

## **Board of Minerals and Environment**

523 East Capitol Avenue  
Pierre, South Dakota 57501-3182  
(605)773-3151 Fax: (605)773-4068

Live audio of the meeting is available at <http://www.sd.net>

### **AGENDA**

Board of Minerals and Environment  
**Telephone Conference Call**  
Lower Level Conference Room  
523 East Capitol Avenue  
Pierre, South Dakota

March 17, 2022  
10:00 a.m. Central Time

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

Approval of minutes from February 17, 2022, meeting

Mining Issues

Consent Calendar – Tom Cline

Acceptance of Change Rider and Acceptance of Post Closure Bond for Wharf Resources (USA), Inc., Permits 356, 434, 435, 464, & 476, - Eric Holm

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

Next meeting

Adjourn

Interested persons who wish to participate in the telephone conference call may do so by contacting the Department of Agriculture and Natural Resources at (605) 773-3886 no later than 3:00 p.m. Central Time on Wednesday, March 16, 2022. Interested persons may also participate in person at the Foss Building Lower Level Conference Room, 523 East Capitol Avenue, Pierre, SD. Board meeting attendees are encouraged to follow appropriate social distancing guidelines. If you are not feeling well, please stay home and utilize the live audio or call-in information for the meeting. The board packet is available at <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Notice is given to individuals with disabilities that the meeting is being held in a physically accessible location. Please notify the Department of Agriculture and Natural Resources by calling (605) 773-5559 at least 48 hours prior to the meeting if you have a disability for which special arrangements are required.

The audio recording for this meeting is 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  
523 East Capitol Avenue  
Pierre, South Dakota

February 17, 2022  
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 this meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

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

BOARD MEMBERS ABSENT: Glenn Blumhardt.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Tom Cline, and Bret Graves, DANR Minerals and Mining Program; Mark Tieszen and Jeff Burich, Barrick.

APPROVAL OF MINUTES FROM DECEMBER 16, 2021, MEETING: Motion by Karpen, seconded by Greenfield, to approve the minutes from the December 16, 2021, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES CONSENT CALENDAR: Prior to the meeting, the board received a table listing the department recommendations for transfers of liability and releases of surety, transfers of liability, and releases of liability. (See attachment)

Tom Cline, DANR Minerals and Mining Program, answered questions from Mr. Englund regarding the transfer of liability and release of surety from McLaughlin & Schulz, Inc. in Codington County to Michael D. Wudel.

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

TRANSFER OF EXPLORATION NOTICE OF INTENT EXNI-399 FROM KELLY ANDERBERG TO VICTOR UTECH: Roberta Hudson reported that Victor Utech requested a

transfer of EXNI-399 from Kelly Anderberg. The general location of the operation is along Whitewood Creek three miles northeast of Deadwood.

Under SDCL 45-6C-53, any Exploration Notice of Intent can be transferred from one operator to another with the successor operator assuming all reclamation liability.

The transfer and \$2,500 replacement reclamation bond were submitted on April 20, 2021. The \$250 transfer fee was submitted on November 22, 2021, and the transfer was deemed complete on January 9, 2022.

The department recommendation to transfer the Notice of Intent was prepared on January 10, 2022. The Notice of Recommendation was published in the Black Hills Pioneer on January 17, 2022, and the affidavit of publication was received on February 1, 2022. No petitions to intervene were received.

Under SDCL 45-6C-53, the board cannot deny an Exploration Notice of Intent transfer unless the operation is not or cannot be brought into compliance with all applicable local, state, and federal laws pertaining to the operation or unless the successor operator is in violation of state statutes or restrictions for any exploration or operation in the state.

The Exploration Notice of Intent and Victor Utech are both currently in compliance with all federal, state, and local laws. Mr. Utech submitted a Certification of Applicant form and disclosed no violations.

The department recommended that the board transfer EXNI-399 from Kelly Anderberg to Victor Utech and release CD No. 523800-20, Black Hills Federal Credit Union, in the amount of \$2,500, and accept the replacement CD No. 3000091863, BankWest, in the amount of \$2,500.

In response to a question from Mr. Morris, Ms. Hudson stated that the \$2,500 surety covers the disturbance allowed under EXNI-399. Kelly Anderberg initially held the EXNI, but Victor Utech has been helping with the exploration. Ms. Anderberg and Mr. Utech have been working on cleaning up the site.

Minerals and Mining staff inspected the site in the fall of 2021. At the time, staff was unable to cross Whitewood Creek to access the site, but staff was able to see from across the creek that equipment was no longer present on-site, the pits had been backfilled, and the ponds were covered.

Responding to a question from Chairman Hagg, Ms. Hudson stated that Mr. Utech has expressed an interest in maintaining the EXNI.

Motion by Morris, seconded by Peterson, to approve the transfer of ENXI-399 and liability from Kelly Anderberg to Victor Utech, release CD No. 523799-02, Black Hills Federal Credit Union in the amount of \$2,500, and accept CD No. 3000091863, BankWest, in the amount of \$2,500. A roll call vote was taken, and the motion carried unanimously.

