



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2022
OF THE CONDITION AND AFFAIRS OF THE

Fortitude Casualty Insurance Company

NAIC Group Code 5024 0000 NAIC Company Code 26794 Employer's ID Number 36-3503382
(Current) (Prior)

Organized under the Laws of _____, State of Domicile or Port of Entry TN

Country of Domicile United States of America

Incorporated/Organized 05/15/1986 Commenced Business 06/17/1986

Statutory Home Office 4400 Easton Commons #125, Columbus, OH, US 43219
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10 Exchange Place, 22nd Floor
(Street and Number) Jersey City, NJ, US 07302, 629-216-3570
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10 Exchange Place, 22nd Floor, Jersey City, NJ, US 07302
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10 Exchange Place, 22nd Floor
(Street and Number) Jersey City, NJ, US 07302, 629-216-3570
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address fortitude-re.com

Statutory Statement Contact Brad Hogan, 629-216-3570
(Name) brad.hogan@fortitude-re.com, 629-216-3570
(E-mail Address) (FAX Number)

OFFICERS

President Alon Neches # Secretary Jeff Burman
Treasurer Alan Stewart

OTHER

DIRECTORS OR TRUSTEES

State of Tennessee SS: _____
County of Davidson

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Alon Neches
President and Chief Executive Officer

Alan Stewart
VP and Treasurer

Jeff Burman
Sr. VP, General Counsel and Secretary

Subscribed and sworn to before me this
10th day of November, 2022

- a. Is this an original filing? Yes [] No []
b. If no,
1. State the amendment number.....
2. Date filed 11/11/2022
3. Number of pages attached.....

