REPORT ON EXAMINATION
OF
GENERAL SECURITY NATIONAL INSURANCE COMPANY

AS OF DECEMBER 31, 2024

EXAMINER: **JAMES WANG, CFE**
DATE OF REPORT: **MARCH 25, 2026**

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March 25, 2026

Honorable Kaitlin Asrow
Acting Superintendent
New York State Department of Financial Services
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 32722 dated October 31, 2024, attached hereto, I have made an examination into the condition and affairs of General Security National Insurance Company as of December 31, 2024, and submit the following report thereon.

Wherever the designation "the Company" or "GSNIC" appears herein without qualification, it should be understood to indicate General Security National Insurance Company.

Wherever the term "Department" appears herein without qualification, it should be understood to mean the New York State Department of Financial Services.

1. SCOPE OF EXAMINATION

The Department has performed an examination of General Security National Insurance Company, a multi-state insurer. The previous examination was conducted as of December 31, 2019. This examination covered the five-year period from January 1, 2020 through December 31, 2024. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

New York was the lead state of the SCOR Group examination. The examination was performed concurrently with the examinations of the following insurers: SCOR Reinsurance Company ("SCOR RE"), domiciled in New York and General Security Indemnity Company of Arizona ("GSINDA"), domiciled in Arizona. Arizona participated in this examination.

This examination was conducted in accordance with the National Association of Insurance Commissioners ("NAIC") Financial Condition Examiners Handbook, which requires that we plan and perform the examination to evaluate the financial condition and identify current and prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company and evaluating system controls and procedures used to mitigate those risks. This examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with New York laws, statutory accounting principles, and annual statement instructions.

This examination report includes, but is not limited to, the following:

Company history
Management and control
Territory and plan of operation
Reinsurance
Holding company description
Financial statement presentation
Loss review and analysis
Significant subsequent events
Summary of recommendations

A review was also made to ascertain what action was taken by the Company regarding recommendations contained in the prior report on examination.

This report on examination is confined to financial statements and comments on those matters that involve departures from laws, regulations or rules, or that are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was incorporated as the Copenhagen Reinsurance Company of America under the laws of the State of New York on May 15, 1980. The Company commenced underwriting on October 1, 1980, by assuming a book of the U.S. domiciled business of its parent, Copenhagen Reinsurance Company, Ltd. of Denmark.

On July 28, 1989, the Company's name was changed to Sorema North America Reinsurance Company when it was acquired by Sorema N.A. Holding Corporation, a member of Groupama of France.

On July 31, 2001, SCOR S.E. ("SCOR SE"), a French corporation, acquired 100% of the stock of Sorema N.A. Holding Corporation and, immediately upon the acquisition, contributed the full ownership of the Company to SCOR RE. Effective January 1, 2002, the name of the Company was changed to its current title.

On December 31, 2006, SCOR RE sold all outstanding shares of the Company to SCOR SE. On December 31, 2009, the Company merged with Commercial Risk Reinsurance Company, an affiliate whose outstanding shares were canceled. On October 1, 2010, SCOR U.S. Corporation, a Delaware-domiciled, intermediate holding company and wholly-owned subsidiary of SCOR SE ("SCOR U.S."), acquired all issued and outstanding capital stock of the Company from SCOR SE.

The Company's ownership was transferred from SCOR U.S. to SCOR RE effective December 31, 2022, making the Company a wholly-owned subsidiary of SCOR RE.

A. Corporate Governance

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than seven nor more than 13 members. The board meets four times during each calendar year. At December 31, 2024, the board of directors was comprised of the following seven members:

Name and Residence	Principal Business Affiliation
Nicolas Berg New York	President and Chief Executive Officer, Head of P&C North America, SCOR RE

Name and Residence	Principal Business Affiliation
Jean-Paul Conoscente New York	Chief Executive Officer of the P&C Business Unit, SCOR SE
Rosalie Golz Illinois	Senior Vice President, Head of North America Managing General Agent (MGA), SCOR RE
David Hurd New York	Senior Vice President, Global Lines Head, Financial Lines, SCOR RE
Nicolas Mathieu New York	Senior Vice President, Chief Legal Counsel, SCOR Americas P&C, SCOR RE
Fabian Uffer Zurich, Switzerland	Group Chief Risk Officer, SCOR SE
Francois de Varenne Paris, France	Group Chief Financial Officer, SCOR SE

As of December 31, 2024, the principal officers of the Company were as follows:

Name	Title
Nicolas Berg	President and Chief Executive Officer, Head of P&C North America, SCOR RE
Christopher Harden*	Vice President, Regulatory Counsel and Corporate Secretary
Michael Souquet	Senior Vice President, Financial Director U.S P&C
Nicolas Mathieu*	Senior Vice President, Chief Legal Counsel, SCOR Americas P&C, SCOR RE

* Mr. Harden resigned effective May 2, 2025. Effective May 6, 2025, Mr. Harden was replaced by Nicolas Mathieu. Mr. Mathieu's current title is Senior Vice President, Chief Legal Counsel for SCOR P&C and Corporate Secretary.

