

JUN 19 2026

FILED

CERTIFICATION

June 19, 2026

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

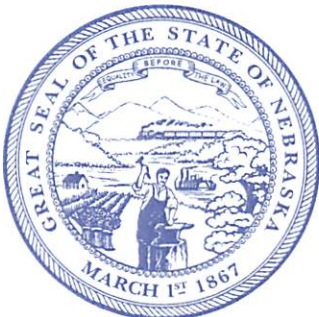
ACCEPTANCE INDEMNITY INSURANCE COMPANY

AS OF

DECEMBER 31, 2024

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



A handwritten signature in blue ink, appearing to read "Eric Dunning".

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

ACCEPTANCE INDEMNITY INSURANCE COMPANY

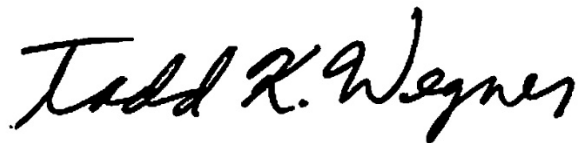
4200 SIX FORKS ROAD, SUITE 1400

RALEIGH, NORTH CAROLINA 27609

dated as of December 31, 2024, verified under oath by the examiner-in-charge on
May 27, 2026, and received by the company on May 29, 2026, has been adopted
with modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 9th day of June 2026.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive style with a large initial 'T'.

Tadd Wegner, CFE
Chief Financial Regulator

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

ACCEPTANCE INDEMNITY INSURANCE COMPANY

as of

December 31, 2024

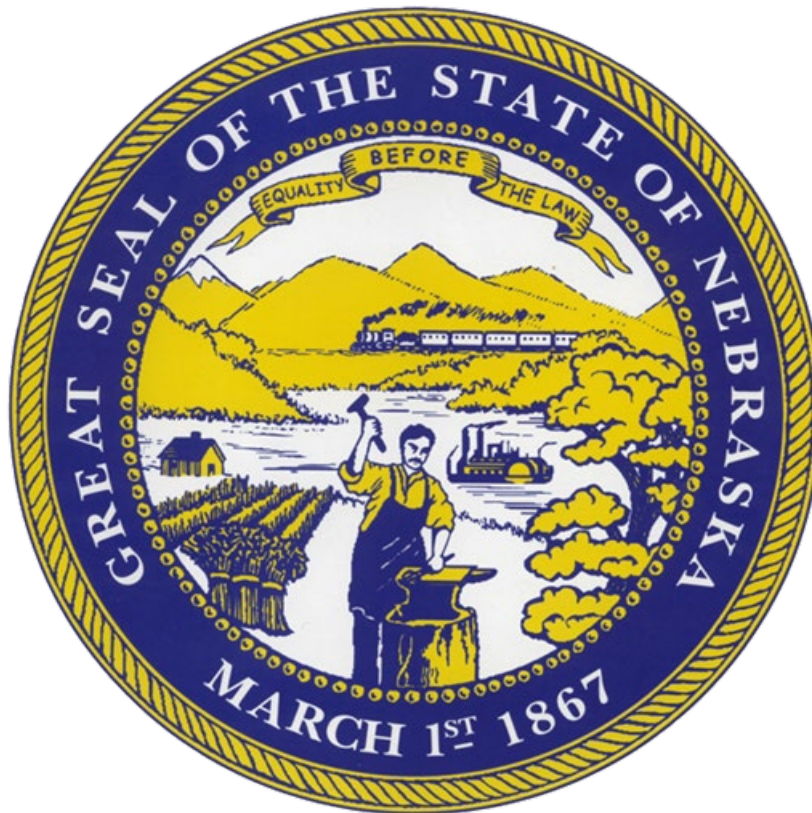


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Lincoln, Nebraska
April 28, 2026

Honorable Eric Dunning
Director of Insurance
Nebraska Department of Insurance
1526 K Street, Suite 200
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

ACCEPTANCE INDEMNITY INSURANCE COMPANY

which has its Statutory Home Office located at:

**12801 Pierce Street, Suite 200
Omaha, Nebraska 68144**

with its Principal Executive Office located at:

**4200 Six Forks Road, Suite 1400
Raleigh, North Carolina 27609**

(hereinafter also referred to as the “Company”), and the report of such examination is respectfully presented herein.

