REPORT ON EXAMINATION
OF
ACE CAPITAL TITLE REINSURANCE COMPANY

AS OF DECEMBER 31, 2024

EXAMINER: **COLIN GUSHWAY**
DATE OF REPORT: **MAY 26, 2026**

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May 26, 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 32712 dated October 31, 2024, attached hereto, I have made an examination into the condition and affairs of ACE Capital Title Reinsurance Company as of December 31, 2024, and submit the following report thereon.

Wherever the designation "the Company" appears herein without qualification, it should be understood to indicate ACE Capital Title Reinsurance 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 ACE Capital Title Reinsurance 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.

The examination was conducted in conjunction with the Commonwealth of Pennsylvania, which was the lead state of the Chubb Limited Group. The examination was performed concurrently with the examinations of the following insurers:

Company	State of Domicile
ACE American Insurance Company	Pennsylvania
ACE Fire Underwriters Insurance Company	Pennsylvania
ACE Insurance Company of the Midwest	Indiana
ACE Property and Casualty Insurance Company	Pennsylvania
Agri General Insurance Company	Iowa
Atlantic Employers Insurance Company	New Jersey
Bankers Standard Insurance Company	Pennsylvania
Century Indemnity Company	Pennsylvania
Chubb Custom Insurance Company	New Jersey
Chubb Indemnity Insurance Company	New York
Chubb Insurance Company of New Jersey	New Jersey
Chubb Lloyds Insurance Company of Texas	Texas
Chubb National Insurance Company	Indiana
Combined Insurance Company of America	Illinois
Combined Life Insurance Company of New York	New York
Executive Risk Indemnity Inc.	Delaware
Executive Risk Specialty Insurance Company	Connecticut
Federal Insurance Company	Indiana
Great Northern Insurance Company	Indiana
Illinois Union Insurance Company	Illinois
Indemnity Insurance Company of North America	Pennsylvania
Insurance Company of North America	Pennsylvania
Pacific Employers Insurance Company	Pennsylvania
Pacific Indemnity Company	Delaware
Penn Millers Insurance Company	Pennsylvania
Vigilant Insurance Company	New York
Westchester Fire Insurance Company	Pennsylvania
Westchester Surplus Lines Insurance Company	Georgia

Other states participating in this examination were California, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, New Jersey and Texas.

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
Holding company description
Financial statement presentation
Reserve review and analysis
Summary of recommendations

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 under the laws of the State of New York on October 12, 1995, as Capital Title Reinsurance Company. It became licensed and commenced business on March 6, 1996. The Company provided structured reinsurance to the title insurance industry. On March 7, 2000, the Company's current name was adopted.

On April 15, 2004, ACE Capital Re Overseas Ltd. ("ARCO"), the Company's previous owner, sold the Company to Chubb Bermuda Insurance Ltd. (formerly known as ACE Bermuda Insurance Ltd.), an indirect, wholly owned subsidiary of Chubb Limited (formerly known as ACE Limited).

In 2004, the Company discontinued solicitation of all reinsurance business to the title industry as a result of a change in product strategy initiated by its parent and is in run-off status.

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 25 members. The board meets at least 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
Scott Ryan Anthony New Jersey	Director, ACE Capital Title Reinsurance Company
Alison Bruce-Alexander New York	Director, ACE Capital Title Reinsurance Company
Seth Bradley Gillston New York	Director, ACE Capital Title Reinsurance Company
Matthew George Merna New Jersey	Executive Vice President, ACE American Insurance Company
James Scott Sanpietro New York	Executive Vice President and General Counsel, ACE American Insurance Company
Kurt Henry Schramm New York	Director, ACE Capital Title Reinsurance Company
Richard Michael Sica New York	Director, ACE Capital Title Reinsurance Company

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

Name	Title
Matthew George Merna	President
James Scott Sanpietro	Secretary and Vice President
John Paul Taylor	Treasurer
Scott Ryan Anthony	Vice President
Sapna Maloor	Vice President
John Robert Marlow	Vice President

B. Territory and Plan of Operation

As of December 31, 2024, the Company was licensed to write business in California, Michigan, New York and Texas, and was authorized as an accredited reinsurer in Connecticut, Florida, Louisiana, Maryland, North Carolina, South Carolina, and Virginia.