The review of the Company's Board of Director and Committee's minutes during 2020 through 2024 indicated that there is a lack of documentation of the Board's annual review of the Company's internal Board of Directors and key officers' succession plan. Further, C level interviews indicated that succession planning exists and is reviewed annually at the SCOR SE level, and while no formal succession plan is maintained, the Company believes its talent pool and network is sufficient to face any sudden departure.

As an industry's best practice, it is recommended that the Company adopt a formal written succession plan, and the Board of Directors perform its annual review of the Company's internal Board of Directors and key officers' succession plans. Such review and approval should be documented in the Board of Director's meeting minutes at least annually.

B. Territory and Plan of Operation

As of December 31, 2024, the Company was licensed to write business in all 50 states and the District of Columbia. The Company is also qualified or accredited in Puerto Rico.

As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

Paragraph	Line of Business
3	Accident and health
4	Fire
5	Miscellaneous property
6	Water damage
7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity
26	Gap
29	Legal Services

The Company is also empowered to transact such workers' compensation insurance as may be incidental to coverage contemplated under paragraphs 20 and 21 of Section 1113(a) of the New York Insurance Law, including insurances described in the Longshoremen's and Harbor Workers' Compensation Act (Public Law No. 803, 69th Congress as amended; 33 USC Section 901 et. seq. as amended).

As of the examination date, the Company is also licensed to write special risk insurance (free trade zone license) pursuant to Article 63 of the New York Insurance Law. Additionally, the Company is authorized by Section 4102(c) to insure property or risks of every kind or description outside of the United States and reinsurance of every kind or description.

Based upon the lines of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Articles 13, 41 and 63 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of $35,000,000. Pursuant to Section 6302(c)(1) of the New York Insurance Law, in order to be licensed to write special risks, the Company is required to maintain a minimum surplus of at least 200% of its authorized control level. The Company maintained the minimum surplus requirement as of December 31, 2024 for the special risks.

The following schedule shows the direct written premiums and premiums assumed by the Company for the period under examination:

Calendar Year	Direct Premiums	Assumed Premiums	Total Gross Premiums
2020	$ 45,989,138	$ 117,654,959	$ 163,644,097
2021	$ 75,650,366	$ 179,245,591	$ 254,895,957
2022	$ 110,942,461	$ 79,508,723	$ 190,451,184
2023	$ 143,929,622	$ (23,525,690)	$ 120,403,932
2024	$ 139,844,962	$ (4,427)	$ 139,840,535

GSNIC's predominant lines of business are other liability – occurrence, inland marine and commercial multiple peril (non-liability portion), which accounted for 33.0%, 28.8% and 12.7%, respectively of 2024 direct written premiums. Other liability lines include umbrella and errors and omissions covers.

The Company produced the majority of its 2024 direct written premiums in the following states: New Jersey (22.5%), New York (13.0%), California (8.4%), Texas (6.2%), and Pennsylvania (5.3%).

The Company's portfolio consists of a small, growing book of direct SCOR Business Solution ("SBS") and Delegated Underwriting Authority ("DUA") business produced through Managing General Agents ("MGAs") and Program Administrators

As of December 31, 2024, it also writes livestock and bloodstock. GSNIC stopped writing A&H policies after 2019. GSNIC reinsures certain direct property and casualty business with its affiliate SCOR RE until January 1, 2023.

The Company utilizes an intermediated distribution model and does not have an internal sales staff. Commercial efforts and relationships reside with underwriters and program managers. SBS business is distributed via brokers. The U.S. DUA business is distributed through MGAs and Program Administrators, who themselves generate business through their own networks of agents and wholesalers.