Natalie J. Aquino

September 8, 2025

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|--|------------------------|-------------------------|---|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 4,473,225 | 0 | 4,473,225 | 4,804,844 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 | 0 |
| 2.2 Common stocks | 44,100 | 0 | 44,100 | 44,100 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | 0 | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 | 0 |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | 0 | 0 | 0 | 0 |
| 4.2 Properties held for the production of income (less \$0 encumbrances) | 0 | 0 | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | 0 | 0 | 0 | 0 |
| 5. Cash (\$1,566,520), cash equivalents (\$1,990,237) and short-term investments (\$0) | 3,556,757 | 0 | 3,556,757 | 2,610,289 |
| 6. Contract loans (including \$0 premium notes) | 0 | 0 | 0 | 0 |
| 7. Derivatives | 0 | 0 | 0 | 0 |
| 8. Other invested assets | 0 | 0 | 0 | 0 |
| 9. Receivables for securities | 110,000 | 0 | 110,000 | 0 |
| 10. Securities lending reinvested collateral assets | 0 | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 8,184,082 | 0 | 8,184,082 | 7,459,233 |
| 13. Title plants less \$0 charged off (for Title insurers only) | 0 | 0 | 0 | 0 |
| 14. Investment income due and accrued | 12,440 | 0 | 12,440 | 10,046 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 0 | 0 | 0 | 0 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums) | 0 | 0 | 0 | 0 |
| 15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0) | 0 | 0 | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 0 | 0 | 0 | 0 |
| 16.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | 0 | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 | 0 |
| 18.2 Net deferred tax asset | 0 | 0 | 0 | 0 |
| 19. Guaranty funds receivable or on deposit | 0 | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software | 0 | 0 | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets (\$0) | 0 | 0 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 | 0 |
| 24. Health care (\$0) and other amounts receivable | 0 | 0 | 0 | 0 |
| 25. Aggregate write-ins for other than invested assets | 0 | 0 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 8,196,522 | 0 | 8,196,522 | 7,469,279 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 8,196,522 | 0 | 8,196,522 | 7,469,279 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. | | | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) | 0 | 0 | 0 | 0 |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31, Prior Year |
|---|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$ 0) | 0 | 0 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses | 0 | 0 |
| 3. Loss adjustment expenses | 0 | 0 |
| 4. Commissions payable, contingent commissions and other similar charges | 0 | 0 |
| 5. Other expenses (excluding taxes, licenses and fees) | 0 | 0 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 0 | 0 |
| 7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | 0 | 0 |
| 7.2 Net deferred tax liability | 0 | 0 |
| 8. Borrowed money \$ 0 and interest thereon \$ 0 | 0 | 0 |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act) | 0 | 0 |
| 10. Advance premium | 0 | 0 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | 0 | 0 |
| 11.2 Policyholders | 0 | 0 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) | 0 | 0 |
| 13. Funds held by company under reinsurance treaties | 0 | 0 |
| 14. Amounts withheld or retained by company for account of others | 0 | 0 |
| 15. Remittances and items not allocated | 20,885 | 0 |
| 16. Provision for reinsurance (including \$ 0 certified) | 0 | 0 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates | 0 | 0 |
| 18. Drafts outstanding | 0 | 0 |
| 19. Payable to parent, subsidiaries and affiliates | 24,515 | 47,906 |
| 20. Derivatives | 0 | 0 |
| 21. Payable for securities | 0 | 0 |
| 22. Payable for securities lending | 0 | 0 |
| 23. Liability for amounts held under uninsured plans | 0 | 0 |
| 24. Capital notes \$ 0 and interest thereon \$ 0 | 0 | 0 |
| 25. Aggregate write-ins for liabilities | 0 | 0 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 45,400 | 47,906 |
| 27. Protected cell liabilities | 0 | 0 |
| 28. Total liabilities (Lines 26 and 27) | 45,400 | 47,906 |
| 29. Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. Common capital stock | 2,942,436 | 2,942,436 |
| 31. Preferred capital stock | 0 | 0 |
| 32. Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 33. Surplus notes | 0 | 0 |
| 34. Gross paid in and contributed surplus | 4,880,088 | 27,180,772 |
| 35. Unassigned funds (surplus) | 328,598 | (22,701,835) |
| 36. Less treasury stock, at cost: | | |
| 36.1 0 shares common (value included in Line 30 \$ 0) | 0 | 0 |
| 36.2 0 shares preferred (value included in Line 31 \$ 0) | 0 | 0 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) | 8,151,122 | 7,421,373 |
| 38. Totals (Page 2, Line 28, Col. 3) | 8,196,522 | 7,469,279 |
| DETAILS OF WRITE-INS | | |
| 2501. | 0 | 0 |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) | 0 | 0 |
| 2901. | 0 | 0 |
| 2902. | | |
| 2903. | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) | 0 | 0 |
| 3201. | 0 | 0 |
| 3202. | | |
| 3203. | | |
| 3298. Summary of remaining write-ins for Line 32 from overflow page | 0 | 0 |
| 3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above) | 0 | 0 |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written \$ 0) | 0 | 0 | 0 |
| 1.2 Assumed (written \$ 0) | 0 | 0 | 0 |
| 1.3 Ceded (written \$ 0) | 0 | 0 | 0 |
| 1.4 Net (written \$ 0) | 0 | 0 | 0 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$ 0): | | | |
| 2.1 Direct | 0 | 0 | 0 |
| 2.2 Assumed | 0 | 0 | 0 |
| 2.3 Ceded | 0 | 0 | 0 |
| 2.4 Net | 0 | 0 | 0 |
| 3. Loss adjustment expenses incurred | 0 | 0 | 0 |
| 4. Other underwriting expenses incurred | 24,516 | 153,053 | 213,355 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 24,516 | 153,053 | 213,355 |
| 7. Net income of protected cells | 0 | 0 | 0 |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7) | (24,516) | (153,053) | (213,355) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 381,866 | (121,220) | (162,040) |
| 10. Net realized capital gains (losses) less capital gains tax of \$ 0 | 0 | 0 | 0 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 381,866 | (121,220) | (162,040) |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0) | 0 | 0 | 0 |
| 13. Finance and service charges not included in premiums | 0 | 0 | 0 |
| 14. Aggregate write-ins for miscellaneous income | 0 | 0 | 0 |
| 15. Total other income (Lines 12 through 14) | 0 | 0 | 0 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 357,350 | (274,273) | (375,395) |
| 17. Dividends to policyholders | 0 | 0 | 0 |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 357,350 | (274,273) | (375,395) |
| 19. Federal and foreign income taxes incurred | 0 | 0 | 0 |
| 20. Net income (Line 18 minus Line 19)(to Line 22) | 357,350 | (274,273) | (375,395) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 7,421,373 | 7,796,768 | 7,796,768 |
| 22. Net income (from Line 20) | 357,350 | (274,273) | (375,395) |
| 23. Net transfers (to) from Protected Cell accounts | 0 | 0 | 0 |
| 24. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0 | 0 | 0 | 0 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 | 0 |
| 26. Change in net deferred income tax | 1,917,086 | 57,597 | 1,900,769 |
| 27. Change in nonadmitted assets | (1,917,086) | (57,597) | (1,900,769) |
| 28. Change in provision for reinsurance | 0 | 0 | 0 |
| 29. Change in surplus notes | 0 | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | 0 | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles | 0 | 0 | 0 |
| 32. Capital changes: | | | |
| 32.1 Paid in | 0 | 0 | 0 |
| 32.2 Transferred from surplus (Stock Dividend) | 0 | 0 | 0 |
| 32.3 Transferred to surplus | 0 | 0 | 0 |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in | (22,300,684) | 0 | 0 |
| 33.2 Transferred to capital (Stock Dividend) | 0 | 0 | 0 |
| 33.3 Transferred from capital | 22,673,083 | 0 | 0 |
| 34. Net remittances from or (to) Home Office | 0 | 0 | 0 |
| 35. Dividends to stockholders | 0 | 0 | 0 |
| 36. Change in treasury stock | 0 | 0 | 0 |
| 37. Aggregate write-ins for gains and losses in surplus | 0 | 0 | 0 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | 729,749 | (274,273) | (375,395) |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 8,151,122 | 7,522,495 | 7,421,373 |
| DETAILS OF WRITE-INS | | | |
| 0501. | 0 | 0 | 0 |
| 0502. | 0 | 0 | 0 |
| 0503. | 0 | 0 | 0 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 |
| 0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above) | 0 | 0 | 0 |
| 1401. Other Expense | 0 | 0 | 0 |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) | 0 | 0 | 0 |
| 3701. | 0 | 0 | 0 |
| 3702. | | | |
| 3703. | | | |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | 0 | 0 | 0 |
| 3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above) | 0 | 0 | 0 |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
CASH FLOW

