Board of Minerals and Environment
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Live audio of the meeting is available at http://www.sd.net
The board packet and instructions for joining the meeting are available at https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67

Board of Minerals and Environment

Remote Meeting Via Audio/Visual Conference

December 17, 2020
10:00 a.m. Central Time

10:00 a.m. Call to order and roll call

Approval of minutes from November 19, 2020, meeting

Mining Issues

- Consent Calendar – Tom Cline

Acceptance of surety bonds to cover increases to Wharf Resources' reclamation and post-closure bonds – Eric Holm

Update on the status of Powertech – Roberta Hudson

Discussion regarding the Volkswagen Mitigation Plan – Barb Regynski

Board member biography – Jessica Peterson

Public comment period in accordance with SDCL 1-25-1

Next meeting

Adjourn

The audio recording and meeting packet for this meeting are available on the South Dakota Boards and Commissions Portal at http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67

Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting

November 19, 2020
10:00 a.m. Central Time

CALL TO ORDER: The meeting was called to order by Chairman Rex Hagg. The roll was called, and a quorum was present.

Chairman Hagg announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Rex Hagg, Glenn Blumhardt, Gregg Greenfield, Dennis Landguth, Doyle Karpen, Daryl Englund, Bob Morris, and John Scheetz.

BOARD MEMBERS ABSENT: Jessica Peterson.

OTHERS: Mike Lees, Eric Holm, Tom Cline, Patty McQuay, DENR Minerals and Mining Program; Kyrik Rombough and Barb Regynski, DENR Air Quality Program; Ben Pierson, Sioux Valley Energy, Robert Raker, West River Electric; Jennifer Hartman and Tyler Tetrault, Bentonite Performance Minerals, LLC; Clint Beck, Pete Lien & Sons, Inc.

APPROVAL OF MINUTES FROM SEPTEMBER 17, 2020: Mr. Scheetz pointed out that the word "is" should be removed from the first line of the second to last paragraph on page 4 of the September 17 minutes.

Motion by Blumhardt, seconded by Karpen, to approve the change on page 4 and to adopt the minutes of the September 17, 2020, Board of Minerals and Environment meeting, as amended. A roll call vote was taken, and the motion carried unanimously.

VOLKSWAGEN MITIGATION PLAN ANNUAL UPDATE: Barb Regynski, DENR Air Quality Program, provided the annual update on South Dakota's Volkswagen Beneficiary Mitigation Plan.

The board approved the mitigation plan in August 2018, and in March 2019 Governor Noem signed a bill giving spending authority for the VW trust funds.

There were 10 specific categories the funds could be used for. Ms. Regynski discussed each of the categories and the funding amount for each category as shown in the following table.

Category	Funding %	Eligible Mitigation Action	Amount
1/6	50	Class 8 & Class 4-7 Local Freight Trucks	$4,062,500
2	10	Class 4-8 Buses	$812,500
9	5	Light Duty ZEV Supply Equipment	$406,250
10	25	DERA Option	$2,031,250
Admin	10	Administrative Costs	$812,500
TOTALS	100		$8,125,000

Category 2 – Class 4-8 Buses. To date, $90,278 has been requested, which is approximately 11 percent of the funds used for the category.

Category 10 – DERA Option. To date, $813,613 has been requested, which is approximately 40 percent of the funds used for the category.

The state Clean Diesel Grant Program provides rebates for replacing old diesel busses with new, cleaner buses. Funds used for this category include DERA (Diesel Emissions Reduction Act) funds, VW Category 10 funds, DERA bonus funds, VW Category 2 funds, and VW administration funds. Currently, rebate percentages have been 25, 35, or 45 percent, depending on the fuel type of the replacement bus. To date, rebate agreements were made for 76 new busses, with 18 of those being propane busses.

Applications are currently being accepted for the new funding round, which opened on November 2, 2020.

Mr. Morris asked if Category 2 is only for school districts or if mass transportation is included.

Ms. Regynski said so far it has been used for mainly school districts, but applications were submitted by a couple of school bus contractors and one transit bus.

Ms. Regynski stated that one of the advantages of using the DERA option is that if trust funds are used to match the DERA amount, EPA provides an extra 50 percent in bonus funding, so more busses can be replaced. Due to the high number of applications, 1/9 of the VW Category 2 bus funds were used.

Mr. Scheetz asked if there is a timeline in which the funds need to be used. Ms. Regynski answered that 80 percent of the funds need to be obligated by 2026. The department does not know the amount of DERA funds, if any, it will receive year to year so it is hard to predict how much will be needed for match.

Category 1 and Category 6 – Class 8 & Class 4-7 Local Freight Trucks. To date, $455,694 has been requested, which is 11 percent of the funds for these categories.

The VW Truck Rebate Program provides rebates for replacing old diesel trucks with new, cleaner trucks. The program has been open to state and local government agencies. Fourteen applications have been received (one for a housing moving truck and 13 for plow trucks). There are two funding rounds per year; one in January and one in June. This is done because of differences in budget cycles between state and local agencies. Since there were so few applications submitted, rebate percentages for the next funding round will increase from 25, 35, and 45 percent to 50, 60 and 70 percent, depending on the fuel type of the replacement truck.

Category 9 – Electric Vehicle Charging Stations. This funding round was open for application from August 10 through November 13, 2020. The maximum allowed for this category is 15 percent. The current plan allows 5 percent. Currently, projects may receive a rebate of 80 percent for charging station and installation. The department received 25 applications which included 21 Level 2 chargers and 13 DC fast chargers totaling approximately $837,000. An 80 percent rebate for these projects is approximately $670,0000. At this time, the plan allows for allocation of a total of $406,250 for this category, so not all of the projects will receive a rebate for this first funding round.

Chairman Hagg asked if the department has established criteria to determine funding for projects.

Ms. Regynski stated the main things staff will look at when determining funding for projects are the locations of the charging stations and the number of charging stations proposed.

In response to a question from Chairman Hagg, Ms. Regynski stated that the DC fast chargers are capable of charging within 15 to 20 minutes and the Level 2 chargers take longer to charge. The fast chargers would be better for major highways and interstates and the Level 2 chargers would be better in smaller locations.

Chairman Hagg asked if the board has the ability to move funds from one category to another category within the mitigation plan. Ms. Regynski noted that she would discuss this later in her presentation.

Responding to a question from Mr. Englund, Ms. Regynski stated that the department does not have another program that provides money for the charging stations. She noted that some of the electric cooperatives may have such a program.

Mr. Karpen suggested that for future funding rounds, applicants be asked to specify whether they would be willing to accept a smaller rebate percentage.

Chairman Hagg asked how the 80 percent rebate was established. Ms. Regynski stated that before the program was started, a draft plan and draft application were posted on the department's website, and the department requested public comments specifically on the charging stations section. In the draft the rebate percentage was set at 50 percent, and after taking the comments into consideration, the department raised it to 80 percent.

Administrative Category – To date $30,289.68 has been used for administration, which is less than 4 percent of the amount in the mitigation plan.

Ms. Regynski stated that the percentages in the plan may be adjusted following a public comment period and approval by the board. She asked the board to consider if and when to revise the plan. She suggested that the board may want to consider increasing the funding for charging stations, combining C2-Busses and C10 DERA, similar to the Trucks category, and giving ranges or maximums for funding amounts instead of set amounts for all of the categories. This would give the department more flexibility in determining funding amounts for the categories.

The information about the VW Mitigation program is located on the DENR website at http://denr.sd.gov/des/aq/aaVW.aspx.

Ben Pierson, Sioux Valley Energy, requested that the board consider a second round of funding be established specifically for electric vehicle charging stations.

Robert Raker, West River Electric, stated that Level 3 charging is uneconomical unless there is a grant in place to help move it forward. He suggested that the first priority be installing charging stations on the interstate corridors and the second priority would be to branch out from there with Level 2 charging stations and possibly more Level 3 charging stations. Currently, along I-90 there are Level 3 chargers; however, they are proprietary towards Tesla, so a network needs to be established that would get other vehicles across the state.

Mr. Pierson requested that in addition to a second round of funding, the board increase the allotted amount to account for the strong interest and need for electric vehicle charging stations.

In response to a question from Chairman Hagg, Mr. Pierson stated that several electric cooperatives, municipal utilities, and investor-owned utilities came together and determined where the electric charging station locations should be. He said there is a map showing all of the proposed location, but nothing in writing has been established by the group.

Chairman Hagg stated that it would be beneficial if the group provided written recommendations to the board and the department.

Mr. Morris asked if the next board meeting could be either in person or done remotely, rather than a conference call, so the board members can view the group's plan visually; and he also has several questions regarding the longevity of charging stations, maintenance of the charging stations, etc. that he would like answered.

Responding to a question from Mr. Englund, Mr. Pierson stated that he believes very few applications would be submitted if the rebate amount was below 80 percent.

In answer to a question from Mr. Englund, Ms. Regynski stated that a fast charger can charge one vehicle at a time and some of the Level 2 chargers have dual points so two vehicles can be charged at one time.

Mr. Pierson said dual port fast chargers are available at a higher cost.

In response to a question from Mr. Morris, Mr. Pierson stated a standard fast charging station costs approximately $80,000.

Chairman Hagg asked that this matter be added to the agenda for the December 17 board meeting for further discussion regarding possibly amending the mitigation plan.

In response to a question from Chairman Hagg, Ms. Regynski stated that the department will determine funding for the electric vehicle charging station applications for this round. She noted that not all of the projects will receive funding.

Mr. Morris stated that for Category 9, Light Duty ZEV Supply Equipment has $406,250 available. If each charger costs $80,000, there is only enough money to fund five chargers. He asked that at the next meeting Ms. Regynski provide information as to the limitations on transferring funds from one category to another. He also asked that Mr. Pierson and Mr. Raker's group give Ms. Regynski an idea of how many chargers are intended to be installed.

Chairman Hagg noted that the funding percentage for Category 9 can be a maximum of 15 percent. Both Chairman Hagg and Mr. Morris questioned whether other projects may be hurt by raising the percentage for Category 9 projects.

Chairman Hagg asked that Ms. Regynski and Mr. Pierson and Mr. Raker to prepare additional materials for the December 17 meeting addressing the concerns and questions expressed by the board members today.

Mr. Pierson stated that he is willing to participate in the next board meeting and can provide as much information as the board needs.

Mr. Landguth stated he cannot believe that the Federal Highway Administration along the interstate system and the South Dakota Department of Transportation aren't looking at something with regard to these charging stations right now, and he questioned whether the board should be looking at partnering with them. He expressed concern that if the Level 2 chargers are installed, over time no one will be using them because Level 3 chargers are available at the same location. He stated that technology is changing, so the department needs to ensure that the latest technology is being used when funding these projects.

Mr. Karpen stated that he agrees with Mr. Landguth. He also suggested that the department reach out to the Department of Tourism regarding the charging stations.

Ms. Regynski stated that she will provide the board with a map showing the location of the charging stations that are approved for funding.

Chairman Hagg said today board has been focusing on funds for the electric charging stations, but that is not intended to diminish the importance of the other categories.

Chairman asked that if board members have questions that they would like addressed, they should send an email to either him or Ms. Regynski.

MINING ISSUES:

Consent Calendar: Prior to the meeting, the board received a table listing the department recommendations for releases of liability and surety, releases of liability, and transfers of liability. (See attached consent calendar.)

Tom Cline, Minerals and Mining Program, presented the consent calendar.

Mr. Morris asked why the surety amount for Jason Lick is $4,000 and the surety amount for Lick Trucking & Roadworks is $1,500. Mr. Cline stated that Jason Lick has three sites, and that is why the amount is $4,000. One of the sites, which is under three acres, is being transferred to Lick Trucking & Roadworks so the surety amount for that site is $1,500.

Motion by Englund, seconded by Karpen, to accept the department recommendations for releases of liability and surety, releases of liability, and transfers of liability, as shown on the consent calendar. A roll call vote was taken, and the motion carried unanimously.

PETE LIEN & SONS, INC., PARTIAL RELEASE OF RECLAMATION LIABILITY – PERMIT 57: Eric Holm reported that during the August 20, 2020, board meeting regarding Pete Lien's Permit 57 reclamation benchmarks and action plan, Clint Beck indicated that Pete Lien intended to submit a request for release of reclaimed land under the permit. The request was received by the department on September 1, 2020.

The department conducted final inspections of the reclamation release areas on May 22, 2018, June 5, 2019, and September 16, 2020. The final results from all three inspections were that the required earthmoving, topsoil placement, and seeding were completed, the release areas meet the 40 percent vegetative requirement and have self-sustaining cover, and no erosion or noxious weed infestations had occurred. Mr. Holm noted that in addition to copies of his slide presentation, the board was provided with a map showing the location of the final inspection areas. Mr. Holm stated that there were some areas that did not meet the release criteria, but the other areas did meet the post-mine land use of grazing and wildlife habitat. Included in the slides were photographs taken during the three inspections, including a 2019 seeded area and a 2016 seeded area which are not eligible for release. Photographs were also taken during the final inspection of areas currently undergoing reclamation. At the time of the inspection, regrading was completed in some areas, but there was no topsoil placement or seeding done. Mr. Holm stated that topsoil placement and seeding were supposed to be done by the end of 2020.

Chairman Hagg requested that Clint Beck, Pete Lien & Sons discuss the plan for topsoil placement and seeding.

Mr. Beck stated that the areas that were not deemed ready for release are being worked into Pete Lien & Sons' schedule to be reseeded at the same time the graded areas will be reseeded. There is a topsoil stockpile nearby. He said at this time topsoil is being applied, and seeding will occur after the topsoil is applied.

Chairman Hagg asked if the weed concerns have been addressed. Mr. Beck answered that Pete Lien & Sons has an on-site weed control person who will be working on a targeted weed control program.

Mr. Holm stated that the department recommended that the board approve Pete Lien & Sons, Inc.'s request for partial release of 148.24 acres of reclaimed land. He noted that 6.65 acres do not meet the release criteria and will not be released at this time and will be evaluated sometime in the future. He said the 11.51 acres being reclaimed in 2020 will be evaluated at a future date. The remaining 253.16 acres will be transferred to a mine license sometime during the next several months.

The department also recommended no post-closure period. No water treatment is taking place, there is a diverse and self-sustaining vegetative cover in existence, and there is no erosion or noxious weed issues in these areas.

Mr. Holm answered questions from Mr. Scheetz regarding his slide presentation, fertilizer, and the photos. Mr. Holm stated since the department is recommending no post-closure period, the bond will not cover the 148.24 acres being released today.

Mr. Scheetz asked that, in the future, the photos have a marker showing the location of where they were taken.

In response to a question from Mr. Morris, Mr. Holm stated that once the reclamation is completed and the areas are released, the remaining acres will be transferred to a mine license.

Responding to a question from Mr. Morris, Mr. Beck stated that Pete Lien & Sons has a Title V air quality permit. He said Pete Lien & Sons controls fugitive dust from exposed areas under the fugitive dust plan and the Title V permit.

Responding to a question from Mr. Scheetz, Mr. Beck stated that Pete Lien & Sons has a stormwater permit and a stormwater pollution prevention plan in place.

Motion by Morris, seconded by Landguth, to approve the partial release of 148.24 acres of reclaimed land with no post-closure period for Pete Lien & Sons, Inc. A roll call vote was taken, and the motion carried unanimously.

<u>BENTONITE PERFORMANCE MINERALS, LLC REQUEST TO LEAVE ROAD AS A PERMANENT FEATURE AFTER FINAL RECLAMATION – PERMIT 482</u>: Mr. Holm reported that Bentonite Performance Minerals operates the Purple bentonite mine under Large Scale Mine Permit 482. Mining operations and final reclamation under the mine permit are expected to be completed in 2021. Under the approved reclamation plan, all roads associated with the operation are required to be reclaimed.

Surface owner Dave Garman has asked Bentonite Performance Minerals to leave a road, constructed on his land for mining, unreclaimed as a permanent feature after final reclamation. As required under ARSD 74:29:07:12(10), Bentonite Performance Minerals may request in writing to the board that a road be permitted to remain unreclaimed if the surface landowner has requested that the road or spur remain unreclaimed and agrees to be responsible for future maintenance. The company must also furnish proof of such a request.

To satisfy the requirements of this regulation, Bentonite Performance Minerals submitted to the board a request that the road constructed for mining on Mr. Garman's land be left unreclaimed as a permanent feature. The company's request, a letter from Dave Garman requesting the road be left as a permanent feature and stating he will be responsible for future maintenance, and a map showing the location of the road were received by the Minerals and Mining Program on September 21, 2020, and were included in the packet sent to the board prior to the meeting.

Staff recommended that the board approve Bentonite Performance Minerals, LLC's request to leave the road constructed for mining as a permanent feature after final reclamation.

In response to a question from Mr. Morris, Jennifer Hartman stated that the road constructed has access to a mining road constructed by American Colloid, and Bentonite Performance Minerals has a right-away agreement on it.

Responding to a question from Mr. Morris, Tyler Tetrault stated that the road to be left for Mr. Garman is a private road. There is a fence along the north side of the American Colloid road, so the private road will not be accessed by the public.