Effective January 1, 2011, GSNIC entered into a 25% quota share agreement with SCOR RE, whereby GSNIC assumed SCOR RE's gross liability as a result of a single loss or an aggregation of losses under all policies covering U.S. treaty, facultative and direct business with the exception of business classified as aviation and space. In 2012, the quota share was reduced to 22.5% and in 2013, it was reduced again to 8.5%, but the scope was broadened to include SCOR RE's Latin American Treaty and Facultative business. Effective January 1, 2016, the quota share was further reduced to 5%. Effective January 1, 2018, the companies entered into a new treaty to continue the 5% quota share reinsurance.

Effective December 21, 2021, SCOR RE and GSNIC entered into a commutation agreement that released GSNIC from its past, present and future obligations owed SCOR RE for its Non-Proportional Auto – US National, Non-Proportional Auto – US Regional, Non-Proportional Surety – US, Proportional Property – Sompo, Proportional Property – US National and Proportional Property – US regional business. Effective January 1, 2023, SCOR RE and GSNIC entered into another commutation agreement that released GSNIC from the facultative and treaty assumed business in-force from underwriting years 2011 through 2022.

C. Reinsurance Ceded

GSNIC's ceded reinsurance program includes affiliated and non-affiliated companies, with authorized affiliated reinsurers comprising approximately 99% of total ceded premiums as of December 31, 2024. These arrangements limit the net loss potential arising from large risks or hazards of an unusual nature.

GSNIC's ceded reinsurance program as of December 31, 2024, included the following key balances as noted in the table below (in $000's):

Line	Reinsurance Premium Ceded	Known Case Plus LAE Reserves	IBNR Loss Reserves	Unearned Premiums	Fund Held Payables and Collateral
Authorized affiliates	$ 132,063	$ 49,039	$ 179,649	$ 51,462	
Authorized unaffiliates	567	1,288	108	192	$ 8
Unauthorized affiliates	270	13,745	19,614	686	12
Unauthorized – Other Non-U.S.	0	0	31	0	30
Total	$ 132,900	$ 64,072	$ 199,402	$ 52,340	$ 50

From the table above, as of December 31, 2024, GSNIC ceded approximately $132.9 million in premium. Of the total premium ceded to authorized reinsurers, $132.06 million was ceded to authorized affiliates, SCOR Global Life USA Reinsurance Company ("SCOR Global") and SCOR RE. For the amounts ceded to authorized non-affiliates, the largest amount was to Travelers Indemnity Company, which totaled $556,000.

As shown in the table below, at December 31, 2024, the Company had the following ceded reinsurance program in place with SCOR SE:

Type of Coverage	Cession
Treaty SCOR SE	
Excess of Loss	Third Aggregate Excess of Loss Agreement, effective January 1, 1998; covers book of business on underwriting years 1988 and prior, (acquired when Copenhagen Re was purchased), in excess of $15,000,000. This deductible has already been exceeded. This agreement is in force until all losses are paid out to extinction. The reserves on this contract are secured by funds held.

As shown in the table below, at December 31, 2024, GSNIC had the following ceded reinsurance program in place with SCOR RE:

Type of Coverage	Cession
Facultative – SCOR RE	
Casualty Quota Share	95% quota share covering all direct and casualty facultative business excluding property, credit and surety, aviation, auto physical damage, nuclear, war or

	similar hostile acts, insolvency fund, and seepage or pollution.
Variable Quota Share	80% to 95% quota share cession with 20% to 5% retention of all direct US business, including business classified as program business, written by the Company
Treaty – SCOR RE	
Stop Loss	Up to 80% of net premiums earned.

In addition, and as outlined in the table below, GSNIC has a 95% quota share agreement with SCOR Global:

Type of Coverage	Cession
Facultative – SCOR Global	
Medical Quota Share	95% medical quota share; employer stop loss, HMO excess reinsurance, provider excess and medical excess reinsurance written on behalf of GSNIC by SCOR Advantage MGA. Effective January 1, 2020, this agreement was terminated and is in run-off.

Most of the ceded business was to authorized reinsurers. The largest reinsurance recoverables at December 31, 2024, were due from SCOR RE and SCOR SE, which totaled $247.5 million and $48.3 million, respectively. SCOR RE, an authorized insurer, was examined concurrently with the Company. The counterparty credit risk of SCOR SE, an unauthorized reinsurer, is further mitigated by the assigned financial strength rating of A (Excellent) from A.M. Best at December 31, 2024.

