

STATE OF INDIANA) BEFORE THE INDIANA
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)

Clear Spring American Insurance Company)
10555 Group 1001 Way)
Zionsville, Indiana 46077)

Examination of: Clear Spring American Insurance Company

NOTICE OF ENTRY OF ORDER


Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Clear Spring American Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Clear Spring American Insurance Company, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

6/24/2025

Date



Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6888

STATE OF INDIANA)
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:

Clear Spring American Insurance Company
10555 Group 1001 Way
Zionsville, Indiana 46077

Examination of: **Clear Spring American Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Clear Spring American Insurance Company (hereinafter “Company”) for the time period January 1, 2020, through December 31, 2023.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 29, 2025.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 29, 2025, and was received by the Company on June 2, 2025.

On June 23, 2025, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:


1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2023.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 24th day of
June, 2025.



Holly W. Lambert
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION
OF

CLEAR SPRING AMERICAN INSURANCE COMPANY

NAIC Co. CODE 11219
NAIC GROUP CODE 4794

As of

December 31, 2023

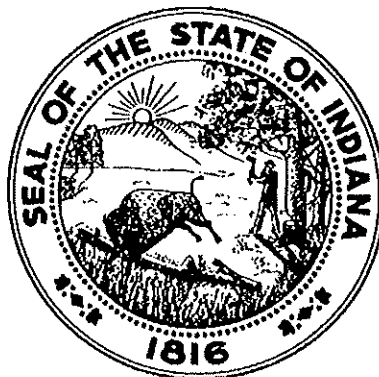


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STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance

Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

May 29, 2025

Honorable Holly W. Lambert, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4217, an examination has been made of the affairs and financial condition of:

Clear Spring American Insurance Company
10555 Group 1001 Way
Zionsville, Indiana 46077

hereinafter referred to as the "Company", or "CSAIC", an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate offices in Zionsville, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2023, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES	COMPANY COMPLIANCE	CONSUMER SERVICES	FINANCIAL SERVICES	MEDICAL MALPRACTICE	COMPANY RECORDS	STATE HEALTH INSURANCE PROGRAM
317-232-2389	317-232-3495	317-232-2395/1-800-622-4461	317-232-2390	317-232-5253	317-232-2383	1-800-452-4800

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Pennsylvania Insurance Department (PID) and covered the period from January 1, 2016, through December 31, 2019. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2020, through December 31, 2023, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the Indiana domestic property and casualty insurance companies of Group 1001, Inc. (GOTO) was called by the Indiana Department of Insurance (INDOI) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. Delaware is the lead state of the Group 1001 Insurance Holdings Group (the Group). The INDOI served as Exam Facilitator for the Property and Casualty Companies' Sub-Group (P&C Sub-Group or CSPCG) examination which includes the Company, its direct parent, Clear Spring Casualty Insurance Company (CSCIC), its indirect parent, Clear Spring Property and Casualty Company (CSPCC), and its affiliate, Clear Spring National Insurance Company (CSNIC). The California Department of Insurance served as a participant in the CSPCG examination.

The actuarial specialists of Davies North America provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2023.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

HISTORY

The Company was incorporated on July 8, 1999, licensed by the PID on May 9, 2002, and commenced business on or about July 1, 2002.

CSAIC is one (1) of two (2) insurance subsidiaries of CSCIC. CSAIC was CSCIC's first insurance subsidiary. The other insurance subsidiary of CSCIC is CSNIC. All three (3) insurance companies operate collectively as Clear Spring Insurance Group (CSIG). CSIG was purchased by Delaware Life Insurance Company (DLIC) as part of a Stock Purchase Agreement dated November 9, 2018. The transaction closed in April 2019. On December 30, 2021, following the Company's re-domestication to Texas, DLIC contributed CSCIC to an affiliated insurer, CSPCC. As a result, CSPCC is the direct parent of CSCIC and the indirect parent of CSAIC. On March 7, 2023, the Company,

formerly known as Lackawanna American Insurance Company, changed its name to CSAIC. The Company redomesticated to Indiana from Texas, effective December 19, 2023.

CAPITAL AND SURPLUS

The Company had 70,000 shares of authorized common stock with a par value of \$100 per share, of which 35,000 were issued and outstanding to its parent, CSCIC.

No capital contributions were made or received during the examination period.

DIVIDENDS TO STOCKHOLDER

No dividends were paid to the stockholder during the examination period.