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance | 0 | 0 | 0 |
| 2. Net investment income | 380,288 | (112,194) | (157,999) |
| 3. Miscellaneous income | 0 | 0 | 0 |
| 4. Total (Lines 1 to 3) | 380,288 | (112,194) | (157,999) |
| 5. Benefit and loss related payments | 0 | 0 | 0 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 24,516 | 167,933 | 228,235 |
| 8. Dividends paid to policyholders | 0 | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | 0 | (3,834,172) | 0 |
| 10. Total (Lines 5 through 9) | (3,809,656) | 167,933 | 228,235 |
| 11. Net cash from operations (Line 4 minus Line 10) | 4,189,944 | (280,127) | (386,234) |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 3,209,830 | 600,000 | 600,000 |
| 12.2 Stocks | 0 | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 | 0 |
| 12.4 Real estate | 0 | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 | 0 |
| 12.7 Miscellaneous proceeds | 0 | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 3,209,830 | 600,000 | 600,000 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 2,879,032 | 599,815 | 599,815 |
| 13.2 Stocks | 0 | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 | 0 |
| 13.4 Real estate | 0 | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 | 0 |
| 13.6 Miscellaneous applications | 110,000 | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 2,989,032 | 599,815 | 599,815 |
| 14. Net increase (or decrease) in contract loans and premium notes | 0 | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | 220,798 | 185 | 185 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | 0 | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 372,404 | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 | 0 |
| 16.6 Other cash provided (applied) | (3,836,678) | 17,908 | 27,263 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (3,464,274) | 17,908 | 27,263 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 946,468 | (262,034) | (358,786) |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 2,610,289 | 2,969,075 | 2,969,075 |
| 19.2 End of period (Line 18 plus Line 19.1) | 3,556,757 | 2,707,041 | 2,610,289 |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

| | | | |
|---------------|---|---|---|
| 20.0001. | 0 | 0 | 0 |
|---------------|---|---|---|

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Plans' Liability Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) subject to any deviations prescribed or permitted by the Ohio Insurance Department.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

| | SSAP # | F/S Page | F/S Line # | 2022 | 2021 |
|--|--------|----------|------------|---------------------|--------------------|
| NET INCOME | | | | | |
| (1) State basis (Page 4, Line 20, Columns 1& 2) | XXX | XXX | XXX | \$ 357,350 | \$ (375,39 |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| (4) NAIC SAP (1+2-3=4) | XXX | XXX | XXX | <u>\$ 357,350</u> | <u>\$ (375,39</u> |
| SURPLUS | | | | | |
| (5) State basis (Page 3, Line 37, Columns 1& 2) | XXX | XXX | XXX | \$ 8,151,122 | \$ 7,421,37 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | <u>\$ 8,151,122</u> | <u>\$ 7,421,37</u> |

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists of interest less investment related expenses. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

1. Short-term Investments

Not applicable

2. Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 would be stated at the lower of amortized cost or fair value. The Company does not currently have any of these non-investment grade bonds. The Company's bond portfolio is reviewed quarterly and as a result the carrying value of a bond may be reduced to reflect changes in valuation resulting from asset impairment. The Company does not hold any mandatory convertible securities or SVO-Identified investments identified in SSAP No. 26R.

3. Common Stock is stated at fair value. The value is based on the underlying book value of Federal Home Loan Bank of Cincinnati.