ANNUAL UPDATE OF POST CLOSURE FINANCIAL ASSURANCE FROM HOMESTAKE MINING COMPANY, PERMITS 332 AND 456: Eric Holm reported that in the May 18, 2006, Order regarding the post closure financial assurance for Mine Permit Numbers 332 and 456, it states the financial assurance shall be automatically extended for periods of one year. At the time of each annual extension, the face value of the financial assurance shall be adjusted to the bonding schedule set by the board in 2006 and updated in 2012 and 2018.

For 2021, the face value of the surety bond that serves as the post closure financial assurance is required to be \$61,271,809. This is an increase from the \$59,607,847 surety, which was submitted last year. For the increase, Homestake submitted a rider to Surety Bond No. 82336310, Federal Insurance Company, which increases the amount to the new face value. Federal Insurance is licensed in South Dakota and is on the US Department of Treasury list of approved surety companies. Ratings for the company from AM Best, Standard and Poor's, Moody's, and Fitch's are superior, very strong, high quality, and very high credit, respectively. Outlooks are stable.

As part of the May 18, 2006, conditions approved by the board, the department is required to review Homestake's post closure bond, beginning in 2012 and every five years thereafter in order to recalculate and update the bond. The department will begin its next five-year review in the spring of 2022 with a revised post closure bond anticipated for board approval before the end of 2022 or early 2023.

The department's recommendation was to accept the rider to Surety Bond No. 82336310, Federal Insurance Company, increasing the post closure financial assurance amount to \$61,271,809.

Mr. Scheetz asked what the surety bond covers. Mr. Holm stated that for Homestake the bond covers two main things: water treatment activities and post closure care and maintenance of the areas that were released from reclamation liability.

Mr. Scheetz asked if liability includes the Grizzley Gulch tailings impoundment. Mr. Holm answered that it does not.

Mr. Scheetz asked Mr. Holm how he feels about the fact that the Grizzley Gulch tailings impoundment is not bonded. Mr. Holm stated that it cannot be bonded because it is not part of the mining permit.

Mr. Scheetz commented that the Grizzley Gulch tailings impoundment is a liability in this state in terms of surface water quality and potential impacts to Deadwood.

Motion by Karpen, seconded by Scheetz, to accept rider to Bond No. 82336310, Federal Insurance Company, increasing the Post Closure Financial Assurance amount to \$61,271,809 for Homestake Mining Company, Central City, SD, Mine Permits 332 and 456. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: There were no public comments.



**Consent Calendar**  
**South Dakota Board of Minerals & Environment**

**February 17, 2022**

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<b><u>Transfer of Liability &amp; Release of Surety:</u></b>					
American West Corp. Hill City, SD	95-535		\$20,000	United Fire & Casualty Company	Transfer liability and release \$20,000.
		<b>535006</b>	W1/2 SW1/4 Section 14 & SE1/4 Section 15; T6S-R6E, Custer County		
Transfer to:					
Randall Schroth Buffalo Gap, SD	21-1102		\$500	First Interstate Bank, Hot Springs	
Mc Laughlin & Schulz Inc. Marshall, MN	83-5		\$20,000	Merchants Bonding Company (Mutual)	Transfer liability and release \$20,000.
		<b>5007</b>	NW1/4 NW1/4 SW1/4 of NW1/4, NE1/4 NW1/4, SE1/4 NW1/4 Section 34; T117N-R52W, Codington County		
Transfer to:					
Michael D. Wudel Naples, FL	21-1106		\$20,000	Merchants Bonding Company (Mutual)	

*Consent Calendar*  
*South Dakota Board of Minerals & Environment*

**February 17, 2022**

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<b><u>Transfer of Liability:</u></b>					
Cody Briggs Ft. Pierre, SD	95-542		\$2,000	American Bank & Trust, Pierre	Transfer liability.
		<b>542002</b>	NE1/4 Section 13; T118N-R69W, Faulk County		
Transfer to:					
BJ Kalkman Miranda, SD	20-1063		\$2,500	Dacotah Bank, Faulkton	
Central Specialties Inc. Alexandria, MN	02-733		\$20,000	Ohio Farmers Insurance Company	Transfer liability.
		<b>733001</b>	N1/2 Section 27; T106N-R54W, Lake County		
Transfer to:					
Hodne Farms Inc. Winfred, SD	21-1104		\$10,000	Great Western Bank, Madison	
<b><u>Release of Liability:</u></b>					
Teklham Inc. dba Eureka Ready Mix Eureka, SD	03-763		\$5,000	Great Plains Bank, Eureka	Release liability.
		<b>763001</b>	SE1/4 Section 20; T127N-R71W, McPherson County		

*Consent Calendar*  
*South Dakota Board of Minerals & Environment*

*February 17, 2022*

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<b><u>Release of Liability:</u></b>					
Edmunds County Highway Department Ipswich, SD	83-161		EXEMPT	NA	Release liability.
		<b>161016</b>	N1/2 SW1/4 Section 32; T125N-R72W, McPherson County		