Reinsurance agreements with affiliates were reviewed for compliance with Article 15 of New York Insurance Law. It is noted that all affiliated reinsurance agreements were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

It is the Company's policy to obtain the appropriate collateral for its cessions to unauthorized reinsurers. Letters of credit and trust accounts obtained by the Company to take credit for cessions to unauthorized reinsurers were reviewed for compliance with Department Regulations 133 and 114, respectively. No exceptions were noted.

All significant ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

Examination review found that the Schedule F data reported by the Company in its filed annual statement accurately reflected its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in the NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles ("SSAP") No. 62R. Representations were supported by appropriate risk transfer analyses and an attestation from the Company's Chief Executive Officer and Chief Financial Officer pursuant to the NAIC annual statement instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62R.

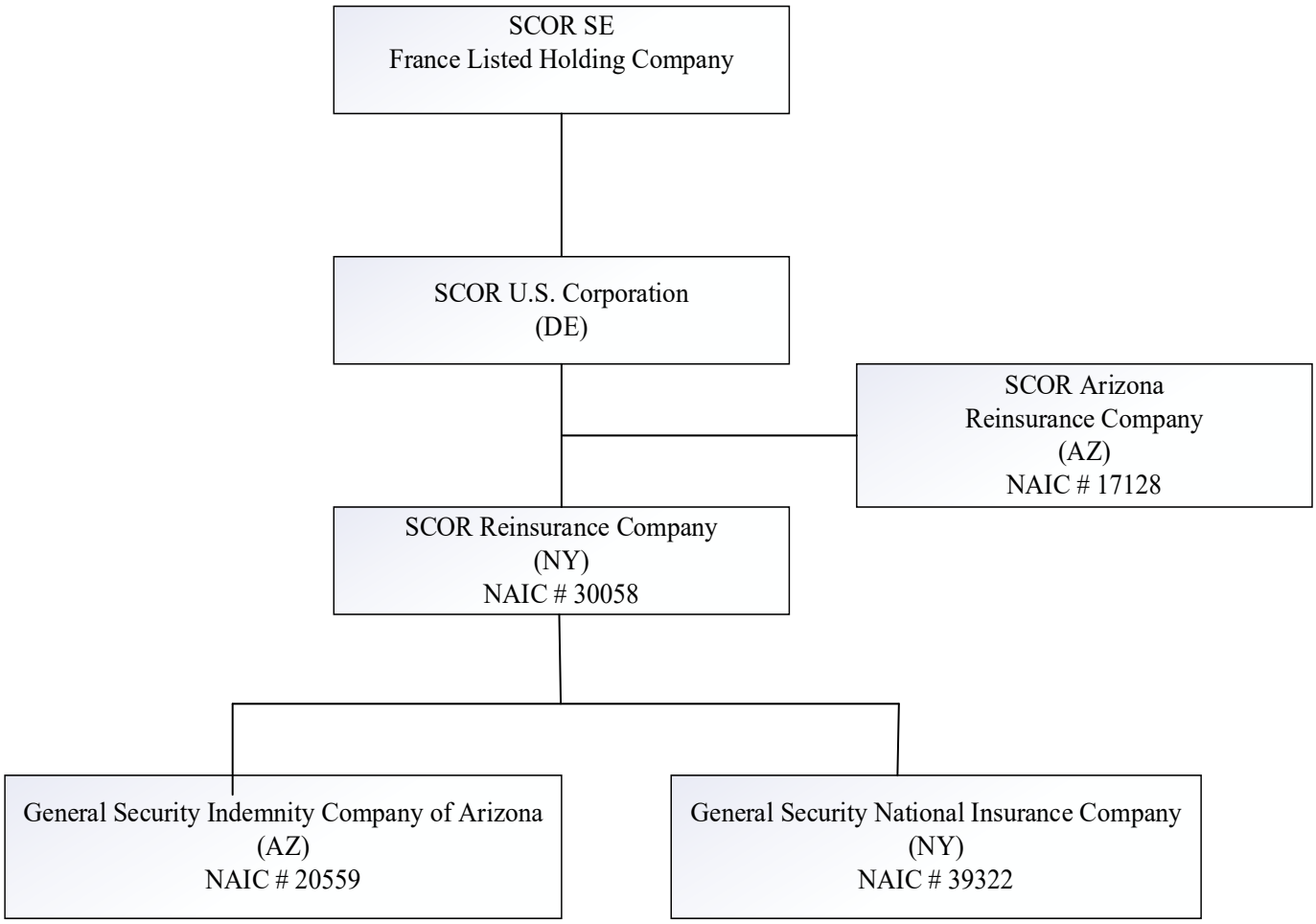
D. Holding Company System

The Company is a member of the SCOR Group. The Company is a wholly owned subsidiary of SCOR RE, a New York corporation, which is ultimately controlled by SCOR SE, a publicly owned French holding company of a global reinsurance group.