INTRODUCTION

The State of Nebraska last examined the Company as of December 31, 2019. The current financial condition examination covers the intervening period to, and includes the close of business on December 31, 2024, and includes such subsequent events and transactions as were considered pertinent to this report. The States of Nebraska, North Carolina, Florida, Illinois, New Jersey, and Texas participated in this examination and assisted in the preparation of this report.

The same examination staff conducted concurrent financial condition examinations of the Company's affiliates:

Acceptance Casualty Insurance Company (ACIC)
Occidental Fire & Casualty Insurance Company of North Carolina (OFC)
Wilshire Insurance Company (WIC)
Harco National Insurance Company (Harco)
TransGuard Insurance Company of America, Inc. (TransGuard)
Commercial Alliance Insurance Company (CAIC)
Allegheny Casualty Company (ACC)
International Fidelity Insurance Company (IFIC)
SafePort Insurance Company (SIC)

SCOPE OF EXAMINATION

This examination was conducted pursuant to and in accordance with both the NAIC Financial Condition Examiners Handbook (Handbook) and Section §44-5904(1) of the Nebraska Insurance Statutes. The Handbook requires that examiners plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including but not limited to: corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and Annual Statement Instructions, when applicable to domestic state regulations.

The examination was completed under coordination of the holding company group approach with the Illinois Department of Insurance as the coordinating state and the Nebraska Department of Insurance, North Carolina Department of Insurance, New Jersey Department of Banking and Insurance, Florida Department of Financial Services, and the Texas Department of Insurance as the participating states. The companies examined under this approach benefit to a

large degree from common management, systems and processes, and internal control and risk management functions that are administered at the consolidated or business unit level.

The coordinated examination applies procedures sufficient to comprise a full scope financial examination of each of the companies in accordance with the examination procedures and standards promulgated by the NAIC and by the respective state insurance departments where the companies are domiciled. The objective is to enable each domestic state to report on their respective companies' financial condition and to summarize key results of examination procedures.

The Nebraska Department of Insurance made a general review of the Company's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company." All items pertaining to management and control were reviewed, including provisions for disclosure of conflicts of interest to the Board of Directors and the departmental organization of the Company. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Shareholders, Board of Directors, and committees held during the examination period were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, and approval of investment transactions were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed. Certificates of Authority to conduct the business of insurance in the various states were inspected, and a survey was made of the Company's general plan of operation.

Data reflecting the Company's growth during the period under review, as developed from the Company's filed annual statements, is reflected in the financial section of this report under the caption "Body of Report."

The Company's reinsurance facilities were ascertained and noted and have been commented upon in this report under the caption "Reinsurance." Accounting records and procedures were tested to the extent deemed necessary through the risk-focused examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This included a review of workpapers prepared by Johnson Lambert LLP, the Company's external auditors, during their audit of the Company's accounts for the years ended December 31, 2023 and 2024. Portions of the auditor's workpapers have been incorporated into the workpapers of the examiners and have been utilized in determining the scope and areas of emphasis in conducting the examination. This utilization was performed pursuant to Title 210 (Rules of the Nebraska Department of Insurance), Chapter 56, Section 013.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

DESCRIPTION OF COMPANY

HISTORY

The Company was incorporated under the laws of the State of Minnesota on September 19, 1988 and was licensed to commence the business of insurance as a capital stock casualty company on that same date. Authorized capitalization of 100,000 shares of common stock were issued to Acceptance Insurance Company (AIC), a Nebraska property and casualty insurer.

On August 9, 2001, the McM Corporation (McM), a North Carolina insurance holding company, acquired ACIC and the Company. Controlling interest in McM was acquired in 2002 by IAT Reinsurance Company, Ltd. (IAT), a privately held Bermuda domiciled reinsurer, which is wholly owned by Goose Creek Capital Inc., which itself is wholly owned by Peter R. Kellogg, an individual, the ultimate controlling person.

In accordance with the provisions of the Company's Restated Articles of Incorporation, its period of duration shall be perpetual. Under the provisions of its current charter and in conformity with Nebraska Statutes, the Company is authorized to write the kinds of insurance prescribed by Neb. Rev. Stat. §44-201 Subsection (5), (7), (8), (9), (10), (11), (12), (13), (14), (16), (18), and (19).