*South Dakota Board of Minerals & Environment*

**February 17, 2022**

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<b><u>Transfer of Exploration Notice of Intent EXNI-399:</u></b>				
Kelly Anderberg Rapid City, SD	EXNI-399	\$2,500	Black Hills Federal Credit Union, Rapid City	Transfer liability and release CD No. 523799-20, Black Hills Federal Credit Union, Rapid City, in the amount of \$2,500.
Transfer to:				
Victor Utech Pierre, SD		\$2,500	BankWest, Pierre	
			Sections 1 & 12; T5N-R3E and Sections 6 & 7; T5N-R4E, Lawrence County	

***Consent Calendar***  
***South Dakota Board of Minerals & Environment***

***March 17, 2022***

<b><u>License Holder</u></b>	<b><u>License No.</u></b>	<b><u>Site No.</u></b>	<b><u>Surety Amount</u></b>	<b><u>Surety Company or Bank</u></b>	<b><u>DENR Recommendation</u></b>
<b><u>Release of Surety:</u></b>					
Teklham Inc. dba Eureka Ready Mix Eureka, SD	03-763		\$3,000	Great Plains Bank, Eureka	Release \$3,000.
<b><u>Transfer of Liability:</u></b>					
Don Kriech Waubay, SD	97-607		\$20,000	Nationwide Mutual Insurance Company	Transfer liability.
		<b>607002</b>	E1/2 SW1/4 Section 36;	T124N-R53W, Day County	
Transfer to:					
Theodore Wasilk Waubay, SD	20-1078		\$2,000	Minnwest Bank, Summit	
<b><u>Release of Liability:</u></b>					
Opperman Inc. Gregory, SD	83-4		\$20,000	Sun Surety Insurance Company	Release liability.
		<b>4013</b>	S1/2 N1/2 Section 9; T100N-R73W, Gregory County & Portions of Section 29, 30, 31, 32, & 33; T101N-R72W, Lyman County		

***Consent Calendar***  
***South Dakota Board of Minerals & Environment***

***March 17, 2022***

<b><u>License Holder</u></b>	<b><u>License No.</u></b>	<b><u>Site No.</u></b>	<b><u>Surety Amount</u></b>	<b><u>Surety Company or Bank</u></b>	<b><u>DENR Recommendation</u></b>
<b><u>Release of Liability:</u></b>					
Banner Township Winner, SD	92-445		EXEMPT	NA	Release liability.
		<b>445001</b>	Lots 1, 2, 3, & 4 S1/2 NE1/4, S1/2 NW1/4 Section 1; T102N-R75W, Tripp County		
Elliston Township Dallas, SD	92-453		EXEMPT	NA	Release liability.
		<b>453001</b>	Lots 1, 2, 3, & 4 S1/2 NE1/4, S1/2 NW1/4 Section 1; T102N-R75W, Tripp County		

## *South Dakota Board of Minerals & Environment*

*March 17, 2022*

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<b><u>Acceptance of Change Rider to Post Closure Bond for Wharf Resources (USA), Inc.:</u></b>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, & 476	\$26,800,000	United States Fire Insurance Company	Accept Change Rider to Bond No. 612408648, United States Fire Insurance Company, decreasing Post Closure Bond amount for Bond No. 612408648 to \$16,800,000.
<b><u>Acceptance of Post Closure Bond for Wharf Resources (USA), Inc.:</u></b>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, & 476	\$10,000,000	Atlantic Specialty Insurance Company	Accept Post Closure Bond No. 800122551, Atlantic Specialty Insurance Company, in the amount of \$10,000,000.

# Current Postclosure Surety Bonds

United State Fire Insurance	\$26,800,000
Arch Insurance	<u>\$11,596,200</u>
Total	\$38,396,200



# New Postclosure Surety Bonds

United State Fire Insurance	\$16,800,000
Atlantic Specialty Insurance	\$10,000,000
Arch Insurance	<u>\$11,596,200</u>
Total	\$38,396,200



# Atlantic Specialty Insurance Company (US Treasury Certified Company)

	<b>AM Best</b>	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
<b>Financial Strength</b>	<b>A+ (superior)</b>	<b>Not rated</b>	<b>Not rated</b>	<b>AA- (very strong)</b>
<b>Long Term</b>	<b>aa- (superior)</b>	<b>Not rated</b>	<b>A2 (upper medium grade)</b>	<b>Not rated</b>
<b>Outlook</b>	<b>Stable</b>	<b>Not rated</b>	<b>Stable</b>	<b>Stable</b>



# Atlantic Specialty Insurance Company

New York, New York

NAIC#: 27154 FEIN: 13-3362309 LEI: - LORS: N1930

Ratings as of Mar 11, 2021

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

## FINANCIAL RESULTS

USD (000's Omitted)

BCAR as of Mar 11, 2021

BCAR	Confidence Level %			
	95.0	99.0	99.5	99.6
<b>Score</b>	<b>45.5</b>	<b>24.0</b>	<b>15.3</b>	<b>12.9</b>

