company (VFI).

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of WSC have been prepared in conformity with accounting practices prescribed or permitted by the State of South Dakota (South Dakota). South Dakota requires its domiciled insurance companies to prepare statutory basis financial statements in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual (NAIC SAP), subject to any deviations prescribed or permitted by South Dakota. In the opinion of management, these financial statements include all adjustments, consisting of normal recurring accruals, necessary for the fair presentation of the statutory financial position, results of operations and cash flows.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by South Dakota as of and for the years ended December 31, 2023 and 2022 is shown below.

	SSAP #	F/S Page	F/S Line #	2023	2022
Net income					
1) WSC state basis (Page 4, Line 20, Columns 1 & 2)				\$ 107,332,313	\$ 143,224,296
2) State prescribed practices that are an increase/(decrease) from NAIC SAP	N/A	N/A	N/A	—	—
3) State permitted practices that are an increase/(decrease) from NAIC SAP	N/A	N/A	N/A	—	—
4) NAIC SAP (1-2-3=4)				<u>\$ 107,332,313</u>	<u>\$ 143,224,296</u>
Surplus					
5) WSC state basis (Page 3, Line 37, Columns 1 & 2)				\$ 1,473,250,152	\$ 1,516,583,471
6) State prescribed practices that are an increase/(decrease) from NAIC SAP	N/A	N/A	N/A	—	—
7) State permitted practices that are an increase/(decrease) from NAIC SAP	N/A	N/A	N/A	—	—
8) NAIC SAP (5-6-7=8)				<u>\$ 1,473,250,152</u>	<u>\$ 1,516,583,471</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

C. Accounting Policies

Premiums are primarily earned ratably over the duration of the policies after provision for estimated adjustments and deductions for ceded insurance. Property and casualty contracts that are retrospectively rated or subject to audit premiums contain provisions that result in an adjustment to the initial policy premium depending on the contract provisions. The reserve for unearned premiums on these contracts represents the portion of premiums written relating to the unexpired terms of the coverage. Premiums received in advance of the effective date of the contract are carried as a liability until the policy effective date, at which point written premiums and unearned premium reserves are recorded.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to net income as incurred. Expenses incurred are reduced for any ceding allowances received or receivable.

Direct charges to Unassigned surplus principally include the Change in net unrealized capital gains or (losses), Change in net unrealized foreign exchange capital gain (loss), Change in net deferred income tax, Change in nonadmitted assets, Change in provision for reinsurance, Cumulative effect of changes in accounting principles, transfer from Special surplus, and Dividends to stockholders.

Certain assets are designated as nonadmitted assets and are charged directly to unassigned surplus in the statutory accounts. Among those assets subject to nonadmitted penalties are receivable balances that are greater than 90 days past due including receivables for securities, investment income due and accrued, agents' receivables, direct bill receivables related to premiums that have been earned, and receivables from parent, subsidiaries and affiliates. Other assets that are either wholly or partially nonadmitted include certain deposits and invested assets, a portion of earned but unbilled premium receivables, net deferred tax assets (DTA), non-electronic data processing related equipment, furniture and fixtures, prepaid expenses and miscellaneous assets.

In addition, the Company uses the following accounting policies.

- 1 - 4. Bonds and short-term investments with NAIC designations 1 and 2, except for loan-backed securities, are stated at amortized cost. Bonds and short-term investments with NAIC designations 3 through 6, except for loan-backed securities, are stated at the lower of fair value or amortized cost.

NOTES TO FINANCIAL STATEMENTS

Bonds, except for those containing call provisions, are amortized to their maturity dates using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to the call or maturity date, depending on whichever produces the lowest asset value (yield-to-worst method). Short-term investments use the straight-line method for amortization. Any amortization of premiums and accretion of discount is included in Net investment income.

Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. Redeemable preferred stocks with NAIC designations 1 and 2 are stated at book value and those with NAIC designations 3 through 6 are stated at the lower of book value or fair value. Non-redeemable preferred stocks are stated at fair value, not to exceed any currently effective call price.

Unrealized gains (losses) resulting from differences between book value and carrying value, including changes in the balance sheet values of foreign currency denominated securities due to fluctuations in foreign currency exchange rates, are credited or charged to unassigned surplus, net of the effects of income taxes.

5. The Company did not hold any mortgage loans as of December 31, 2023.
6. Loan-backed securities with NAIC designations 1 and 2 are stated at amortized cost, whereas, those with NAIC designations 3 through 6 are stated at the lower of amortized cost or fair value. However, certain legacy, non-agency loan-backed securities that closed prior to January 1, 2013 are stated at either fair value or the lower of amortized cost or fair value depending on the relationship between the amortized cost of the security and modeled price points provided by the NAIC. The Company recognizes income for loan-backed securities using an effective yield based on anticipated prepayments and the estimated economic life of the securities. When estimates of prepayments change, the effective yield is recalculated to reflect actual payments to date and anticipated future payments predominantly using the retrospective method. Unrealized gains (losses) resulting from loan-backed securities that are carried at fair value are credited or charged to unassigned surplus, net of the effects of income taxes.
7. Investments in subsidiary, controlled and affiliated (SCA) entities are based on the net worth of the subsidiary using an equity valuation method. Gains (losses) resulting from differences between the carrying value and book value of SCA entities are reported as a change in net unrealized capital gains (losses).
8. The Company did not hold any investments in joint ventures, partnerships, or limited liability companies as of December 31, 2023.
9. The Company did not hold any derivative instruments as of December 31, 2023.
10. The Company evaluates whether losses, loss adjustment expense (LAE), and maintenance expenses exceed the recorded unearned premium reserve adjusted for anticipated investment income. If such condition exists, the Company records an additional liability for the deficiency, with a corresponding charge to net income. Insurance contracts are grouped in a manner consistent with how policies are marketed, serviced and measured.
11. The Company's loss and LAE reserves represent the estimated amounts necessary to resolve all outstanding claims, including incurred but not reported (IBNR) claims as of the reporting date. The Company's reserve projections are based primarily on detailed analysis of the facts in each case, the Company's experience with similar cases and various historical development patterns. Consideration is given to such historical patterns as claim reserving trends and settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as potential changes in the Company's reinsurance program, court decisions, economic conditions including corporate default rates and the condition of the construction economy, inflation and public attitudes. All of these factors can affect the estimation of loss and LAE reserves.

Establishing loss and LAE reserves is an estimation process. Many factors can ultimately affect the final settlement of a claim and, therefore, the necessary reserve. Changes in the law, results of litigation, the cost of repair materials and labor rates can all affect ultimate claim costs. Casualty insurance loss and LAE reserves are subject to a significant amount of uncertainty. Given the nature of surety losses with its low frequency, high severity characteristics, this is particularly true for surety loss and LAE reserves. Adjustments to prior year reserve estimates, if necessary, are reflected in the results of operations in the period that the need for such adjustments is determined. There can be no assurance that the Company's ultimate cost for insurance losses will not exceed current estimates.

Loss and LAE reserves are not discounted and are based on case basis estimates for losses reported on direct business, adjusted in the aggregate for ultimate loss expectations, estimates of IBNR losses, estimates of losses on assumed insurance, estimates of future expenses to be incurred in settlement of claims and estimates of claim recoveries, including reinsurance. Management considers current conditions and trends, as well as past Company and industry experience, in establishing these estimates. The effects of inflation, which can be significant, are implicitly considered in the reserving process and are part of the recorded reserve balance.

12. The Company did not materially modify its fixed asset capitalization policy from the prior period.
13. The Company did not have pharmaceutical rebate receivables as of December 31, 2023.

D. Going Concern

Based upon its evaluation of relevant conditions and events, management did not have substantial doubt about the Company's ability to continue as a going concern as of December 31, 2023.

Note 2 - Accounting Changes and Corrections of Errors

The Company did not have any accounting changes or corrections of errors for the year ended December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

Note 3 - Business Combinations and Goodwill

The Company did not have any business combinations or record any goodwill for the year ended December 31, 2023.

Note 4 - Discontinued Operations

The Company did not have any discontinued operations during the year ended December 31, 2023.

Note 5 - Investments

A. The Company did not have any mortgage loans as of December 31, 2023.

B. The Company did not have any restructured debt as of December 31, 2023.

C. The Company did not have any reverse mortgages as of December 31, 2023.

D. Loan-backed Securities

1. Prepayment assumptions for loan-backed securities were obtained by researching broker/dealer survey values, analyzing recent trends from remittance reports, and developing internal estimates.
2. The Company did not hold loan-backed securities for the year ended December 31, 2023 for which an other-than temporary-impairment (OTTI) loss was recognized due to the Company's intent to sell or inability to retain the security.
3. The Company did not recognize any OTTI losses on loan-backed securities during the year ended December 31, 2023, to lower the amortized cost basis to the present value of cash flows expected to be collected.
4. The following table summarizes the aggregate gross unrealized losses of loan-backed securities based on the difference between fair value and amortized cost as of December 31, 2023.

a. The aggregate amount of unrealized losses:

1. Less than 12 months		\$	848,367
2. 12 months or longer			41,153,870

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months		\$	42,699,032
2. 12 months or longer			309,981,528

5. The assessment of whether an OTTI loss has occurred on a loan-backed security incorporates both quantitative and qualitative information. The Company considers its intent and ability, at the reporting date, to retain its investment for a period of time sufficient to recover the amortized cost basis. The Company also considers results and analysis of cash flow modeling for loan-backed securities. The focus of the analysis for loan-backed securities is on assessing the sufficiency and quality of underlying collateral and timing of cash flows based on scenario tests.

E-I. The Company did not have any securities on loan or repurchase agreements as of December 31, 2023.

J. The Company did not have any investments in real estate as of December 31, 2023.

K. The Company did not have any investments in low-income housing tax credits as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. The following table shows the amount and nature of any restricted assets as of December 31, 2023.

Restricted asset category	Gross (Admitted & Nonadmitted) Restricted										Percentage	
	Current year										10	11
	1	2	3	4	5	6	7	8	9			
	Total general account (G/A)	G/A supporting protected cell account activity (a)	Total protected cell account restricted assets	Protected cell account assets supporting G/A activity (b)	Total (1 plus 3)	Total from prior year	Increase/ (decrease) (5 minus 6)	Total nonadmitted restricted	Total admitted restricted (5 minus 8)	Gross restricted to total assets	Admitted restricted to total admitted assets	
a. Subject to contractual obligation for which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	—%	
b. Collateral held under security lending agreements	—	—	—	—	—	—	—	—	—	—	—	
c. Subject to repurchase agreements	—	—	—	—	—	—	—	—	—	—	—	
d. Subject to reverse repurchase agreements	—	—	—	—	—	—	—	—	—	—	—	
e. Subject to dollar repurchase agreements	—	—	—	—	—	—	—	—	—	—	—	
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—	—	—	—	—	
g. Placed under option contracts	—	—	—	—	—	—	—	—	—	—	—	
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	—	—	—	—	—	—	—	—	—	—	—	
i. FHLB capital stock	—	—	—	—	—	—	—	—	—	—	—	
j. On deposit with states	154,380,138	—	—	—	154,380,138	140,178,517	14,201,621	—	154,380,138	7.2	7.3	
k. On deposit with other regulatory bodies	—	—	—	—	—	—	—	—	—	—	—	
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	—	—	—	—	—	—	
m. Pledged as collateral not captured in other categories	—	—	—	—	—	—	—	—	—	—	—	
n. Other restricted assets	—	—	—	—	—	—	—	—	—	—	—	
o. Total restricted assets	\$ 154,380,138	\$ —	\$ —	\$ —	\$ 154,380,138	\$ 140,178,517	\$ 14,201,621	\$ —	\$ 154,380,138	7.2 %	7.3 %	

2. The Company did not have any assets pledged as collateral not captured in other categories as of December 31, 2023.

3. The Company did not have any other restricted assets as of December 31, 2023.

4. The Company did not have any collateral received as of December 31, 2023.

M. The Company did not hold any working capital finance investments as of December 31, 2023.

N. The Company did not have any applicable offsetting assets and liabilities as of December 31, 2023.

O. The Company did not have any 5GI securities as of December 31, 2023.

P. The Company did not have short sale transactions as of December 31, 2023.

Q. The following table provides the number of CUSIPs sold, disposed of or otherwise redeemed, and the aggregate amount of investment income generated for bonds as a result of a callable or tender offer feature for the twelve months ended December 31, 2023.