SCOR SE and its consolidated subsidiaries form one of the world's largest reinsurers. The global reinsurance group is organized in three business units, SCOR P&C, SCOR Life and SCOR Investments, and three regional management platforms: EMEA, the Americas and Asia-Pacific. The EMEA region consists of European countries including Russia, the Middle East, and Africa.

At December 31, 2024, GSNIC serves the SCOR Group as a direct writer of property and casualty insurance.

The following is an abridged chart of the holding company system at December 31, 2024:


SCOR SE
France Listed Holding Company
SCOR U.S. Corporation
(DE)
SCOR Arizona
Reinsurance Company
(AZ)
NAIC # 17128
SCOR Reinsurance Company
(NY)
NAIC # 30058
General Security Indemnity Company of Arizona
(AZ)
NAIC # 20559
General Security National Insurance Company
(NY)
NAIC # 39322

Holding Company Agreements

At December 31, 2024, the Company was a party to the following agreements with other members of its holding company system:

Amended and Restated SCOR US Expense Allocation Agreement

Effective June 30, 2018, and subsequently amended, the Company, SCOR US, SCOR RE, and other affiliates entered into this agreement through which the parties exchange services among themselves. Such services include accounting, actuarial, claims, data processing, human resources, investments, legal, marketing, office space, treasury, underwriting, risk management, catastrophe modelling, IT and data processing. The parties each mutually agree to reimburse the other for the costs and expenses in providing all services rendered. The total cost and expenses for the services provided are allocated to the parties based on actual costs and utilizing the applicable bases. Such costs and expenses shall be allocated on an equitable basis in conformity with customary insurance accounting practices, but in no event will such allocations exceed the costs and expenses each of the parties would have incurred in providing the services individually. The amendment adds SCOR U.S. as a provider of certain IT services to SCOR's U.S. operations and adds SCOR RE as a provider of "Specialty Lines Underwriting Assistance." This agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on June 7, 2018.

Parental Guarantee Cost Allocation Agreement

Effective March 1, 2012, the Company, SCOR RE and GSINDA entered into the SCOR SE Parental Guarantee pursuant to which SCOR SE, in order to obtain Group ratings from recognized statistical rating agencies, issues to each of its operating subsidiaries a parental guarantee. The agreement is intended to constitute a cost allocation agreement for the purpose of defining the appropriate charges to be paid by the Company, SCOR RE and GSINDA, for such guarantee. The annual allocation of such costs is based on a formula stated in the agreement that involves 0.1% of the adjusted technical reserves and other liabilities of the companies. This agreement was filed with this Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on May 11, 2012.

Master Service Agreement

Effective January 1, 2014, and as amended January 1, 2015, SCOR SE entered into this agreement with the Company and other named affiliates. The agreement defines the allocation of group and divisional

services and functions carried out in various entities in the group for the benefit of other entities within the group. In consideration of the services provided, the recipient entity agrees to pay service fees that are based on the costs incurred in providing those services. This agreement and amendment were filed with the Department pursuant to Section 1505 of the New York Insurance Law and were non-disapproved on September 7, 2016.

Tax Allocation Agreement

Effective December 31, 2021, SCOR U.S., the Company, and other named affiliates entered into the seventh amendment to the Tax Allocation Agreement that was originally dated May 2, 1991, in which each subsidiary agrees to provide the parent company with sufficient funds corresponding to its individual federal income tax liability. The purpose of the seventh amendment was to add SCOR Arizona Reinsurance to the existing tax allocation agreement. The tax charge to the subsidiary shall not be more than it would have paid on a separate return basis. Except where a refund is due, settlements under this agreement shall be made within 30 days of filing the consolidated income tax return. This amended agreement was filed with the Department and was non-disapproved on February 16, 2022.

The Amended and Restated SCOR U.S. Expense Allocation Agreement ("AREAA") (effective June 30, 2018) requires that:

> "The basis for such cost and expense reimbursement shall be reviewed on a quarterly basis in accordance with review procedures established by the audit committees of the Board of Directors of the Parties, and the results of such reviews shall be reported to the Board of Directors."