MANAGEMENT AND CONTROL

Directors

The Company's Amended and Restated Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of not less than five (5) with the exact number to be fixed from time to time pursuant to a resolution adopted by a majority of the Board in office. At least one (1) of the directors must be a resident of Indiana. The shareholders, at the annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors as of December 31, 2023, and their principal occupations as of that date:

<u>Name and Address Location</u>	<u>Principal Occupation</u>
Terry Athas Glenview, Illinois	Senior Vice President Alliant Insurance Services, Inc.
Michael Moran Bedford, Massachusetts	Retired Chief Accounting Officer Delaware Life Insurance Company
James Purvis Zionsville, Indiana	Chief Executive Officer and President Clear Spring Property and Casualty Group
Curtis Steger Lafayette, Indiana	Retired Chief Actuary Clear Spring Life and Annuity Company
Fang Wang Zionsville, Indiana	Chief Financial Officer Group 1001 Life and Annuity Business Unit

Officers

The Company's Amended and Restated Bylaws state that the officers of the Company shall consist of a Chief Executive Officer, President, Secretary, Treasurer and such Vice Presidents, Assistant Secretaries, Assistant

Treasurers and other officers as may from time to time be appointed by the Board. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

The following is a list of key officers and their respective titles as of December 31, 2023:

<u>Name</u>	<u>Office</u>
James Purvis	Chief Executive Officer and President
Melinda Hebb	Chief Accounting Officer and Treasurer
Michael Bloom	Secretary
Scott Hanfling	Chief Legal Officer
Christopher Brew	Chief Claims Officer
Kirt Dooley	Chief Actuary
Bradford St. Pierre, Jr.	Chief Product and Innovation Officer

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2023.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2023.

CORPORATE RECORDS

Articles of Incorporation

The Company amended its Articles of Incorporation once in 2020, once in 2021, and twice in 2023 mainly to reflect its redomestications to Texas in 2021 and then to Indiana in 2023 to become compliant with each state's laws. In 2020, the Company changed its class of stock, number of shares authorized, and par value per share. In 2021, the Company again changed its number of shares and par value per share. The additional amendment in 2023 was to reflect the Company's name change from LAIC to CSAIC.

Bylaws

The Company amended its Bylaws once in 2021 and twice in 2023 mainly to reflect its redomestications to Texas in 2021 and then to Indiana in 2023 to become compliant with each state's laws. The additional amendment in 2023 was to reflect the Company's name change from LAIC to CSAIC.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Amended and Restated Bylaws do not specify the date or time the annual meeting of shareholders is to be held. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year.

The Company's Audit Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organization chart shows all affiliated entities in the CSPCG as of December 31, 2023:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Group 1001, Inc.		
Group 1001 Insurance Holdings, LLC		
DLIC Holdings, LLC		
DLIC Sub-Holdings, LLC		
Delaware Life Insurance Company	79065	DE
Clear Spring PC Holdings, LLC		
Clear Spring PC Acquisition Corp.		
Clear Spring Property and Casualty Company	15563	IN
Clear Spring Casualty Insurance Company	11703	IN
Clear Spring National Insurance Company	12274	IN
Clear Spring American Insurance Company	11219	IN

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Cost Sharing Agreement

The Company was a party to a Cost Sharing Agreement with its parent, CSCIC. Effective January 1, 2011, the terms of the Agreement are to share the costs associated with certain operating and administrative services. The Company was allocated \$8.3 million in expenses in 2023 for the services provided under this Agreement.

Personnel Agreement

The Company was party to a Personnel Agreement with Group 1001 Resources, LLC, which serves as the primary

employer of record and employee benefit plan sponsor for employees supporting the business and operations of CSIG. The expenses paid in connection with this Agreement are subject to the Cost Sharing Agreement between the Company and its parent, CSCIC discussed above.

Services Agreement

The Company was party to a Services Agreement. Effective July 1, 2019, and revised October 1, 2019, CSPCC is to provide certain administrative and functional services to CSIG. There were no direct amounts allocated under this Agreement for 2023.

License Agreement

The Company was party to a license agreement. Effective January 1, 2022, Group 1001 IP Solutions, LLC was contracted to collectively support all proprietary software, systems, applications, platforms, programs, and similar intellectual property and technologies in an effort to support the business and operations of the Company and its affiliates.

Services and Resource Sharing Agreement

The Company was party to a Services and Resource Sharing Agreement. Effective January 1, 2020, DLIC provides services and makes resources available upon request to CSIG. Each service recipient agrees to reimburse DLIC for the cost, as determined in a fair and equitable manner, of the services provided by DLIC. The expenses incurred in connection with this Agreement are subject to the Cost Sharing Agreement between the Company and its parent, CSCIC discussed above.