	2023
(1) Number of CUSIPs	1
(2) Aggregate Amount of Investment Income	\$ 99,998

R. The Company did not participate in any cash pools as of December 31, 2023.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company did not have investments in joint ventures, partnerships or limited liability companies during the year ended December 31, 2023.

Note 7 - Investment Income

A. The Company nonadmits all investment income due and accrued over 90 days past due. The Company also nonadmits all investment income due and accrued on nonadmitted investments.

B. The Company did not have any nonadmitted investment income due and accrued as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

- C. The following table summarizes the gross, nonadmitted and admitted amounts for interest income due and accrued as of December 31, 2023.

Interest Income Due and Accrued		
1. Gross		\$ 18,185,645
2. Nonadmitted		—
3. Admitted		18,185,645

- D. Admitted investment income due and accrued contains no deferred interest as of December 31, 2023.

- E. The Company did not hold any investments in which the terms permit paid-in-kind interest instead of cash as of December 31, 2023.

Note 8 - Derivative Instruments

The Company did not hold any derivative instruments as of December 31, 2023.

Note 9 - Income Taxes

- A. The following tables summarize the components of the net DTA/deferred tax liability (DTL) as of December 31, 2023 and 2022.

1. The following table summarizes the ordinary and capital DTAs and DTLs as of December 31, 2023 and 2022.

	2023		
	Ordinary	Capital	Total
a) Gross DTAs	\$ 19,290,346	\$ 1,846,745	\$ 21,137,091
b) Statutory valuation allowance adjustment	—	775,807	775,807
c) Adjusted gross DTAs (1a - 1b)	19,290,346	1,070,938	20,361,284
d) DTAs nonadmitted	—	553,645	553,645
e) Subtotal net admitted DTA (1c - 1d)	19,290,346	517,293	19,807,639
f) DTLs	1,605,367	—	1,605,367
g) Net admitted DTA/(Net DTL) (1e - 1f)	<u>\$ 17,684,979</u>	<u>\$ 517,293</u>	<u>\$ 18,202,272</u>
	2022		
	Ordinary	Capital	Total
a) Gross DTAs	\$ 17,330,864	\$ 1,665,061	\$ 18,995,925
b) Statutory valuation allowance adjustment	—	725,857	725,857
c) Adjusted gross DTAs (1a - 1b)	17,330,864	939,204	18,270,068
d) DTAs nonadmitted	—	470,034	470,034
e) Subtotal net admitted DTA (1c - 1d)	17,330,864	469,170	17,800,034
f) DTLs	1,230,412	—	1,230,412
g) Net admitted DTA/(Net DTL) (1e - 1f)	<u>\$ 16,100,452</u>	<u>\$ 469,170</u>	<u>\$ 16,569,622</u>
	Change		
	Ordinary	Capital	Total
a) Gross DTAs	\$ 1,959,482	\$ 181,684	\$ 2,141,166
b) Statutory valuation allowance adjustment	—	49,950	49,950
c) Adjusted gross DTAs (1a - 1b)	1,959,482	131,734	2,091,216
d) DTAs nonadmitted	—	83,611	83,611
e) Subtotal net admitted DTA (1c - 1d)	1,959,482	48,123	2,007,605
f) DTLs	374,955	—	374,955
g) Net admitted DTA/(Net DTL) (1e - 1f)	<u>\$ 1,584,527</u>	<u>\$ 48,123</u>	<u>\$ 1,632,650</u>

NOTES TO FINANCIAL STATEMENTS

2. The following table summarizes the admission calculation components under SSAP No. 101 as of December 31, 2023 and 2022.

	2023		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 17,186,240	\$ —	\$ 17,186,240
b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below).	1,514,252	517,293	2,031,545
1 Adjusted gross DTAs expected to be realized following the balance sheet date.	1,514,252	517,293	2,031,545
2 Adjusted gross DTAs allowed per limitation threshold.	XXX	XXX	218,257,182
c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs.	589,854	—	589,854
d) DTAs admitted as the result of application of SSAP No. 101. Total (2(a) +2(b)+ 2(c))	<u>\$ 19,290,346</u>	<u>\$ 517,293</u>	<u>\$ 19,807,639</u>

	2022		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 14,671,910	\$ —	\$ 14,671,910
b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below).	1,899,871	469,170	2,369,041
1 Adjusted gross DTAs expected to be realized following the balance sheet date.	1,899,871	469,170	2,369,041
2 Adjusted gross DTAs allowed per limitation threshold.	XXXXX	XXXXX	225,002,077
c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs.	759,083	—	759,083
d) DTAs admitted as the result of application of SSAP No. 101. Total (2(a) +2(b)+ 2(c))	<u>\$ 17,330,864</u>	<u>\$ 469,170</u>	<u>\$ 17,800,034</u>

	Change		
	Ordinary	Capital	Total
a) Federal income taxes paid in prior years recoverable through loss carrybacks.	\$ 2,514,330	\$ —	\$ 2,514,330
b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below).	(385,619)	48,123	(337,496)
1 Adjusted gross DTAs expected to be realized following the balance sheet date.	(385,619)	48,123	(337,496)
2 Adjusted gross DTAs allowed per limitation threshold.	XXX	XXX	(6,744,895)
c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs.	(169,229)	—	(169,229)
d) DTAs admitted as the result of application of SSAP No. 101. Total (2(a) +2(b)+ 2(c))	<u>\$ 1,959,482</u>	<u>\$ 48,123</u>	<u>\$ 2,007,605</u>

3. The following table summarizes ratio percentage and amount of adjusted capital and surplus to determine recovery period and threshold limitation in 2(b)2 above.

	December 31	
	2023	2022
a) Ratio percentage used to determine recovery period and the threshold limitation amount.	2,644.01 %	3,281.41 %
b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.	\$ 1,455,047,880	\$ 1,500,013,849

NOTES TO FINANCIAL STATEMENTS

4. The following table summarizes the impact of the Company's tax-planning strategies under SSAP No. 101 as of December 31, 2023 and 2022.

	2023	
	Ordinary	Capital
(a) Determination of adjusted gross DTAs and net admitted DTAs by tax character as a percentage		
1) Adjusted gross DTAs amount from Note 9A1(c)	\$ 19,290,346	\$ 1,070,938
2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	88.22 %
3) Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 19,290,346	\$ 517,293
4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	88.22 %
	2022	
	Ordinary	Capital
1) Adjusted gross DTAs amount from Note 9A1(c)	\$ 17,330,864	\$ 939,204
2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	30.75 %
3) Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 17,330,864	\$ 469,170
4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	30.75 %
	Change	
	Ordinary	Capital
1) Adjusted gross DTAs amount from Note 9A1(c)	\$ 1,959,482	\$ 131,734
2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	57.47 %
3) Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 1,959,482	\$ 48,123
4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	57.47 %
(b) Does the company's tax-planning strategies include the use of reinsurance?	Yes [] No [X]	

B. As of December 31, 2023, there were no DTLs that have not been recognized.

C. Federal and foreign income taxes incurred consisted of the following major components.

Years ended December 31	2023	2022	Change
1. Current income tax			
(a) Federal	\$ 28,808,004	\$ 36,939,499	\$ (8,131,495)
(b) Foreign	930,009	859,009	71,000
(c) Subtotal (1a+1b)	29,738,013	37,798,508	(8,060,495)
(d) Federal income tax on net capital gains (losses)	—	(401,920)	401,920
(e) Utilization of capital loss carryforwards			—
(f) Other			—
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 29,738,013	\$ 37,396,588	\$ (7,658,575)

NOTES TO FINANCIAL STATEMENTS

DTAs and DTLs consisted of the following major components.

2. DTAs

As of December 31	2023	2022	Change
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,872,552	\$ 1,527,478	\$ 345,074
(2) Unearned premium reserves	13,524,589	12,422,617	1,101,972
(3) Policyholder reserves	—	—	—
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	49,933	(49,933)
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	3,857,401	3,305,889	551,512
(11) Net operating loss carryforward	—	—	—
(12) Tax credit carryforward	—	—	—
(13) Other	35,804	24,947	10,857
(99) Subtotal (sum of 2a1 through 2a13)	19,290,346	17,330,864	1,959,482
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	—	—	—
(d) Admitted ordinary DTAs (2a99 - 2b - 2c)	19,290,346	17,330,864	1,959,482
(e) Capital			
(1) Investments	177,317	701,937	(524,620)
(2) Net capital loss carryforward	1,669,428	963,124	706,304
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal (2e1+2e2+2e3+2e4)	1,846,745	1,665,061	181,684
(f) Statutory valuation allowance adjustment	775,807	725,857	49,950
(g) Nonadmitted	553,645	470,034	83,611
(h) Admitted capital DTAs (2e99 - 2f - 2g)	517,293	469,170	48,123
(i) Admitted DTAs (2d + 2h)	\$ 19,807,639	\$ 17,800,034	\$ 2,007,605

3. DTLs

As of December 31	2023	2022	Change
(a) Ordinary			
(1) Investments	\$ 1,388,806	\$ 903,805	\$ 485,001
(2) Fixed assets	1	1,768	(1,767)
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Discounting of unpaid losses	216,560	324,839	(108,279)
(6) Other	—	—	—
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	1,605,367	1,230,412	374,955
(b) Capital			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other	—	—	—
(99) Subtotal (3b1+3b2+3b3)	—	—	—
(c) DTLs (3a99 + 3b99)	\$ 1,605,367	\$ 1,230,412	\$ 374,955
4. Net DTAs/DTLs (2i - 3c)	\$ 18,202,272	\$ 16,569,622	\$ 1,632,650

NOTES TO FINANCIAL STATEMENTS

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The following table summarizes the significant items that represent the difference for the years ended December 31, 2023 and 2022.

Years ended December 31	2023	2022
Provision computed at statutory rate	\$ 28,784,767	\$ 37,930,387
Tax exempt income deduction	(884,273)	(1,172,766)
Dividends received deduction	(238,759)	(249,618)
Other	(164,238)	(1,020,487)
Total income taxes	27,497,497	35,487,516
Change in net deferred income taxes	2,240,516	1,909,072
Federal and foreign income taxes incurred	<u>\$ 29,738,013</u>	<u>\$ 37,396,588</u>

- E. At December 31, 2023, the Company has estimated taxes available for recoupment in the case of future ordinary taxable losses of approximately \$30 million from 2023 and \$38 million from 2022. Also, the company has capital loss carryforwards of \$4 million (expiring in 2027) and \$3 million (expiring in 2028).