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the "Ultimate Controlling Person," as reported in the 2024 Annual Statement, is represented by the following (subsidiaries are denoted through the use of indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

Charles Kellogg

Goose Creek Capital Inc.

Equity Holdings, Inc.

Equity American Financial Service, Inc.

PPS Berkshire Solar LLC

IAT Reinsurance Company, Ltd.

IAT Insurance Group, Inc.

Harco National Insurance Company

CAIC Holding Company, Inc.

Commercial Alliance Insurance Company

Safe Insurance Management Group, Inc.

Occidental Fire & Casualty Co. of NC

Wilshire Insurance Company

Acceptance Indemnity Insurance Company

Acceptance Casualty Insurance Company
TransGuard Insurance Company of America, Inc.
Claimguard, Inc.
IFIC Surety Group, Inc.
International Fidelity Insurance Company
IAT CCM Ltd
Equity American General Agency, Inc.
Safe Insurance Holdings, Inc. (49%)
SafePort Insurance Company
Safe Insurance Managers, Inc.
SageSure, LLC (9.4%)
Vanguard Insurance Agency, Inc.
TransGuard General Agency, Inc.
National Association of Independent Truckers LLC
The Chestnut Group (44.83%)
Allegheny Casualty Company
AIA Holdings, Inc.
Access Holdco, LLC (30%)
Bay Area Claims Service, Inc.

Shareholder

Article V of the Company's Articles of Incorporation states that, "the aggregate number of shares which the corporation shall have authority to issue shall be 500,000 shares of common stock at a par value of Twenty Dollars (\$20.00) per share." At the date of this examination, 250,000 shares were issued and outstanding to IAT Insurance Group, Inc. No dividends were paid to the parent during the examination period.

Article II, Section 1 of the Company's By-Laws states that, "the annual meeting of the Shareholders shall be held on the date and time, and at such place, as determined by resolution of the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting."

Board of Directors

Article III, Section 1 of the Company's By-Laws states that, "the business and affairs of the corporation shall be managed by its Board of Directors." Article III, Section 2 of the

Company’s By-Laws states that, “the number... shall be not less than seven (7) nor more than thirteen (13)... Each Director shall hold office until the next annual meeting of Shareholders and until his successor shall have been elected and qualified. At least one Director must be a resident of the State of Nebraska.”

The following persons were serving as Directors at December 31, 2024:

<u>Name and Residence</u>	<u>Principal Occupation</u>
Todd E. Bateson Cumming, Georgia	Executive Vice President IAT Insurance Group, Inc.
Michael D. Blinson Clayton, North Carolina	Senior Vice President, Corporate Secretary IAT Reinsurance Company, Ltd.
Kenneth C. Coon Omaha, Nebraska	Executive Vice President IAT Insurance Group, Inc.
William E. Cunningham Cheshire, Connecticut	Chief Executive Officer IAT Reinsurance Company, Ltd.
Gregory M. Even Wethersfield, Connecticut	Chief Underwriting Officer IAT Insurance Group, Inc.
Alisa L. Miller Raleigh, North Carolina	Chief Human Resources Officer IAT Insurance Group, Inc.
David G. Pirrung Wake Forest, North Carolina	Chief Financial Officer IAT Reinsurance Company, Ltd.

Directors do not receive compensation as Board members.

Officers

Article IV, Section 1 of the Company’s By-Laws state that “the Officers of the corporation shall include the Chairman of the Board, the President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), the Treasurer, and the Secretary. Any two or more offices may be held by the same person. Such Officers shall be elected from time to time by the Board of Directors, each to hold office until the meeting of the Board of Directors following

the next annual meeting of the Shareholders, or until his successor shall have been duly elected, and shall have qualified, or until his death, or until he shall have resigned, or have been removed, as hereinafter provided by the By-Laws.”