4. Preferred Stocks

Not applicable

5. Mortgage Loans

Not applicable

6. Loan-backed Securities

Not applicable

7. Subsidiaries, Controlled and Affiliated Companies

Not applicable

8. Joint ventures, Partnerships and Limited Liability Companies

Not applicable

9. Derivatives

NOTES TO FINANCIAL STATEMENTS

- Not applicable
10. Anticipated Investment Income
Not applicable
11. Unpaid losses and loss adjustment expenses
Not applicable
12. Capitalization Policy
Not applicable
13. Pharmaceutical Rebate Receivables
Not applicable
- D. Going Concern
Not Applicable
2. Accounting Changes and Corrections of Errors
None
3. Business Combinations and Goodwill
- A. Statutory Purchase Method
None
 - B. Statutory Merger
None
 - C. Impairment Loss
None
 - D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill
None
4. Discontinued Operations
Not Applicable
5. Investments
- A. Mortgage Loans, including Mezzanine Real Estate Loans
None
 - B. Debt Restructuring
None
 - C. Reverse Mortgages
None
 - D. Loan-Backed Securities
None
 - E. Dollar Repurchase Agreements and/or Securities Lending Transactions
None
 - F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
None
 - G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
None
 - H. Repurchase Agreements Transactions Accounted for as a Sale

NOTES TO FINANCIAL STATEMENTS

None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Real Estate

None

K. Low Income Housing Tax Credits (LIHTC)

None

L. Restricted Assets

| Restricted Asset Category | Gross (Admitted & Nonadmitted) Restricted | | | | | | | Current Year | | | |
|--|---|--|--|---|-----------------|-----------------------|-----------------------------------|-------------------------------|---------------------------------------|------------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Percentage | |
| | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1plus 3) | Total From Prior Year | Increased/ (Decrease) (5 minus 6) | Total Non-admitted Restricted | Total Admitted Restricted (5 minus 8) | Total Assets (c) | Admitted Restricted to Total Admitted Assets (d) |
| a. Subject to contractual obligation for which liability is not shown | | | | | | | | | | | |
| b. Collateral held under security lending agreements | | | | | | | | | | | |
| c. Subject to repurchase agreements | | | | | | | | | | | |
| d. Subject to reverse repurchase | | | | | | | | | | | |
| e. Subject to dollar repurchase agreements | | | | | | | | | | | |
| f. Subject to dollar reverse repurchase | | | | | | | | | | | |
| g. Placed under option contracts | | | | | | | | | | | |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | | | | | | | | | | |
| i. FHLB capital stock | \$ 44,100 | \$ - | \$ - | \$ - | \$ 44,100 | \$ 44,100 | \$ - | \$ - | \$ 44,100 | 0.602% | 0.602% |
| j. On deposit with states | \$ 4,472,436 | \$ - | \$ - | \$ - | \$ 4,472,436 | \$ 4,804,844 | \$ (332,408) | \$ - | \$ 4,472,436 | 61.077% | 61.077% |
| k. On deposit with other regulatory bodies | | | | | | | | | | | |
| l. Pledged collateral to FHLB (including assets backing funding agreements) | | | | | | | | | | | |
| m. Pledged as collateral not captured in other categories | | | | | | | | | | | |
| n. Other restricted assets | | | | | | | | | | | |
| o. Total Restricted Assets | \$ 4,516,536 | \$ - | \$ - | \$ - | \$ 4,516,536 | \$ 4,848,944 | \$ (332,408) | \$ - | \$ 4,516,536 | 61.679% | 61.679% |
| (a) Subset of Column 1 | | | | | | | | | | | |
| (b) Subset of Column 3 | | | | | | | | | | | |
| (c) Column 5 divided by Asset Page, Column 1, Line 28 | | | | | | | | | | | |
| (d) Column 3 divided by Asset Page, Column 3, Line 28 | | | | | | | | | | | |

1. Restricted Assets (Including Pledged)

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories

None

3. Detail of Other Restricted Assets

None

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

None

M. Working Capital Finance Investments

1. Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC designation

None

2. Aggregate Maturity Distribution the Underlying Working Capital Finance Programs

None

3. Events of Default of Working Capital Finance Investments During the Reporting Period

None

N. Offsetting and Netting of Assets and Liabilities

None

O. 5GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

NOTES TO FINANCIAL STATEMENTS

None

R. Reporting Entity's Share of Cash Pool by Asset Type

None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

B. Write-downs for Impairments

Not Applicable

7. Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-admitted

Not Applicable

8. Derivative Instruments

Not Applicable

9. Income Taxes

A. The components of the net deferred tax asset/(liability) are as follows:

1.