There were no deposits admitted under Section 6603 of the Internal Revenue Code.

- F. The Company is included in the consolidated federal income tax return of Loews, along with its indirect parent company, CNAF. CNAF has a policy whereby each of its member companies will pay to, or recover from, CNAF the amount of federal income taxes it would have incurred, or been entitled to recover, had the member company filed its own separate stand-alone federal income tax return. For Corporate Alternative Minimum Tax (CAMT), the member company will pay to, or recover from, CNAF a percentage of the consolidated tax based on the member company's income before income taxes.

See Note 9I for additional information regarding CAMT.

See Schedule Y, Part 1, for a listing of the 80% or more owned domestic affiliates included with CNAF in the Loews consolidated federal income tax return, along with the Company.

- G. The Company did not have federal or foreign income tax loss contingencies as of December 31, 2023.
- H. The Company is not subject to the Repatriation Transition Tax (RTT) for the year ended December 31, 2023.
- I. On August 16, 2022, H.R. 5376, An Act to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14., commonly known as the Inflation Reduction Act (IRA) was signed into law. The IRA is subject to further clarification by the issuance of future regulations and other guidance by the U.S. Department of the Treasury. The IRA provides for a CAMT effective for taxable years beginning after December 31, 2022, among other provisions.

The NAIC issued INT 23-03: Inflation Reduction Act – Corporate Alternative Minimum Tax to provide accounting and reporting guidance on the CAMT, beginning with year-end 2023 financial statements and periods thereafter.

The CAMT applies to an applicable corporation, which is determined on a tax-controlled group basis. A consolidated federal income tax return group is part of a tax-controlled group for purposes of the CAMT. Based on interpretations of the CAMT and current guidance, the Company is a nonapplicable reporting entity as of December 31, 2023.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A & B. Detail of Transactions

On November 15, 2023, the Company received ordinary dividends of \$1.0 million from USA, which represented previously undistributed earnings of the affiliate.

Also on November 15, 2023, the Company received ordinary dividends of \$0.5 million from SBCA. The Company recorded \$0.1 million as dividend income and \$0.4 million as a reduction to its carrying value of its investment in SBCA.

On November 14, 2022, the Company received ordinary dividends of \$1.1 million from USA, which represented previously undistributed earnings of the affiliate.

Also on November 14, 2022, the Company received ordinary dividends of \$0.5 million from SBCA. The Company recorded less than \$0.1 million as dividend income and \$0.5 million as a reduction to its carrying value of its investment in SBCA.

See Note 13 (D) for disclosure of dividends paid.

- C. The Company did not have any transactions with related parties who are not reported on Schedule Y as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due from/to Related Parties

The Company had the following amounts receivable from and payable to related parties as of December 31, 2023 and 2022. Related party balances are generally settled monthly.

Related Party	Receivable from	
	2023	2022
CCC	\$ 12,895,815	\$ —
Balances less than \$100,000	—	—
Total intercompany receivable	<u>\$ 12,895,815</u>	<u>\$ —</u>

Related Party	Payable to	
	2023	2022
CCC	\$ —	\$ 10,217,736
Balances less than \$100,000	9,464	44,702
Total intercompany payable	<u>\$ 9,464</u>	<u>\$ 10,262,438</u>

E. Management, Service Contracts, Cost Sharing Arrangements

The Company is a party to the CNA Intercompany Expense Agreement, the terms of which describe how the affiliates determine, apportion and settle certain intercompany expenses and allocations.

The Company and its affiliates are parties to an investment facilities and services agreement between Loews/CNA Holdings, Inc. and CNAF, as signatories to individual acknowledgments to the agreement. Through this agreement, Loews/CNA Holdings, Inc. will provide investment facilities and services to CNAF and certain of CNAF's insurance and non-insurance subsidiaries.

The Company has a service agreement with its affiliates, SBCA and USA, for the use of certain personnel, facilities and equipment, as well as other operating and overhead expenses. The Company pays expenses on behalf of these affiliates except for those directly related to its existence as a legal entity. The expenses paid by the Company are allocated to these affiliates based on the agreement.

- F. The Company did not have any related party guarantees or undertakings that resulted in a material contingent exposure during the year ended December 31, 2023.
- G. The Company is a wholly-owned subsidiary of CCC, which is an indirect wholly-owned subsidiary of CNAF. Loews owned approximately 92% of the outstanding common stock of CNAF as of December 31, 2023.
- H. The Company did not deduct amounts from the value of an upstream intermediate entity or ultimate parent owned through its affiliates for the year ended December 31, 2023.
- I. The Company did not have investments in an SCA entity that exceeded 10% of admitted assets of the Company for the year ended December 31, 2023.
- J. The Company did not have any impairments for investments in SCA entities for the year ended December 31, 2023.
- K. The Company did not have investments in foreign subsidiaries valued using the Commissioners Annuity Reserve Valuation Method and the related actuarial guidelines for the year ended December 31, 2023.
- L. The Company did not invest in a downstream non-insurance holding company for the year ended December 31, 2023.
- M. The Company did not hold any SCA investments (excluding investments in domestic insurance SCA entities) as of December 31, 2023.
- N. The Company did not hold any SCA investments for which the audited statutory equity reflects a departure from the NAIC SAP as of December 31, 2023.
- O. The Company did not hold any SCA investments or SSAP 48 entities for which its losses exceeded its investment as of December 31, 2023.

Note 11 - Debt

The Company did not have any outstanding debt as of December 31, 2023.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A-E & G-I. The Company participates in a defined benefit plan and a defined contribution plan sponsored by CCC and has no legal liability for the obligations under the plan. A portion of plan expenses are allocated to the Company via the CNA Intercompany Expense Agreement (see Note 10E).
- F. The Company does not participate in any multiemployer plans.

NOTES TO FINANCIAL STATEMENTS

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- A. The Company had 40,000 shares of \$100 par value common stock authorized, issued and outstanding as of December 31, 2023.
- B. The Company had no preferred stock outstanding.
- C. Dividends from WSC are subject to the insurance holding company laws of South Dakota. Under these laws, ordinary dividends, or dividends that do not require prior approval by the South Dakota Division of Insurance (Department) are determined based on statutory net income and surplus as well as timing of dividends paid in the preceding twelve months. Ordinary dividends may only be paid from earned surplus, which is calculated by removing unrealized gains from unassigned surplus. The actual level of dividends paid in any year is determined after an assessment of available dividend capacity, parent company liquidity and cash needs as well as the impact the dividends will have on the statutory surplus of WSC.
- D. The Company paid \$151.6 million of ordinary dividends to its parent company, CCC, on December 29, 2023.
The Company paid \$155.4 million of ordinary dividends to its parent company, CCC, on December 28, 2022.
- E. The maximum allowable dividend WSC could pay during 2024 that would not be subject to the Department's prior approval is approximately \$147.3 million less dividends paid during the preceding twelve months measured at that point in time. WSC paid dividends of \$151.6 million in 2023.
- F. The unassigned surplus funds represent the undistributed interest of the parent.
- G. The Company is not a mutual or similarly organized company.
- H. The Company did not hold stock for special purposes as of December 31, 2023.
- I. The Company did not have any special surplus funds for the year ended December 31, 2023.
- J. The portion of unassigned funds (surplus) represented by unrealized gains (losses) before tax was \$1 million as of December 31, 2023.
- K. The Company did not have an outstanding surplus debenture or similar obligation as of December 31, 2023.

L & M. The Company did not undergo a quasi-reorganization during the year ended December 31, 2023.

Note 14 - Liabilities, Contingencies and Assessments

- A. The Company did not have any contingent commitments or guarantees as of December 31, 2023.
- B. *Guaranty Fund and Other Assessments*
1. The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund and other assessments are accrued either at the time of assessments or at the time the premiums are written in the case of premium based assessments or at the time the losses are incurred in the case of loss based assessments.

The Company has accrued a liability for guaranty fund and other assessments of \$1 million as of December 31, 2023. These represent management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies. The assessments are expected to be paid over a one year period. The Company has no material asset for guaranty fund and other assessments as of December 31, 2023.

2. The following table presents a reconciliation of assets recognized within the previous year's Annual Statement to the assets recognized in the current year's Annual Statement.

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	1,385
b. Decreases current year		
Policy surcharges collected		(101,473)
Policy surcharges charged off		—
Premium tax offset applied		—
		(101,473)
c. Increases current year		
Policy surcharges paid		101,578
Policy surcharges charged off		—
Premium tax offset applied		—
		101,578
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$	1,490

3. The Company had no material guaranty fund assessments as of December 31, 2023.
- C. The Company did not have any significant gain contingencies as of December 31, 2023.
- D. The Company had no claims related to extra contractual obligations or bad faith claims stemming from lawsuits for the year ended December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

- E. The Company did not issue any product warranties that required disclosure for the year ended December 31, 2023.
- F. The Company did not account for any joint and several liability arrangements for the year ended December 31, 2023.
- G. The Company is a party to routine litigation incidental to its business, which, based on the facts and circumstances currently known, is not material to the business or financial condition of the Company. The Company has no asset that it considers impaired.

Note 15 - Leases

The Company did not have leasing arrangements for the year ended December 31, 2023.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company did not hold financial instruments with off-balance sheet risk or with concentrations of credit risk as of December 31, 2023.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Company did not sell, transfer or service financial assets or extinguish liabilities and did not have any wash sales for the year ended December 31, 2023.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company did not act as a third-party administrator for uninsured accident and health plans for the year ended December 31, 2023.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

There were no direct premiums written/produced by managing general agents or third party administrators that required disclosure for the year ended December 31, 2023.

Note 20 - Fair Value Measurements

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable.

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs are not observable.

A & B. Assets and Liabilities Measured at Fair Value

- The following table provides information about the Company's assets measured and reported at fair value as of December 31, 2023. The Company had no liabilities measured and reported at fair value as of December 31, 2023.

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at fair value					
Bonds - Industrial and miscellaneous	\$ —	\$ 4,808,500	\$ —	\$ —	\$ 4,808,500
Total assets at fair value/(NAV)	\$ —	\$ 4,808,500	\$ —	\$ —	\$ 4,808,500

- The Company had no Level 3 securities measured and reported at fair value as of December 31, 2023.
- The Company had no transfers into or out of Level 3 securities during the year ended December 31, 2023. The Company's policy is to recognize transfers between levels at the beginning of quarterly reporting periods.
- Prices may fall within Level 1, 2 or 3 depending upon the methodology and inputs used to estimate fair value for each specific security. In general, the Company seeks to price securities using third-party pricing services. Securities not priced by pricing services are submitted to independent brokers for valuation and, if those are not available, internally developed pricing models are used to value assets using a methodology and inputs the Company believes market participants would use to value the assets. Prices obtained from third-party pricing services or brokers are not adjusted by the Company.

The following section describes the valuation methodologies and relevant inputs used to measure different financial instruments at fair value, including an indication of the level in the fair value hierarchy in which the instruments are generally classified.