In answer to a question from Mr. Scheetz, Ms. Hartman stated that the road is approximately 12 feet wide.

Motion by Morris, seconded by Karpen, to approve Bentonite Performance Minerals LLC's request to leave the road constructed for mining as a permanent feature after final reclamation. A roll call vote was taken, and the motion carried unanimously.

<u>BOARD MEMBER BIOGRAPHIES</u>: Glenn Blumhardt and Bob Morris provided personal biographies.

<u>PUBLIC COMMENT PERIOD</u>: There were no public comments.

<u>NEXT MEETING</u>: The next meeting is scheduled for December 17, 2020.

<u>ADJOURN</u>: Motion by Englund, seconded by Morris, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

____________________________________ ____________________________________
Secretary Date Witness Date

Consent Calendar
South Dakota Board of Minerals & Environment

November 19, 2020

License Holder	License No.	Site No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Release of Liability & Surety:					
Harlan Enerson Hettinger, ND	04-785		$1,000	Alerus Financial, Grand Forks, ND	Release liability and $1,000.
		785001	NW1/4 Section 26; T23N-R10E, Perkins County		
James T. Hughes Custer, SD	04-790		$500	First Interstate Bank, Custer	Release liability and $500.
		790001	NE1/4 Section 27; T2S-R3E, Custer County		
John Merriman Lemmon, SD	93-494		$3,243 $500	First National Bank, Pierre Dacotah Bank, Lemmon	Release liability and $3,743.
		494001	NW1/4 Section 20; T21N-R16E, Perkins County		
Release of Liability:					
Morris Inc. Pierre, SD	83-2		$20,000	United Fire & Casualty Company	Release liability.
		2038	NE1/4 Section 18; T113N-R74W, Sully County		

Consent Calendar
South Dakota Board of Minerals & Environment

November 19, 2020

License Holder	License No.	Site No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Transfer of Liability:					
Aggregate Construction Inc. Minot, ND	89-382		$20,000	Ohio Farmers Insurance Company	Transfer liability.
		382046	Section 36; T17N-R12E, Perkins County		
Transfer to:					
Besler Gravel & Trucking, LLC Bison, SD	17-1029		$1,000	Dacotah Bank, Bison	
Jason Lick Rosholt, SD	87-351		$4,000	Great Western Bank, Rosholt	Transfer liability.
		351003	SW1/4 Section 35; T128N-R48W, Roberts County		
Transfer to:					
Lick Trucking & Roadworks LLC Rosholt, SD	20-1061		$1,500	State Bank of Wheaton, Wheaton, MN	

Consent Calendar
South Dakota Board of Minerals & Environment

November 19, 2020

License Holder	License No.	Site No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Transfer of Liability:					
Myrl & Roy's Paving, Inc. Sioux Falls, SD	83-95		$20,000	Great American Insurance Company	Transfer liability.
		95007	E1/2 SW1/4 Section 8 & NE1/4 NW1/4 Section 17; T101N-R50W, Minnehaha County		
		95027	NW1/4 Section 6; T101N-R50W, Minnehaha County		
		95027	E1/2 SW1/4 & SW1/4 SE1/4 Section 6; T101N-R50W, Minnehaha County		
Transfer to:					
L.G. Everist Inc. & Subsidiaries Sioux Falls, SD	83-37		$20,000	The Aetna Casualty & Surety Company	
Myrl & Roy's Paving, Inc. Sioux Falls, SD	83-95		$20,000	Great American Insurance Company	Transfer liability.
		95007	W1/2 SW1/4 Section 8 & NW1/4 NW1/4 Section 17; T101N-R50W, Minnehaha County		
Transfer to:					
TCB, LLC Sioux Falls, SD	20-1080		$20,000	First National Bank, Sioux Falls	

South Dakota Board of Minerals & Environment

November 19, 2020

Permit Holder	Permit No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Pete Lien & Sons Inc. Partial Release of Reclamation Liability – Permit 57:				
Pete Lien & Sons Inc. Rapid City, SD	57	$204,300	UMB Bank, Kansas City, MO	Approve Pete Lien & Sons Inc.'s request for partial release of 148.24 acres of reclaimed land with no postclosure period.
		Portions of Sections 20 & 21; T2N-R7E, Pennington County		
Bentonite Performance Minerals LLC Request to Leave Road after Final Reclamation – Permit 482:				
Bentonite Performance Minerals LLC Belle Fourche, SD	482	$200,000	Wells Fargo Bank, Winston-Salem, NC	Approve Bentonite Performance Minerals LLC's request to leave the road constructed for mining as a permanent feature after final reclamation.
		SW1/4 NE1/4 Section 23; T9N-R1E, Butte County		

Consent Calendar
South Dakota Board of Minerals & Environment

December 17, 2020

License Holder	License No.	Site No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Release of Liability & Surety:					
Cynthia & Timothy Henrich Bellingham, MN	16-1010		$1,000	State Bank of Bellingham, Bellingham, MN	Release liability and $1,000.
		1010001	SW1/4 Section 20; T120N-R47W, Grant County		

South Dakota Board of Minerals & Environment

December 17, 2020

Permit Holder	Permit No.	Surety Amount	Surety Company or Bank	DENR Recommendation
Acceptance of Reclamation Bond Increase for Wharf Resources (USA), Inc.:				
Wharf Resources (USA), Inc. Lead, SD	356, 464, & 476	$10,000,000	Everest Reinsurance Company	Accept Bond No. ES00006613, Everest Reinsurance Company, in the amount of $10,000,000.
		$10,866,800	United States Fire Insurance Company	Accept Bond No. 612414071, United States Fire Insurance Company, in the amount of $10,866,800. The acceptance of these bonds will increase the Wharf reclamation bond to $58,246,100.
Acceptance of Post-Closure Bond Increase for Wharf Resources (USA), Inc.:				
Wharf Resources (USA), Inc. Lead, SD	356, 464, & 476	$11,596,200	Arch Insurance Company	Accept Bond No. SU 1170119, Arch Insurance Company, in the amount of $11,596,200. The acceptance of this bond will increase the Wharf Post-Closure bond to $38,396,200

Minerals and Mining Program

Submittal of New Surety Bonds to Cover Wharf's Revised Reclamation Surety and Postclosure Financial Assurance

December 17, 2020

Current Reclamation Surety Bonds

Endurance Assurance	$ 6,000,000
Everest Reinsurance	$ 5,786,000
Liberty Mutual	$10,000,000
Argonaut Insurance	$ 7,593,300
Aspen American	$ 8,000,000
Current Reclamation Bond	$37,379,300

Wharf Reclamation Bond Adjustment

- During August 20, 2020 meeting, Board approved increasing reclamation bond to $56,693,500
  – Based on complete backfill of Harmony Pit
- During October 7, 2020 mine permit audit, DENR learned Wharf would not complete Harmony Pit backfill this year
- To cover remaining pit backfill costs, DENR increased reclamation bond to $58,246,100


Harmony Pit
October 7, 2020

New Reclamation Surety Bonds

United States Fire Insurance	$10,866,800
Everest Reinsurance	$10,000,000
New Reclamation Bond	$20,866,800

United States Fire Insurance (US Treasury Certified Company)

	AM Best	S&P	Moody's	Fitch
Financial Strength	A (excellent)	A- (strong)	Not rated	Not rated
Long Term	a (excellent)	A- (strong)	Baa1 (medium grade)	Not rated
Outlook	Stable	Stable	Positive	Not rated

United States Fire Insurance AM Best Ratings Since 2016

	2016	2017	2018	2019	2020
Financial Strength	A	A	A	A	A
Long Term	a	a	a	a	a

Everest Reinsurance Company (US Treasury Certified Company)

	AM Best	S&P	Moody's	Fitch
Financial Strength	A+ (superior)	A+ (strong)	Not rated	Not rated
Long Term	aa- (superior)	A+ (strong)	A1 (upper medium grade)	Not rated
Outlook	Stable	Stable	Stable	Not rated

Everest Reinsurance Company AM Best Ratings Since 2015

	2015	2016	2017	2018	2019	2020
Financial Strength	A+	A+	A+	A+	A+	A+
Long Term	aa-	aa-	aa-	aa-	aa-	aa-

Revised Reclamation Surety Bond

Current Reclamation Bond	$37,379,300
New Reclamation Bond	$20,866,800
Revised Reclamation Bond	$58,246,100

DENR Recommendation

- Accept Bond No. ES00006613, Everest Reinsurance Company, in the amount of $10 million
- Accept Bond No. 612414071, United States Fire Insurance Company, in the amount of $10,866,800
- The acceptance of these bonds will increase Wharf’s reclamation bond to $58,246,100

Current Postclosure Financial Assurance

Aspen American	$26,800,000

New Postclosure Financial Assurance

Arch Insurance	$11,596,200

Arch Insurance Company (US Treasury Certified Company)

	AM Best	S&P	Moody's	Fitch
Financial Strength	A+ (superior)	A+ (strong)	Not rated	A+ (strong)
Long Term	aa- (superior)	A+ (strong)	A2 (upper medium grade)	Not rated
Outlook	Stable	Negative	Stable	Stable

Arch Insurance Company
AM Best Ratings Since 2015

	2015	2016	2017	2018	2019
Financial Strength	A+	A+	A+	A+	A+
Long Term	aa-	aa-	aa-	aa-	aa-

Revised Postclosure Financial Assurance

Current Postclosure	$26,800,000
New Postclosure	$11,596,200
Revised Postclosure	$38,396,200

DENR Recommendation

- Accept Bond No. SU 1170119, Arch Insurance Company, in the amount of $11,596,200
- The acceptance of these bonds will increase Wharf’s postclosure financial assurance to $38,396,200

Wharf Resources Reclamation and Cyanide Spill Bonds
Corporate Credit Rating Scales Used by Major Credit Rating Agencies

	AM Best	S&P	Moody's	Fitch
Secure/ Investment Grade	A++, A+ A, A- B++, B+	AAA AA+, AA, AA- A+, A, A- BBB+, BBB, BBB-	Aaa Aa1, Aa2, Aa3 A1, A2, A3 Baa1, Baa2, Baa3	AAA AA+, AA, AA- A+, A, A- BBB+, BBB, BBB-
Speculative/ Vulnerable	B, B- C++, C+ C, C- D E F	BB+, BB, BB- B+, B, B- CCC+, CCC, CCC- CC, C D	Ba1, Ba2, Ba3 B1, B2, B3 Caa1, Caa2, Caa3 Ca, C	BB+, BB, BB- B+, B, B- CCC+, CCC, CCC- CC+, CC, CC- DDD

United States Fire Insurance Company

Wilmington, Delaware   NAIC#: 21113   FEIN: 13-5459190   LEI: V55KVJP0M6RP4RCJJG12   LORS: B02136

Ratings as of Apr 04, 2020

A.M. Best	S&P
A p, S	A-, S

FINANCIAL RESULTS

USD (000's Omitted)

ASSETS	2019	% Change	2018	2017
Bonds	1,300,753	(15.4%)	1,537,942	829,051
Common & Preferred Stocks	320,824	64.4%	195,115	249,525
Mortgage Loans	4,575	30.3%	3,510	0
Real Estate	99,533	(2.0%)	101,576	105,240
Cash & Short Term Investments	570,386	51.8%	375,752	1,110,717
Affiliated Investments	1,044,434	3.6%	1,008,381	1,055,184
Other	270,336	12.9%	239,477	241,981
Subtotal Cash & Inv. Assets	**3,610,841**	**4.3%**	**3,461,753**	**3,591,698**
Premiums Balances	307,501	57.5%	195,196	237,022
Deposits w/Reinsured Cos	18,044	302.5%	4,483	4,522
Reins Recoverable on Paid Losses	41,921	34.8%	31,104	23,944
Curr & Def Fed & Foreign Inc Tax	173,740	6.6%	162,989	135,638
Other Assets	466,522	18.6%	393,292	237,161
Total Assets	**4,444,829**	**8.8%**	**4,085,828**	**4,094,347**

LIABILITIES	2019	% Change	2018	2017
Loss Reserves (excl IBNR)	636,034	1.1%	629,251	662,720
IBNR Reserves	972,077	4.5%	930,572	907,355
Loss Adjustment Expense Reserves	382,337	(1.2%)	386,840	394,867
Unearned Premium Reserves	622,338	20.2%	517,688	504,835
Subtotal	**2,612,786**	**6.0%**	**2,464,351**	**2,469,777**
Other Liabilities	425,967	40.2%	303,836	322,308
Total Liabilities	**3,038,753**	**9.8%**	**2,768,187**	**2,792,085**

POLICYHOLDERS' SURPLUS	2019	% Change	2018	2017
Capital Paid-Up	14,943	10.2%	13,560	12,210
Surplus Paid-In	1,374,912	10.3%	1,246,295	1,115,645
Surplus Notes	0	--	0	0
Other Surplus Funds	0	--	0	0
Unassigned Funds	16,221	(71.9%)	57,786	174,407
Policyholders' Surplus (PHS)	**1,406,076**	**6.7%**	**1,317,641**	**1,302,262**

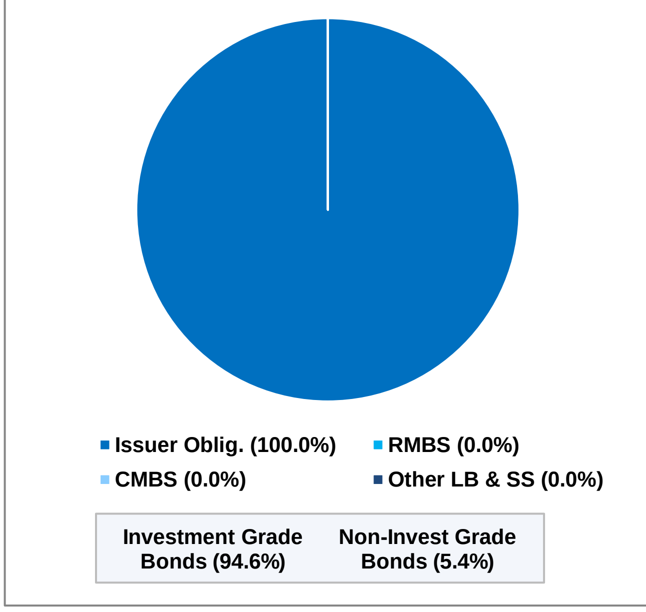
PREMIUMS	2019	% Change	2018	2017
Direct Premiums	1,267,147	14.3%	1,109,062	990,825
+Assumed Affiliates Premiums	1,473,938	23.5%	1,193,263	1,107,773
+Assumed Non Affiliates Premiums	89,255	41.0%	63,314	78,415
Gross Premiums Written	**2,830,340**	**19.6%**	**2,365,639**	**2,177,013**
-Ceded Affiliates Premiums	730,625	22.3%	597,275	543,815
-Ceded Non Affiliates Premiums	325,865	23.7%	263,340	215,122
Net Premiums Written	**1,773,850**	**17.9%**	**1,505,024**	**1,418,076**

INCOME STATEMENT	2019	% Change	2018	2017
Net Premiums Earned	1,667,300	11.9%	1,490,270	1,408,107
-Losses Incurred	909,009	13.6%	799,851	778,837
-Loss Expense Incurred	140,682	(1.5%)	142,867	132,632
-Underwriting Expense	606,721	13.4%	535,148	498,717
Net Underwriting Gain/Loss	**10,889**	**(12.2%)**	**12,404**	**(2,079)**
+Net Investment Income	67,096	19.6%	56,118	27,342
+Net Realized Cap Gain/(Loss)	(49,661)	(617.5%)	9,597	(151,850)
+Other Income	(1,198)	62.0%	(3,156)	(4,315)
-Dividends to Policyholders	0	--	0	0
-Federal and Foreign Tax	(14,545)	(189.5%)	(5,024)	1,054
Net Income	**41,671**	**(47.9%)**	**79,986**	**(131,956)**

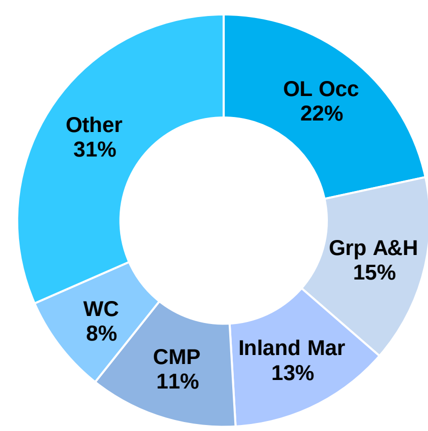
PHS ADJUSTMENTS	2019	% Change	2018	2017
Net Income	41,671	(47.9%)	79,986	(131,956)
Unrealized Cap Gains (Less CG Tax)	(28,251)	81.4%	(151,487)	158,261
Capital Contributions	130,000	(1.5%)	132,000	12,000
Dividends to Stockholders	(50,000)	--	0	(12,304)
Other Surplus Changes	(4,985)	89.0%	(45,120)	57,400
Change in Surplus	**88,435**	**475.0%**	**15,379**	**83,401**