BCAR for Intact Financial Corporation  
Company is a member of the rating unit

ASSETS	2020	% Change	2019	2018
Bonds	1,500,023	23.0%	1,219,332	1,145,948
Common & Preferred Stocks	601,152	0.3%	599,103	507,364
Mortgage Loans	0	--	0	0
Real Estate	0	--	0	0
Cash & Short Term Investments	147,406	136.3%	62,383	72,158
Affiliated Investments	174,673	(9.1%)	192,064	241,328
Other	23,376	34.7%	17,350	25,782
<b>Subtotal Cash &amp; Inv. Assets</b>	<b>2,446,630</b>	<b>17.1%</b>	<b>2,090,232</b>	<b>1,992,580</b>

Premiums Balances	276,120	5.7%	261,176	237,607
Deposits w/Reinsured Cos	2,782	11.2%	2,502	2,410
Reins Recoverable on Paid Losses	56,593	14.6%	49,390	93,429
Curr & Def Fed & Foreign Inc Tax	44,860	60.1%	28,022	52,738
Other Assets	91,867	13.7%	80,805	75,952
<b>Total Assets</b>	<b>2,873,992</b>	<b>15.7%</b>	<b>2,484,105</b>	<b>2,401,978</b>

LIABILITIES	2020	% Change	2019	2018
Loss Reserves (excl IBNR)	359,954	13.6%	316,911	337,020
IBNR Reserves	518,930	19.7%	433,605	428,161
Loss Adjustment Expense Reserves	272,666	12.1%	243,193	251,149
Unearned Premium Reserves	593,461	14.1%	520,053	497,525
<b>Subtotal</b>	<b>1,745,011</b>	<b>15.3%</b>	<b>1,513,762</b>	<b>1,513,855</b>
Other Liabilities	305,696	36.8%	223,491	268,928
<b>Total Liabilities</b>	<b>2,050,707</b>	<b>18.0%</b>	<b>1,737,253</b>	<b>1,782,783</b>

POLICYHOLDERS' SURPLUS	2020	% Change	2019	2018
Capital Paid-Up	9,001	0.0%	9,001	9,001
Surplus Paid-In	613,554	0.0%	613,554	643,549
Surplus Notes	0	--	0	0
Other Surplus Funds	108,787	45.2%	74,906	36,725
Unassigned Funds	91,944	86.2%	49,392	(70,080)
<b>Policyholders' Surplus (PHS)</b>	<b>823,286</b>	<b>10.2%</b>	<b>746,853</b>	<b>619,195</b>

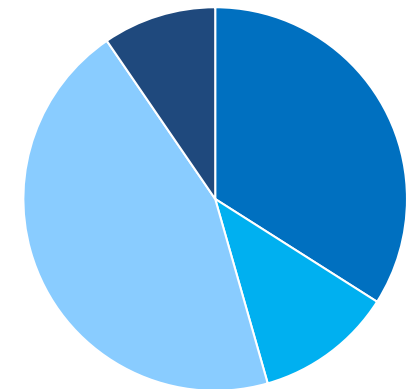
PREMIUMS	2020	% Change	2019	2018
Direct Premiums	1,083,900	1.1%	1,072,116	985,678
+Assumed Affiliates Premiums	284,033	16.4%	244,092	230,982
+Assumed Non Affiliates Premiums	8,277	(30.4%)	11,894	13,610
<b>Gross Premiums Written</b>	<b>1,376,210</b>	<b>3.6%</b>	<b>1,328,102</b>	<b>1,230,270</b>
-Ceded Affiliates Premiums	9,530	4.5%	9,119	5,244
-Ceded Non Affiliates Premiums	136,867	(25.6%)	183,997	162,368
<b>Net Premiums Written</b>	<b>1,229,813</b>	<b>8.4%</b>	<b>1,134,986</b>	<b>1,062,658</b>

INCOME STATEMENT	2020	% Change	2019	2018
Net Premiums Earned	1,181,877	6.2%	1,112,457	1,085,271
-Losses Incurred	566,904	6.2%	533,862	506,245
-Loss Expense Incurred	144,440	(13.3%)	166,530	206,513
-Underwriting Expense	484,892	10.6%	438,616	436,706
<b>Net Underwriting Gain/Loss</b>	<b>(14,358)</b>	<b>45.9%</b>	<b>(26,550)</b>	<b>(64,193)</b>
+Net Investment Income	43,449	(34.3%)	66,126	42,890
+Net Realized Cap Gain/(Loss)	48,502	3910.1%	(1,273)	20,428
+Other Income	32,888	(13.0%)	37,781	53,386
-Dividends to Policyholders	125	(34.2%)	190	138
-Federal and Foreign Tax	16,267	479.0%	(4,292)	(4,941)
<b>Net Income</b>	<b>94,089</b>	<b>17.3%</b>	<b>80,186</b>	<b>57,314</b>

PHS ADJUSTMENTS	2020	% Change	2019	2018
Net Income	94,089	17.3%	80,186	57,314
Unrealized Cap Gains (Less CG Tax)	(21,879)	(127.5%)	79,563	(50,626)
Capital Contributions	0	100.0%	(29,995)	(7,996)
Dividends to Stockholders	0	--	0	0
Other Surplus Changes	4,223	301.5%	(2,096)	2,450
<b>Change in Surplus</b>	<b>76,433</b>	<b>(40.1%)</b>	<b>127,658</b>	<b>1,142</b>