The examiner's review indicated there is no formal evidence of the Company's management and personnel involved in the creation and review of affiliated agreements outside the final sign off on agreement by management.

It is recommended that the Company consider formalizing its process around disclosing who was involved in original agreement approval and who reviewed the agreement at least annually to ensure no updates are necessary to reflect changes in the shared cost process, that shared costs and expense reimbursement remains fair and equitable, and/or to comply with changes in state and/or NAIC requirements.

E. Significant Ratios

The Company's operating ratios, computed as of December 31, 2024, fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the NAIC.

Operating Ratios	Result
Net premiums written to policyholders' surplus	4.0%
Adjusted liabilities to liquid assets	61.0%
Two-year overall operating	0.0%

Underwriting Ratios

The underwriting ratios presented below are on an earned/incurred basis and encompass the five-year period covered by this examination:

	Amounts	Ratio
Losses and loss adjustment expenses incurred	$293,624,818	63.7%
Other underwriting expenses incurred	160,244,087	34.7%
Net underwriting gain (loss)	7,389,566	1.6%
Premiums earned	$461,258,471	100%

The Company's reported risk-based capital ("RBC") score was 3,674% at December 31, 2024. The RBC score is a measure of the minimum amount of capital appropriate for a reporting entity to support its overall business operations in consideration of its size and risk profile. An RBC score of 200% or below can result in regulatory action.

F. Risk Management and Internal Controls

Section 403 of the New York Insurance Law states:

> "(d). All applications for commercial insurance, individual, group or blanket accident and health insurance and all claim forms, except as provided for in subsection (e) of this section, shall contain a notice in a form approved by the superintendent that clearly states in substance the following:
>
> "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is

> a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

Section 86.4 of 11 NYCRR 86.4 (Insurance Regulation 95) states:

> "(d). Location of warning statements and type size.
>
> The warning statements required by subdivisions (a), (b) and (e) of this section shall be placed immediately above the space provided for the signature of the person executing the application or claim form and shall be printed in type which will produce a warning statement of conspicuous size."

The review of the GSNIC policy applications indicated that in 10 out of 30 instances (33.3%), the application does not contain the same New York fraud warning language that is required under the law.

The review also indicated that in 6 out of 30 instances (20.0%), the required New York fraud warning language was not placed immediately above the space provided for the signature of the person executing the application. The fraud warning language was rather placed on a separate page.

It is recommended that the Company review and, if applicable, amend its policy application forms to ensure the fraud warning statement, and the location of such statement consistently complies with section 403(d) of the New York Insurance Law and section 86.4(d) of New York Insurance Regulation 95 across all policy application forms used. The Company amended its policy application forms to contain the required New York fraud warning statement after the course of the examination.

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2024, as reported by the Company:

Assets	Assets	Assets Not Admitted	Net Admitted Assets
Bonds	$222,622,335	$ 0	$222,622,335
Cash, cash equivalents and short-term investments	21,714,519	0	21,714,519
Investment income due and accrued	1,542,658	0	1,542,658
Uncollected premiums and agents' balances in the course of collection	16,037,432	952,806	15,084,626
Deferred premiums, agents' balances and installments booked but deferred and not yet due	7,777,430	0	7,777,430
Amounts recoverable from reinsurers	64,546,829	0	64,546,829
Fund held by or deposited with reinsured companies	2,440,548	0	2,440,548
Net deferred tax asset	5,182,320	728,420	4,453,900
Cash deposits with claims administrators	11,225,786	0	11,225,786
Prepaid premium taxes	787,877	787,877	0
Prepaid benefits cost	679,849	679,849	0
Goodwill	15,421,287	15,421,287	0
Total assets	$369,978,870	$18,570,239	$351,408,631

Liabilities, Surplus and Other Funds

Liabilities		
Losses and loss adjustment expenses		$ 30,975,980
Reinsurance payable on paid losses and loss adjustment expenses		144,026
Other expenses (excluding taxes, licenses and fees)		206,548
Taxes, licenses and fees (excluding federal and foreign income taxes)		110,000
Current federal and foreign income taxes (including $0 on realized capital gains (losses))		2,806,041
Unearned premiums		2,787,250
Ceded reinsurance premiums payable (net of ceding commissions)		82,713,919
Funds held by company under reinsurance treaties		48,297
Remittances and items not allocated		14,842,204
Provision for reinsurance		47,994
Payable to parent, subsidiaries and affiliates		1,668,932
Reinsurance reserves assumed as deposits		18,811,610
Accrued minimum pension liability		825,443
Direct claims payable		733,414
Retroactive reinsurance assumed reserves		123,125
Total liabilities		$156,844,783
Surplus and Other Funds		
Common capital stock	$ 5,000,000	
Gross paid in and contributed surplus	168,907,324	
Unassigned funds (surplus)	20,656,524	
Surplus as regards policyholders		$194,563,848
Total liabilities, surplus and other funds		$351,408,631