REINSURANCE RECOVERABLE	2019	% Change	2018	2017
Unaff Paid & Unpaid Losses & LAE	124,105	17.5%	105,626	100,078
Unaff Unearned Premiums	35,737	13.9%	31,382	30,018
Unaff IBNR	206,650	(0.1%)	206,754	202,007
Affiliated Reins. Recoverable	1,434,710	6.6%	1,345,878	1,398,235
Total Reinsurance Recoverable	**1,802,455**	**6.6%**	**1,690,596**	**1,731,006**

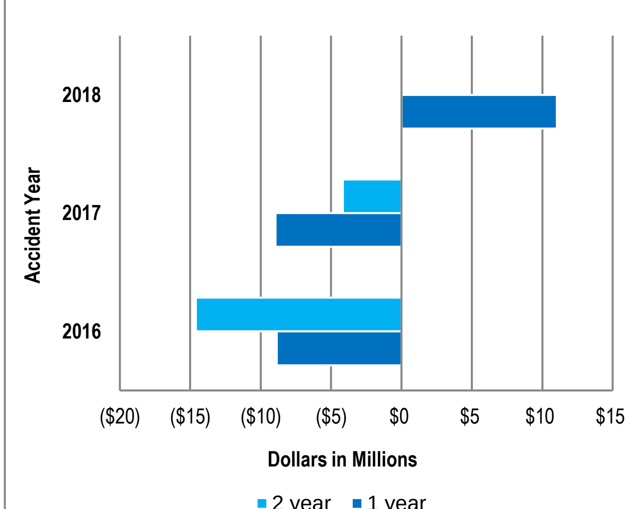
Bonds & Short Term Inv



NPW: USD1,773.9 mn



Reserve Development



Source of Data: A.M. Best (AMB#: 002136)

United States Fire Insurance Company

PROFITABILITY (%)	2019	2018	2017
Pre-tax Operating Return / NPE	4.6	4.4	1.5
ROAE	2.0	5.7	(10.4)
Dividends / Net Income	120.0	0.0	(9.3)
Net Investment Yield	1.9	1.6	0.8
Pure Loss Ratio	54.5	53.7	55.3
+Loss Expense Ratio	8.4	9.6	9.4
+Policyholders' Dividend Ratio	0.0	0.0	0.0
+Net Commission / NPW	17.6	17.3	17.7
+Other Und Expense / NPW	16.6	18.3	17.5
Combined Ratio	**97.2**	**98.8**	**99.9**
Loss Reserve Dev (excl Forex) / NPE (Favorable) / Unfavorable	(0.5)	(0.5)	(1.0)

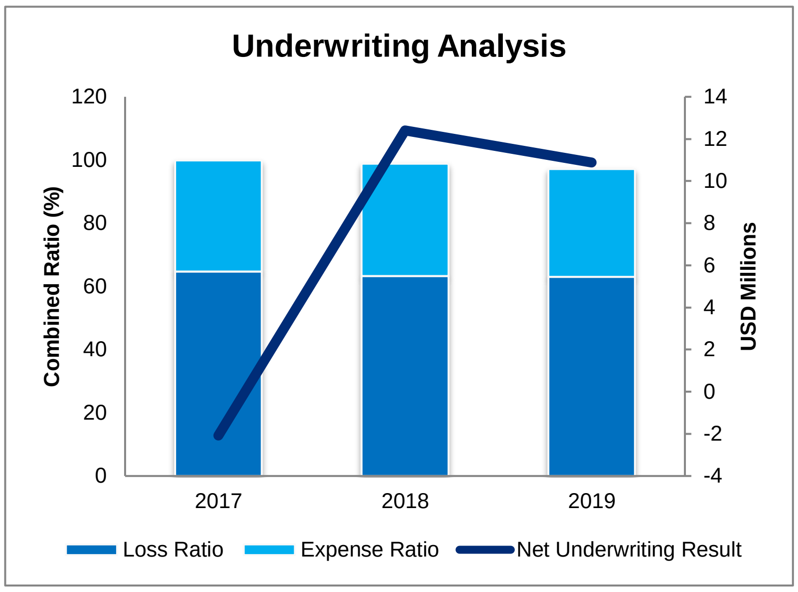
LEVERAGE (X)	2019	2018	2017
RBC	3.5	3.5	3.4
GPW / PHS	2.0	1.8	1.7
NPW / PHS	1.3	1.1	1.1
Net Tech Res / PHS	1.8	1.8	1.9
Other Liabilities / PHS	0.3	0.2	0.2
Net Leverage	**3.4**	**3.2**	**3.2**
Unaff Reins Recover / PHS	0.3	0.3	0.3
Unaff Ceded Premiums / PHS	0.2	0.2	0.2
Gross Leverage	**3.9**	**3.7**	**3.6**
NPW / GPW (%)	62.7	63.6	65.1

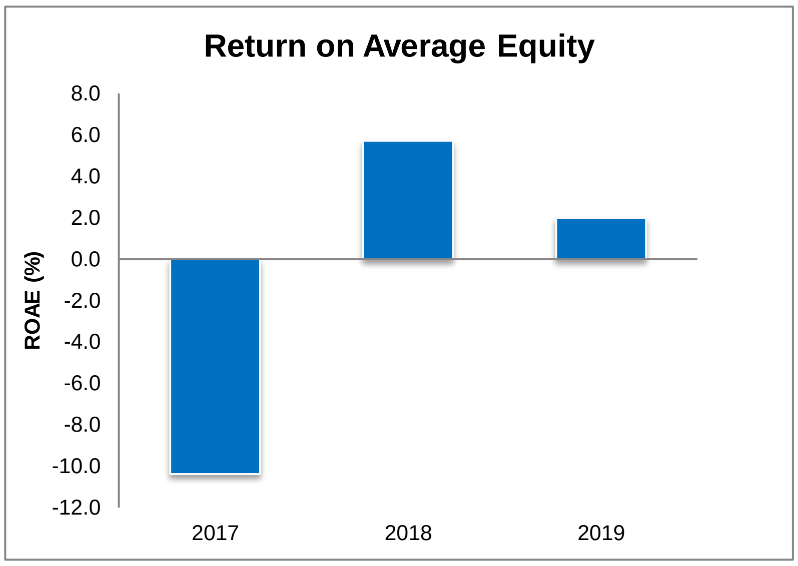
OVERALL LIQUIDITY (%)	2019	2018	2017
Liquid Assets / Net Tech Res	85.3	86.7	89.5
Inv Assets+Fnds Hld/ N Tech Res	141.2	142.5	147.0
Inv Assets+Fnds Hld/ Net Liabs	119.4	125.2	128.8
Total Assets / Total Liabilities	141.3	142.3	141.7

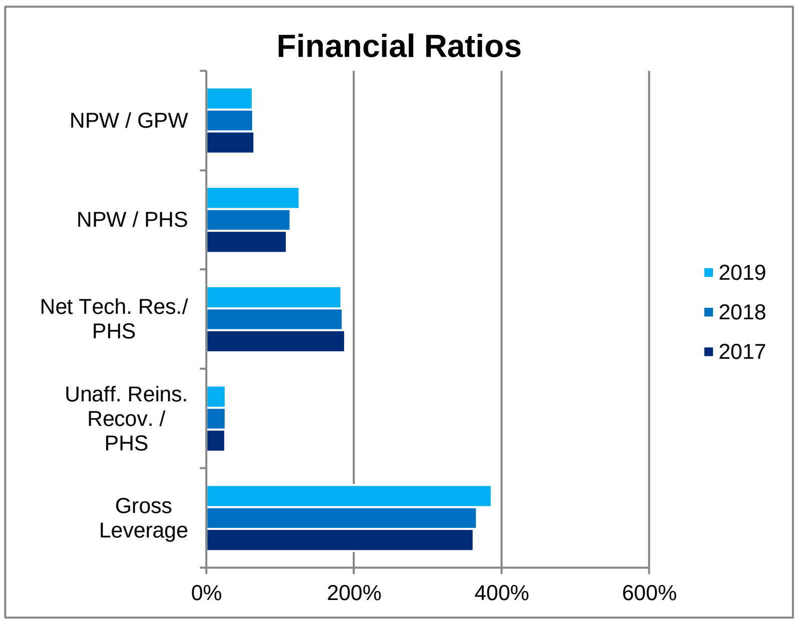
ASSET COMPOSITION (%)	2019	2018	2017
Non-Inv Assets / Total Assets	18.8	15.3	12.3
Cash & Short Term / Inv Assets	15.8	10.9	30.9
Stocks / Invested Assets	8.9	5.6	6.9
Bonds / Invested Assets	36.0	44.4	23.1
All Other Invest / Invested Assets	39.3	39.1	39.0

LOSS RESERVES (%)	2019	2018	2017
Loss Res / NPE	119.4	130.6	139.5
IBNR Res (w/o LAE) / NPE	58.3	62.4	64.4
IBNR Res (w/o LAE) / Loss Res	48.8	47.8	46.2

PERCENTAGE CHANGE	2019	2018	2017
GPW	19.6	8.7	6.4
NPW	17.9	6.1	3.5
NPE	11.9	5.8	4.7
Loss & LAE Reserves	2.2	(0.9)	2.1
Net Liabilities	9.8	(0.9)	2.2
PHS	6.7	1.2	6.8
PHS from retained earnings	(0.6)	6.1	(11.8)







United States Fire Insurance Company

Net Premium by Line:

(000's Omitted)	% of 2019 NPW	2019	2018	2017	2019 % Chng	2018 % Chng
Fire	3.4%	60,236	30,961	27,042	94.6%	14.5%
Allied Lines	3.0%	53,496	27,418	24,696	95.1%	11.0%
Farmowners Mp	0.0%	-	-	-	-	-
Homeowners Mp	0.2%	4,332	3,571	3,567	21.3%	0.1%
Commercial Mp	11.6%	206,001	195,374	180,156	5.4%	8.4%
Mortg Guaranty	0.0%	-	-	-	-	-
Ocean Marine	0.8%	13,693	8,010	15,600	70.9%	(48.7%)
Inland Marine	12.7%	225,186	202,550	166,365	11.2%	21.8%
Finan Guaranty	0.0%	-	-	-	-	-
Med Prof Liab Occur	0.0%	-	-	-	-	-
Med Prof Liab Claims	0.0%	-	-	-	-	-
Earthquake	0.4%	7,444	234	60	3081.2%	290.0%
Group A&H	14.8%	261,971	213,519	210,515	22.7%	1.4%
Credit A&H	0.0%	-	-	-	-	-
Other A&H	0.0%	-	-	-	-	-
Workers' Comp	7.7%	137,212	141,584	145,351	(3.1%)	(2.6%)
Oth Liab Occur	21.6%	383,442	336,102	325,950	14.1%	3.1%
Oth Liab Claim	4.7%	82,512	67,563	58,895	22.1%	14.7%
Excess Workers Comp	0.0%	-	-	-	-	-
Prod Liab Occ	5.2%	92,848	84,762	81,752	9.5%	3.7%
Prod Liab Clms	0.0%	417	710	598	(41.3%)	18.7%
Pp Auto Liab	0.3%	5,075	5,364	6,181	(5.4%)	(13.2%)
Comm Auto Liab	6.9%	121,583	112,287	102,709	8.3%	9.3%
Auto Phys Damg	2.0%	35,416	31,589	33,158	12.1%	(4.7%)
Aircraft	0.0%	-	-	-	-	-
Fidelity	0.3%	5,585	4,549	3,330	22.8%	36.6%
Surety	4.0%	70,788	38,879	32,150	82.1%	20.9%
Burglary&Theft	0.0%	-	-	-	-	-
Boiler & Mach	0.0%	-	-	-	-	-
Credit	0.4%	6,613	-	-	-	-
International	0.0%	-	-	-	-	-
Warranty	0.0%	-	-	-	-	-
Rein-Property	0.0%	-	-	-	-	-
Rein-Liability	0.0%	-	-	-	-	-
Rein-Fin Lines	0.0%	-	-	-	-	-
Agg Write-Ins	0.0%	-	-	-	-	-
Total	**100.0%**	**1,773,850**	**1,505,023**	**1,418,075**	**17.9%**	**6.1%**

Loss Experience:

		Pure Loss Ratio			negative indicates improvement	
	% of 2019 NPE	2019	2018	2017	2019 Pt Chng	2018 Pt Chng
Fire	2.6%	56.4%	60.9%	49.3%	(4.4)	11.5
Allied lines	2.3%	31.6%	46.3%	66.8%	(14.7)	(20.5)
Farmowners multiple peril	0.0%	-	-	-	-	-
Homeowners multiple peril	0.2%	66.7%	80.3%	75.3%	(13.6)	5.0
Commercial multiple peril	12.1%	59.3%	47.5%	63.2%	11.7	(15.7)
Mortgage Guaranty	0.0%	-	-	-	-	-
Ocean Marine	0.8%	77.9%	108.6%	88.9%	(30.8)	19.8
Inland Marine	13.5%	64.1%	60.0%	62.0%	4.1	(1.9)
Financial Guaranty	0.0%	-	-	-	-	-
Med Prof Occurrence	0.0%	-	-	-	-	-
Med Prof Claims Made	0.0%	-	-	-	-	-
Earthquake	0.2%	1.3%	32.3%	1.3%	(31.0)	31.0
Group Accident & Health	15.6%	66.9%	66.4%	67.1%	0.5	(0.7)
Credit Accident & Health	0.0%	-	-	-	-	-
Other Accident & Health	0.0%	-	-	-	-	-
Workers Comp.	8.5%	36.1%	34.7%	35.8%	1.4	(1.1)
Other Liability Occurrence	21.2%	50.9%	51.7%	50.9%	(0.8)	0.8
Other Liability Claims Made	4.5%	40.1%	44.2%	53.3%	(4.1)	(9.0)
Excess Workers' Compensation	0.0%	-	-	-	-	-
Products Liability Occurrence	5.2%	46.9%	37.8%	26.8%	9.1	11.0
Products Liability Claims Made	0.0%	21.9%	-121.5%	-66.0%	143.4	(55.4)
Auto Liability Private Passenger	0.3%	51.2%	47.4%	60.1%	3.8	(12.7)
Auto Liability Commercial	7.1%	73.4%	84.8%	72.2%	(11.4)	12.6
Auto Physical Damage	2.0%	51.3%	58.1%	63.6%	(6.8)	(5.5)
Aircraft	0.0%	-	-	-	-	-
Fidelity	0.3%	30.9%	16.6%	31.1%	14.4	(14.6)
Surety	3.7%	20.6%	6.7%	16.7%	13.9	(10.0)
Burglary and theft	0.0%	-	-	-	-	-
Boiler & Machinery	0.0%	-	-	-	-	-
Credit	0.1%	50.0%	-	-	-	-
International	0.0%	-	-	-	-	-
Warranty	0.0%	-	-	-	-	-
Reins A (property)	0.0%	-	-	-	-	-
Reins B (casualty)	0.0%	-	-	-	-	-
Reins C (surety & fin guar)	0.0%	-	-	-	-	-
Aggregate Write-in	0.0%	-	-	-	-	-
All Lines	**100.0%**	**54.5%**	**53.7%**	**55.3%**	**0.8**	**(1.6)**

United States Fire Insurance Company

By Line Loss Reserve Development

Lines of Business	Prior Yr Loss Reserves	1 Yr Devel	Prior Yr Losses Paid in the Current Yr	Remaining Unpaid Losses for Prior Yrs	% Reduction in Prior Year Loss Reserves	Unpaid Prior year Reserve / Current Year Reserve	1 Yr Development to Current NPE	Development to Prior Yr Res
HO / FO	1,710	173	955	928	45.7 %	53.4 %	4.7 %	10.1 %
Priv Pass Auto Liab	2,487	(227)	1,398	862	65.3 %	36.3 %	(4.4)%	(9.1)%
Comm Auto Liab	137,002	17,642	71,046	83,598	39.0 %	57.5 %	15.0 %	12.9 %
Workers' Comp	395,929	(27,792)	63,148	304,989	23.0 %	81.2 %	(19.7)%	(7.0)%
CMP	195,176	17,534	86,564	126,146	35.4 %	57.2 %	8.7 %	9.0 %
Med Mal Occur	0	0	0	0	0.0 %	0.0 %		
Med Mal CM	4	1	0	5	(25.0)%	100.0 %		25.0 %
Spec'l Liab	20,199	886	9,890	11,195	44.6 %	62.6 %	6.8 %	4.4 %
Other Liab Occur	643,002	(10,331)	185,594	447,077	30.5 %	69.9 %	(2.9)%	(1.6)%
Other Liab CM	93,449	(11,581)	27,001	54,867	41.3 %	56.6 %	(15.6)%	(12.4)%
Int'l	0	0	0	0	0.0 %	0.0 %		
Reins A	0	0	0	0	0.0 %	0.0 %		
Reins B	0	0	0	0	0.0 %	0.0 %		
Reins C	0	0	0	0	0.0 %	0.0 %		
Product Liab Occur	167,192	1,939	48,305	120,826	27.7 %	73.6 %	2.2 %	1.2 %
Product Liab CM	2,013	(522)	713	778	61.4 %	67.1 %	(68.6)%	(25.9)%
Short Tailed Lines	188,961	4,771	146,401	47,331	75.0 %	21.5 %	0.7 %	2.5 %
Total	**1,847,124**	**(7,507)**	**641,015**	**1,198,602**	**35.1 %**	**63.6 %**	**(0.5)%**	**(0.4)%**