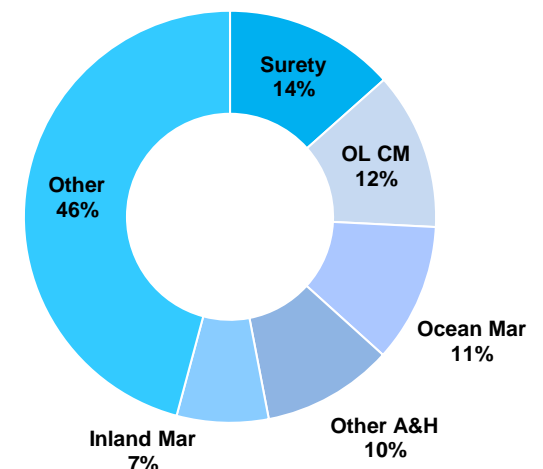
REINSURANCE RECOVERABLE	2020	% Change	2019	2018
Unaff Paid & Unpaid Losses & LAE	209,382	12.1%	186,807	195,842
Unaff Unearned Premiums	68,626	(29.8%)	97,733	75,766
Unaff IBNR	223,021	(0.0%)	223,077	132,232
Affiliated Reins. Recoverable	181,267	(32.8%)	269,846	364,951
<b>Total Reinsurance Recoverable</b>	<b>682,296</b>	<b>(12.2%)</b>	<b>777,463</b>	<b>768,791</b>

## Bonds & Short Term Inv

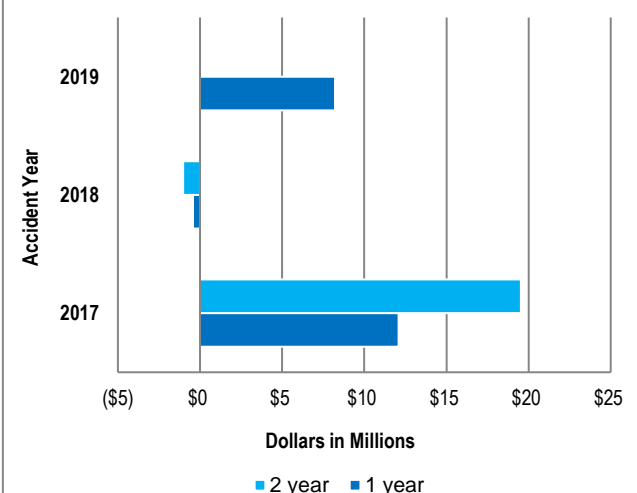


Investment Grade Bonds (99.0%)  
Non-Invest Grade Bonds (1.0%)

## NPW: USD1,229.8 mn



## Reserve Development



Source of Data: A.M. Best (AMB#: 012666)



## Atlantic Specialty Insurance Company

PROFITABILITY (%)	2020	2019	2018
Pre-tax Operating Return / NPE	5.2	6.9	2.9
ROAE	14.1	11.1	8.5
Dividends / Net Income	0.0	0.0	0.0
Net Investment Yield	1.9	3.2	2.2
Pure Loss Ratio	48.0	48.0	46.6
+Loss Expense Ratio	12.2	15.0	19.0
+Policyholders' Dividend Ratio	0.0	0.0	0.0
+Net Commission / NPW	18.3	16.7	17.0
+Other Und Expense / NPW	<u>21.2</u>	<u>22.0</u>	<u>24.1</u>
<b>Combined Ratio</b>	<b>99.6</b>	<b>101.6</b>	<b>106.8</b>
Loss Reserve Dev (excl Forex) / NPE (Favorable) / Unfavorable	5.6	4.9	6.1