Tax Sharing Agreement

The Company was party to a tax sharing agreement. The original agreement was effective December 15, 2014, but was amended October 14, 2020, to include the Company, its direct parent, CSCIC and its affiliate, CSNIC. The amendment effective September 1, 2023, replaced DLIC with GOTO as the parent corporation of the affiliated group. Allocation is based upon separate return calculations with current credit (benefit) given for losses and tax attributes that are utilized by the affiliated group.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Allianz Global Risks U.S. Insurance Company and Continental Casualty Company. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2023, including but not limited to business auto, business property, cyber insurance, directors', officers', and company liability, employee benefits liability, employment practices liability, excess and umbrella liability, fiduciary liability, general liability, insurance company professional liability, and stop gap liability.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business in California, Delaware, Indiana, Maryland, New Jersey, Pennsylvania, Texas, and West Virginia.

As of December 31, 2023, direct premiums written were approximately \$49.5 million. All premiums written was workers' compensation business in Pennsylvania. The Company also assumed premiums written of \$101.2 million. The assumed business was from the affiliated reinsurance pool and mainly consisted of workers' compensation, private passenger automobile, and other liability lines of business.

REINSURANCE

Reinsurance Pool

Effective August 1, 2019, CSPCG entered into an amended and restated Proportional Reinsurance Agreement. Under the terms of the Agreement, CSPCC, CSAIC and CSNIC ceded 100% of all gross liabilities of their workers' compensation and, specific to CSPCC, private passenger automobile, general liability business, and other lines of commercial insurance business, to CSCIC. CSCIC then retrocedes the net amount of the pool back to each member based on percentages specified in the Agreement. Any balances due between parties are settled within ninety (90) days after the close of each quarter. Effective January 1, 2021, the pooling agreement was amended to include the pooling of underwriting and other administrative expenses. Additionally, the cession percentages were modified. As of December 31, 2023, the pooling participation percentages were as follows:

<u>Participants</u>	<u>Pool Percentage</u>
Clear Spring Casualty Insurance Company	56%
Clear Spring American Insurance Company	25%
Clear Spring National Insurance Company	10%
Clear Spring Property and Casualty Company	9%
Total	<u>100%</u>

Ceded Reinsurance

The Company engages in reinsurance transactions as part of its overall underwriting and risk-management strategy. The Company's reinsurance program includes ceded coverages that limit the amount of individual claims to a fixed amount. As of December 31, 2023, the Company ceded reinsurance as follows:

CSPCG has an Excess of Loss Reinsurance Agreement for workers' compensation and employers' liability, which has been renewed annually throughout the examination period. The contract is through a Reinsurance Intermediary, Gallagher Re, with various authorized reinsurers at varying participation levels. The current reinsurance agreement, effective July 1, 2023, is summarized in the table below:

Layer	Company Retention	Reinsurer's Limit
First Excess Cover:	\$3 million	\$2 million/per occurrence \$12 million/per contract term
Second Excess Cover:	\$5 million	\$5 million/per occurrence \$15 million/per contract term
Third Excess Cover:	\$10 million	\$10 million/per occurrence \$20 million/per contract term
Fourth Excess Cover:	\$20 million	\$30 million/per occurrence \$60 million/per contract term
Fifth Excess Cover:	\$50 million	\$25 million/per occurrence \$50 million/per contract term

There were no issues noted in the review of the Company's reinsurance program that would preclude taking of reserve credits.

Assumed Reinsurance

Other than the pooling arrangement with its affiliates, CSPCC, CSCIC, and CSNIC mentioned previously in this Report of Examination, CSAIC does not assume any additional reinsurance business.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the INDOI and present the financial condition of the Company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

CLEAR SPRING AMERICAN INSURANCE COMPANY

Assets

As of December 31, 2023

	<u>Per Company</u>
Bonds	\$ 88,478,022
Stocks:	
Preferred stocks	2,999,999
Common stocks	499,996
Mortgage loans on real estate	
First liens	5,115,062
Cash, cash equivalents and short-term investments	5,234,065
Receivables for securities	38,156
Subtotals, cash and invested assets	<u>102,365,300</u>
Investment income due and accrued	935,395
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	2,123,555
Deferred premiums, agents' balances and installments booked but deferred and not yet due	46,918,948
Reinsurance:	
Amounts recoverable from reinsurers	20,704,878
Funds held by or deposited with reinsured companies	55,116,345
Current federal and foreign income tax recoverable and interest thereon	1,362,991
Net deferred tax asset	3,010,357
Prepaid premium tax	1,187,552
Totals	<u>\$ 233,725,321</u>

CLEAR SPRING AMERICAN INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2023