Note: The Internal Revenue Service has not audited tax returns covering tax years 2020 through 2024. The examiner is unaware of any potential exposure of the Company to any tax assessment and no liability has been established herein relative to such contingency.

B. Statement of Income

The net income for the examination period as reported by the Company was $51,620,943 as detailed below:

Underwriting Income		
Premiums earned		$461,258,471
Deductions:		
Losses and loss adjustment expenses incurred	$293,624,818	
Other underwriting expenses incurred	160,244,087	
Total underwriting deductions		453,868,905
Net underwriting gain or (loss)		$ 7,389,566
Investment Income		
Net investment income earned	$ 31,988,301	
Net realized capital gain	4,595,121	
Net investment gain or (loss)		36,583,422
Other Income		
Net gain or (loss) from agents' or premium balances charged off	$ (72,378)	
Incurred (losses)/gains on retroactive reinsurance contracts	1,298,552	
Interest on funds held by or deposited with reinsurers	(200,748)	
Realized gains (losses) on foreign exchange translation	(5,786)	
Other miscellaneous income	411,707	
Amortization on deposit liability contracts	(1,579,388)	
Total other income or (loss)		(148,041)
Net income before federal and foreign income taxes		$ 43,824,947
Federal and foreign income taxes incurred		(7,795,996)
Net income		$ 51,620,943

C. Capital and Surplus

Capital paid in is $5,000,000 consisting of 100 shares of $50,000 par value per share common stock. Gross paid in and contributed surplus is $168,907,324. Gross paid in and contributed surplus increased by $44,900,261 during the examination period, as follows:

Year	Description	Amount
2020	Beginning gross paid in and contributed surplus	$124,007,063
2023	Capital contribution (cash)	44,900,261
2024	Ending gross paid in and contributed surplus	$168,907,324

Surplus as regards policyholders increased $89,439,779 during the five-year examination period January 1, 2020, through December 31, 2024, as reported by the Company, detailed as follows:

Surplus as regards policyholders, per report on examination as of December 31, 2019			$105,124,069
	Gains in Surplus	Losses in Surplus	
Net income	$ 51,620,943		
Net unrealized capital gains or losses		$ 622,215	
Change in net unrealized foreign exchange capital gain (loss)		17,055	
Change in net deferred income tax		17,142,167	
Change in non-admitted assets	8,592,499		
Change in provision for reinsurance	20,793		
Surplus adjustments paid in	44,900,261		
Minimum liability for pensions – net of taxes	2,086,720	0	
Total gains and losses	$107,221,216	$ 17,781,437	
Net increase (decrease) in surplus			89,439,779
Surplus as regards policyholders, as reported by the Company as of December 31, 2024			$194,563,848

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of $30,975,980 is the same as reported by the Company as of December 31, 2024. The examination analysis of the loss and loss adjustment expense reserves was conducted in accordance with actuarial standards of practice and statutory accounting principles, including SSAP No. 55.

It is recommended that future SCOR U.S. Group Actuarial Reports include greatly enhanced documentation, discussion, and presentation of all reconciling items between: (1) the underlying reserving data (gross, ceded, net) along with related L&LAE reserve values at the reserve-segment level and (2) data and L&LAE reserve values displayed in the Schedule P exhibits of the three SCOR U.S. entities. The Department expects that this reconciliation would comprise of multiple exhibits beginning with SCOR U.S. gross reserving data and progressing through gross reserving adjustments, application of ceded data and ceded reserving adjustments, and allocation of gross and ceded data to the particular SCOR US legal entity, as dictated by their reserving process.

It is recommended that future Schedule P data reconciliations include a translation of the underwriting-year data elements (paid L&LAE, case reserves, IBNR) into accident-year data at the aggregation level that is appropriate for the capabilities of the SCOR U.S. financial systems.