Original Accident Year Incurred Losses and Subsequent Development - All Lines

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Accident Yr Loss Ratio: Original	Developed	Difference
Prior Yrs	1,057,169	7,526	(215)	(6,901)	7,259	8,613	10,444	(239)	6,380	8,475			
2010	310,483	(1,058)	16,998	9,652	4,178	(1,360)	5,390	3,017	3,525	3,244	67.3 %	76.8 %	9.5 %
2011		387,087	27,732	18,084	22,619	(8,845)	(1,238)	(5,918)	5,608	4,033	66.1 %	76.7 %	10.6 %
2012			537,405	(17,235)	5,733	(1,030)	(2,512)	698	202	(1,168)	68.1 %	66.1 %	(1.9)%
2013				598,254	(34,234)	(13,607)	(9,698)	(10,925)	(6,204)	1,645	64.9 %	57.0 %	(7.9)%
2014					608,461	9,246	(18,369)	1,325	(4,761)	574	61.8 %	60.5 %	(1.2)%
2015						682,988	(84)	(6,759)	(11,579)	(17,558)	59.1 %	55.9 %	(3.1)%
2016							801,307	4,736	(5,765)	(8,844)	59.6 %	58.8 %	(0.7)%
2017								853,565	4,777	(8,940)	60.6 %	60.3 %	(0.3)%
2018									879,415	11,032	59.0 %	59.8 %	0.7 %
2019										983,142	59.0 %		

Calendar Year Effect: Total Devel	6,468	44,515	3,600	5,555	(6,983)	(16,067)	(14,065)	(7,817)	(7,507)
Loss Ratio Points	1.1 %	5.6 %	0.4 %	0.6 %	(0.6)%	(1.2)%	(1.0)%	(0.5)%	(0.5)%

Everest Reinsurance Company

Wilmington, Delaware NAIC#: 26921 FEIN: 22-2005057 LEI: 549300PV50TEP9HM5V61 LORS: B03519

FINANCIAL RESULTS

USD (000's Omitted)

Ratings as of Mar 10, 2020

A.M. Best	S&P
A+ g, S	A+, S

ASSETS	2019	% Change	2018	2017
Bonds	6,433,064	10.9%	5,803,285	3,672,234
Common & Preferred Stocks	179,043	(4.3%)	187,166	155,146
Mortgage Loans	0	--	0	0
Real Estate	0	--	0	0
Cash & Short Term Investments	288,900	(13.6%)	334,470	243,245
Affiliated Investments	700,388	107.6%	337,354	296,200
Other	2,024,629	(5.4%)	2,139,094	2,257,336
Subtotal Cash & Inv. Assets	**9,626,024**	**9.4%**	**8,801,369**	**6,624,161**
Premiums Balances	1,762,475	(3.0%)	1,817,306	1,583,154
Deposits w/Reinsured Cos	323,526	34.9%	239,888	212,538
Reins Recoverable on Paid Losses	229,875	63.1%	140,980	399,546
Curr & Def Fed & Foreign Inc Tax	291,252	(51.7%)	602,515	405,257
Other Assets	576,944	(29.6%)	819,628	666,664
Total Assets	**12,518,844**	**5.9%**	**11,819,171**	**9,486,063**

LIABILITIES	2019	% Change	2018	2017
Loss Reserves (excl IBNR)	3,077,391	13.6%	2,708,181	1,953,830
IBNR Reserves	2,281,990	3.8%	2,198,636	1,229,693
Loss Adjustment Expense Reserves	665,845	11.3%	598,010	477,610
Unearned Premium Reserves	1,788,807	18.7%	1,507,246	1,310,325
Subtotal	**7,814,033**	**11.4%**	**7,012,073**	**4,971,458**
Other Liabilities	965,671	(16.5%)	1,156,504	1,122,753
Total Liabilities	**8,779,704**	**7.5%**	**8,168,577**	**6,094,211**

POLICYHOLDERS' SURPLUS	2019	% Change	2018	2017
Capital Paid-Up	10,000	0.0%	10,000	10,000
Surplus Paid-In	2,464,961	0.1%	2,462,668	987,510
Surplus Notes	0	--	0	0
Other Surplus Funds	0	--	0	0
Unassigned Funds	1,264,179	7.3%	1,177,926	2,394,343
Policyholders' Surplus (PHS)	**3,739,140**	**2.4%**	**3,650,594**	**3,391,852**

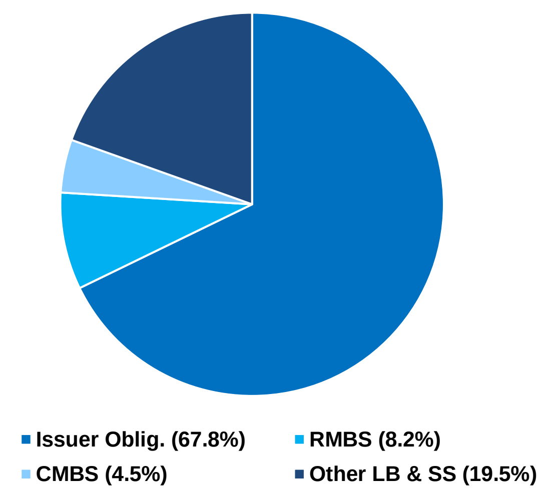
PREMIUMS	2019	% Change	2018	2017
Direct Premiums	387,634	23.5%	313,939	327,394
+Assumed Affiliates Premiums	2,160,652	29.2%	1,672,096	1,608,837
+Assumed Non Affiliates Premiums	4,659,528	1.7%	4,580,694	3,886,204
Gross Premiums Written	**7,207,814**	**9.8%**	**6,566,729**	**5,822,435**
-Ceded Affiliates Premiums	264,736	(54.3%)	579,587	3,254,522
-Ceded Non Affiliates Premiums	1,145,444	22.5%	934,883	826,672
Net Premiums Written	**5,797,634**	**14.8%**	**5,052,259**	**1,741,241**

INCOME STATEMENT	2019	% Change	2018	2017
Net Premiums Earned	5,516,142	13.6%	4,854,782	968,745
-Losses Incurred	3,532,571	(20.7%)	4,452,568	889,771
-Loss Expense Incurred	295,629	(9.7%)	327,551	128,906
-Underwriting Expense	1,669,254	7.8%	1,548,425	760,217
Net Underwriting Gain/Loss	**18,689**	**101.3%**	**(1,473,763)**	**(810,149)**
+Net Investment Income	464,254	158.2%	179,789	229,261
+Net Realized Cap Gain/(Loss)	6,469	227.1%	(5,091)	(14,808)
+Other Income	(11,910)	63.1%	(32,312)	3,044
-Dividends to Policyholders	136	--	0	0
-Federal and Foreign Tax	114,332	954.1%	(13,386)	(201,233)
Net Income	**363,034**	**127.5%**	**(1,317,991)**	**(391,419)**

PHS ADJUSTMENTS	2019	% Change	2018	2017
Net Income	363,034	127.5%	(1,317,991)	(391,419)
Unrealized Cap Gains (Less CG Tax)	(24,362)	(227.7%)	(7,435)	113,483
Capital Contributions	2,292	(99.8%)	1,475,159	270
Dividends to Stockholders	(300,000)	--	0	0
Other Surplus Changes	47,582	(56.4%)	109,009	34,397
Change in Surplus	**88,546**	**(65.8%)**	**258,742**	**(243,269)**

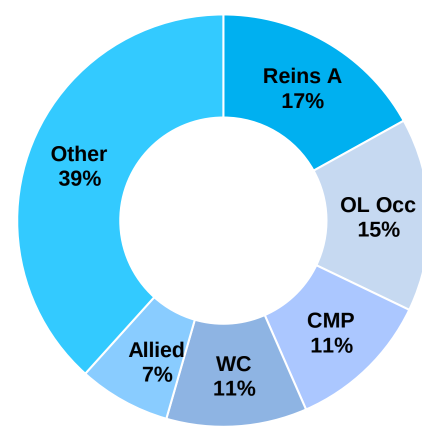
REINSURANCE RECOVERABLE	2019	% Change	2018	2017
Unaff Paid & Unpaid Losses & LAE	648,703	6.9%	606,712	478,019
Unaff Unearned Premiums	400,590	28.9%	310,748	276,994
Unaff IBNR	624,008	(0.7%)	628,692	617,653
Affiliated Reins. Recoverable	3,268,099	(9.4%)	3,607,648	5,028,683
Total Reinsurance Recoverable	**4,941,309**	**(4.1%)**	**5,152,656**	**6,399,975**

Bonds & Short Term Inv

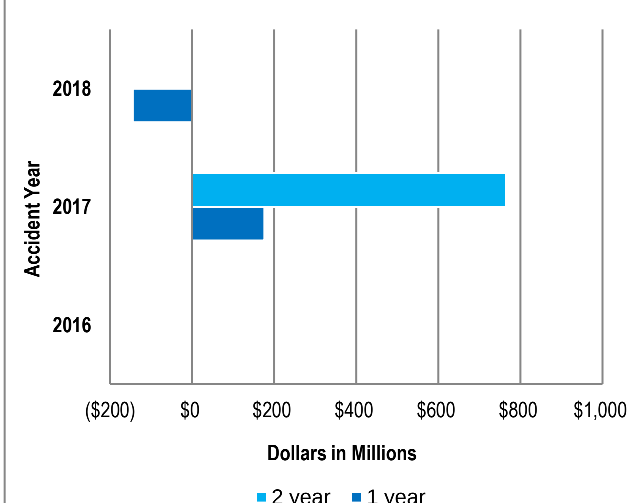


Investment Grade Bonds (92.2%)	Non-Invest Grade Bonds (7.8%)

NPW: USD5,797.6 mn



Reserve Development



Source of Data: A.M. Best (AMB#: 003519)

Everest Reinsurance Company

PROFITABILITY (%)	2019	2018	2017
Pre-tax Operating Return / NPE	8.5	(27.3)	(59.6)
ROAE	12.9	(37.8)	(16.9)
Dividends / Net Income	82.6	0.0	0.0
Net Investment Yield	5.0	2.3	3.2
Pure Loss Ratio	64.0	91.7	91.8
+Loss Expense Ratio	5.4	6.7	13.3
+Policyholders' Dividend Ratio	0.0	0.0	0.0
+Net Commission / NPW	26.4	28.2	37.1
+Other Und Expense / NPW	2.4	2.4	6.5
Combined Ratio	**98.2**	**129.1**	**148.8**
Loss Reserve Dev (excl Forex) / NPE (Favorable) / Unfavorable	0.8	11.4	(14.5)

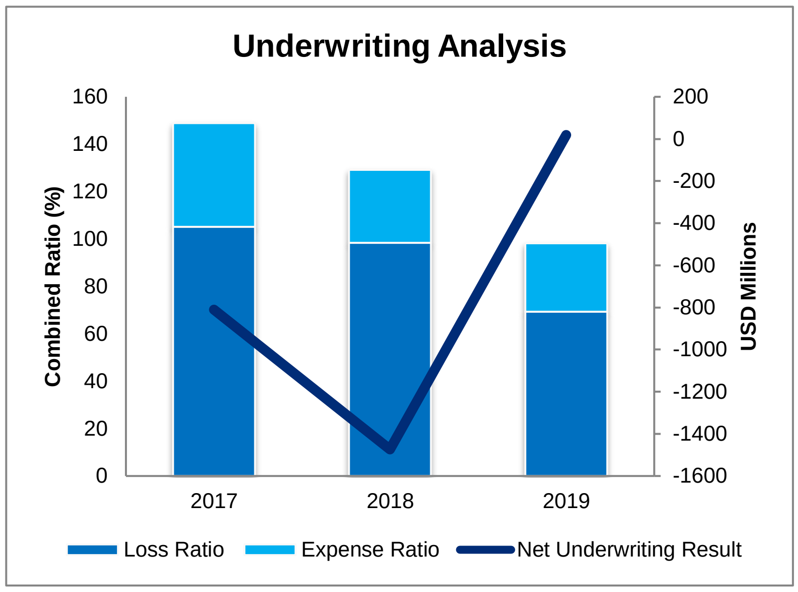
LEVERAGE (X)	2019	2018	2017
RBC	3.7	3.4	3.3
GPW / PHS	1.9	1.8	1.7
NPW / PHS	1.6	1.4	0.5
Net Tech Res / PHS	2.0	1.9	1.3
Other Liabilities / PHS	0.3	0.3	0.3
Net Leverage	**3.8**	**3.6**	**2.2**
Unaff Reins Recover / PHS	0.4	0.4	0.4
Unaff Ceded Premiums / PHS	0.3	0.3	0.2
Gross Leverage	**4.6**	**4.3**	**2.8**
NPW / GPW (%)	80.4	76.9	29.9

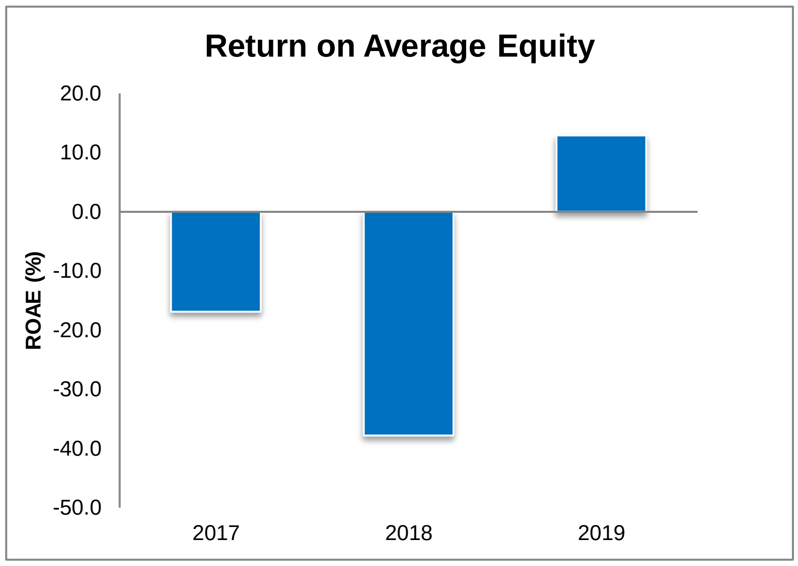
OVERALL LIQUIDITY (%)	2019	2018	2017
Liquid Assets / Net Tech Res	91.0	92.1	89.0
Inv Assets+Fnds Hld/ N Tech Res	131.2	131.6	149.5
Inv Assets+Fnds Hld/ Net Liabs	113.3	110.7	112.2
Total Assets / Total Liabilities	135.8	137.6	145.4

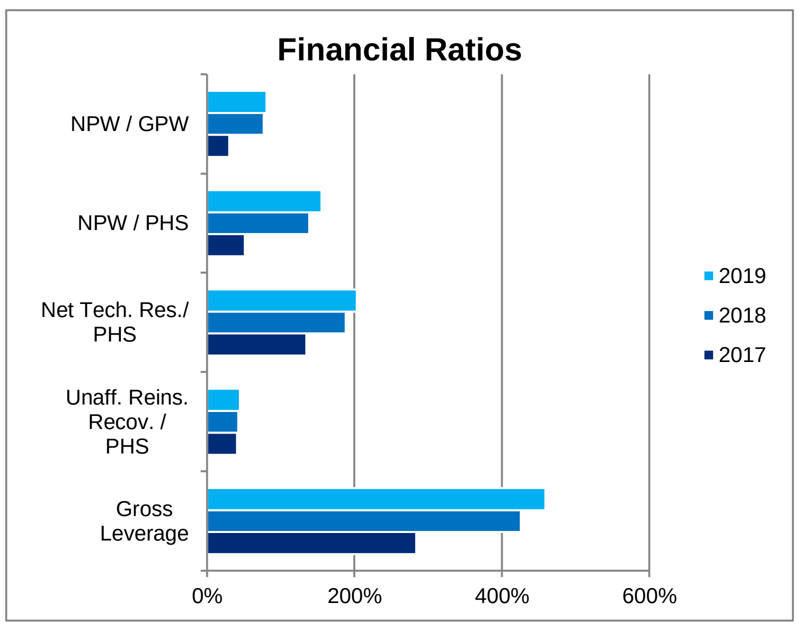
ASSET COMPOSITION (%)	2019	2018	2017
Non-Inv Assets / Total Assets	23.1	25.5	30.2
Cash & Short Term / Inv Assets	3.0	3.8	3.7
Stocks / Invested Assets	1.9	2.1	2.3
Bonds / Invested Assets	66.8	65.9	55.4
All Other Invest / Invested Assets	28.3	28.1	38.5

LOSS RESERVES (%)	2019	2018	2017
Loss Res / NPE	109.2	113.4	377.9
IBNR Res (w/o LAE) / NPE	41.4	45.3	126.9
IBNR Res (w/o LAE) / Loss Res	37.9	39.9	33.6

PERCENTAGE CHANGE	2019	2018	2017
GPW	9.8	12.8	14.1
NPW	14.8	190.2	(15.1)
NPE	13.6	401.1	(53.8)
Loss & LAE Reserves	9.5	50.4	(12.9)
Net Liabilities	7.5	34.0	(7.5)
PHS	2.4	7.6	(6.7)
PHS from retained earnings	1.7	(38.9)	(10.8)







For more information about The Market Information Group visit marshmarketinfo.com, guycarp.com, or contact your local Marsh or Guy Carpenter representative.