| | As of End of Current Period | | | 12/31/2021 | | | Change | | |
|--|-----------------------------|----------------|----------------------------|-----------------|----------------|------------------------------|-------------------------------|--------------------------------|------------------------------|
| | (1) Ordinary | (2) Capital | (3) (Col. 1+2) Total | (4) Ordinary | (5) Capital | (6) (Col. 4 + 5) Total | (7) (Col. 1-4) Ordinary | (8) (Col. 2 - 5) Capital | (9) (Col. 7 + 8) Total |
| (a) Gross Deferred Tax Assets | \$ 1,850,666 | \$ - | \$ 1,850,666 | \$ 1,917,398 | \$ - | \$ 1,917,398 | \$ (66,732) | \$ - | \$ (66,732) |
| (b) Statutory Valuation Allowance Adjustment | 1,842,042 | - | 1,842,042 | - | - | - | 1,842,042 | - | 1,842,042 |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | 8,624 | - | 8,624 | 1,917,398 | - | 1,917,398 | (1,908,774) | - | (1,908,774) |
| (d) Deferred Tax Assets Nonadmitted | - | - | - | 1,917,086 | - | 1,917,086 | (1,917,086) | - | (1,917,086) |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 8,624 | - | 8,624 | 312 | - | 312 | 8,312 | - | 8,312 |
| (f) Deferred Tax Liabilities | 8,624 | - | 8,624 | - | 312 | 312 | 8,624 | (312) | 8,312 |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax | \$ - | \$ - | \$ - | 312 | (312) | \$ - | \$ (312) | 312 | \$ - |

2. Admission Calculation Components SSAP No. 101

| | As of End of Current Period | | | 12/31/2021 | | | Change | | |
|--|-----------------------------|----------------|----------------------------|-----------------|----------------|------------------------------|-------------------------------|--------------------------------|------------------------------|
| | (1) Ordinary | (2) Capital | (3) (Col. 1+2) Total | (4) Ordinary | (5) Capital | (6) (Col. 4 + 5) Total | (7) (Col. 1-4) Ordinary | (8) (Col. 2 - 5) Capital | (9) (Col. 7 + 8) Total |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1and 2(b)2 Below) | - | - | - | - | - | - | - | - | - |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | - | - | - | - | - | - | - | - | - |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | - | - | \$ 1,113,206 | - | - | \$ 1,113,206 | - | - | \$ (0) |
| (c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities. | 8,624 | - | 8,624 | 312 | - | 312 | 8,312 | - | 8,312 |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | \$ 8,624 | \$ - | \$ 8,624 | \$ 312 | \$ - | \$ 312 | \$ 8,312 | \$ - | \$ 8,312 |

3. Disclosure of ratios used for threshold limitation (for 11b);

| | | 09/30/2022 | 12/31/2021 |
|---|-----------|------------|------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount in 2(b)1 above | | 23282% | 23282% |
| (b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in | 7,421,373 | | 7,421,373 |

4.

NOTES TO FINANCIAL STATEMENTS

| Impact of Tax Planning Strategies On the Determination of: | As of End of Current Period | | 12/31/2021 | | Change | |
|---|-----------------------------|----------------|-----------------|----------------|-------------------------------|------------------------------|
| | (1) Ordinary | (2) Capital | (3) Ordinary | (4) Capital | (1) (Col. 1-3) Ordinary | (2) (Col. 2-4) Capital |
| | | | | | | |
| (a) Determination of adjusted gross deferred tax assets and | | | | | | |
| 1. Adjusted Gross DTAs amount from Nota 9A1(c) | - | - | 1,917,398 | - | (1,917,398) | - |
| 2. Percentage of adjusted gross DTAs by tax character | 0% | 0% | 0% | 0% | - | - |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(c) | - | - | 312 | - | (312) | - |
| 4. Percentage of net admitted adjusted gross DTAs by tax | 0% | 0% | 0% | 0% | - | - |

B. Unrecognized Deferred Tax Liabilities

Not Applicable

C. Current income taxes incurred consist of the following major components:

1 Current tax expense incurred

- (a) Federal
- (b) Foreign
- (c) Subtotal
- (d) Federal income tax on net capital gains
- (e) Utilization of capital loss carry forwards
- (f) Other
- (g) Federal and foreign income taxes incurred

| (1) As of End of Current Period | (2) | (3) (Col. 1-2) |
|--|------------|-------------------|
| | 12/31/2021 | Change |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