	<u>Per Company</u>
Losses	\$ 82,116,860
Reinsurance payable on paid losses and loss adjustment expenses	10,306,146
Loss adjustment expenses	14,086,306
Commissions payable, contingent commissions and other similar charges	750,153
Other expenses	127,159
Taxes, licenses and fees	25,380
Unearned premiums	33,450,680
Advance premium	280,968
Ceded reinsurance premiums payable	25,654,024
Funds held by company under reinsurance treaties	11,673,993
Amounts withheld or retained by company for account of others	1,689,554
Payable to parent, subsidiaries and affiliates	1,377,167
Assumed premium deficiency reserve - AIPSO	6,269
Escheatment liability	17,189
Total liabilities excluding protected cell liabilities	<u>181,561,848</u>
Total liabilities	<u>181,561,848</u>
Common capital stock	3,500,000
Gross paid in and contributed surplus	6,636,784
Unassigned funds (surplus)	<u>42,026,689</u>
Surplus as regards policyholders	<u>52,163,473</u>
Totals	<u><u>\$ 233,725,321</u></u>

CLEAR SPRING AMERICAN INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2023

	<u>Per Company</u>
UNDERWRITING INCOME	
Premiums earned	\$ 96,315,631
DEDUCTIONS	
Losses incurred	56,389,405
Loss adjustment expenses incurred	11,577,666
Other underwriting expenses incurred	31,577,773
Investment income funds withheld	(421)
Change in assumed premium deficiency reserve - AIPSO	6,269
Total underwriting deductions	<u>99,550,692</u>
Net underwriting gain (loss)	(3,235,061)
INVESTMENT INCOME	
Net investment income earned	4,746,856
Net realized capital gains (losses) less capital gains tax	<u>(247,266)</u>
Net investment gain (loss)	4,499,590
OTHER INCOME	
Net gain (loss) from agents' or premium balances charged off	(4,888,798)
Finance and service charges not included in premiums	128,626
Non-insurance miscellaneous income	159
All other taxes, penalties expense	<u>(101)</u>
Total other income	<u>(4,760,114)</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(3,495,585)
Dividends to policyholders	<u>100,709</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(3,596,294)
Federal and foreign income taxes incurred	<u>(133,222)</u>
Net income	<u>\$ (3,463,072)</u>

CLEAR SPRING AMERICAN INSURANCE COMPANY
Reconciliation of Capital and Surplus Account

	2023	2022	2021	2020
Surplus as regards policyholders, December 31				
prior year	\$ 55,115,810	\$55,428,846	\$55,264,521	\$52,414,022
Net income	(3,463,072)	(431,055)	142,548	2,080,234
Change in net unrealized capital gains or (losses)				
less capital gains tax	31,529	(29,935)	(4,081)	10,052
Change in net deferred income tax	729,186	1,078,523	673,498	731,639
Change in non-admitted assets	(249,980)	(930,569)	(647,640)	28,574
Capital Changes				
Paid in	-	-	-	500,000
Surplus adjustments:				
Paid In	-	-	-	(500,000)
Change in surplus as regards policyholders for the				
year	(2,952,337)	(313,036)	164,325	2,850,499
Surplus as regards policyholders, December 31				
current year	<u>\$52,163,473</u>	<u>\$55,115,810</u>	<u>\$55,428,846</u>	<u>\$55,264,521</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2023, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues identified by the examination team as of December 31, 2023, based on the results of this examination.

SUBSEQUENT EVENTS

Effective January 1, 2025, the Company entered into an amended proportional agreement with CSCIC, CSNIC and CSPCC. The result of the amended agreement will allow CSPCC to retain 100% of the writings of CSPCG, with no cession back to the Company. The agreement was approved by the INDOI on January 8, 2025.

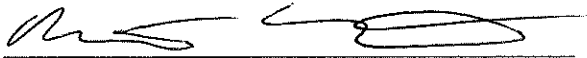
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Robert Daniel, ACAS, MAAA, and Mark Davenport, ACAS, MAAA, of Davies North America, performed an examination of Clear Spring American Insurance Company, as of December 31, 2023.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Clear Spring American Insurance Company as of December 31, 2023, as determined by the undersigned.



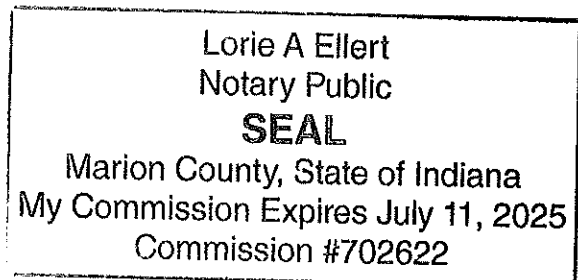
Matthew Milford, CFE
Noble Consulting Services, Inc.

Under the Supervision of:



Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

State of: Indiana
County of: Marion



On this 2nd day of June, 2025, before me personally appeared, Matthew Milford and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:

July 11, 2025 

Notary Public

$$A_1 \otimes A_2 = \text{span}\{A_1 \otimes A_2\} = A_1 \otimes A_2 \quad \text{if } A_1 \text{ and } A_2 \text{ are linearly independent}$$