Marsh and Guy Carpenter are part of the Marsh & McLennan Companies, together with Mercer and Oliver Wyman.

Everest Reinsurance Company

Net Premium by Line:

(000's Omitted)	% of 2019 NPW	2019	2018	2017	2019 % Chng	2018 % Chng
Fire	3.5%	200,542	204,197	64,817	(1.8%)	215.0%
Allied Lines	7.2%	418,912	343,810	218,293	21.8%	57.5%
Farmowners Mp	0.3%	15,091	3,868	2,269	290.1%	70.5%
Homeowners Mp	5.6%	322,788	351,729	140,623	(8.2%)	150.1%
Commercial Mp	11.3%	655,710	597,481	150,165	9.7%	297.9%
Mortg Guaranty	2.3%	132,174	127,721	45,519	3.5%	180.6%
Ocean Marine	1.0%	57,359	42,484	5,079	35.0%	736.5%
Inland Marine	0.9%	55,037	32,889	3,320	67.3%	890.6%
Finan Guaranty	0.0%	345	1	95	34400.0%	(98.9%)
Med Prof Liab Occur	0.0%	715	254	(332)	181.5%	176.5%
Med Prof Liab Claims	0.0%	538	108	(4,651)	398.1%	102.3%
Earthquake	1.1%	63,068	35,132	22,443	79.5%	56.5%
Group A&H	0.7%	40,982	18,788	23,769	118.1%	(21.0%)
Credit A&H	0.0%	-	-	-	-	-
Other A&H	0.6%	33,685	21,081	14,106	59.8%	49.4%
Workers' Comp	11.0%	639,478	495,197	135,611	29.1%	265.2%
Oth Liab Occur	15.2%	879,740	519,931	90,858	69.2%	472.2%
Oth Liab Claim	3.4%	195,814	232,432	37,043	(15.8%)	527.5%
Excess Workers Comp	0.1%	6,297	4,262	(411)	47.7%	1137.0%
Prod Liab Occ	0.3%	19,959	10,620	4,241	87.9%	150.4%
Prod Liab Clms	0.1%	7,556	6,466	1,415	16.9%	357.0%
Pp Auto Liab	1.2%	69,648	71,989	48,631	(3.3%)	48.0%
Comm Auto Liab	5.1%	292,939	174,331	41,174	68.0%	323.4%
Auto Phys Damg	1.5%	88,283	88,919	33,357	(0.7%)	166.6%
Aircraft	0.7%	40,573	30,482	1,964	33.1%	1452.0%
Fidelity	0.1%	7,748	12,202	5,523	(36.5%)	120.9%
Surety	3.0%	171,330	157,607	81,922	8.7%	92.4%
Burglary&Theft	0.2%	9,903	1,460	1,850	578.3%	(21.1%)
Boiler & Mach	0.6%	32,741	34,713	1,945	(5.7%)	1684.7%
Credit	0.7%	42,130	28,798	12,138	46.3%	137.3%
International	0.0%	-	-	(323)	-	100.0%
Warranty	0.0%	-	-	-	-	-
Rein-Property	16.9%	982,523	1,094,099	557,181	(10.2%)	96.4%
Rein-Liability	4.8%	276,940	278,916	(13,792)	(0.7%)	2122.3%
Rein-Fin Lines	0.6%	35,651	30,289	15,399	17.7%	96.7%
Agg Write-Ins	0.0%	1,434	-	-	-	-
Total	**100.0%**	**5,797,634**	**5,052,259**	**1,741,240**	**14.8%**	**190.2%**

Loss Experience:

		Pure Loss Ratio			negative indicates improvement	
	% of 2019 NPE	2019	2018	2017	2019 Pt Chng	2018 Pt Chng
Fire	3.5%	124.5%	105.9%	114.7%	18.6	(8.8)
Allied lines	6.9%	91.6%	221.9%	203.1%	(130.3)	18.8
Farmowners multiple peril	0.2%	113.7%	140.5%	52.2%	(26.7)	88.3
Homeowners multiple peril	5.6%	71.2%	103.5%	43.3%	(32.3)	60.2
Commercial multiple peril	11.8%	58.9%	77.3%	65.5%	(18.4)	11.8
Mortgage Guaranty	2.4%	18.3%	-9.2%	-0.1%	27.5	(9.1)
Ocean Marine	0.9%	82.4%	69.9%	---	12.5	-
Inland Marine	0.8%	49.1%	218.8%	220.9%	(169.7)	(2.0)
Financial Guaranty	0.0%	---	---	0.0%	-	-
Med Prof Occurrence	0.0%	81.7%	63.6%	200.0%	18.0	(136.4)
Med Prof Claims Made	0.0%	-24.3%	263.0%	56.4%	(287.3)	206.7
Earthquake	0.8%	3.2%	17.2%	-2.3%	(14.0)	19.5
Group Accident & Health	0.7%	48.6%	120.7%	79.3%	(72.1)	41.4
Credit Accident & Health	0.0%	-	-	-	-	-
Other Accident & Health	0.6%	68.2%	124.6%	72.8%	(56.4)	51.8
Workers Comp.	11.3%	50.3%	41.8%	-237.8%	8.5	279.6
Other Liability Occurrence	13.5%	77.5%	98.3%	47.2%	(20.8)	51.1
Other Liability Claims Made	4.8%	59.7%	61.9%	171.5%	(2.2)	(109.7)
Excess Workers' Compensation	0.1%	56.8%	80.5%	76.9%	(23.7)	3.5
Products Liability Occurrence	0.2%	75.4%	52.0%	---	23.4	-
Products Liability Claims Made	0.1%	28.0%	38.1%	16.5%	(10.1)	21.6
Auto Liability Private Passenger	1.3%	92.5%	79.6%	63.7%	12.9	15.9
Auto Liability Commercial	4.7%	41.9%	48.4%	41.0%	(6.5)	7.4
Auto Physical Damage	1.6%	73.3%	89.1%	57.3%	(15.7)	31.8
Aircraft	0.8%	92.9%	91.9%	---	1.0	-
Fidelity	0.3%	54.0%	314.0%	223.1%	(260.0)	90.9
Surety	3.1%	31.5%	34.3%	-43.3%	(2.8)	77.6
Burglary and theft	0.1%	33.6%	38.0%	23.6%	(4.4)	14.4
Boiler & Machinery	0.6%	38.3%	105.3%	---	(67.1)	-
Credit	0.6%	106.3%	95.5%	-100.8%	10.8	196.2
International	0.0%	-	-	68.4%	-	-
Warranty	0.0%	-	-	-	-	-
Reins A (property)	17.5%	46.7%	84.0%	193.3%	(37.4)	(109.2)
Reins B (casualty)	4.5%	106.8%	111.8%	187.8%	(5.0)	(75.9)
Reins C (surety & fin guar)	0.6%	67.5%	54.4%	35.0%	13.2	19.4
Aggregate Write-in	0.0%	---	---	---	-	-
All Lines	**100.0%**	**64.0%**	**91.7%**	**91.8%**	**(27.7)**	**(0.1)**

Everest Reinsurance Company

By Line Loss Reserve Development

Lines of Business	Prior Yr Loss Reserves	1 Yr Devel	Prior Yr Losses Paid in the Current Yr	Remaining Unpaid Losses for Prior Yrs	% Reduction in Prior Year Loss Reserves	Unpaid Prior year Reserve / Current Year Reserve	1 Yr Development to Current NPE	Development to Prior Yr Res
HO / FO	283,614	8,552	159,182	132,984	53.1 %	65.9 %	2.7 %	3.0 %
Priv Pass Auto Liab	81,094	13,620	37,941	56,773	30.0 %	56.9 %	19.7 %	16.8 %
Comm Auto Liab	60,125	6,622	17,083	49,664	17.4 %	43.3 %	2.6 %	11.0 %
Workers' Comp	415,191	(19,687)	57,993	337,511	18.7 %	54.3 %	(3.1)%	(4.7)%
CMP	487,922	16,920	152,039	352,803	27.7 %	61.1 %	2.6 %	3.5 %
Med Mal Occur	3,288	598	596	3,290	(0.1)%	85.3 %	66.9 %	18.2 %
Med Mal CM	14,052	18	2,444	11,626	17.3 %	99.7 %		0.1 %
Spec'l Liab	148,385	879	37,958	111,306	25.0 %	61.5 %	0.7 %	0.6 %
Other Liab Occur	517,281	873	46,812	471,342	8.9 %	59.2 %	0.1 %	0.2 %
Other Liab CM	296,187	8,276	91,693	212,770	28.2 %	59.5 %	3.2 %	2.8 %
Int'l	485	92	19	558	(15.1)%	100.0 %		19.0 %
Reins A	885,731	(46,095)	234,402	605,234	31.7 %	82.0 %	(4.8)%	(5.2)%
Reins B	559,325	3,679	135,999	427,005	23.7 %	71.6 %	1.5 %	0.7 %
Reins C	20,126	1,450	9,814	11,762	41.6 %	71.4 %	4.2 %	7.2 %
Product Liab Occur	21,755	(177)	6,202	15,376	29.3 %	59.8 %	(1.4)%	(0.8)%
Product Liab CM	1,483	97	202	1,378	7.1 %	42.1 %	1.2 %	6.5 %
Short Tailed Lines	1,582,553	49,911	373,385	1,259,079	20.4 %	81.7 %	4.2 %	3.2 %
Total	**5,378,597**	**45,628**	**1,363,764**	**4,060,461**	**24.5 %**	**69.0 %**	**0.8 %**	**0.8 %**

Original Accident Year Incurred Losses and Subsequent Development - All Lines

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Accident Yr Loss Ratio: Original	Developed	Difference
Prior Yrs	3,219,101	137,900	36,413	29,998	75,550	1,803	75,516	(38,108)	(6,021)	17			
2010	1,338,009	(70,611)	32,992	37,095	(15,763)	2,765	8,622	(2,970)	(5,088)	1,080	73.8 %	73.1 %	(0.7)%
2011		1,743,920	2,627	18,745	(12,414)	(10,187)	(35,321)	4,113	(2,860)	1,128	97.8 %	95.9 %	(1.9)%
2012			1,099,500	23,976	(8,534)	8,961	(22,123)	(6,096)	(17,634)	132	62.1 %	60.9 %	(1.2)%
2013				1,042,190	(5,119)	(13,670)	(18,989)	(45,568)	(124)	13,077	51.9 %	48.4 %	(3.5)%
2014					1,185,242	(1,854)	(59,561)	(13,913)	(7,685)	(44)	55.6 %	51.7 %	(3.9)%
2015						1,175,499	(32,252)	(34,526)	857	1,400	55.0 %	52.0 %	(3.0)%
2016							1,318,044	(3,032)	2,787	(1,689)	62.9 %	62.8 %	(0.1)%
2017								1,082,856	588,757	175,853	111.9 %	191.0 %	79.0 %
2018									4,124,738	(145,327)	85.0 %	82.0 %	(3.0)%
2019										3,678,289	66.7 %		

Calendar Year Effect:	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Devel	67,289	72,032	109,814	33,720	(12,182)	(84,108)	(140,100)	552,989	45,627
Loss Ratio Points	**3.8 %**	**4.1 %**	**5.5 %**	**1.6 %**	**(0.6)%**	**(4.0)%**	**(14.5)%**	**11.4 %**	**0.8 %**

Arch Insurance Company

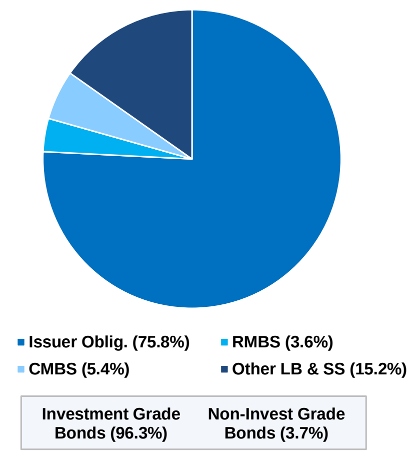
Kansas City, Missouri NAIC#: 11150 FEIN: 43-0990710 LEI: -

FINANCIAL RESULTS

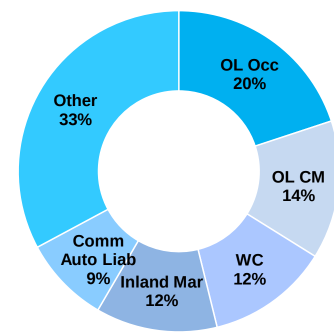
USD (000's Omitted)

ASSETS	2019	% Change	2018	2017
Bonds	2,773,669	21.9%	2,275,266	2,483,720
Common & Preferred Stocks	76,936	607.0%	(15,174)	0
Mortgage Loans	0	--	0	0
Real Estate	0	--	0	0
Cash & Short Term Investments	66,835	51.6%	44,084	141,655
Affiliated Investments	555,092	3.5%	536,125	446,693
Other	35,306	49.0%	23,692	188,438
Subtotal Cash & Inv. Assets	**3,507,838**	**22.5%**	**2,863,993**	**3,260,506**
Premiums Balances	481,916	22.7%	392,854	377,197
Deposits w/Reinsured Cos	990	0.0%	990	933
Reins Recoverable on Paid Losses	158,877	(14.0%)	184,634	20,403
Curr & Def Fed & Foreign Inc Tax	64,782	38.3%	46,826	54,886
Other Assets	371,983	37.6%	270,367	262,826
Total Assets	**4,521,604**	**21.8%**	**3,712,838**	**3,921,865**
LIABILITIES	**2019**	**% Change**	**2018**	**2017**
Loss Reserves (excl IBNR)	377,671	91.8%	196,948	82,251
IBNR Reserves	1,164,787	42.2%	819,174	200,474
Loss Adjustment Expense Reserves	347,769	40.6%	247,334	118,972
Unearned Premium Reserves	812,210	3.8%	782,339	363,949
Subtotal	**2,702,437**	**32.1%**	**2,045,795**	**765,646**
Other Liabilities	863,711	14.5%	754,351	2,226,440
Total Liabilities	**3,566,148**	**27.4%**	**2,800,146**	**2,992,086**
POLICYHOLDERS' SURPLUS	**2019**	**% Change**	**2018**	**2017**
Capital Paid-Up	5,000	0.0%	5,000	5,000
Surplus Paid-In	719,074	0.0%	719,074	619,356
Surplus Notes	0	--	0	0
Other Surplus Funds	0	--	0	0
Unassigned Funds	231,382	22.7%	188,619	305,423
Policyholders' Surplus (PHS)	**955,456**	**4.7%**	**912,693**	**929,779**
PREMIUMS	**2019**	**% Change**	**2018**	**2017**
Direct Premiums	2,344,313	15.6%	2,028,385	1,930,388
+Assumed Affiliates Premiums	531,247	26.4%	420,333	429,760
+Assumed Non Affiliates Premiums	26,057	(3.8%)	27,083	27,309
Gross Premiums Written	**2,901,617**	**17.2%**	**2,475,801**	**2,387,457**
-Ceded Affiliates Premiums	268,751	180.1%	(335,465)	2,308,686
-Ceded Non Affiliates Premiums	888,082	26.9%	700,019	627,884
Net Premiums Written	**1,744,784**	**(17.4%)**	**2,111,247**	**(549,113)**
INCOME STATEMENT	**2019**	**% Change**	**2018**	**2017**
Net Premiums Earned	1,714,913	1.3%	1,692,856	(555,608)
-Losses Incurred	1,010,907	2.9%	982,312	(688,641)
-Loss Expense Incurred	215,856	(0.1%)	216,158	(47,393)
-Underwriting Expense	546,792	(12.5%)	624,619	190,687
Net Underwriting Gain/Loss	**(58,643)**	**55.0%**	**(130,233)**	**(10,260)**
+Net Investment Income	71,830	52.2%	47,202	46,948
+Net Realized Cap Gain/(Loss)	9,927	183.0%	(11,958)	(1,213)
+Other Income	(401)	(276.7%)	227	(79)
-Dividends to Policyholders	1,065	12.5%	947	864
-Federal and Foreign Tax	15,674	286.7%	4,053	(36,584)
Net Income	**5,974**	**106.0%**	**(99,763)**	**71,116**
PHS ADJUSTMENTS	**2019**	**% Change**	**2018**	**2017**
Net Income	5,974	106.0%	(99,763)	71,116
Unrealized Cap Gains (Less CG Tax)	17,126	370.5%	(6,331)	8,805
Capital Contributions	0	(100.0%)	99,717	0
Dividends to Stockholders	0	--	0	0
Other Surplus Changes	19,663	283.6%	(10,709)	(38,744)
Change in Surplus	**42,763**	**350.3%**	**(17,086)**	**41,177**
REINSURANCE RECOVERABLE	**2019**	**% Change**	**2018**	**2017**
Unaff Paid & Unpaid Losses & LAE	501,663	13.7%	441,270	433,425
Unaff Unearned Premiums	465,709	19.9%	388,329	344,744
Unaff IBNR	811,223	5.1%	771,694	742,532
Affiliated Reins. Recoverable	2,567,862	(13.6%)	2,971,910	3,956,247
Total Reinsurance Recoverable	**4,346,610**	**(5.0%)**	**4,573,328**	**5,477,070**