As of the examination date, the Company was authorized to transact the business of title insurance as defined in paragraph 18 of Section 1113(a) of the New York Insurance Law.

Based upon the line of business for which the Company is licensed and the Company's current capital structure, and pursuant to the requirements of Section 6402 of the New York Insurance Law, the Company is required to maintain a minimum surplus to policyholders in the amount of $500,000.

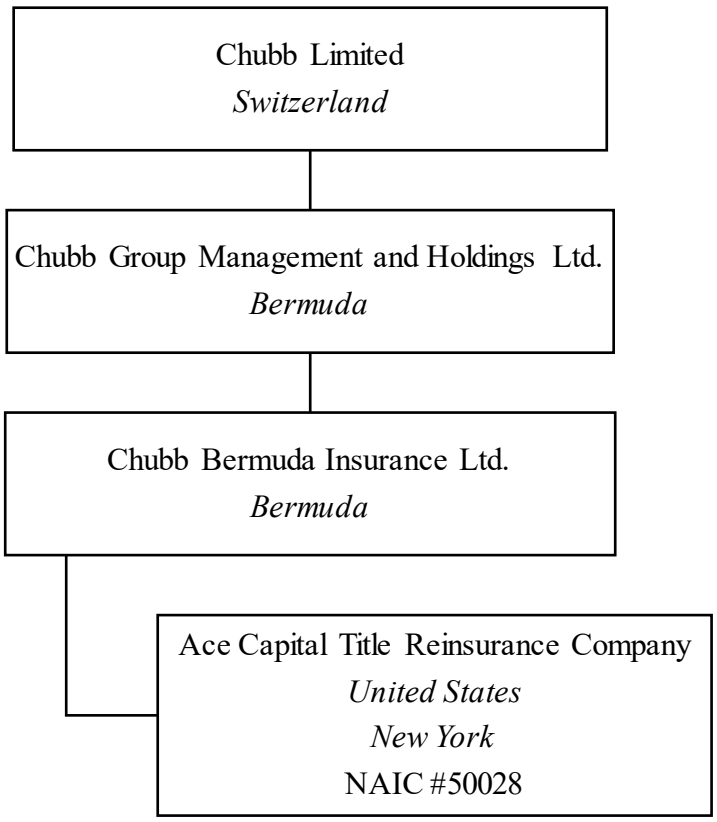
During 2004, the Company stopped writing reinsurance business. Its legacy business is administered by an affiliate through a service agreement (refer to section 2C for more detail).

C. Holding Company System

ACE Capital Title Reinsurance Company is a member of the Chubb Limited Group. The Company is a wholly owned subsidiary of Chubb Bermuda Insurance Ltd., a Bermuda domiciled insurance company, which is ultimately controlled by Chubb Limited, a public holding company domiciled in Switzerland. Chubb Limited's direct and indirect subsidiaries (collectively known as the Chubb Group of Companies) comprise a global insurance and reinsurance organization.

A review of the holding company registration statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

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



Holding Company Agreement

At December 31, 2024, the Company was party to the following agreement with another member of its holding company system:

Administrative Services Agreement

Effective July 1, 2009, the Company entered into a service agreement with ACE American Insurance Company ("ACE American"), an affiliated company domiciled in Pennsylvania, whereby ACE American provides, at cost, certain services including, but not limited to, functional support services, collection services, claims administration assistance, facilities, accounting, data processing, tax and auditing.