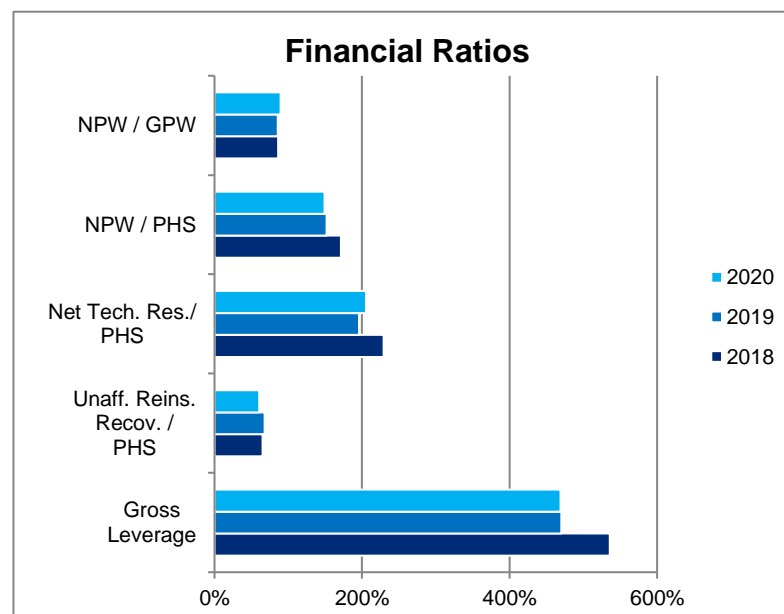
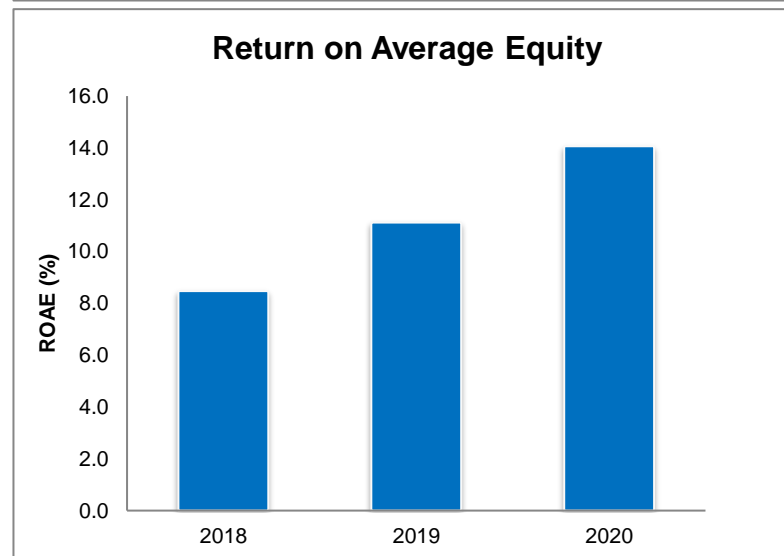
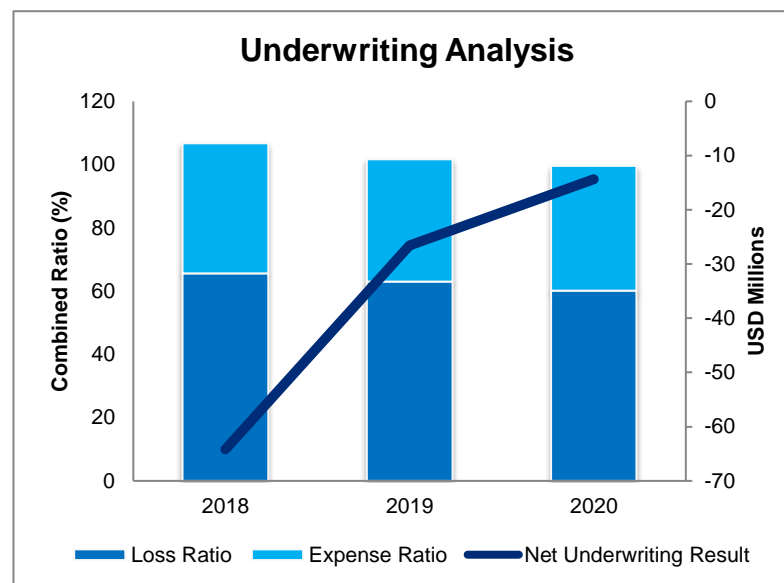
LEVERAGE (X)	2020	2019	2018
RBC	4.8	4.6	3.8
GPW / PHS	1.7	1.8	2.0
NPW / PHS	1.5	1.5	1.7
Net Tech Res / PHS	2.1	2.0	2.3
Other Liabilities / PHS	<u>0.4</u>	<u>0.3</u>	<u>0.4</u>
<b>Net Leverage</b>	<b>3.9</b>	<b>3.8</b>	<b>4.4</b>
Unaff Reins Recover / PHS	0.6	0.7	0.7
Unaff Ceded Premiums / PHS	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>
<b>Gross Leverage</b>	<b>4.7</b>	<b>4.7</b>	<b>5.4</b>
NPW / GPW (%)	89.4	85.5	86.4

OVERALL LIQUIDITY (%)	2020	2019	2018
Liquid Assets / Net Tech Res	133.2	128.4	121.5
Inv Assets+Fnds Hld/ N Tech Res	145.1	142.9	140.5
Inv Assets+Fnds Hld/ Net Liabs	119.4	120.5	111.9
Total Assets / Total Liabilities	132.3	133.3	128.3

ASSET COMPOSITION (%)	2020	2019	2018
Non-Inv Assets / Total Assets	14.9	15.9	17.0
Cash & Short Term / Inv Assets	6.0	3.0	3.6
Stocks / Invested Assets	24.6	28.7	25.5
Bonds / Invested Assets	61.3	58.3	57.5
All Other Invest / Invested Assets	8.1	10.0	13.4

LOSS RESERVES (%)	2020	2019	2018
Loss Res / NPE	97.4	89.3	93.6
IBNR Res (w/o LAE) / NPE	43.9	39.0	39.5
IBNR Res (w/o LAE) / Loss Res	45.1	43.6	42.1

PERCENTAGE CHANGE	2020	2019	2018
GPW	3.6	8.0	(1.1)
NPW	8.4	6.8	91.2
NPE	6.2	2.5	97.4
Loss & LAE Reserves	15.9	(2.2)	22.0
Net Liabilities	18.0	(2.6)	8.6
PHS	10.2	20.6	0.2
PHS from retained earnings	12.6	13.0	9.3