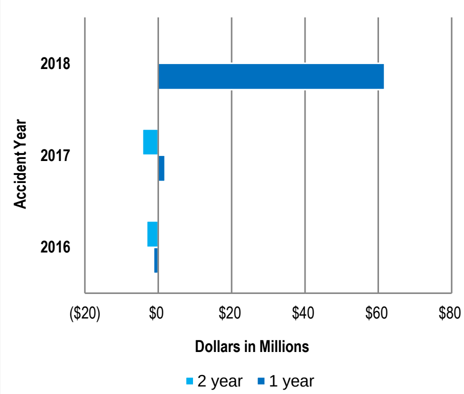
Bonds & Short Term Inv



NPW: USD1,744.8 mn



Reserve Development



Source of Data: A.M. Best (AMB#: 003186)

Arch Insurance Company

PROFITABILITY (%)	2019	2018	2017
Pre-tax Operating Return / NPE	0.7	(4.9)	(6.4)
ROAE	2.3	(10.4)	3.8
Dividends / Net Income	0.0	0.0	0.0
Net Investment Yield	2.3	1.5	1.5
Pure Loss Ratio	58.9	58.0	123.9
+Loss Expense Ratio	12.6	12.8	8.5
+Policyholders' Dividend Ratio	0.1	0.1	(0.2)
+Net Commission / NPW	15.0	17.1	12.1
+Other Und Expense / NPW	16.4	12.5	(46.8)
Combined Ratio	**102.9**	**100.4**	**97.6**
Loss Reserve Dev (excl Forex) / NPE (Favorable) / Unfavorable	3.4	(1.0)	164.0

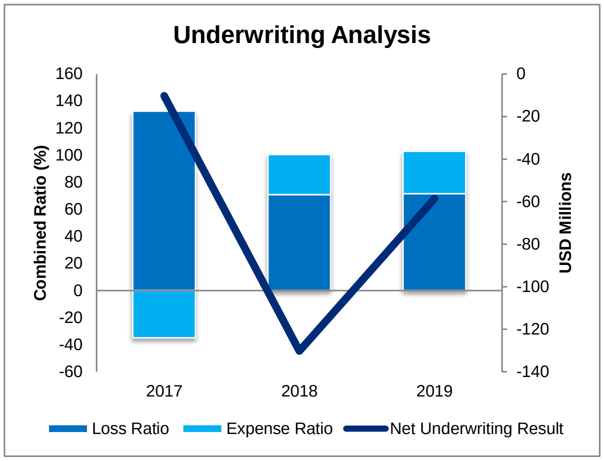
LEVERAGE (X)	2019	2018	2017
RBC	3.3	3.8	2.9
GPW / PHS	3.0	2.7	2.6
NPW / PHS	1.8	2.3	(0.6)
Net Tech Res / PHS	2.7	2.0	0.8
Other Liabilities / PHS	0.9	0.8	2.4
Net Leverage	**5.4**	**5.2**	**2.6**
Unaff Reins Recover / PHS	1.9	1.8	1.6
Unaff Ceded Premiums / PHS	0.8	0.7	0.6
Gross Leverage	**8.1**	**7.6**	**4.8**
NPW / GPW (%)	60.1	85.3	(23.0)

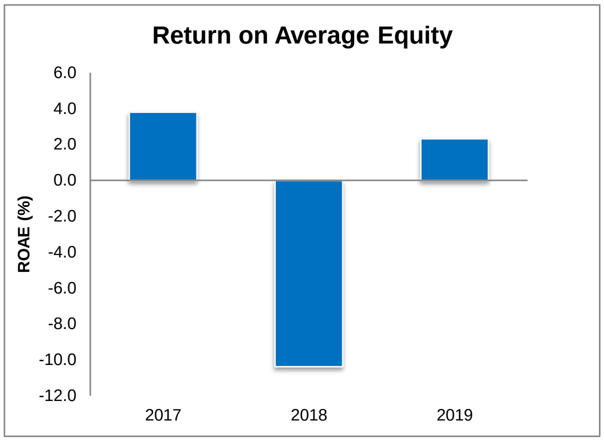
OVERALL LIQUIDITY (%)	2019	2018	2017
Liquid Assets / Net Tech Res	114.7	123.8	352.3
Inv Assets+Fnds Hld/ N Tech Res	137.9	153.9	437.6
Inv Assets+Fnds Hld/ Net Liabs	98.4	102.3	109.0
Total Assets / Total Liabilities	117.9	120.7	120.6

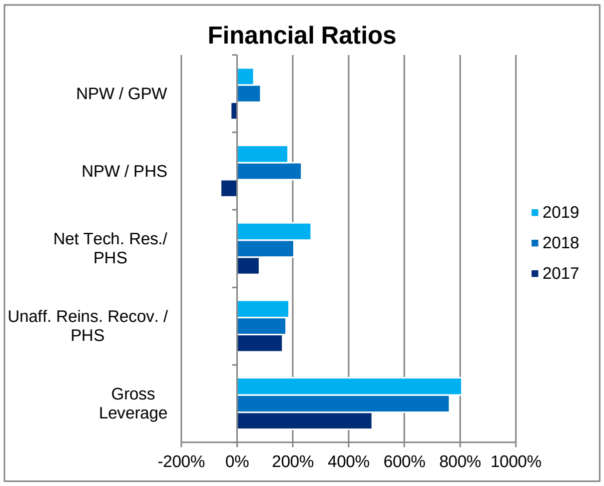
ASSET COMPOSITION (%)	2019	2018	2017
Non-Inv Assets / Total Assets	22.4	22.9	16.9
Cash & Short Term / Inv Assets	1.9	1.5	4.3
Stocks / Invested Assets	2.2	(0.5)	0.0
Bonds / Invested Assets	79.1	79.4	76.2
All Other Invest / Invested Assets	16.8	19.5	19.5

LOSS RESERVES (%)	2019	2018	2017
Loss Res / NPE	110.2	74.6	(72.3)
IBNR Res (w/o LAE) / NPE	67.9	48.4	(36.1)
IBNR Res (w/o LAE) / Loss Res	61.6	64.8	49.9

PERCENTAGE CHANGE	2019	2018	2017
GPW	17.2	3.7	1.7
NPW	(17.4)	484.5	(169.2)
NPE	1.3	404.7	(170.7)
Loss & LAE Reserves	49.6	214.5	(74.8)
Net Liabilities	27.4	(6.4)	5.3
PHS	4.7	(1.8)	4.6
PHS from retained earnings	0.7	(10.7)	8.0







Arch Insurance Company

By Line Loss Reserve Development

Lines of Business	Prior Yr Loss Reserves	1 Yr Devel	Prior Yr Losses Paid in the Current Yr	Remaining Unpaid Losses for Prior Yrs	% Reduction in Prior Year Loss Reserves	Unpaid Prior year Reserve / Current Year Reserve	1 Yr Development to Current NPE	Development to Prior Yr Res
HO / FO	0	0	0	0	0.0 %	0.0 %		
Priv Pass Auto Liab	0	0	0	0	0.0 %	0.0 %		
Comm Auto Liab	115,677	20,508	33,280	102,905	11.0 %	49.2 %	13.2 %	17.7 %
Workers' Comp	286,568	(12,834)	32,530	241,204	15.8 %	60.7 %	(5.0)%	(4.5)%
CMP	44,330	14,067	22,808	35,589	19.7 %	47.5 %	15.9 %	31.7 %
Med Mal Occur	1,070	(160)	89	821	23.3 %	74.2 %	(24.2)%	(15.0)%
Med Mal CM	25,601	3,943	4,400	25,144	1.8 %	56.6 %	12.7 %	15.4 %
Spec'l Liab	472	(65)	(26)	433	8.3 %	92.9 %	(25.1)%	(13.8)%
Other Liab Occur	248,953	18,670	34,119	233,504	6.2 %	55.8 %	4.6 %	7.5 %
Other Liab CM	173,988	9,539	43,806	139,721	19.7 %	49.1 %	4.1 %	5.5 %
Int'l	0	0	0	0	0.0 %	0.0 %		
Reins A	0	0	0	0	0.0 %	0.0 %	0.0 %	
Reins B	0	0	0	0	0.0 %	0.0 %		
Reins C	0	0	0	0	0.0 %	0.0 %		
Product Liab Occur	27,203	(3,451)	622	23,130	15.0 %	53.8 %	(7.9)%	(12.7)%
Product Liab CM	103	(2)	0	101	1.9 %	51.0 %		(1.9)%
Short Tailed Lines	173,100	7,805	127,945	52,960	69.4 %	26.9 %	1.5 %	4.5 %
Total	**1,097,065**	**58,020**	**299,573**	**855,512**	**22.0 %**	**51.2 %**	**3.4 %**	**5.3 %**

Original Accident Year Incurred Losses and Subsequent Development - All Lines

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Accident Yr Loss Ratio: Original	Developed	Difference
Prior Yrs	421,630	(20,271)	(4,788)	(3,685)	(4,745)	(1,031)	(6,053)	(67,707)	(240)	499			
2010	184,241	9,111	(8,146)	(3,118)	(4,063)	(1,208)	(2,545)	(25,749)	34	(709)	61.5 %	49.3 %	(12.1)%
2011		295,420	10,915	5,332	(6,817)	(3,917)	(1,976)	(48,812)	(447)	(735)	62.1 %	52.4 %	(9.8)%
2012			460,679	7,527	152	(7,483)	(13,118)	(89,870)	(268)	(685)	65.5 %	50.7 %	(14.7)%
2013				391,168	16,691	2,950	6,533	(125,046)	(1,373)	(937)	57.4 %	42.6 %	(14.8)%
2014					423,849	16,076	(1,542)	(137,973)	(2,182)	386	56.9 %	40.1 %	(16.8)%
2015						446,802	16,696	(192,425)	(3,673)	(2,114)	58.0 %	34.4 %	(23.6)%
2016							464,856	(223,342)	(1,907)	(1,294)	59.1 %	30.3 %	(28.8)%
2017								177,690	(6,213)	1,890	(32.0)%	(31.2)%	0.8 %
2018									1,075,906	61,720	63.5 %	67.2 %	3.6 %
2019										1,042,649	60.8 %		

Calendar Year Effect: Total Devel	(11,160)	(2,019)	6,056	1,218	5,387	(2,005)	(910,924)	(16,269)	58,021
Loss Ratio Points	**(2.3)%**	**(0.3)%**	**0.9 %**	**0.2 %**	**0.7 %**	**(0.3)%**	**163.9 %**	**(1.0)%**	**3.4 %**

November 5, 2020

ARCH CAPITAL GROUP LTD.

FINANCIAL HIGHLIGHTS Q3 2020**

- On October 29, 2020, Arch Capital Group Ltd. ("Arch" or "the Group") reported net income of $399 million in the third quarter of 2020, a 4% increase from the third quarter of 2019 as higher net realized gains offset weaker underwriting results.
- The Group recorded underwriting income of $105 million in the third quarter, down from $235 million in the prior year quarter. The mortgage segment reported $131 million in income this quarter, a 50% drop from the prior year quarter as losses reflected elevated delinquency rates in part due to financial stress from the COVID-19 pandemic.
- Catastrophe losses totaled $203 million (pre-tax) for the insurance and reinsurance segments, mainly resulting from Hurricanes Isaias, Laura and Sally as well as the Derecho Windstorm and wildfires in California. Losses related to COVID-19 were $12 million for the quarter.
- The Group's consolidated combined ratio was 93.9% for the third quarter of 2020 compared to 82.2% for the third quarter of 2019. The third quarter combined ratio for the insurance segment was 104.2%, which included 10.3 points due to catastrophes and 0.5 points from COVID-19 losses. The reinsurance segment's third quarter combined ratio was 99.0%, which reflected 26.1 points of catastrophe losses and 1.5 points of COVID-19 losses. The mortgage segment reported a 64.2% combined ratio compared to 24.6% in the prior year quarter.
- Net premiums written totaled $1.7 billion for the quarter, an increase of 18% from the prior year quarter driven by 17% growth in insurance and 38% growth in reinsurance, as both segments saw increases in new business and rates.
- Arch generated net investment income of $100 million in the third quarter, down 21% from the prior year second quarter due to lower yields. Net realized gains amounted to $210 million for the quarter compared to $80 million in the second quarter of 2019.

** The above results are for the Group's core underwriting segments and exclude amounts related to the "other" segment, i.e., Watford Holdings Ltd., of which Arch owns approximately 13% equity interest.

Operating company ratings as of November 5, 2020

A.M. Best	S&P	Moody's	Fitch
A+, S	A+, N	A2, S	A+, S

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Arch Capital Group Ltd.

RECENT DEVELOPMENTS

- On November 2, 2020, Arch announced a revised definitive agreement under which Arch will acquire all of the common shares of Watford Holdings Ltd. for an increased price of $35 per share. This revised all-cash consideration is valued at approximately $700 million and represents a premium of about 96% to Watford's unaffected closing common share price on September 8, 2020.The transaction is expected to close in the first quarter of 2021. Under the terms of the original agreement announced on October 9, 2020, Arch would acquire all common shares of Watford for $31.10 per share in an all cash transaction valued at $622 million.

Important Disclaimer

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PERMIT UPDATE FOR POWERTECH (USA), INC

Board of Minerals and Environment

December 17, 2020

STATUS OF SOUTH DAKOTA PERMITS

- Large Scale Mine Permit
  - Permit application received in October 2012
  - Board of Minerals and Environment opened hearing September 23-27, 2013
  - November 5, 2013, BME issued order postponing further hearings until Powertech received federal permits from NRC and EPA, and until the S.D. Water Management Board has determined allocation rights and other issues
- Ground Water Discharge Plan and Water Rights Permit
  - Ground Water Discharge Plan received March 9, 2012
  - Water Rights application received June 12, 2012
  - Joint hearing under the Water Management Board began October 28-November 1, 2013.
  - November 25, 2013 WMB issued order postponing further hearings until Powertech received federal permits from NRC and EPA

STATUS OF FEDERAL PERMITS

- NRC Materials License
- EPA Underground Injection Control Permits for Class III and V wells
- BLM Plan of Operations

NRC LICENSE

- Initial application submitted in 2009
- NRC Issued Environmental Impact Statement in 2014
- Source Material License issued in 2014 and amended in 2016
- License contested by Oglala Sioux Tribe and individuals for lack of proper cultural surveys
  - October 8, 2020, Nuclear Regulatory Commission issued a Memorandum and Order denying petitions for review
- The license and order may be further contested or appealed in court

EPA UNDERGROUND INJECTION CONTROL PERMITS

- Initial application submitted in 2012
- Some delay in process as EPA waited for NRC license to be issued
- Public comment period in 2017
- Draft permit published in 2019 followed by an additional public comment period
- EPA issued final Class III and Class V permits on November 24, 2020
- These permits may be contested or appealed in court

BLM PLAN OF OPERATIONS

- Some delay in review while waiting for final EPA and NRC decisions
- Draft Plan of Operations opened for public comment in August 2020
- Has not been issued at this time
- Plan of Operations may be contested in court after it is issued

MOVING FORWARD

- Once all federal permits are finalized, Powertech may request the state continue with its permit hearings. At this time, the State may continue with the hearing process in front of the Water Management Board and the Board of Minerals and Environment.