Pursuant to the terms of the agreement, within 30 days of the end of each month, ACE American shall provide the Company a written statement of the amount estimated to be owed for services and for the use of facilities in that calendar month. The Company shall pay within 15 days following receipt of the written statement. Within 60 days after the end of each calendar year, ACE American shall provide the Company a statement of actual apportioned expenses for such prior calendar year. Settlement shall be made

within 15 days. All costs and expenses shall be allocated in accordance with the provisions of Department Regulation 30.

The agreement was filed with this Department pursuant to Section 1505(d) of the New York Insurance Law.

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	$59,871,480	$ 0	$59,871,480
Cash, cash equivalents and short-term Investments	676,181	0	676,181
Investment income due and accrued	522,750	0	522,750
Total assets	$61,070,411	$ 0	$61,070,411

Liabilities, Surplus and Other Funds

Liabilities		
Known claims reserve		$ 2,931
Statutory premium reserve		13,124
Supplemental reserve		214,876
Other expenses (excluding taxes, licenses and fees)		187,621
Current federal and foreign income taxes		457,761
Net deferred tax liability		36,112
Payable to parent, subsidiaries and affiliates		66,426
Total liabilities		$ 978,851
Surplus and Other Funds		
Common capital stock	$ 2,000,000	
Gross paid in and contributed surplus	23,000,000	
Unassigned funds (surplus)	35,091,560	
Surplus as regards policyholders		$60,091,560
Total liabilities, surplus and other funds		$61,070,411

Note: The Internal Revenue Service has not audited income 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 $6,892,511, as detailed below:

Underwriting Income		
Title insurance premiums earned*		$1,136,463
Deductions:		
Operating expenses incurred	$ 1,204,287	
Total underwriting deductions		1,204,287
Net underwriting gain (or loss)		$ (67,824)
Investment Income		
Net investment income earned	$ 8,455,424	
Net realized capital gain	(1,900,830)	
Net investment gain or (loss)		6,554,594
Net income before federal and foreign income taxes		$6,486,770
Federal and foreign income taxes incurred		(405,741)
Net income		$6,892,511

* Premiums earned is due to the amortization of the statutory premium reserve.

C. Capital and Surplus

Capital paid in is $2,000,000, consisting of 200,000 shares of $10 par value per share common stock. Gross paid in and contributed surplus is $23,000,000. Capital paid in and gross paid in and contributed surplus did not change during the examination period.

Surplus as regards policyholders increased $6,186,530 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 as reported by the Company as of December 31, 2019			$53,905,030
	Gains in Surplus	Losses in Surplus	
Net income	$6,892,511	$ 0	
Change in net deferred income tax		1,116,518	
Change in supplemental reserves	410,537	0	
Total gains and losses	$7,303,048	$1,116,518	
Net increase (decrease) in surplus			6,186,530
Surplus as regards policyholders as reported by the Company as of December 31, 2024			$60,091,560

No adjustments were made to surplus as a result of this examination.

4. KNOWN CLAIMS RESERVE AND STATUTORY PREMIUM RESERVE

A. Known Claims Reserve

The examination liability for the captioned items of $2,931 is the same as reported by the Company as of December 31, 2024. The examination analysis was conducted in accordance with actuarial standards of practice and statutory accounting principles, including the NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 57.

B. Statutory Premium Reserve

The examination reserve of $13,124 is the same as the amount reported by the Company as of December 31, 2024. The reserve was calculated based on a formula pursuant to Section 6405(a) of the New York Insurance Law, which provides for the application of a dollar amount for each policy written and a percentage amount of the face amount of each policy.

5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination did not contain any comments or recommendations.

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

This report on examination does not contain any comments or recommendations.

Respectfully submitted,

_____/S/_____
Colin Gushway
Senior Insurance Examiner

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

Colin Gushway, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

_____/S/_____
Colin Gushway

Subscribed and sworn to before me

this_____ day of_____, 2026.

APPOINTMENT NO. 32712

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:*

Colin Gushway

as a proper person to examine the affairs of the

Ace Capital Title Reinsurance 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