The following is a partial listing of Executive Officers elected and serving the Company at December 31, 2024:

<u>Name</u>	<u>Office</u>
David G. Pirrung	President
John M. Mruk	Treasurer
Michael D. Blinson	Corporate Secretary
Todd E. Bateson	Executive Vice President
Manish Chawla	Executive Vice President
Kenneth C. Coon	Executive Vice President
Gregory M. Even	Executive Vice President
Trenton C. Haas	Executive Vice President
Alisa L. Miller	Executive Vice President
John K. Passaro	Executive Vice President
Coy R. Rudd	Executive Vice President
Joseph A. Tracy	Executive Vice President

Committees

Article V, Section 1 of the Company’s By-Laws state that, “the Board of Directors may appoint from its number an Executive Committee, which during the intervals between the meetings of the Board of Directors, shall process and exercise all the powers of the Board of Directors in the management and direction of all the business and affairs of the corporation (except the power to alter or amend the By-Laws or to fill vacancies on the Board or on the Executive Committee) in such a manner as the Executive Committee shall deem best for the interests of the corporation, in all cases in which specific directions shall not have been given by the Board of Directors. In addition to such general powers, but subject to the limitation above and hereafter expressed, the Executive Committee shall have special and general charge of all financial affairs of the corporation including investments, banking relations, and fiscal policies.”

The following persons were serving on the Executive Committee at December 31, 2024:

Todd E. Bateson	Michael D. Blinson
William E. Cunningham	David G. Pirrung

TRANSACTIONS WITH AFFILIATES

IAT Group Cost Sharing Agreement

Effective January 1, 2021, the Company, along with its affiliates, OFC, WIC, AIC, ACIC, Harco, TransGuard, SafePort, and CAIC, entered into a Group Cost Sharing agreement with IAT Insurance Group, Inc. Under this agreement, the costs associated with Personnel, EDP hardware and software expenses, and office leases are allocated to each company based on their pro rate share of total Net Earned Premiums.

Federal Income Tax Allocation Agreement

Effective April 30, 2002, the Company became parties to a Tax Allocation Agreement with IAT Reinsurance Company, LTD and its subsidiaries. Taxes are allocated among the consolidated companies based upon their separate return calculations with current credit for any operating losses or other items utilized in the consolidated return.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in the following states:

California	Florida	Hawaii
Kansas	Minnesota	Nebraska
Nevada	New Jersey	Oregon
Pennsylvania	South Carolina	

The Company is also approved or not disapproved for surplus lines in the District of Columbia, Puerto Rico, and the following states:

Alabama	Alaska	Arizona
Arkansas	Colorado	Connecticut
Delaware	District of Columbia	Georgia

Idaho	Illinois	Indiana
Iowa	Kentucky	Louisiana
Maine	Maryland	Massachusetts
Michigan	Mississippi	Missouri
Montana	New Hampshire	New Mexico
New York	North Carolina	North Dakota
Ohio	Oklahoma	Rhode Island
South Dakota	Tennessee	Texas
Utah	Vermont	Virginia
Washington	West Virginia	Wisconsin
Wyoming	Puerto Rico	

The Company underwrites specialty classes of business on an admitted as well as surplus lines basis. Business is produced exclusively through general agents. Each agent has limited underwriting authority with the home office providing final review and approval. Policies are issued on standard forms with limiting endorsements in accordance with the type of specialty coverage being written.

The specialty lines of property and casualty business are written in distinct lines of business. A description of each program follows:

1. Binding Authority provides insurance for commercial risks involving general liability, liquor liability, and property, in addition to a number of secondary coverages such as cyber liability, EPLI, crime, and inland marine. This group of wholesale partners has binding authority on behalf of the Company.
2. Excess Casualty focuses on providing tailored solutions for surplus lines risks seeking excess and umbrella coverage. The Company serves two distinct markets: smaller mid-market accounts (under \$40K) and middle-market accounts (over \$40K). The targeted classes are contractors, product manufacturing, premises, hospitality, and commercial auto liability. The business is produced through wholesale agents and brokers.

3. The Inland Marine unit serves the following key markets: construction, transportation and logistics, fine art, electronic data processing, medical equipment, cameras and musical instruments. The business is produced through wholesale and independent brokers.
4. The Homeowners program stems from the Company's partnership with SageSure, the largest independent residential property managing general underwriter in the United States. SageSure provides homeowners coverage in underserved markets - primarily coastal properties.
5. Commercial Truck supports a variety of Fleet (11-250+ power units) and Non-Fleet trucking operations (1-10 power units) with primary auto liability, physical damage, cargo, general liability, and non-trucking liability coverage options. The business is produced through wholesale and independent brokers.