Discussion Regarding the Volkswagen Mitigation Plan

BME Meeting – December 17, 2020

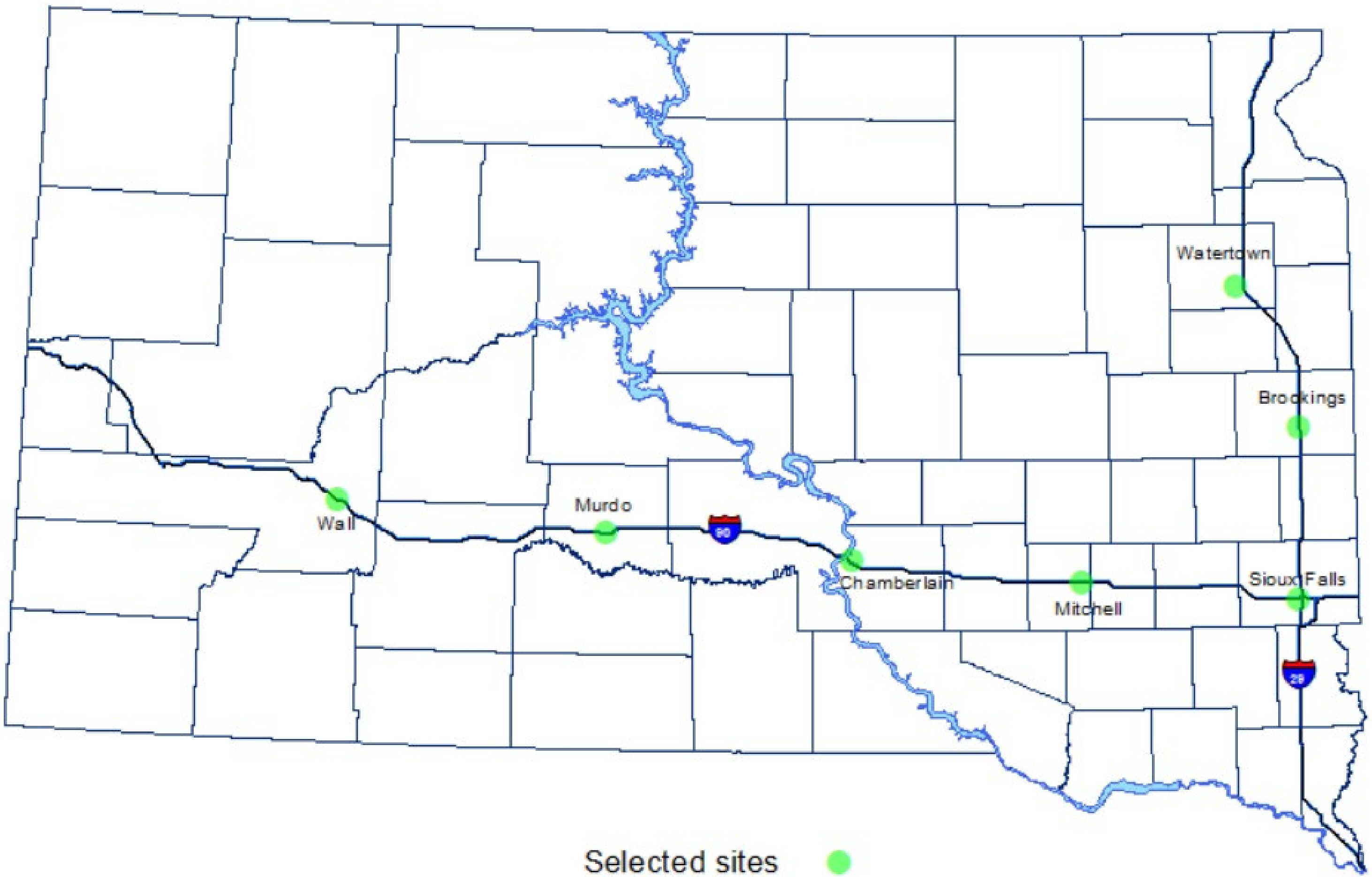
South Dakota Department of
Environment and Natural Resources

Barb Regynski

Round One EVCS Applications

App #	Applicant	Type	App Total	City	Max Rebate
1	Rapid City Main St Square	L2	$ 25,656.40	Rapid City	
2	Rapid City Main St Square	DCFC	$ 76,787.61	Rapid City	
3	H-D Electric	L2	$ 12,668.98	Clear Lake	
4	Atlantis	L2	$ 14,635.00	Rapid CIty	
5	MidAmerican Energy	2 DCFC	$ 308,473.00	North Sioux City	
6	City of Vermillion	DCFC	$ 64,170.91	Vermillion	
7	West River Electric Association	DCFC/L2	$ 80,229.00	Wall	$ 58,035.00
8	Watertown Municipal Utilities	DCFC/L2	$ 80,229.00	Watertown	$ 58,035.00
9	Black Hills Energy/ZEF	DCFC/L2		Rapid City	
10	NorthWestern Energy Mitchell	DCFC/L2	$ 80,229.00	Mitchell	$ 58,035.00
11	NorthWestern Energy Chamberlain	DCFC/L2	$ 80,229.00	Chamberlain	$ 58,035.00
12	SDSU	L2	$ 15,436.00	Brookings	
13	Brookings Municipal Utilities	DCFC/L2	$ 80,229.00	Brookings	$ 58,035.00
14	Dakota State University	DCFC	$ 89,610.00	Madison	
15	West Central Electric Cooperative	DCFC/L2	$ 80,229.00	Murdo	$ 58,035.00
16	Sioux Valley Energy BP	DCFC/L2	$ 80,229.00	Sioux Falls	$ 58,035.00
17	Sioux Valley Energy Cinemark	L2	$ 20,044.00	Sioux Falls	
18	Sioux Valley Energy USD	L2	$ 20,044.00	Sioux Falls	
19	Sioux Valley Energy Vista	L2	$ 20,044.00	Hartford	
20	Sioux Valley Energy Willow Run	L2	$ 20,044.00	Sioux Falls	
21	Sioux Valley Energy Yogi Bear	L2	$ 20,044.00	Brandon	
22	Monument Health	L2		Rapid City	
23	Atlantis LLC	L2	$ 15,925.00	Rapid City	
24	Black Hills Central Railroad1	L2	$ 15,053.00	Hill City	
25	Black Hills Central Railroad2	L2	$ 15,053.00	Hill City	
			$1,315,291.90		$ 406,245.00

Round One Selected Projects



South Dakota's Plan

Category	Funding %	Eligible Mitigation Action	Amount
1/6	50	Class 8 & Class 4-7 Local Freight Trucks	$4,062,500
2	10	Class 4-8 Buses	$812,500
9	5	Light Duty ZEV Supply Equipment	$406,250
10	25	DERA Option	$2,031,250
Admin	10	Administrative Costs	$812,500
TOTALS	100		$8,125,000

Public Input Process to Change to the Plan

- The Department drafts changes to the Plan
- 30-day public notice to request public input on the draft changes to the Plan
- Consider the comments received and make any needed revisions to the Plan
- 30-day comment period for hearing on the revised plan in front of the Board of Minerals and Environment
- The Board would consider any new comments received, finalize, and approve the Plan
- The approved Plan would be submitted to the trustee

Current Spending

Category	Funding %	Eligible Mitigation Action	Amount	Requested	Remaining	% Used
1/6	50	Class 8 & Class 4-7 Local Freight Trucks	$4,062,500	$455,694	$3,606,806	11
2	10	Class 4-8 Buses	$812,500	$90,278	$722,222	11
9	5	Light Duty ZEV Supply Equipment	$406,250	Soon to be $406,245	Soon to be $5	Soon to be 100
10	25	DERA Option	$2,031,250	$813,613	$1,217,637	40

Category	Funding %	Eligible Mitigation Action	Amount	Expended Through 9/2020	Remaining	% Used
Admin	10	Administrative Costs	$812,500	$30,290	$782,210	4

Possible Changes

- Consider changing category allotments in the Plan.
- Consider combining C2–Buses and C10–DERA like we did for trucks for more flexibility.
- Consider giving maximums for funding amounts instead of set amounts for more flexibility in using categories with the most interest.

More Information

https://denr.sd.gov/des/aq/aaVW.aspx

South Dakota Department of Environment and Natural Resources
Board of Minerals and Environment

Electric Vehicle (EV) Charging Discussion

Ben Pierson

Mgr. of Beneficial Electrification

Sioux Valley Energy

Robert Raker

Mgr. of Public Relations

West River Electric

SIOUX VALLEY ENERGY

A Touchstone Energy® Cooperative

West River Electric Association, Inc.

Your Touchstone Energy® Cooperative

"Powering You For A Brighter Future"

EV Charging Levels and Types

- Charging Levels
  - Level 1
    - 120 Volts wall outlet
    - up to 2 kW
    - 5 mi. range/hr
  - Level 2
    - 240 Volts
    - 5-20 kW
    - 22 mi. range/hr
  - Level 3 (DC Fast Charging)
    - 480 Volts
    - 20-100 kW (Most non-Tesla cars at this time only accept up to 50 kW)
    - 200 mi. range/hr

- Charger Types
  - Tesla
    - Proprietary, Authentication required
  - Everyone Else
    - Level 1 and 2
      - J-1772
    - Level 3 (DC Fast)
      - CCS
      - Chademo

Driving Factors for Public Charging Stations

- Approx. 90% of all EV charging happens at home
  - Level 1&2
- Range Anxiety is The Industry Biggest Hurdle
  - Requires Level 3

- All car manufactures are planning to roll out EV vehicles
  - Level 3 Capabilities
- People are asking for public charging infrastructure

Economics of DC Fast Charging

- Large Investment
  - $80k-$100k
- Energy Costs
  - Demand charge - 16.50/kW
    - 50 kW for 30 minutes = $825
    - One time charge per month
  - Energy charge - $0.0365/kWh
    - 50 kW for 30 minutes = $0.91
    - Adds up every time someone charges
  - KVA charge - $1.20 per KVA
    - 50 kVA = $60/month
- Monthly cost
  - Minimum $886 if only 1 person uses it
  - As more people use it, only energy charge increases

Economics of DC Fast Charging

- Revenue
  - $0.30 per minute average
    - 30 minute charging session = $9
- Break even for Energy Costs alone
  - Approx. 110 - 30 min. charging sessions per month
- Break even for Initial Investment and Energy Costs combined (5 years)
  - Approx 275 – 30 min. charging sessions per month (9 per day)

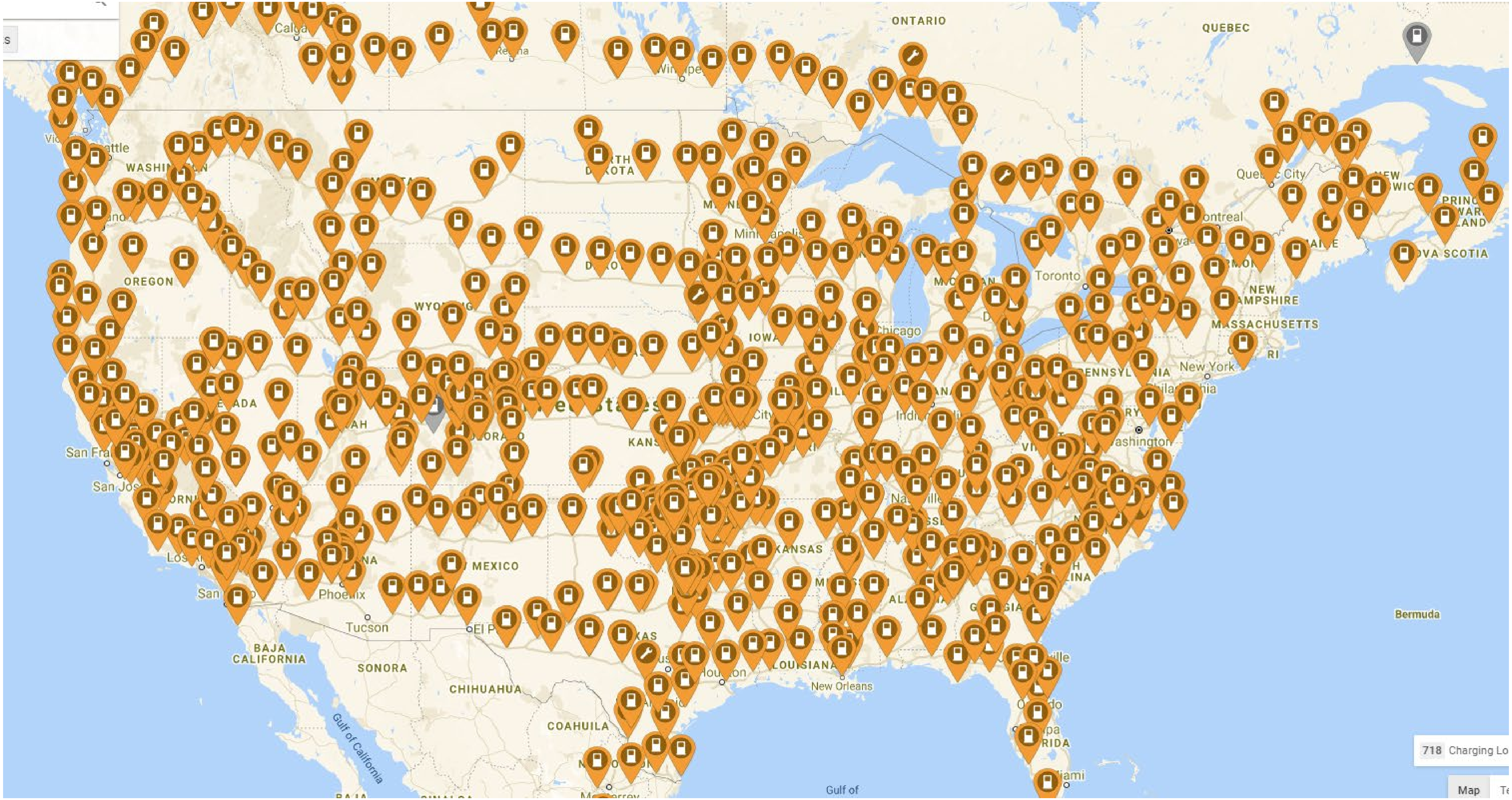
Potential Partnerships

- Affected Industries
  - Electric Utility Partnerships (Financial)
    - IOU, Municipals, Coops
  - Tourism
    - Supported Overall Vision
    - **Visitor Industry Alliance** Representing South Dakota Tourism Industry
  - Economic Development
    - Supported Overall Vision
    - Elevate Rapid City Sent Letter of Support
  - DOT
    - Valuable Resource for a Potential Study

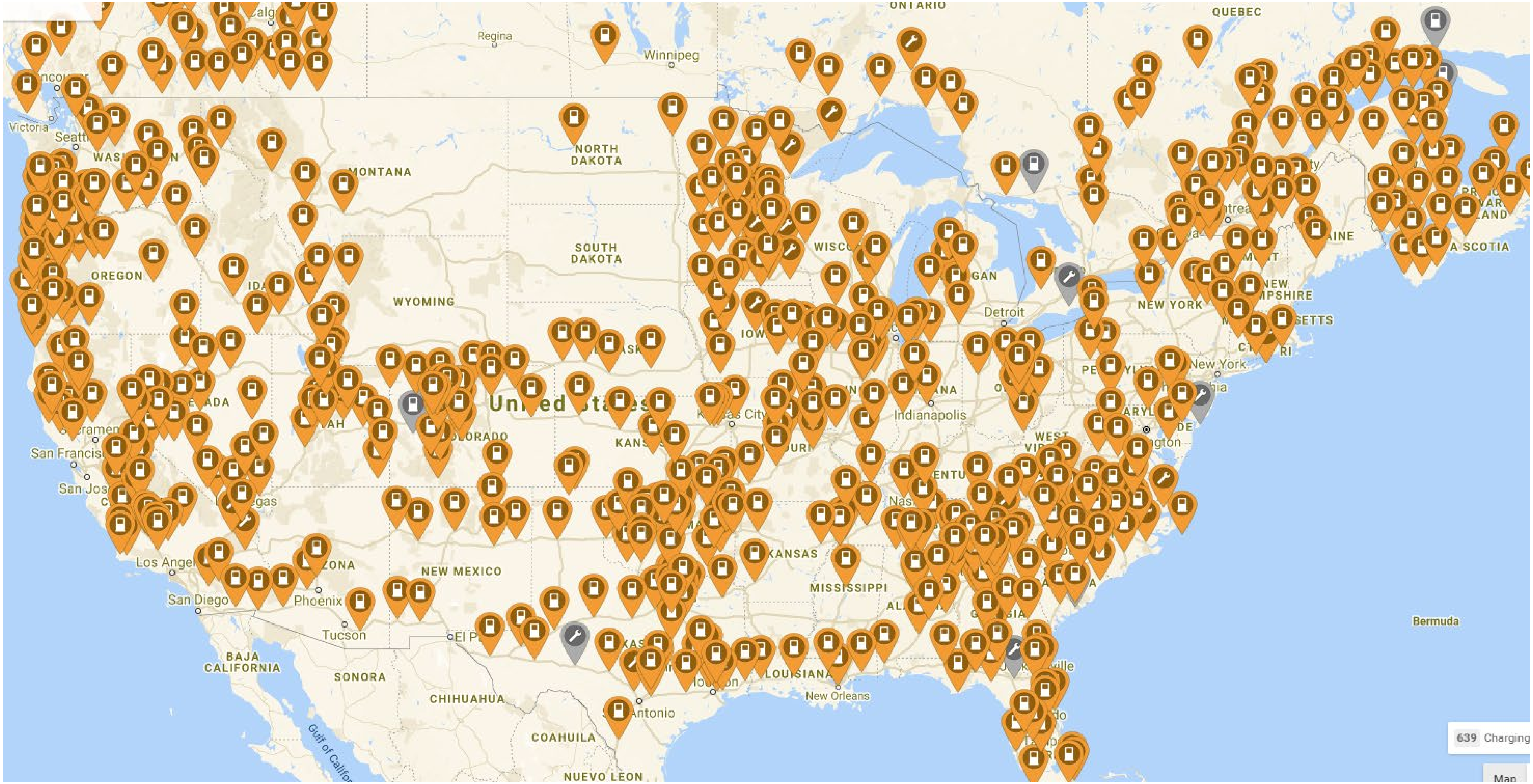
Siting public charging stations

- DC Fast Charger
  - Short term charging: 30 Min.-1 Hr
  - 24 Hr Access
  - Close to major roadways
  - Walking distance to shopping/eating
  - 75-100 Miles apart
- Level 2 Charger
  - Long term charging: 4-8 Hrs
  - Shopping Centers, Hotels, Workplaces, Etc.