Bonds

Level 1 securities include highly liquid government and exchange traded bonds, valued using quoted market prices. Level 2 securities include most other securities as the significant inputs are observable in the marketplace. All classes of Level 2 securities are valued using a methodology based on information generated by market transactions involving identical or comparable assets, a discounted cash flow methodology, or a combination of both when necessary. Common inputs include

NOTES TO FINANCIAL STATEMENTS

prices from recently executed transactions of similar securities, marketplace quotes, benchmark yields, spreads off benchmark yields, interest rates and U.S. Treasury or swap curves. Specifically for loan-backed securities, key inputs include prepayment and default projections based on past performance of the underlying collateral and current market data. Securities are primarily assigned to Level 3 in cases where broker/dealer quotes are significant inputs to the valuation and there is a lack of transparency as to whether these quotes are based on information that is observable in the marketplace. Level 3 securities also include private placement debt securities whose fair value is determined using internal models with inputs that are not market observable.

C. Aggregate Fair Value of Financial Instruments

The following tables provide the aggregate fair value, statement value, and level within the fair value hierarchy of the Company's financial instruments in their entirety as of December 31, 2023 and 2022.

December 31, 2023	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 1,819,341,206	\$ 1,935,600,431	\$ 48,413,706	\$ 1,725,054,480	\$ 45,873,020	\$ —	\$ —

December 31, 2022	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 1,798,239,001	\$ 1,963,735,416	\$ 19,999,469	\$ 1,731,321,715	\$ 46,917,817	\$ —	\$ —

The fair value of bonds is based on the methodology described above.

The carrying amounts for cash, cash equivalents, and short-term investments, investment income due and accrued and certain other assets and other liabilities approximate fair value due to the short term nature of these items. These assets and liabilities are not listed in the table above.

- D. The Company was able to estimate the fair value of all its financial instruments as of December 31, 2023.
- E. The Company did not measure any financial instruments using the NAV practical expedient pursuant to SSAP No. 100R - Fair Value as of December 31, 2023.

Note 21 - Other Items

- A. The Company did not recognize any extraordinary items during the year ended December 31, 2023.
- B. The Company did not have any troubled debt restructuring for the year ended December 31, 2023.
- C. *Other Disclosures*

Uncollected Premium and Agents' Balances Due from Controlled or Controlling Persons

The Company did not have any material uncollected premium and agents' balances due from controlled or controlling persons as of the year ended December 31, 2023.

- D. The Company did not have any material business interruption insurance recoveries for the year ended December 31, 2023.
- E. The Company did not have unused transferable or non-transferable state tax credits as of December 31, 2023.
- F. The Company does not have sub-prime exposure directly through mortgage loans or other investments. The Company also does not have underwriting exposure to sub-prime mortgage risk.
- G. The Company did not have any insurance-linked securities (ILS) contracts for the year ended December 31, 2023.
- H. The Company did not have any life insurance where the Company is owner and beneficiary or has otherwise obtained rights to control the policy for the year ended December 31, 2023.

Note 22 - Events Subsequent

Subsequent events were considered through February 14, 2024, the date the statutory statements were issued.

Note 23 - Reinsurance

A. *Unsecured Reinsurance Recoverables*

The Company has no unsecured aggregate recoverables for losses (paid and unpaid, including IBNR), LAE and unearned premiums that exceed 3% of policyholders surplus as of December 31, 2023.

- B. The Company did not have reinsurance recoverables from any disputed items exceeding 5% of surplus or aggregate of all disputed items exceeding 10% of surplus as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

1. The maximum amount of return commission that would have been due to reinsurers if the Company's reinsurance were canceled as of December 31, 2023 is summarized below.

	Assumed reinsurance		Ceded reinsurance		Net	
	Premium reserve	Commission equity	Premium reserve	Commission equity	Premium reserve	Commission equity
a. Affiliates	\$ 8,763,370	\$ 7,344,690	\$ —	\$ —	\$ 8,763,370	\$ 7,344,690
b. All other	18,450	535	789,583	27,882	(771,133)	(27,347)
c. Total	<u>\$ 8,781,820</u>	<u>\$ 7,345,225</u>	<u>\$ 789,583</u>	<u>\$ 27,882</u>	<u>\$ 7,992,237</u>	<u>\$ 7,317,343</u>
d. Direct unearned premium reserve			<u>\$ 308,768,645</u>			

2. The following table summarizes the accrued additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in the annual statement as a result of existing contractual arrangements as of December 31, 2023.

	Direct	Assumed	Ceded	Net
a. Contingent commissions	\$ 9,002,519	\$ 92,420	\$ —	\$ 9,094,939
b. Sliding scale adjustments	—	—	—	—
c. Other profit commission arrangements	—	—	—	—
d. Total	<u>\$ 9,002,519</u>	<u>\$ 92,420</u>	<u>\$ —</u>	<u>\$ 9,094,939</u>

3. The Company did not have any protected cells as of December 31, 2023.

- D. The Company did not have uncollectible reinsurance written off (on) for the year ended December 31, 2023.
- E. The Company did not have any commutations of ceded reinsurance for the year ended December 31, 2023.
- F. The Company did not have any retroactive reinsurance for the year ended December 31, 2023.
- G. The Company did not have any material reinsurance accounted for as a deposit for the year ended December 31, 2023.
- H. The Company did not enter into any agreements, which would have been approved by their domiciliary regulator, to receive property and casualty run-off accounting treatment during the year ended December 31, 2023.
- I. The Company did not have any business to report with certified reinsurers for the year ended December 31, 2023.
- J. The Company did not have any retroactive reinsurance covering asbestos and pollution liabilities which qualify for reinsurer aggregation for the year ended December 31, 2023.
- K. The Company did not have any reinsurance contracts covering health business for the year ended December 31, 2023.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

For the year ended December 31, 2023, the Company had no retrospectively rated policies or contracts subject to redetermination.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

A. Reasons for Changes in Prior Year Incurred

Loss and loss adjustment expense (LAE) reserves represent management's estimates of ultimate liabilities based on currently available facts and case law. The Company regularly reviews its reserves, and any adjustments to the previously established reserves are recognized in the period that the need for such adjustments is determined. The estimated cost of loss and LAE attributable to insured events of prior years decreased by \$3 million for the year ended December 31, 2023.

- B. The Company had no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and LAE during the year ended December 31, 2023.

Note 26 - Intercompany Pooling Arrangements

- A. The Company and two of its U.S. affiliates are participants in an intercompany pooling arrangement.

The following table lists each of the pooling participants as well as their percentage participation in the pooled results.

Name of company	NAIC code	Participation percentage
WSC	13188	100%
SBCA	24047	0%
USA	13200	0%

- B. Each participating affiliate company cedes 100% of its net business to WSC.

- C & D. WSC has various agreements for external cessions of its direct and assumed business subsequent to the assumption of the pooled business from the affiliated pool members.

NOTES TO FINANCIAL STATEMENTS

- E. There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pooled participants.
- F. The Company did not have any intercompany sharing, other than in accordance with the pool participation, or write offs of uncollectible reinsurance.
- G. See Note 10 for amounts due to/from the Company and the participating affiliates as of December 31, 2023 and 2022.

Note 27 - Structured Settlements

- A. To settle certain claims, the Company purchased annuities from various life insurers where the claimant was the payee but for which the Company was contingently liable in the event the issuer of the annuity was unable to perform. As of December 31, 2023, the aggregate amount of statutory reserves for which the Company was contingently liable is the following:

Loss reserves eliminated by annuities	Unrecorded loss contingencies
Less than \$1 million	Less than \$1 million

- B. The Company had no annuities with insurers with balances due greater than 1% of policyholders' surplus for the year ended December 31, 2023.

Note 28 - Health Care Receivables

The Company did not have health care receivables that required disclosure as of December 31, 2023, 2022, or 2021, or for each quarter therein.

Note 29 - Participating Policies

The Company did not have individual or group accident and health participating policies for the year ended December 31, 2023.

Note 30 - Premium Deficiency Reserves

1. The Company had no premium deficiency reserves.
2. Date of the most recent evaluation of this liability 12/31/2023
3. Was anticipated investment income utilized in the calculation? Yes [X] No []

Note 31 - High Deductibles

The Company did not have a reserve credit recorded for high deductibles on a net basis or any unsecured aggregate recoverables on high deductible policies issued to professional employer organizations as of December 31, 2023.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company did not have any net discounted liabilities for unpaid losses or unpaid LAE as of December 31, 2023.

Note 33 - Asbestos/Environmental Reserves

The Company wrote surety bonds which do not have asbestos or environmental responsibility directly provided under the surety's obligation to the obligee. However, some risk of environmental exposure may exist if the surety were to assume certain rights of the principal in completion of a defaulted project or through a salvage recovery. For the five most current calendar years, the Company estimated it incurred no losses on open claims of this nature.

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company, and accordingly, did not have subscriber savings accounts as of December 31, 2023.

Note 35 - Multiple Peril Crop Insurance

The Company did not write multiple peril crop insurance for the years ended December 31, 2023 or 2022.

Note 36 - Financial Guaranty Insurance

The Company had no net exposure to financial guaranty insurance for the year ended December 31, 2023.

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? South Dakota
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No []
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 21175
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2018
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/20/2020
- 3.4 By what department or departments?
South Dakota Division of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
NONE		