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## Atlantic Specialty Insurance Company

### Net Premium by Line:

(000's Omitted)	% of 2020 NPW	2020	2019	2018	2020 % Chng	2019 % Chng
Fire	4.1%	49,959	42,909	23,079	16.4%	85.9%
Allied Lines	3.5%	43,258	36,789	28,941	17.6%	27.1%
Farmowners Mp	0.0%	-	-	-	-	-
Homeowners Mp	0.0%	-	-	-	-	-
Commercial Mp	6.8%	83,528	88,865	91,760	(6.0%)	(3.2%)
Mortg Guaranty	0.0%	-	-	-	-	-
Ocean Marine	10.9%	134,025	120,025	115,776	11.7%	3.7%
Inland Marine	7.2%	88,462	84,733	72,335	4.4%	17.1%
Finan Guaranty	0.0%	-	-	-	-	-
Med Prof Liab Occur	0.0%	-	1,496	3,438	(100.0%)	(56.5%)
Med Prof Liab Claims	0.0%	(15)	9,263	26,618	(100.2%)	(65.2%)
Earthquake	0.2%	2,396	2,950	2,547	(18.8%)	15.8%
Group A&H	1.7%	20,828	19,431	16,989	7.2%	14.4%
Credit A&H	0.0%	-	-	-	-	-
Other A&H	10.3%	126,596	152,144	125,233	(16.8%)	21.5%
Workers' Comp	4.6%	56,681	61,226	62,049	(7.4%)	(1.3%)
Oth Liab Occur	4.7%	58,025	77,307	80,723	(24.9%)	(4.2%)
Oth Liab Claim	12.4%	152,141	121,578	131,306	25.1%	(7.4%)
Excess Workers Comp	0.0%	-	-	-	-	-
Prod Liab Occ	0.0%	353	358	405	(1.4%)	(11.6%)
Prod Liab Clms	0.7%	8,052	7,849	6,454	2.6%	21.6%
Pp Auto Liab	0.0%	-	-	-	-	-
Comm Auto Liab	5.4%	66,907	66,647	59,166	0.4%	12.6%
Auto Phys Damg	6.7%	82,191	68,592	54,084	19.8%	26.8%
Aircraft	0.0%	-	-	-	-	-
Fidelity	0.4%	4,867	5,567	5,759	(12.6%)	(3.3%)
Surety	13.4%	165,057	88,919	83,175	85.6%	6.9%
Burglary&Theft	0.2%	2,850	1,788	2,076	59.4%	(13.9%)
Boiler & Mach	0.0%	37	94	46	(60.6%)	104.3%
Credit	6.6%	80,631	72,711	67,440	10.9%	7.8%
International	0.0%	-	-	-	-	-
Warranty	0.0%	-	-	-	-	-
Rein-Property	0.0%	-	-	-	-	-
Rein-Liability	0.0%	-	-	-	-	-
Rein-Fin Lines	0.2%	2,984	3,744	3,258	(20.3%)	14.9%
Agg Write-Ins	0.0%	-	-	-	-	-
<b>Total</b>	<b>100.0%</b>	<b>1,229,812</b>	<b>1,134,986</b>	<b>1,062,657</b>	<b>8.4%</b>	<b>6.8%</b>