REINSURANCE

Assumed

Excluding the Intercompany Pooling Agreement discussed in the “Ceded” section below, the Company does not assume any material amount of reinsurance.

Ceded

Intercompany Pooling Arrangement

Effective January 1, 2016, Harco (the “Pool Leader”) and six of its affiliates (collectively the “Pool Members”) are participants in an intercompany pooling arrangement whereby the Pool Leader and each Pool Member pool their net underwriting results proportionately among pool participants. Listed below is each participant’s participation percentage in the pool.

- Harco National Insurance Company – 23.0%
- TransGuard Insurance Company of America – 22.3%
- Wilshire Insurance Company – 16.5%
- Acceptance Indemnity Insurance Company – 13.1%
- Occidental Fire and Casualty Company of North Carolina – 9.6%
- Acceptance Casualty Insurance Company – 9.0%
- Commercial Alliance Insurance Company – 6.5%

Reinsurance is ceded to external reinsurers by the Pool Participants prior to pooling for certain reinsurance agreements. Each pool participant has a contractual right of direct recovery from its own external reinsurers. The only external reinsurance the Company has entered into includes facultative agreements, which are immaterial, and then ceded on a net basis to the Pool. The Pool Leader then cedes remaining subject business to external reinsurers.

Adverse Development Cover

Effective December 31, 2018, the Company, ACIC, Harco, CAIC, OFC, TransGuard, and WIC (the “Group”) entered into an Adverse Development Cover (“ADC”) agreement with IAT. The ADC relates to all business, providing the Group with reinsurance protection against

unfavorable development arising from existing and/or newly reported claims for accident years 2018 and prior. In exchange for a total premium of \$500,000, the Group has up to \$100 million in protection against unfavorable development for those accident years. The Group remains obligated to policyholders for amounts ceded to reinsurers in the event that any reinsurer does not meet their obligation to the Group. As of December 31, 2024, the Group had fully exhausted and recovered the aggregate limit of \$100 million, including reserve credits, related to this agreement.

General

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$112,119,407	\$119,543,941	\$137,906,067	\$158,359,765	\$179,041,995
Common stocks	179,272,633	230,297,301	183,580,211	220,916,146	258,130,407
Admitted assets	357,696,573	423,323,566	388,351,200	448,706,876	515,564,214
Loss reserves	81,862,106	95,896,567	110,044,578	118,625,377	123,815,471
Total liabilities	192,686,724	227,452,791	233,284,391	258,675,315	276,966,133
Capital and surplus	165,009,849	195,870,775	155,066,809	190,031,561	238,598,081
Premiums earned	146,488,208	159,247,935	179,925,547	175,851,587	183,207,318
Net investment income	7,023,903	7,885,926	10,372,860	11,826,173	12,925,178
Losses incurred	80,836,840	106,992,045	91,294,312	94,075,685	87,166,264
Net income	16,402,917	(9,602,295)	1,669,389	3,815,723	16,268,472

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the State of Nebraska Department of Insurance and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT
December 31, 2024

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$179,041,995		\$179,041,995
Preferred stocks	10,436,785		10,436,785
Common stocks	258,130,407		258,130,407
Cash	<u>43,775,551</u>		<u>43,775,551</u>
Subtotal, cash and invested assets	\$491,384,739		\$491,384,739
Investment income due and accrued	2,162,986		2,162,986
Uncollected premiums and agents balances	19,729,697	\$1,189,386	18,540,311
Deferred premiums	473,930		473,930
Amounts recoverable from reinsurers	295,704		295,704
Funds held by or deposited with reinsured companies	71,095		71,095
Receivables from parent, subsidiaries and affiliates	2,635,449		2,635,449
Prepaid expenses	<u>139,845</u>	<u>139,845</u>	<u> </u>
Totals	<u>\$516,893,445</u>	<u>\$1,329,231</u>	<u>\$515,564,214</u>