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
NONE	

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
NONE

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [X] N/A []
- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 111 South Wacker Drive, Chicago, IL 60606
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain.
.....
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Robert J. Hopper, FCAS, MAAA, Executive Vice President and Chief Actuary, CNA, 151 North Franklin Street, Chicago, IL 60606
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 - 12.11 Name of real estate holding company ...
 - 12.12 Number of parcels involved 0
 - 12.13 Total book/adjusted carrying value \$0
- 12.2 If yes, provide explanation
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 - a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [X] No []
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
071911296	ALGONQUIN STATE BANK	Event of default by the insured	25,000
124003116	ALLY BANK (Sandy, UT)	Event of default by the insured	6,800,000
113011258	AMEGY BANK, N.A. (Houston, TX)	Event of default by the insured	100,000
067010509	AMERANT BANK, N.A. (CORAL GABLES, FL)	Event of default by the insured	100,000
091407175	AMERICAN BANK & TRUST	Event of default by the insured	100,000
291271004	AMERICAN FEDERAL BANK (FARGO, ND)	Event of default by the insured	80,000
103100616	AMERICAN HERITAGE BANK	Event of default by the insured	50,000
051401027	AMERICAN NATIONAL BANK AND TRUST COMPANY	Event of default by the insured	185,000
321370765	AMERICAN SAVINGS BANK, F.S.B. (HONOLULU HI)	Event of default by the insured	50,000
073917641	AMERICAN STATE BANK	Event of default by the insured	80,000
083903661	AUBURN BANKING COMPANY	Event of default by the insured	20,000
103003632	BANCFIRST (OKLAHOMA CITY, OK)	Event of default by the insured	295,000
066010490	BANCO DO BRASIL AMERICAS (MIAMI)	Event of default by the insured	500,000
021502011	BANCO POPULAR DE PUERTO RICO	Event of default by the insured	25,000
084201663	BANK OF HOLLY SPRINGS, THE	Event of default by the insured	50,000
026013246	BANK OF HOPE	Event of default by the insured	950,000
021907975	BANK OF MILLBROOK	Event of default by the insured	25,000
081903867	BANK OF MISSOURI, THE	Event of default by the insured	75,000
064202705	BANK OF TENNESSEE	Event of default by the insured	75,000
121100782	BANK OF THE WEST	Event of default by the insured	1,525,000
323371076	BANNER BANK (WALLA WALLA, WA)	Event of default by the insured	100,000
211273752	BASILE STATE BANK	Event of default by the insured	50,000
211372239	BAYCOAST BANK	Event of default by the insured	330,000
211871691	BERKSHIRE BANK	Event of default by the insured	100,000
091310754	BNC NATIONAL BANK	Event of default by the insured	5,000
125108450	BOSTON PRIVATE BANK & TRUST COMPANY	Event of default by the insured	300,000
101916307	BTC BANK	Event of default by the insured	5,000
071001533	BYLINE BANK	Event of default by the insured	550,000
053208202	CAROLINA ALLIANCE BANK	Event of default by the insured	10,000
122203950	CATHAY BANK	Event of default by the insured	7,850,000
121301578	CENTRAL PACIFIC BANK (HONOLULU, HI)	Event of default by the insured	50,000
072410013	CHEMICAL BANK	Event of default by the insured	50,000
051403779	CHESAPEAKE BANK(Kilmarnock, VA)	Event of default by the insured	25,000
091302966	CHOICE FINANCIAL GROUP (FARGO, ND)	Event of default by the insured	25,000
122238912	CITIZENS BUSINESS BANK	Event of default by the insured	1,350,000
091204527	CITIZENS STATE BANK OF ROSEAU	Event of default by the insured	80,000
101100605	CITY STATE BANK	Event of default by the insured	45,000
043318791	CLARION COUNTY COMMUNITY BANK	Event of default by the insured	5,000
031306278	CNB BANK	Event of default by the insured	37,500
081904662	CNB BANK & TRUST, N.A.	Event of default by the insured	450,000
055000165	COLUMBIA BANK, THE	Event of default by the insured	10,000
125108272	COLUMBIA STATE BANK	Event of default by the insured	125,000
111104581	COMMUNITY BANK OF LOUISIANA	Event of default by the insured	20,480
123203878	COMMUNITY BANK, N.A.	Event of default by the insured	75,000
104113408	COMMUNITY FIRST BANK (Maywood, NE)	Event of default by the insured	55,000
072413942	COMMUNITY SHORES BANK	Event of default by the insured	445,000
042102694	COMMUNITY TRUST BANK, INC.	Event of default by the insured	75,000
021213944	CONNECTONE BANK	Event of default by the insured	125,000
041201143	CONSUMERS NATIONAL BANK	Event of default by the insured	22,700
104900349	CORNERSTONE BANK	Event of default by the insured	40,482
111102402	CROSS KEYS BANK	Event of default by the insured	125,000
114917924	CROSSROADS BANK (YOAKUM, TX)	Event of default by the insured	16,950
071925787	CRYSTAL LAKE BANK & TRUST COMPANY	Event of default by the insured	75,000
124103582	D.L. EVANS BANK	Event of default by the insured	49,668
091400172	DACOTAH BANK	Event of default by the insured	100,000
091907125	DEERWOOD BANK	Event of default by the insured	10,000
104110113	DUNDEE BANK (OMAHA, NE)	Event of default by the insured	25,000
122242296	EVERTRUST BANK	Event of default by the insured	70,000
211370642	FALL RIVER FIVE CENTS SAVINGS BANK	Event of default by the insured	10,000
041207341	FARMERS & MERCHANTS STATE BANK OF SPRINGFIELD	Event of default by the insured	40,000
091408174	FARMERS AND MERCHANTS STATE BANK	Event of default by the insured	225,000
011182380	FARMERS AND MERCHANTS TRUST COMPANY OF CHAMBERS	Event of default by the insured	100,000
104112988	FARMERS STATE BANK	Event of default by the insured	15,000
101107802	FARMERS STATE BANK, THE	Event of default by the insured	75,000
081914856	FCB BANKS	Event of default by the insured	50,000
083900525	FIRST AMERICAN BANK	Event of default by the insured	50,000
253271987	FIRST BANK	Event of default by the insured	20,000,000
111319347	FIRST BANK & TRUST (LUBBOCK, TX)	Event of default by the insured	50,000
044072337	FIRST BEXLEY BANK(Bexley, OH)	Event of default by the insured	100,000
053100300	FIRST CITIZENS BANK (MASON CITY, IA)	Event of default by the insured	100,000
053906041	FIRST CITIZENS BANK AND TRUST COMPANY, INC.	Event of default by the insured	142,012
065306189	FIRST COMMERCIAL BANK	Event of default by the insured	75,000
071105507	FIRST COMMUNITY BANK	Event of default by the insured	100,000
091400486	FIRST DAKOTA NATIONAL BANK(Sioux Falls, SD)	Event of default by the insured	50,000
111914849	FIRST FINANCIAL BANK	Event of default by the insured	50,000
042200910	FIRST FINANCIAL BANK	Event of default by the insured	150,000
111301122	FIRST FINANCIAL BANK, N.A.	Event of default by the insured	3,659,263
122287581	FIRST FOUNDATION BANK	Event of default by the insured	540,000
081501227	FIRST MIDWEST BANK	Event of default by the insured	700,000
091404369	FIRST NATIONAL BANK IN PHILIP (Philip, SD)	Event of default by the insured	75,000
	FIRST NATIONAL BANK OF BELLEVUE, THE (BELLEVUE, OH)		
041204726		Event of default by the insured	50,000
091201232	FIRST NATIONAL BANK OF BEMIDJI, THE	Event of default by the insured	100,000

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount
021411335	FIRST NATIONAL BANK OF LONG ISLAND, THE	Event of default by the insured	300,000
091408598	FIRST PREMIER BANK	Event of default by the insured	240,000
091301132	FIRST UNITED BANK	Event of default by the insured	5,000
107005047	FIRSTBANK	Event of default by the insured	105,000
221571473	FIRSTBANK PUERTO RICO	Event of default by the insured	3,100,000
066016766	FLORIDA COMMUNITY BANK	Event of default by the insured	270,000
064109329	FRANKLIN SYNERGY BANK	Event of default by the insured	49,699
064109086	FREEDOM BANK	Event of default by the insured	192,500
101101413	GARDEN PLAIN STATE BANK	Event of default by the insured	15,000
103912875	GRAND BANK	Event of default by the insured	50,000
104112771	GREAT PLAINS STATE BANK	Event of default by the insured	50,000
265070435	GULF COAST BANK AND TRUST COMPANY	Event of default by the insured	50,000
122039399	HANMI BANK	Event of default by the insured	50,000
044109336	HEARTLAND BANK	Event of default by the insured	35,750
073913755	HILLS BANK AND TRUST COMPANY (HILLS, IA)	Event of default by the insured	47,178
304971945	HOME FEDERAL SAVINGS AND LOAN ASSOCIATION	Event of default by the insured	50,000
113100570	HOMETOWN BANK, N.A.	Event of default by the insured	100,000
067009646	IBERIABANK	Event of default by the insured	140,000
083902756	INDEPENDENCE BANK OF KENTUCKY	Event of default by the insured	100,000
026009593	ING GROEP NV	Event of default by the insured	320,000
084301408	INSOUTH BANK (Brownsville, TN)	Event of default by the insured	200,000
114909505	INTERNATIONAL BANK OF COMMERCE	Event of default by the insured	200,000
063116562	INTRACOASTAL BANK	Event of default by the insured	75,000
072403004	ISABELLA BANK	Event of default by the insured	50,000
026009768	ISRAEL DISCOUNT BANK OF NEW YORK	Event of default by the insured	400,000
021909342	JEFF BANK	Event of default by the insured	7,395
075911852	JOHNSON BANK (RACINE WI)	Event of default by the insured	850,000
072408274	KALAMAZOO COUNTY STATE BANK	Event of default by the insured	25,859
011202392	KATAHDIN TRUST COMPANY	Event of default by the insured	75,000
074903719	LAKE CITY BANK	Event of default by the insured	500,000
091303855	LINCOLN STATE BANK	Event of default by the insured	75,000
114911687	LONE STAR NATIONAL BANK	Event of default by the insured	1,000,000
104905250	MAINSTREET BANK	Event of default by the insured	76,004
221272167	MANASQUAN SAVINGS BANK	Event of default by the insured	25,000
067016312	MARQUIS BANK (Coral Gables, FL)	Event of default by the insured	370,000
065301362	MERCHANTS & MARINE BANK	Event of default by the insured	25,000
055001258	MIDDLETOWN VALLEY BANK	Event of default by the insured	5,000
091201753	MINNWEST BANK	Event of default by the insured	80,000
064202268	MOUNTAIN COMMERCE BANK	Event of default by the insured	25,000
026000217	NATIONAL BANK OF KUWAIT S.A.K.	Event of default by the insured	410,000
075900766	NATIONAL EXCHANGE BANK AND TRUST	Event of default by the insured	500,000
031308784	NATIONAL PENN BANK	Event of default by the insured	150,000
031205340	NEWFIELD NATIONAL BANK	Event of default by the insured	75,000
073921530	NSB BANK	Event of default by the insured	200,000
062006709	OAKWORTH CAPITAL BANK	Event of default by the insured	110,000
066011392	OCEAN BANK (MIAMI FL)	Event of default by the insured	50,000
111102758	ORIGIN BANK (Choudrant, LA)	Event of default by the insured	80,000
072404333	OXFORD BANK (OXFORD MI)	Event of default by the insured	400,000
122244773	PARTNERS BANK OF CALIFORNIA	Event of default by the insured	150,000
261174759	PEACH STATE BANK & TRUST	Event of default by the insured	50,000
044202505	PEOPLES BANK (MARIETTA, OH)	Event of default by the insured	50,000
071923404	PEOPLES BANK OF KANKAKEE COUNTY	Event of default by the insured	25,000
114924933	PLAINSCAPITAL BANK	Event of default by the insured	100,000
102306699	PLATTE VALLEY BANK	Event of default by the insured	400,000
067016574	PROFESSIONAL BANK	Event of default by the insured	1,090,000
114926012	R BANK (ROUND ROCK TX)	Event of default by the insured	50,000
064109167	RELIANT BANK	Event of default by the insured	25,000
042287027	REPUBLIC BANK & TRUST COMPANY	Event of default by the insured	500,000
071001180	REPUBLIC BANK OF CHICAGO	Event of default by the insured	80,000
062206567	RIVER BANK & TRUST	Event of default by the insured	25,000
011304478	ROCKLAND TRUST COMPANY	Event of default by the insured	175,000
111102059	SABINE STATE BANK AND TRUST COMPANY	Event of default by the insured	250,000
021311529	SARATOGA NATIONAL BANK AND TRUST COMPANY	Event of default by the insured	11,500
114916103	SCHERTZ BANK & TRUST	Event of default by the insured	50,000
111026038	SHINHAN BANK AMERICA	Event of default by the insured	900,000
052100932	SHORE UNITED BANK, N.A.	Event of default by the insured	1,250,000
313083579	SMART FINANCIAL	Event of default by the insured	10,000
042215688	SOMERVILLE NATIONAL BANK, THE	Event of default by the insured	15,000
063114030	SOUTH STATE BANK, N.A. (WINTER HAVEN, FL)	Event of default by the insured	300,000
064208767	SOUTHEAST BANK (Farragut, TN)	Event of default by the insured	75,000
071926650	ST. CHARLES BANK & TRUST COMPANY	Event of default by the insured	25,000
043000847	STANDARD BANK (MURRYSVILLE)	Event of default by the insured	200,000
091310767	STARION BANK	Event of default by the insured	110,000
083000564	STOCK YARDS BANK & TRUST COMPANY(Louisville, KY)	Event of default by the insured	175,000
031309123	SUSQUEHANNA BANK(Lititz, PA)	Event of default by the insured	25,000
311978818	SUSSER BANK	Event of default by the insured	100,000
261170290	SYNOVUS BANK (BANK OF NORTH GA)	Event of default by the insured	100,000
261170290	SYNOVUS BANK (BANK OF NORTH GA)	Event of default by the insured	486,831
114924810	TEXAS COMMUNITY BANK	Event of default by the insured	100,000
113110256	TEXAS FIRST BANK	Event of default by the insured	1,300,000
102107063	TIMBERLINE BANK (Aspen, CO)	Event of default by the insured	75,000
081510564	TIPTON LATHAM BANK, NATIONAL ASSOCIATION, THE	Event of default by the insured	5,000
122402308	TOWN & COUNTRY BANK	Event of default by the insured	75,000
051408949	TOWNEBANK	Event of default by the insured	50,000
124384657	TRANSPORTATION ALLIANCE BANK DBA TAB BANK (Ogden, UT)	Event of default by the insured	225,000
104113660	TRI-COUNTY BANK, THE	Event of default by the insured	100,000
043019003	TRISTATE CAPITAL BANK (PITTSBURGH, PA)	Event of default by the insured	400,000
075902816	UNION BANK & TRUST COMPANY (EVANSVILLE, WI)	Event of default by the insured	48,000
071900993	UNION NATIONAL BANK (ELGIN IL)	Event of default by the insured	25,000
065301883	UNITED MISSISSIPPI BANK	Event of default by the insured	10,000
021201383	VALLEY NATIONAL BANK	Event of default by the insured	1,050,000
091914370	VERMILLION STATE BANK	Event of default by the insured	50,000