### Loss Experience:

% of 2020 NPE	Pure Loss Ratio			negative indicates improvement		
	2020	2019	2018	2020 Pt Chng	2019 Pt Chng	
Fire	4.0%	9.8%	15.5%	15.3%	(5.7)	0.2
Allied lines	3.3%	57.7%	46.6%	72.9%	11.0	(26.2)
Farmowners multiple peril	0.0%	-	-	-	-	-
Homeowners multiple peril	0.0%	-	-	-	-	-
Commercial multiple peril	7.3%	46.6%	52.8%	52.0%	(6.1)	0.7
Mortgage Guaranty	0.0%	-	-	-	-	-
Ocean Marine	10.8%	59.1%	47.7%	63.1%	11.3	(15.4)
Inland Marine	7.2%	56.8%	45.1%	38.8%	11.6	6.3
Financial Guaranty	0.0%	-	-	-	-	-
Med Prof Occurrence	0.0%	-	57.8%	111.9%	-	(54.1)
Med Prof Claims Made	0.0%	---	151.7%	87.2%	-	64.5
Earthquake	0.2%	0.0%	0.0%	0.0%	0.0	0.0
Group Accident & Health	1.8%	75.6%	54.6%	30.7%	21.1	23.9
Credit Accident & Health	0.0%	-	-	-	-	-
Other Accident & Health	10.7%	34.5%	35.5%	39.4%	(1.0)	(3.9)
Workers Comp.	5.1%	32.6%	47.6%	44.0%	(15.0)	3.6
Other Liability Occurrence	5.1%	63.4%	46.4%	39.6%	17.0	6.8
Other Liability Claims Made	11.1%	69.0%	50.6%	35.8%	18.5	14.8
Excess Workers' Compensation	0.0%	-	-	-	-	-
Products Liability Occurrence	0.0%	6.0%	-30.1%	-42.7%	36.0	12.7
Products Liability Claims Made	0.7%	11.3%	17.5%	18.7%	(6.2)	(1.2)
Auto Liability Private Passenger	0.0%	-	-	-	-	-
Auto Liability Commercial	5.5%	64.8%	81.6%	78.6%	(16.8)	3.0
Auto Physical Damage	6.5%	60.2%	64.2%	73.1%	(4.0)	(8.9)
Aircraft	0.0%	-	-	-	-	-
Fidelity	0.4%	23.3%	49.5%	27.5%	(26.2)	22.0
Surety	13.1%	16.0%	1.4%	4.5%	14.6	(3.1)
Burglary and theft	0.2%	9.2%	32.9%	6.2%	(23.6)	26.7
Boiler & Machinery	0.0%	59.6%	20.6%	-55.6%	39.0	76.1
Credit	6.8%	61.2%	63.6%	55.7%	(2.4)	7.9
International	0.0%	-	-	-	-	-
Warranty	0.0%	-	-	-	-	-
Reins A (property)	0.0%	-	-	-	-	-
Reins B (casualty)	0.0%	-	-	-	-	-
Reins C (surety & fin guar)	0.3%	-14.1%	2.6%	1.2%	(16.7)	1.4
Aggregate Write-in	0.0%	-	-	-	-	-
<b>All Lines</b>	<b>100.0%</b>	<b>48.0%</b>	<b>48.0%</b>	<b>46.6%</b>	<b>(0.0)</b>	<b>1.3</b>

## Atlantic Specialty 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	681	(174)	107	400	41.3 %	100.0 %		(25.6)%
Comm Auto Liab	93,253	9,095	28,228	74,120	20.5 %	67.2 %	13.9 %	9.8 %
Workers' Comp	91,331	(10,232)	21,910	59,189	35.2 %	68.1 %	(17.0)%	(11.2)%
CMP	104,485	6,998	31,761	79,722	23.7 %	73.1 %	8.1 %	6.7 %
Med Mal Occur	4,152	(1,002)	869	2,281	45.1 %	100.0 %		(24.1)%
Med Mal CM	58,183	6,105	23,511	40,777	29.9 %	100.0 %		10.5 %
Spec'l Liab	80,768	1,253	30,293	51,728	36.0 %	53.8 %	1.0 %	1.6 %
Other Liab Occur	144,096	11,514	35,005	120,605	16.3 %	78.2 %	19.1 %	8.0 %
Other Liab CM	204,484	38,395	58,072	184,807	9.6 %	68.9 %	29.4 %	18.8 %
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	749	(749)	0	0	100.0 %	0.0 %	(25.1)%	(100.0)%
Product Liab Occur	801	(165)	0	636	20.6 %	80.1 %	(46.9)%	(20.6)%
Product Liab CM	4,122	(486)	265	3,371	18.2 %	61.5 %	(5.8)%	(11.8)%
Short Tailed Lines	145,572	5,320	87,787	63,105	56.7 %	29.5 %	0.8 %	3.7 %
<b>Total</b>	<b>932,677</b>	<b>65,872</b>	<b>317,808</b>	<b>680,741</b>	<b>27.0 %</b>	<b>62.5 %</b>	<b>5.6 %</b>	<b>7.1 %</b>

### Original Accident Year Incurred Losses and Subsequent Development - All Lines

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Accident Yr Loss Ratio		
											Original	Developed	Difference
Prior Yrs	435,707	(8,572)	(10,799)	(3,349)	97	8,569	14,597	6,142	(2,498)	6,231			
2011	541,610	1,129	18,572	20,132	10,880	149	(88)	3,817	(2,588)	(1,728)	53.5 %	58.5 %	5.0 %
2012		611,406	(10,100)	30,126	2,469	(7,730)	20,627	11,804	6,282	23,464	54.0 %	60.8 %	6.8 %
2013			534,052	22,880	12,683	23,039	15,162	13,601	4,125	1,468	49.2 %	57.7 %	8.6 %
2014				578,273	(22,713)	20,286	29,105	18,332	15,930	5,257	56.9 %	63.4 %	6.5 %
2015					320,356	(16,860)	13,783	10,094	13,378	5,104	53.6 %	57.9 %	4.3 %
2016						288,590	(4,283)	7,993	13,281	6,193	52.2 %	56.4 %	4.2 %
2017							310,204	(5,253)	7,454	12,082	56.4 %	59.0 %	2.6 %
2018								580,514	(610)	(422)	53.5 %	53.4 %	(0.1)%
2019									579,751	8,223	52.1 %	52.9 %	0.7 %
2020										590,359	50.0 %		

Calendar Year Effect: Total Devel	(7,443)	(2,327)	69,789	3,416	27,453	88,903	66,530	54,754	65,872
Loss Ratio Points	(0.7)%	(0.2)%	6.9 %	0.6 %	5.0 %	16.2 %	6.1 %	4.9 %	5.6 %