5. SUBSEQUENT EVENTS

Effective January 1, 2026, SCOR RE entered into a Reinsurance Pooling Agreement with GSINDA and GSNIC. Under the agreement, 100% of the business underwritten and expenses incurred by GSINDA and GSNIC will be ceded to SCOR RE, the lead pool company. This agreement was filed with the Department pursuant to Section 1505 of the New York Insurance Law and was non-disapproved on January 26, 2026.

Effective January 1, 2026, SCOR RE entered into Loss Portfolio Transfer Quota Share Retrocessional Agreements with GSINDA and GSNIC. Under the agreements, all retained business net of existing reinsurance agreements will be transferred from GSINDA and GSNIC to SCOR RE. These agreements were filed with the Department pursuant to Section 1505 of the New York Insurance Law and were non-disapproved on January 26, 2026.

Effective January 1, 2026, SCOR RE entered into a Commutation and Release Agreement with GSINDA and GSNIC that terminates all the obligations and liabilities in connection with the reinsurance contracts listed in the Commutation and Release Agreement

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained two recommendations as follows (page numbers refer to the prior report):

ITEM		PAGE NO.
A.	Loss and loss adjustment expenses	
i.	It was recommended that the Company retain documentation to support the reason(s) for booking loss and loss adjustment expense reserves that are different from the loss and loss adjustment expense actuarial central estimate as determined by SCOR U.S. Group's Appointed Actuary. The Company has complied with this recommendation.	18
ii.	It was recommended that future SCOR U.S. Group Actuarial Reports include enhanced documentation and discussion of all reconciling items between: (1) the underlying reserving data and related loss and loss adjustment expense reserve amounts from the business segments reviewed by the Appointed Actuary and (2) the reserve amounts appearing in the three entities' financial statements. The Company has not complied with this recommendation. A similar comment is made in this report.	18

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

ITEM		PAGE NO.
A.	Corporate Governance	
	As an industry's best practice, it is recommended that the Company adopt a formal written succession plan, and the Board of Directors perform its annual review of the Company's internal Board of Directors and key officers' succession plans. Such review and approval should be documented in the Board of Director's meeting minutes at least annually. *	5
B.	Holding Company System	
	It is recommended that the Company consider formalizing its process around disclosing who was involved in original agreement approval and who reviewed the agreement at least annually to ensure no updates are necessary to reflect changes in the shared cost process, that shared costs and expense reimbursement remains fair and equitable, and/or to comply with changes in state and/or NAIC requirements.	13
C.	Risk Management and Internal Controls	
	It is recommended that the Company review and, if applicable, amend its policy application forms to ensure the fraud warning statement, and the location of such statement consistently complies with section 403(d) of New York Insurance Law and section 86.4(d) of New York Insurance Regulation 95 across all policy application forms used. The Company amended its policy application forms to contain the required New York fraud warning statement after the course of the examination.	15
D.	Loss and Loss Adjustment Expenses	
i.	It is recommended that future SCOR U.S. Group Actuarial Reports include greatly enhanced documentation, discussion, and presentation of all reconciling items between: (1) the underlying reserving data (gross, ceded, net) along with related L&LAE reserve values at the reserve-segment level and (2) data and L&LAE reserve values displayed in the Schedule P exhibits of the three SCOR U.S. entities. The Department expects that this reconciliation would comprise of multiple exhibits beginning with SCOR U.S. gross reserving data and progressing through gross reserving adjustments, application of ceded data and ceded reserving adjustments, and allocation of gross and ceded data to the particular SCOR US legal entity, as dictated by their reserving process.	20
ii.	It is recommended that future Schedule P data reconciliations include a translation of the underwriting-year data elements (paid L&LAE, case	20

reserves, IBNR) into accident-year data at the aggregation level that is appropriate for the capabilities of the SCOR U.S. financial systems.

Respectfully submitted,

_____/S/_____
James Wang, CFE
Financial Services Examiner 4

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

James Wang, being duly sworn, deposes and says that the foregoing report, subscribed by [him/her], is true to the best of [his/her] knowledge and belief.

_____/S/_____
James Wang

Subscribed and sworn to before me

this_____ day of_____, 2026.

APPOINTMENT NO. 32722

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, ***Adrienne A. Harris****, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

James Wang

as a proper person to examine the affairs of the

General Security National Insurance Company

and to make a report to me in writing of the condition of said

COMPANY

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed by name and affixed the official Seal of the Department at the City of New York

this 31st day of October, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Eileen Fox

Eileen Fox
Assistant Deputy Superintendent