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
051409618	VIRGINIA NATIONAL BANK	Event of default by the insured	75,000
011500858	WASHINGTON TRUST BANK (SPOKANE, WA)	Event of default by the insured	100,000
072408290	WEST SHORE BANK (LUDINGTON, MI)	Event of default by the insured	100,000
031100102	WILMINGTON SAVINGS FUND SOCIETY	Event of default by the insured	100,000
091908881	WOODLANDS NATIONAL BANK	Event of default by the insured	75,000
026005416	WOORI FINANCE HOLDINGS CO. LTD. - WOORI FINANCIAL GROUP	Event of default by the insured	700,000
092905142	YELLOWSTONE BANK, THE	Event of default by the insured	21,929

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ 0
 - 20.12 To stockholders not officers.....\$ 0
 - 20.13 Trustees, supreme or grand (Fraternal Only)\$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ 0
 - 20.22 To stockholders not officers.....\$ 0
 - 20.23 Trustees, supreme or grand (Fraternal Only)\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ 0
 - 21.22 Borrowed from others.....\$ 0
 - 21.23 Leased from others\$ 0
 - 21.24 Other\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
 - 22.22 Amount paid as expenses\$ 151
 - 22.23 Other amounts paid\$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 12,895,815
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)
NONE	

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [X] No []

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
GENERAL INTERROGATORIES

- 25.02 If no, give full and complete information, relating thereto

- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 The Company did not have a securities lending program during the year ended December 31, 2023.
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$0
- 25.093 Total payable for securities lending reported on the liability page. \$0
- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$0
- 26.22 Subject to reverse repurchase agreements \$0
- 26.23 Subject to dollar repurchase agreements \$0
- 26.24 Subject to reverse dollar repurchase agreements \$0
- 26.25 Placed under option agreements \$0
- 26.26 Letter stock or securities restricted as to sale -
 excluding FHLB Capital Stock \$0
- 26.27 FHLB Capital Stock \$0
- 26.28 On deposit with states \$154,380,138
- 26.29 On deposit with other regulatory bodies \$0
- 26.30 Pledged as collateral - excluding collateral pledged to
 an FHLB \$0
- 26.31 Pledged as collateral to FHLB - including assets
 backing funding agreements \$0
- 26.32 Other \$0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
NONE	0

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No []
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [] No []
- 27.42 Permitted accounting practice Yes [] No []
- 27.43 Other accounting guidance Yes [] No []
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$0
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [X] No []
- 29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JPMorgan Chase Bank, N.A.	383 Madison Avenue, New York, New York 10179

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

GENERAL INTERROGATORIES

29.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
NONE

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [] No [X]

29.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
NONE

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Loews/CNA Holdings, Inc. , as party to investment facilities and services agreement (see Note 10, E.)	A.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [] No []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [] No []

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A	Loews/CNA Holdings, Inc.	R8V1FN4M51TGZOG7BS19	Not a Registered Investment Advisor	DS.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	NONE	0
30.2999 - Total		0

30.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
NONE	0	.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
GENERAL INTERROGATORIES

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	1,970,391,403	1,854,125,668	(116,265,735)
31.2 Preferred stocks	0	0	0
31.3 Totals	1,970,391,403	1,854,125,668	(116,265,735)

31.4 Describe the sources or methods utilized in determining the fair values:

See Note 20.

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

33.2 If no, list exceptions:

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
GENERAL INTERROGATORIES

38.1 Does the reporting entity directly hold cryptocurrencies? Yes [] No [X]

38.2 If the response to 38.1 is yes, on what schedule are they reported?

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? Yes [] No [X]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?
 39.21 Held directly Yes [] No []
 39.22 Immediately converted to U.S. dollars Yes [] No []

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1 Name of Cryptocurrency	2 Immediately Converted to USD, Directly Held, or Both	3 Accepted for Payment of Premiums
NONE

OTHER

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$ 60,811

40.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Louisiana Insurance Rating Assessment	51,261

41.1 Amount of payments for legal expenses, if any?\$0

41.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
NONE	0

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

42.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
NONE	0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only.\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?\$ 0
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance.\$ 0

1.6 Individual policies: Most current three years:

	1.61 Total premium earned	\$	0
	1.62 Total incurred claims	\$	0
	1.63 Number of covered lives		0

All years prior to most current three years

	1.64 Total premium earned	\$	0
	1.65 Total incurred claims	\$	0
	1.66 Number of covered lives		0

1.7 Group policies: Most current three years:

	1.71 Total premium earned	\$	0
	1.72 Total incurred claims	\$	0
	1.73 Number of covered lives		0

All years prior to most current three years

	1.74 Total premium earned	\$	0
	1.75 Total incurred claims	\$	0
	1.76 Number of covered lives		0

2. Health Test:

	1 Current Year	2 Prior Year	
2.1 Premium Numerator	0	0	
2.2 Premium Denominator	449,181,855	414,069,640	
2.3 Premium Ratio (2.1/2.2)	0.000	0.000	
2.4 Reserve Numerator	0	0	
2.5 Reserve Denominator	620,430,048	532,006,727	
2.6 Reserve Ratio (2.4/2.5)	0.000	0.000	

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [] No [X]

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:

3.21 Participating policies	\$	0
3.22 Non-participating policies	\$	0

4. For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? Yes [] No []

4.2 Does the reporting entity issue non-assessable policies? Yes [] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? % 0.0

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.\$ 0

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? Yes [] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....	Yes []	No []	N/A []
5.22 As a direct expense of the exchange.....	Yes []	No []	N/A []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company does not write workers' compensation insurance.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The maximum loss is based on the largest net bond penalty/policy limits written.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company writes fidelity and surety bonds so it has no catastrophic exposure for property insurance losses.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
The Company does not write business subject to catastrophic losses, therefore, no agreement is necessary.
- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses\$0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses)\$0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds\$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From0.0 %
- 12.42 To.....0.0 %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit\$0
- 12.62 Collateral and other funds.....\$0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$ 29,432,196
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Premiums are allocated among multiple cedants based on exposures subject to the treaty. Amounts recovered from reinsurer for paid losses are allocated based on the company's ratio of ground up losses paid to the total ground up losses paid by all multiple cedants.
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No []
- 14.5 If the answer to 14.4 is no, please explain:
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information
.....
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	0	0	0	0	0
16.12 Products	0	0	0	0	0
16.13 Automobile	0	0	0	0	0
16.14 Other*	0	0	0	0	0

* Disclose type of coverage:
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance	\$	0
17.12 Unfunded portion of Interrogatory 17.11	\$	0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....	\$	0
17.14 Case reserves portion of Interrogatory 17.11	\$	0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$	0
17.16 Unearned premium portion of Interrogatory 17.11	\$	0
17.17 Contingent commission portion of Interrogatory 17.11	\$	0

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of funds administered as of the reporting date. \$ 0

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No []

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2023	2 2022	3 2021	4 2020	5 2019
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11, 16, 17, 18 & 19)	5,958,763	5,957,632	5,421,276	5,425,496	5,211,127
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	383,766	347,971	355,275	25,997	723,165
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	499,121,594	456,408,529	414,571,418	416,521,310	413,086,775
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	505,464,124	462,714,132	420,347,968	421,972,802	419,021,067
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11, 16, 17, 18 & 19)	4,913,866	5,511,457	5,411,593	5,414,042	5,201,053
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	383,766	347,971	355,275	25,997	368,165
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	471,508,175	432,351,744	389,017,443	397,936,768	396,188,676
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	476,805,807	438,211,172	394,784,311	403,376,807	401,757,894
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	62,742,266	113,137,165	118,104,377	124,205,959	153,568,652
14. Net investment gain (loss) (Line 11)	75,712,563	69,420,490	76,143,066	76,907,759	80,537,512
15. Total other income (Line 15)	(1,384,502)	(1,534,851)	(1,009,519)	(847,077)	(658,707)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	29,738,013	37,798,508	37,795,006	39,900,126	47,330,058
18. Net income (Line 20)	107,332,313	143,224,296	155,442,918	160,366,515	186,117,398
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,126,616,005	2,105,593,621	2,096,769,908	2,094,493,130	2,101,389,646
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	63,129,845	51,396,408	48,052,543	60,120,571	49,732,776
20.2 Deferred and not yet due (Line 15.2)	7,598,164	7,263,687	6,313,567	6,226,329	6,973,876
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	653,365,853	589,010,150	569,206,602	554,517,555	533,948,430
22. Losses (Page 3, Line 1)	247,328,673	191,034,021	214,859,103	215,792,050	206,051,147
23. Loss adjustment expenses (Page 3, Line 3)	56,340,495	52,287,429	48,667,258	51,323,326	52,124,445
24. Unearned premiums (Page 3, Line 9)	316,760,881	288,685,277	263,317,295	256,859,522	248,521,840
25. Capital paid up (Page 3, Lines 30 & 31)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,473,250,152	1,516,583,471	1,527,563,306	1,539,975,575	1,567,441,217
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	203,962,929	132,262,289	178,755,907	170,970,150	171,683,297
Risk-Based Capital Analysis					
28. Total adjusted capital	1,473,250,152	1,516,583,471	1,527,563,306	1,539,975,575	1,567,441,217
29. Authorized control level risk-based capital	55,030,909	45,712,417	46,986,040	41,440,927	39,289,833
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	96.7	99.1	97.4	96.7	97.2
31. Stocks (Lines 2.1 & 2.2)	0.8	0.8	1.0	1.3	1.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	1.8	0.0	1.6	2.0	1.4
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.7	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	15,281,696	16,356,743	17,723,343	19,335,085	21,071,227
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	0	0	0	0
48. Total of above Lines 42 to 47	15,281,696	16,356,743	17,723,343	19,335,085	21,071,227
49. Total Investment in Parent included in Lines 42 to 47 above	0	0	0	0	0
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	1.0	1.1	1.2	1.3	1.3