2 Deferred income tax assets and liabilities consist of the following major components:

| | As of End of Current Period | | |
|--|--------------------------------|-------------|-------------|
| | 12/31/2021 | Change | |
| (a) <u>Ordinary</u> | | | |
| Discounting of unpaid losses | 0 | 0 | 0 |
| Unearned premium reserve | 0 | 0 | 0 |
| Policyholder reserves | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 |
| Deferred acquisition costs | 0 | 0 | 0 |
| Policyholder dividends accrual | 0 | 0 | 0 |
| Fixed Assets | 0 | 0 | 0 |
| Compensation and benefits accrual | 0 | 0 | 0 |
| Pension accrual | 0 | 0 | 0 |
| Receivables-nonadmitted | 0 | 0 | 0 |
| Net operating loss carryforward | 276,515 | 246,211 | 30,304 |
| Tax credit carryforward | - | - | 0 |
| Other (including items <5% of total ordinary tax assets) | 1,574,151 | 1,671,187 | (97,036) |
| (99) Subtotal | 1,850,666 | 1,917,398 | (66,732) |
| (b) Statutory Valuation Allowance Adjustment | (1,842,042) | 0 | (1,842,042) |
| (c) Nonadmitted ordinary deferred tax assets | - | (1,917,086) | 1,917,086 |
| (d) Admitted ordinary deferred tax assets | 8,624 | 312 | 8,312 |
| (e) <u>Capital</u> | | | |
| Investments | - | - | - |
| Net Capital Loss Carryforward | - | - | - |
| Real Estate | - | - | - |
| Other (including items <5% of total capital tax assets) | - | - | - |
| (99) Subtotal | - | - | - |
| (f) Statutory Valuation Allowance Adjustment | - | - | - |
| (g) Nonadmitted capital deferred tax assets | - | - | - |
| (h) Admitted capital deferred tax assets | - | - | - |
| (i) Admitted deferred tax assets | 8,624 | 312 | 8,312 |

NOTES TO FINANCIAL STATEMENTS

3

| (a) <u>Ordinary</u> | (8,624) | - | (8,624) |
|---|---------|-------|---------|
| Investments | (8,624) | - | (8,624) |
| Fixed Assets | - | - | - |
| Deferred and uncollected premium | - | - | - |
| Policyholder reserves | - | - | - |
| Other (including items <5% of total ordinary tax liabilities) | - | - | - |
| (99) Subtotal | (8,624) | - | (8,624) |
| | | | |
| (b) <u>Capital</u> | | | |
| Investments | - | (312) | 312 |
| Real Estate | - | - | - |
| Other (including items <5% of total capital tax liabilities) | - | - | - |
| (99) Subtotal | - | (312) | 312 |
| (c) Deferred tax liabilities | (8,624) | (312) | (8,312) |
| 4 Net deferred tax asset (liability) | - | - | - |
| | | | |

The realization of the deferred tax asset is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for future current operations, management anticipates that future taxable income will not be sufficient for the realization the deferred tax assets. Therefore, a valuation allowance \$1,842,042 has been recorded on the net deferred tax asset.

The change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement);

| | (1) | (2) | (3) |
|---|----------------|------------|-------------|
| | | | (Col. 1-2) |
| | As of End of | | |
| | Current Period | 12/31/2021 | Change |
| Total deferred tax assets | 1,850,666 | 1,917,398 | (66,732) |
| Total deferred tax liabilities | (8,624) | (312) | (8,312) |
| Net deferred tax assets/liabilities | 1,842,042 | 1,917,086 | (75,044) |
| Statutory valuation allowance adjustment | (1,842,042) | 0 | (1,842,042) |
| Net deferred tax assets/liabilities after SVA | 0 | 1,917,086 | (1,917,086) |
| Tax effect of unrealized gains/(losses) | 0 | 0 | 0 |
| Change in net deferred income tax | 0 | 1,917,086 | (1,917,086) |

* Statutory valuation allowance

The valuation allowance adjustment to gross deferred tax assets as of September 30, 2022 and December 31, 2021 was \$1,842,042 and \$0, respectively. The change in the total valuation allowance adjustments for the period ended September 30, 2022 was \$1,842,042.

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows;

| | (1) | (2) | (3) |
|---|-----------|------------|--------------------|
| | Amount | Tax Effect | Effective Tax Rate |
| Income before taxes | 357,350 | 75,044 | 21.00% |
| Nondeductible deal costs | 0 | 0 | 0.00% |
| Statutory Valuation Allowance Adjustment | 8,771,629 | 1,842,042 | 515.47% |
| Total | 9,128,978 | 1,917,086 | 536.47% |
| | | | |
| Federal and foreign income taxes incurred | | 0 | 0.00% |
| Tax on capital gains/(losses) | | 0 | 0.00% |
| Tax in Surplus | | 0 | 0.00% |
| Change in net deferred taxes | | 1,917,086 | 536.47% |
| Total statutory taxes | | 1,917,086 | 536.47% |

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- (1) As of September 30, 2022, the Company has net operating loss carryforwards of \$1,316,740
As of September 30, 2022, the Company did not have any capital loss carryforwards
As of September 30, 2022, the Company did not have any AMT credit carryforwards
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

| | <u>Ordinary</u> |
|------|-----------------|
| 2022 | - |
| 2021 | - |
| 2020 | - |

- (3) At September 30, 2022, the Company had \$0 aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

Not Applicable

G. Federal or Foreign Federal Income Tax Loss Contingencies

Not Applicable

H. Repatriation Transition Tax (RTT)

Not Applicable

I. Alternative Minimum Tax (AMT) Credit

Not Applicable

10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

A. Nature of Relationships

FGH Parent, L.P., the ultimate parent company of Bermuda's largest multi-line reinsurer (together with its subsidiaries, "Fortitude Re"), purchased the Company on May 12, 2022 via a stock purchase. The Company's new organizational chart is included in Schedule Y.