Liabilities, Surplus, and Other Funds

Losses	\$123,815,471
Reinsurance payable on paid losses and loss adjustment expenses	4,823,244
Loss adjustment expenses	24,339,827
Commissions payable	5,424,739
Taxes, licenses and fees	29,678
Current federal and foreign income taxes	800,302
Net deferred tax liability	7,434,694
Unearned premium	93,479,805
Advance premium	1,407,124
Ceded reinsurance premiums payable	2,658,810
Amounts withheld or retained by company for account of others	500,029
Provision for reinsurance	24,866
Payable to parent, subsidiaries and affiliates	11,124,400
Third party claims	778,645
Recoupment – CA & NJ	159,491
Miscellaneous other liabilities	152,029
Accrued general expenses	<u>12,979</u>
Total liabilities	<u>\$276,966,133</u>
Common capital stock	\$ 5,000,000
Gross paid in and contributed surplus	13,613,145
Unassigned funds	<u>219,984,936</u>
Total capital and surplus	<u>\$238,598,081</u>
Totals	<u>\$515,564,214</u>

STATEMENT OF INCOME – 2024

Underwriting Income

Premiums earned	\$183,207,318
Losses incurred	\$ 87,166,264
Loss adjustment expenses incurred	19,288,995
Other underwriting expenses incurred	70,714,249
Miscellaneous other expenses	<u>80,177</u>
Total underwriting deductions	<u>\$177,249,685</u>
Net underwriting gain	<u>\$ 5,957,633</u>

Investment Income

Net investment income earned	\$ 12,925,178
Net realized capital gain	<u>975,268</u>
Net investment gain	<u>\$ 13,900,446</u>

Other Income

Net gain from agents' or premium balances charged off	\$ (6,864)
Aggregate write-ins for miscellaneous other income	<u>81,474</u>
Total other income	<u>\$ 74,610</u>
Net income before dividends to policyholders and federal income taxes	\$ 19,932,689
Dividends to policyholders	177,817
Federal and foreign income taxes incurred	<u>3,486,400</u>
Net income	<u>\$ 16,268,472</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Capital and surplus, beginning	\$181,124,634	\$165,009,849	\$195,870,775	\$155,066,809	\$190,031,561
Net income	16,402,914	(9,602,295)	1,669,389	3,815,723	16,268,472
Change in net unrealized capital gains	(33,620,819)	38,480,018	(40,281,508)	28,876,545	31,476,122
Change in net deferred income tax	458,861	2,729,244	981,211	778,168	(866,023)
Change in non-admitted assets	452,480	(746,042)	(3,173,057)	1,494,316	1,712,814
Change in provision for reinsurance	191,776				(24,866)
Net change for the year	<u>\$ (16,114,785)</u>	<u>\$ 30,860,925</u>	<u>\$ (40,803,965)</u>	<u>\$ 34,964,752</u>	<u>\$ 48,566,519</u>
Capital and surplus, ending	<u>\$ 165,009,849</u>	<u>\$ 195,870,775</u>	<u>\$ 155,066,809</u>	<u>\$ 190,031,561</u>	<u>\$ 238,598,081</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$219,984,936, as reported in the Company's 2024 Annual Statement, has been accepted for examination purposes. Examination findings in the aggregate were considered to have no material effect on the Company's financial condition.

COMPLIANCE WITH PREVIOUS RECOMMENDATIONS

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

Adverse Development Cover (SSAP 25 and SSAP 62R Non-compliance) - It is recommended that the Company comply with the requirements of SSAP No. 25, paragraphs 13-19 and SSAP No. 62R, paragraph 37.

Action: The Company has complied.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

There are no comments or recommendations that have been made as a result of this examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations that have been made as a result of this examination.

ACKNOWLEDGMENT

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Financial Examiners, Information Systems Specialist, and Actuarial Examiners contracted or employed by the Illinois Department of Insurance, North Carolina Department of Insurance, New Jersey Department of Banking and Insurance, Florida Department of Financial Services, and the Texas Department of Insurance; participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alexis Anderson", written over a horizontal line.

Alexis Anderson, CFE
Examiner in Charge
Department of Insurance
State of Nebraska

State of Nebraska,

County of Lancaster,

Alexis Anderson, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of following companies:
 - Acceptance Indemnity Insurance Company
 - Acceptance Casualty Insurance Company
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Acceptance Indemnity Insurance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.

Alexis Anderson

Examiner-in-Charge's Signature

Subscribed and sworn before me by Alexis Anderson on this 27th day of May, 20 20.



(SEAL)

Lori L. Bruss

Notary Public

My commission expires July 21, 2028 [date].