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2023	2 2022	3 2021	4 2020	5 2019
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	1,260,198	(2,847,762)	249,181	(3,347,307)	(631,882)
52. Dividends to stockholders (Line 35)	(151,600,000)	(155,400,000)	(160,300,000)	(186,100,000)	(159,800,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(43,333,318)	(10,979,835)	(12,412,269)	(27,465,642)	25,873,870
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11, 16, 17, 18 & 19)	714,410	540,062	627,781	623,007	692,241
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	31,684	192,781	76,286	(10,281)	27,270
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	76,386,088	123,558,793	45,409,371	36,847,583	38,646,203
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	77,132,183	124,291,636	46,113,439	37,460,308	39,365,714
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11, 16, 17, 18 & 19)	714,410	535,062	620,675	620,354	690,925
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	31,684	192,781	76,286	(10,281)	27,270
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	55,551,652	76,453,580	41,251,416	32,195,411	31,259,989
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	56,297,747	77,181,423	41,948,378	32,805,483	31,978,184
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	25.1	12.9	10.6	10.8	5.4
68. Loss expenses incurred (Line 3)	3.8	4.1	2.8	2.8	1.7
69. Other underwriting expenses incurred (Line 4)	57.1	55.7	56.2	54.8	54.2
70. Net underwriting gain (loss) (Line 8)	14.0	27.3	30.4	31.5	38.7
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	54.1	53.0	55.6	53.8	53.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	28.9	17.0	13.3	13.6	7.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	32.4	28.9	25.8	26.2	25.6
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(3,383)	(48,390)	(53,687)	(48,907)	(63,020)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	(0.2)	(3.2)	(3.5)	(3.1)	(4.1)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(56,371)	(75,194)	(94,558)	(108,033)	(104,798)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(3.7)	(4.9)	(6.0)	(7.0)	(6.9)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []
 If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4	5	6	7	8	9			
1. Prior.....	XXX	XXX	XXX	2,243	3,791	237	451	163	0	2,879	(1,598)	XXX
2. 2014.....	440,750	11,250	429,500	55,303	3,105	5,844	13	6,383	0	26,825	64,412	XXX
3. 2015.....	361,468	11,920	349,548	28,051	2,001	5,345	823	8,114	0	8,079	38,687	XXX
4. 2016.....	374,468	10,244	364,224	43,386	10,121	3,420	567	7,173	0	33,308	43,291	XXX
5. 2017.....	380,364	14,071	366,293	87,138	35,601	9,114	3,766	9,111	0	16,072	65,995	XXX
6. 2018.....	397,745	14,745	383,000	35,671	297	4,479	3	8,978	0	25,056	48,828	XXX
7. 2019.....	414,137	17,254	396,883	76,309	10,194	3,351	45	4,331	0	34,116	73,753	XXX
8. 2020.....	412,514	18,590	393,923	56,700	27,356	6,497	2,951	6,940	0	63,348	39,829	XXX
9. 2021.....	413,898	25,587	388,311	37,063	5,421	2,979	0	5,583	0	47,278	40,204	XXX
10. 2022.....	438,664	24,594	414,070	33,259	66	1,097	1	3,032	0	3,482	37,321	XXX
11. 2023.....	477,721	28,539	449,182	7,952	15	293	0	554	0	185	8,783	XXX
12. Totals	XXX	XXX	XXX	463,075	97,967	42,658	8,622	60,362	0	260,628	459,505	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1. Prior.....	270	0	6,747	3,060	0	0	295	3	27	0	1,546	4,276	XXX
2. 2014.....	699	0	3,374	0	0	0	57	1	49	0	735	4,178	XXX
3. 2015.....	0	0	1	(28)	0	0	232	70	(96)	0	314	95	XXX
4. 2016.....	548	521	1,130	(109)	0	0	289	71	0	0	2,391	1,485	XXX
5. 2017.....	681	428	1,094	922	0	0	2,065	394	(41)	0	2,190	2,056	XXX
6. 2018.....	681	2	8,188	75	0	0	1,971	0	1	0	3,815	10,764	XXX
7. 2019.....	2,761	2,799	1,427	1,868	0	0	6,024	(6)	(23)	0	1,532	5,528	XXX
8. 2020.....	8,099	8,174	18,799	2,536	0	0	3,752	434	427	0	6,991	19,932	XXX
9. 2021.....	8,361	1,937	41,092	10,216	0	0	6,625	65	1,114	0	15,447	44,975	XXX
10. 2022.....	6,659	0	78,228	13,693	0	0	9,950	101	5,005	0	26,932	86,048	XXX
11. 2023.....	158	0	116,430	12,007	0	0	11,547	119	8,324	0	44,642	124,333	XXX
12. Totals	28,917	13,860	276,511	44,240	0	0	42,806	1,253	14,787	0	106,534	303,669	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	3,957	319
2. 2014.....	71,709	3,119	68,590	16.3	27.7	16.0	0	0	0.0	4,073	105
3. 2015.....	41,647	2,866	38,781	11.5	24.0	11.1	0	0	0.0	29	66
4. 2016.....	55,947	11,171	44,775	14.9	109.1	12.3	0	0	0.0	1,267	217
5. 2017.....	109,162	41,111	68,051	28.7	292.2	18.6	0	0	0.0	426	1,630
6. 2018.....	59,969	377	59,592	15.1	2.6	15.6	0	0	0.0	8,792	1,972
7. 2019.....	94,181	14,899	79,281	22.7	86.4	20.0	0	0	0.0	(478)	6,006
8. 2020.....	101,213	41,452	59,761	24.5	223.0	15.2	0	0	0.0	16,188	3,744
9. 2021.....	102,817	17,639	85,178	24.8	68.9	21.9	0	0	0.0	37,300	7,675
10. 2022.....	137,230	13,861	123,369	31.3	56.4	29.8	0	0	0.0	71,194	14,854
11. 2023.....	145,258	12,142	133,116	30.4	42.5	29.6	0	0	0.0	104,580	19,752
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	247,329	56,340

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023	11 One Year	12 Two Year
1. Prior.....	224,107	185,978	165,484	140,895	134,185	127,485	126,210	126,958	140,091	140,358	267	13,399
2. 2014.....	120,990	125,303	97,984	80,972	74,470	64,098	64,161	62,107	62,108	62,158	50	51
3. 2015.....	XXX	101,326	97,662	75,545	56,520	41,594	29,797	29,906	29,794	30,763	969	857
4. 2016.....	XXX	XXX	96,970	92,181	83,184	65,312	52,178	43,894	40,882	37,603	(3,280)	(6,291)
5. 2017.....	XXX	XXX	XXX	93,515	89,514	79,821	67,410	58,862	58,700	58,981	281	120
6. 2018.....	XXX	XXX	XXX	XXX	86,627	83,170	76,711	56,475	55,260	50,613	(4,647)	(5,861)
7. 2019.....	XXX	XXX	XXX	XXX	XXX	90,201	86,307	78,922	77,281	74,973	(2,308)	(3,948)
8. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	95,413	87,377	58,877	52,395	(6,482)	(34,983)
9. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	98,195	71,313	78,482	7,169	(19,714)
10. 2022.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	110,736	115,332	4,597	XXX
11. 2023.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	124,238	XXX	XXX
12. Totals											(3,383)	(56,371)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023		
1. Prior.....	000	112,488	113,750	108,355	110,472	110,437	109,948	118,202	137,870	136,109	XXX	XXX
2. 2014.....	6,588	52,922	57,252	55,778	57,463	57,834	58,341	58,761	58,014	58,029	XXX	XXX
3. 2015.....	XXX	5,585	13,749	25,332	26,809	27,466	27,976	28,589	29,668	30,572	XXX	XXX
4. 2016.....	XXX	XXX	5,195	35,190	39,744	41,167	38,528	38,358	36,763	36,117	XXX	XXX
5. 2017.....	XXX	XXX	XXX	20,159	31,627	35,127	38,945	43,084	56,362	56,884	XXX	XXX
6. 2018.....	XXX	XXX	XXX	XXX	4,646	24,233	32,875	37,530	38,612	39,850	XXX	XXX
7. 2019.....	XXX	XXX	XXX	XXX	XXX	11,513	34,296	44,178	58,892	69,422	XXX	XXX
8. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	4,435	19,725	27,431	32,890	XXX	XXX
9. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,009	20,045	34,621	XXX	XXX
10. 2022.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,328	34,289	XXX	XXX
11. 2023.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,229	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023
1. Prior.....	184,715	63,207	46,837	28,613	9,824	4,241	2,022	4,222	1,776	3,979
2. 2014.....	110,261	69,082	36,534	18,018	14,318	3,455	982	1,090	3,395	3,430
3. 2015.....	XXX	93,604	80,754	48,560	28,581	13,513	1,219	1,131	(1)	190
4. 2016.....	XXX	XXX	88,476	60,193	44,029	25,735	13,532	6,229	4,056	1,458
5. 2017.....	XXX	XXX	XXX	75,357	57,441	42,427	26,296	2,827	1,940	1,844
6. 2018.....	XXX	XXX	XXX	XXX	73,576	52,439	35,296	15,148	15,399	10,084
7. 2019.....	XXX	XXX	XXX	XXX	XXX	73,161	41,471	24,959	12,283	5,589
8. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	89,827	72,363	30,134	19,581
9. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	89,533	47,684	37,436
10. 2022.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	98,264	74,384
11. 2023.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	115,850