B. Detail of Transactions Greater than ½% of 1% of Admitted Assets and Amounts of Transactions

On August 31, 2022, the Company's parent, Fortitude Group Holdings, LLC, provided \$500,000 of additional paid in capital.

C. Transactions with Related Parties who are not on Schedule Y

Not Applicable

D. Amounts Due to or from Related Parties

None.

E. Management or Service Contracts and Cost Sharing Arrangements

None

F. Guarantees or Contingencies for Related Parties

None

G. Nature of Control Relationship

Not Applicable

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in SCA Entities That Exceed 10% of Admitted Assets

Not Applicable

J. Write-downs for Impaired SCA Entities

Not Applicable

NOTES TO FINANCIAL STATEMENTS

K. Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs with statutory departure

Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking

Not Applicable

11. Debt

A. Debt

Not Applicable

B. Federal Home Loan Bank (FHLB) Agreements

1. The Company is a member of Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company can conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for general operations.

2. FHLB Capital Stock

a. Aggregate Totals

| | 1 Total 2+3 | 2 General Account | 3 Protected Cell Accounts |
|--|----------------|-------------------------|---------------------------------|
| 1. Current Year | | | |
| (a) Membership Stock - Class A | \$ - | \$ - | \$ - |
| (b) Membership Stock - Class B | 44,041 | 44,041 | - |
| (c) Activity Stock | 59 | 59 | - |
| (d) Excess Stock | - | - | - |
| (e) Aggregate Total (a+b+c+d) | 44,100 | 44,100 | - |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | - | XXX | XXX |
| 2. Prior Year-end | | | |
| (a) Membership Stock - Class A | \$ - | \$ - | \$ - |
| (b) Membership Stock - Class B | 44,041 | 44,041 | - |
| (c) Activity Stock | 59 | 59 | - |
| (d) Excess Stock | - | - | - |
| (e) Aggregate Total (a+b+c+d) | 44,100 | 44,100 | - |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | - | XXX | XXX |

1B(2)a1(f) should be equal to or greater than 1B(4)a1(d)

1B(2)a2(f) should be equal to or greater than 1B(4)a2(d)

b. Membership Stock (Class A and B) Eligible for Redemption

| | 1 | 2 | Eligible for Redemption | | | | |
|------------------|--------------------------------------|--------------------------------|-------------------------|------------------------------------|---------------------------|--------------|------|
| | Current Year Total (2+3+4+5+6) | Not Eligible for Redemption | 3 | 4 | 5 | 6 | |
| | | | Less Than 6 Months | 6 Months to Less Than 1 Year | 1 to Less Than 3 Years | 3 to 5 Years | |
| Membership Stock | | | | | | | |
| 1. Class A | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Class B | \$ 44,041 | \$ 44,041 | \$ - | \$ - | \$ - | \$ - | \$ - |

1B(2)b1 Current Year Total (Column 1) should equal 1B(2)a1(a) Total (Column 1)

1B(2)b2 Current Year Total (Column 1) should equal 1B(2)a1(b) Total (Column 1)

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

None

b. Maximum Amount of Collateral Pledged During Reporting Period

None

4. Borrowing from FHLB

None

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

None

B. Investment Policies & Strategies

None

C. Fair Value of Each Class of Plan Assets

None

D. Basis Used to Determine the Overall Expected Long-Term Rate-of-Return-on-Assets

None

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

None

H. Postemployment Benefits and Compensated Absences

None

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions, and Quasi-Reorganizations

A. Issued and Outstanding Shares

The Company has 1,000 shares of \$6,000 par value common stock authorized and 490.4 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock

Not Applicable

C. D, & E. Dividend Restrictions

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of the prior year end surplus or the prior year's net income. The Company did not declare or pay dividends during the nine months ending September 30, 2022.

F. Restrictions on Unassigned Funds

None

G. Mutual Surplus Advances

None

H. Company Stock Held for Special Purposes

None

I. Changes in Special Surplus Funds

None

J. Cumulative Unrealized Gains (Losses)

The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses is \$0 at September 30, 2022.