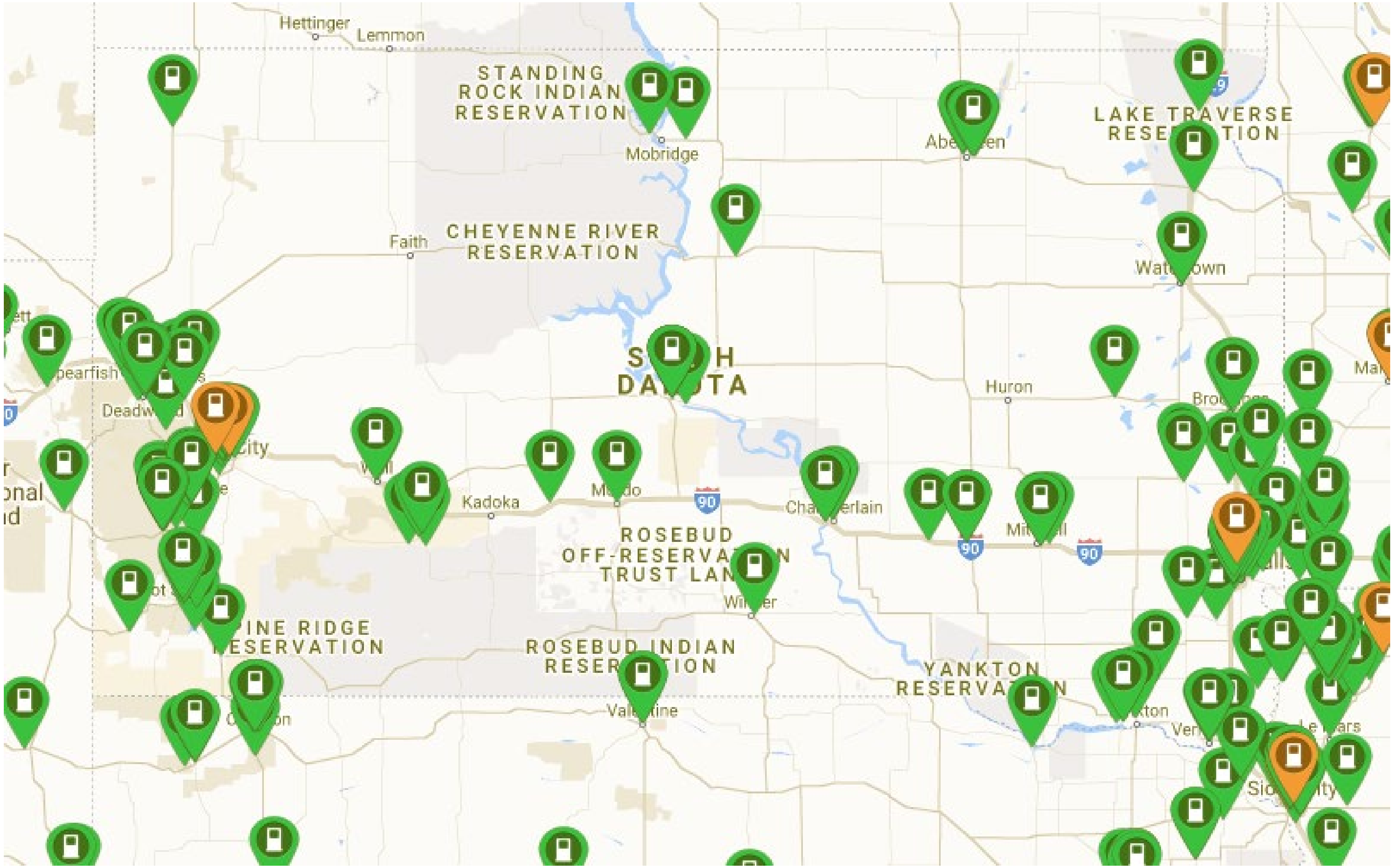
U.S. DC Fast Charging Infrastructure (incl. Tesla)



U.S. DC Fast Charging Infrastructure (w/o Tesla)

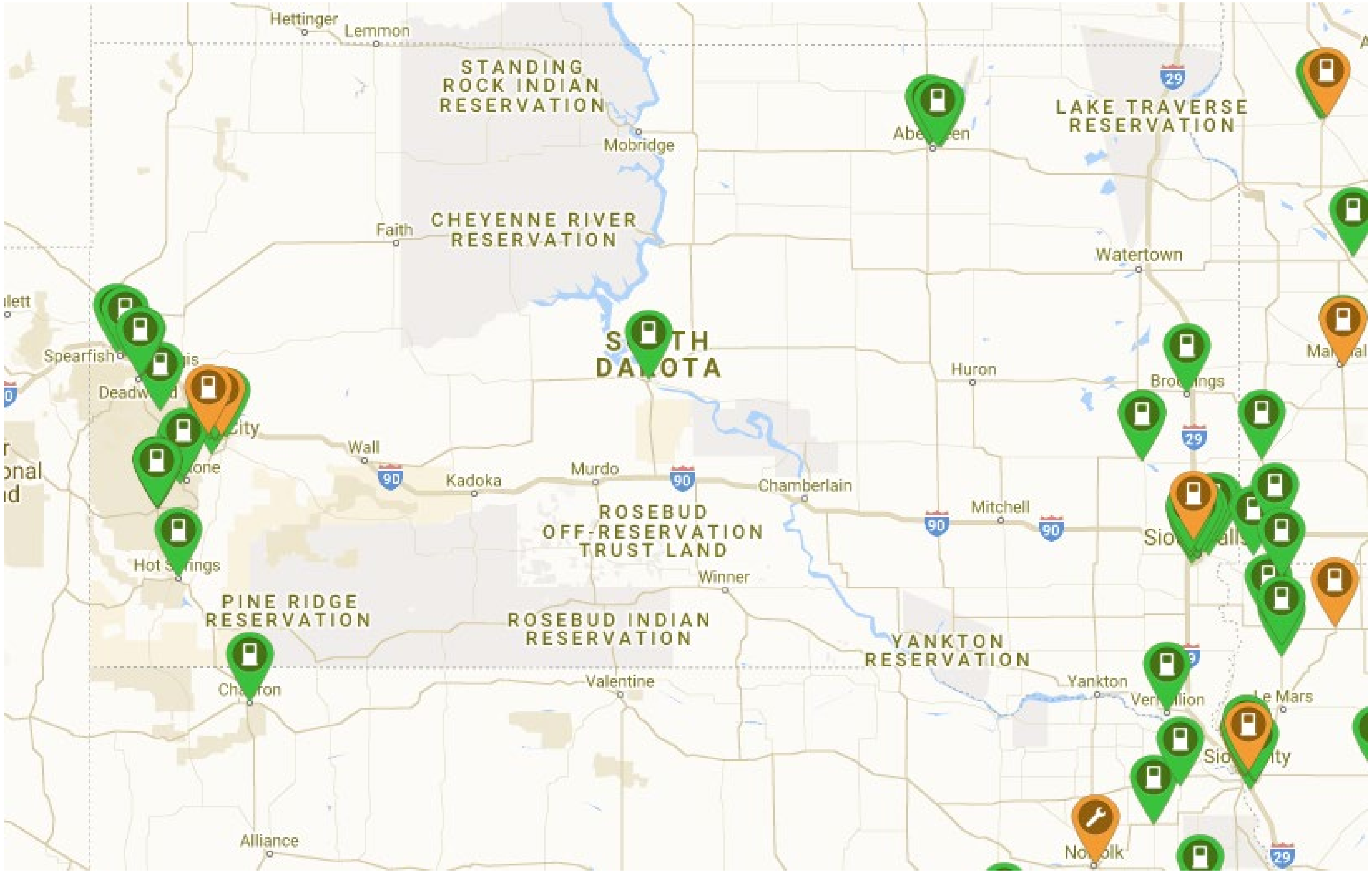


All Non-Tesla Public Chargers in SD

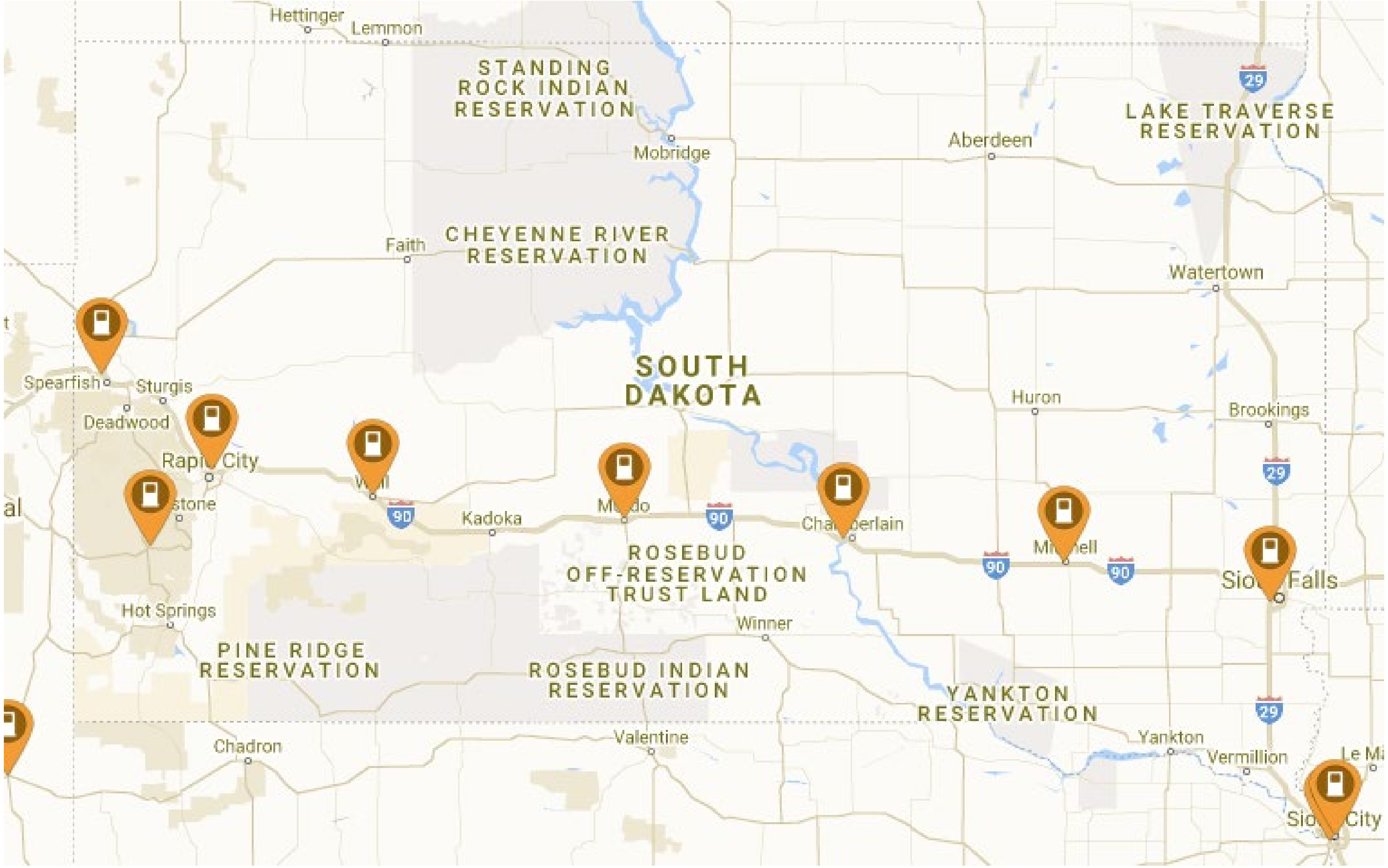


All L2 Chargers in SD

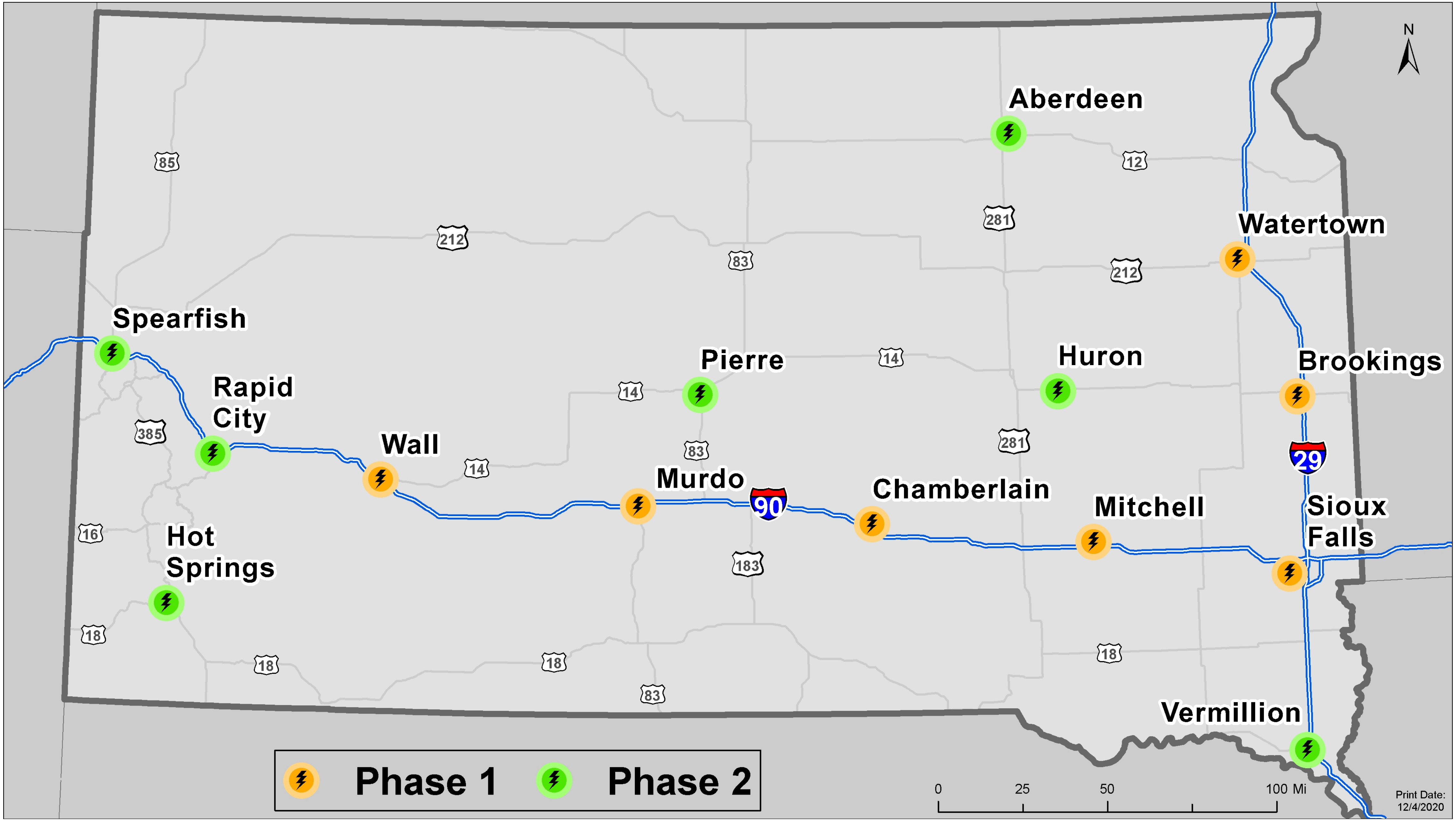
*3 "Fast Chargers" shown are 24 kW, which is lower limit to be considered Level 2 Fast Charging



Tesla DC Fast chargers in SD



DC Fast Charging Infrastructure Plan



DC Fast Charging Infrastructure Plan

- Major Roadways
  - Tourism
  - Major Routes in/out of SD
  - Major Routes within SD
- Population Centers
  - Sites at 10 of the top 11 populated cities
  - Within 40 miles of 28 of the top 30 populated cities
    - Approx. 80% of SD population

EV Charging Build Out Strategy

- Rounds 1 & 2
  - Promote EV Growth and Awareness
  - Build out DC Fast Charging infrastructure
- Study
  - Study Industry Projections
- Round 3 and beyond
  - Target Identified Areas
  - Continue building DC Fast Charging infrastructure
  - Start building Level 2 Charging infrastructure

Questions?

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