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L	12,729,377	11,865,493	0	2,724,820	3,354,488	8,192,470	0
2. Alaska	AK	L	2,695,041	2,627,960	0	101,812	686,576	2,022,953	0
3. Arizona	AZ	L	9,123,659	8,373,361	0	223,444	2,558,831	7,554,166	0
4. Arkansas	AR	L	3,535,600	4,122,380	0	934,808	1,072,956	2,338,464	0
5. California	CA	L	59,592,552	55,329,254	0	6,827,920	(538,877)	10,190,627	0
6. Colorado	CO	L	15,579,701	16,518,906	0	103,079	5,023,887	14,040,001	0
7. Connecticut	CT	L	6,379,307	5,395,006	0	32,538	1,523,708	4,214,571	0
8. Delaware	DE	L	1,230,487	1,312,542	0	14,713	364,351	1,032,735	0
9. District of Columbia	DC	L	4,572,426	3,852,623	0	0	1,113,723	3,290,373	0
10. Florida	FL	L	30,422,332	28,693,110	0	22,296,157	9,540,063	20,763,660	0
11. Georgia	GA	L	16,272,958	17,197,260	0	1,947,108	5,331,514	3,427,177	0
12. Hawaii	HI	L	1,302,611	1,126,581	0	9,409	346,393	922,540	0
13. Idaho	ID	L	2,413,630	2,084,854	0	32,408	612,514	1,490,204	0
14. Illinois	IL	L	12,600,439	12,214,001	0	702,815	3,253,799	8,677,171	0
15. Indiana	IN	L	7,408,666	7,588,793	0	659,497	1,999,722	4,622,017	0
16. Iowa	IA	L	5,387,994	4,516,330	0	215,968	1,379,276	3,545,320	0
17. Kansas	KS	L	2,972,569	3,291,110	0	(34,069)	916,920	2,258,173	0
18. Kentucky	KY	L	5,620,455	5,375,557	0	1,475,385	1,730,759	4,097,257	0
19. Louisiana	LA	L	10,335,341	8,005,826	0	14,120,740	16,533,324	7,978,753	0
20. Maine	ME	L	609,180	608,249	0	114,563	174,712	473,335	0
21. Maryland	MD	L	8,371,965	8,358,573	0	189,086	2,767,427	8,066,012	0
22. Massachusetts	MA	L	18,724,804	16,978,574	0	91,612	5,526,931	16,275,882	0
23. Michigan	MI	L	11,926,368	11,653,333	0	98,025	3,388,461	11,028,653	0
24. Minnesota	MN	L	10,693,602	9,981,777	0	1,542,618	3,049,804	6,970,257	0
25. Mississippi	MS	L	4,705,024	4,820,783	0	1,361,871	1,148,891	2,113,963	0
26. Missouri	MO	L	8,564,284	8,258,077	0	306,180	2,454,483	2,481,294	0
27. Montana	MT	L	2,880,437	2,514,310	0	57,764	710,191	1,864,522	0
28. Nebraska	NE	L	4,358,554	3,603,497	0	821,101	1,070,739	2,145,011	0
29. Nevada	NV	L	7,344,680	6,465,140	0	32,546	1,945,657	5,306,814	0
30. New Hampshire	NH	L	1,235,529	1,172,200	0	(3,827)	366,219	1,071,389	0
31. New Jersey	NJ	L	14,018,774	13,305,549	0	192,641	2,861,409	8,234,756	0
32. New Mexico	NM	L	9,752,616	9,555,840	0	390,333	3,327,764	8,630,025	0
33. New York	NY	L	26,715,196	24,086,827	0	1,312,752	6,973,888	18,459,441	0
34. North Carolina	NC	L	11,784,463	10,423,104	0	5,922,150	3,065,969	2,429,487	0
35. North Dakota	ND	L	4,398,995	4,001,020	0	322,630	1,261,480	3,146,400	0
36. Ohio	OH	L	14,980,765	14,607,719	0	586,558	4,131,479	11,863,023	0
37. Oklahoma	OK	L	4,699,950	4,911,206	0	149,567	1,329,372	3,873,514	0
38. Oregon	OR	L	13,393,246	13,273,237	0	1,646,232	3,015,567	6,354,941	0
39. Pennsylvania	PA	L	13,513,543	12,714,956	0	842,449	3,742,172	9,732,344	0
40. Rhode Island	RI	L	1,488,439	1,522,233	0	(368,097)	456,234	894,287	0
41. South Carolina	SC	L	6,462,094	5,819,732	0	530,180	1,705,167	4,677,866	0
42. South Dakota	SD	L	3,509,285	3,878,368	0	53,853	1,107,269	2,745,484	0
43. Tennessee	TN	L	11,017,572	10,667,256	0	282,552	3,059,735	8,536,702	0
44. Texas	TX	L	24,194,845	23,927,117	0	5,799,354	5,403,633	9,483,879	0
45. Utah	UT	L	6,287,130	6,224,729	0	67,913	1,911,353	4,965,491	0
46. Vermont	VT	L	384,006	323,278	0	(420)	102,258	302,945	0
47. Virginia	VA	L	9,545,367	9,220,204	0	644,124	2,770,264	8,867,466	0
48. Washington	WA	L	14,863,064	13,041,301	0	925,493	3,532,622	8,896,117	0
49. West Virginia	WV	L	2,415,439	2,567,135	0	230,676	794,711	1,868,859	0
50. Wisconsin	WI	L	6,346,155	5,783,492	0	107,187	1,721,572	4,585,353	0
51. Wyoming	WY	L	2,860,704	2,451,945	0	83,848	656,610	1,835,549	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	L	7,792,759	6,067,746	0	0	1,802,025	4,041,270	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	XXX		500,013,979	472,279,458	0	76,722,064	134,139,995	302,880,963	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		0	0	0	0	0	0	0

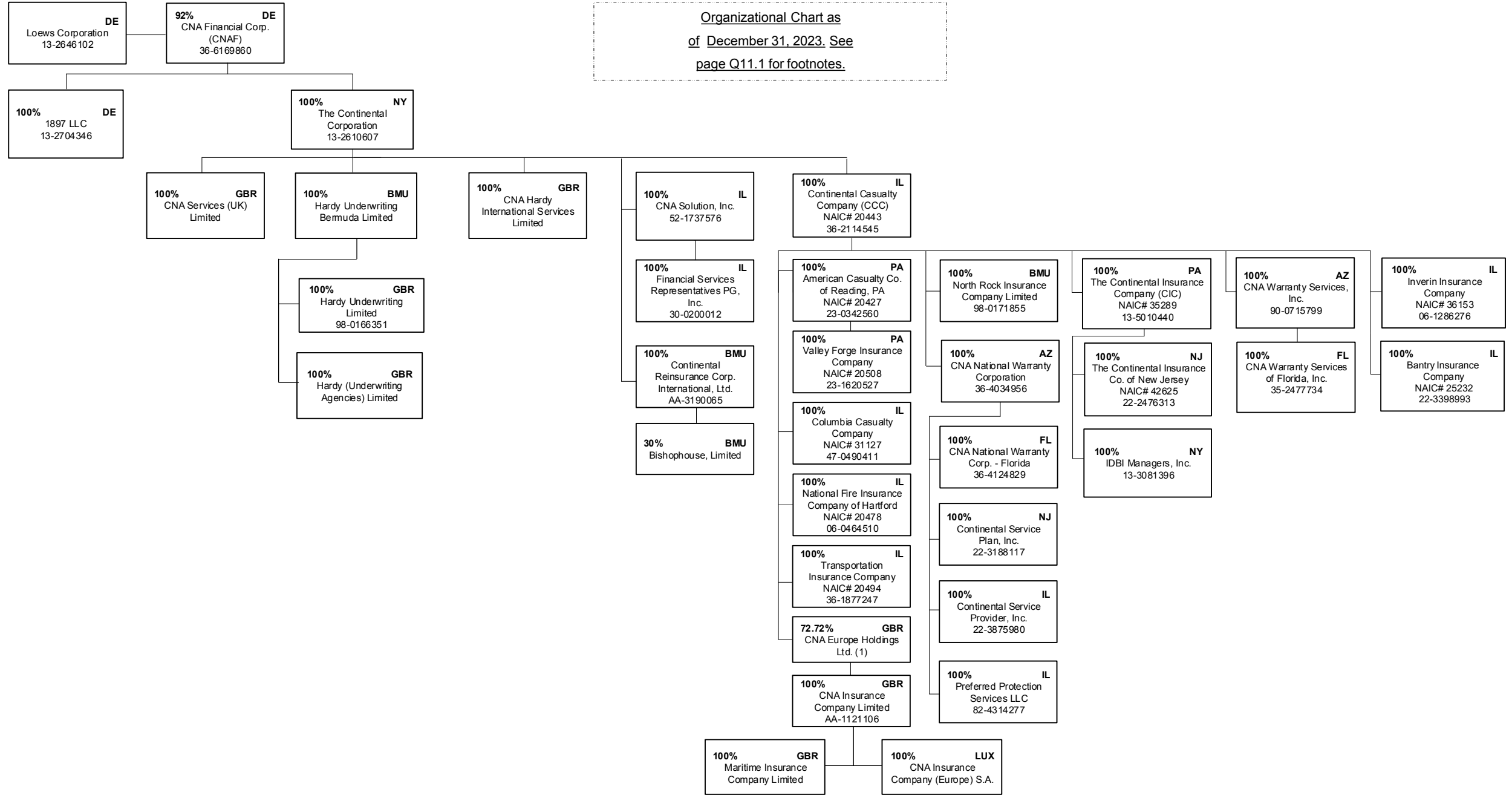
(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 52
- 2. R - Registered - Non-domiciled RRGs..... 0
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI)..... 0
- 4. Q - Qualified - Qualified or accredited reinsurer..... 0
- 5. D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile..... 0
- 6. N - None of the above - Not allowed to write business in the state..... 5

(b) Explanation of basis of allocation of premiums by states, etc.

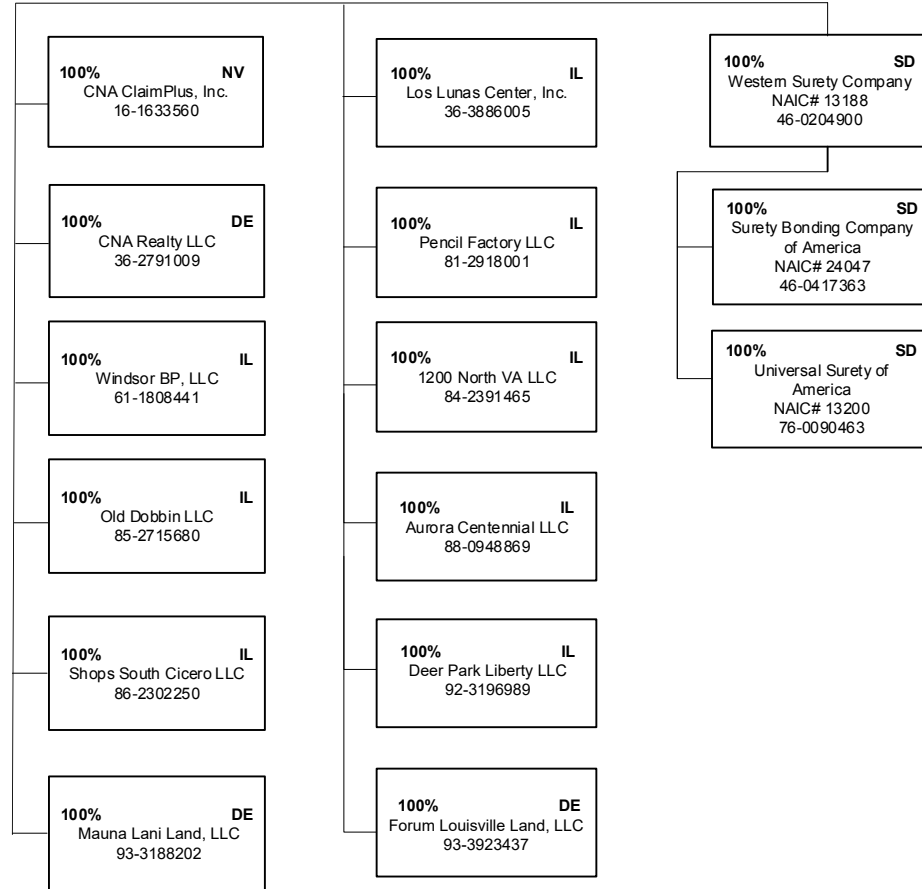
Premiums are generally allocated to those states where the insured risks reside.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE WESTERN SURETY COMPANY
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
 PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

(Continuation from page 1 of companies owned by Continental Casualty Company)



Footnotes

(1) CCC owns 72.72% of CNA Europe Holdings Limited. The other 27.28% is owned by CIC.