K. Surplus Notes

NOTES TO FINANCIAL STATEMENTS

None

L. The impact of any reinstatement due to prior quasi-reorganizations is as follows:

| | Change in Gross Paid-in and Contributed Surplus | |
|------|---|--------------|
| | Change in Year Surplus | Surplus |
| 2022 | 22,673,083 | (22,673,083) |

M. The effective date of the quasi-reorganization is July 1, 2022

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

None

B. Assessments

None

C. Gain Contingencies

None

D. Claims Related to Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None

E. Product Warranties

None

F. Joint and Several Liabilities

None

G. All Other Contingencies

None

15. Leases

None

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfer of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not Applicable

B. Administrative Services Contract (ASC) Plans

Not Applicable

NOTES TO FINANCIAL STATEMENTS

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value Measurements

SSAP 100, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A. Inputs used for assets measured and reported at Fair Value

1. Fair Value Measurements at Reporting Date

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Total |
|--|-----------|-----------|-----------|-----------------------|-----------|
| a. Assets at fair value | | | | | |
| Common Stock | \$ - | \$ 44,100 | \$ - | \$ - | \$ 44,100 |
| Federal Home Loan Bank | \$ - | \$ 44,100 | \$ - | \$ - | \$ 44,100 |
| Total assets at fair value/NAV | \$ - | \$ 44,100 | \$ - | \$ - | \$ 44,100 |

2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

None

3. Policy for Determining Transfers Between Levels

At the end of each reporting period, the Company evaluates whether or not any event has occurred, or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and valuation techniques used for level 2 and level 3

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized.

The Company has no assets or liabilities measured at fair value in the Level 3 category.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Value for all financial instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|-----------|-----------|-----------------------|----------------------------------|
| Bonds | \$ 4,346,674 | \$ 4,473,230 | \$ 4,473,230 | \$ - | \$ - | \$ - | \$ - |
| Stocks | \$ 44,100 | \$ 44,100 | \$ - | \$ 44,100 | \$ - | \$ - | \$ - |

D. Financial instruments for which not practicable to Estimate Fair Value

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

Not applicable

21. Other Items

A. Unusual or Infrequent Items

NOTES TO FINANCIAL STATEMENTS

- None
- B. Troubled Debt Restructuring for Debtors
- None
- C. Other Disclosures
- None
- D. Business Interruption Insurance Recoveries
- None
- E. State Transferable and Non-transferable Tax Credits
- None
- F. Subprime-Mortgage-Related Risk Exposure
- Not Applicable
- G. Insurance-Linked Securities (ILS) Contracts
- None
- H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy
- None
22. Events Subsequent
- None
23. Reinsurance
- A. Unsecured Reinsurance Recoverable
- None
- B. Reinsurance Recoverable in Dispute
- None
- C. Reinsurance Assumed and Ceded
1. Maximum return commission
- None
2. Additional or return commission
- None
3. Risks attributed to protected cells
- None
- D. Uncollectible Reinsurance
- None
- E. Commutation of Ceded Reinsurance
- None
- F. Retroactive Reinsurance
- None
- G. Reinsurance Accounted for as a Deposit
- Not Applicable
- H. Disclosure for the Transfer of Property and Casualty Run-off Agreements
- Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
- Not Applicable

NOTES TO FINANCIAL STATEMENTS

- J. Reinsurance Agreements Qualifying for Reinsurance Aggregation
Not Applicable
- K. Reinsurance Credit
Not Applicable
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination
- A. Methods Used to Estimate
Not Applicable
 - B. Method Used to Record
Not Applicable
 - C. Amount and Percent of Net Retrospective Premiums
None
 - D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act
None
 - E. Calculation of Non-admitted Accrued Retrospective Premium
None
 - F. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? No
 2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
Not Applicable
 3. Roll-Forward of Prior Year ACA Risk-Sharing Provisions
Not Applicable
 4. Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year
Not Applicable
 5. ACA Risk Corridors Receivable as of Reporting Date
Not Applicable
25. Changes in Incurred Losses and Loss Adjustment Expenses
Not Applicable
26. Intercompany Pooling Arrangements
Not Applicable
27. Structured Settlements
- A. Reserves Released Due to Purchase of Annuities
Not Applicable
 - B. Annuity Insurers with Balances Due
Not Applicable
28. Health Care Receivables
- A. Pharmaceutical Rebate Receivables
None
 - B. Risk Sharing Receivables
None
29. Participating Policies

NOTES TO FINANCIAL STATEMENTS

Not Applicable

30. Premium Deficiency Reserves

| | | |
|---|------------|----------|
| 1. Liability carried for premium deficiency reserves | \$ | - |
| 2. Date of the most recent evaluation of this liability | 09/30/2022 | |
| 3. Was anticipated investment income utilized in the calculation? | Yes [] | No [X] |

31. High Deductibles

Not Applicable

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Basis

Not Applicable

B. Non-Tabular Basis

Not Applicable

C. Changes in Discount Assumptions

Not Applicable

33. Asbestos/ Environmental Reserves

Not Applicable

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop Insurance

Not Applicable

36. Financial Guaranty Insurance

Not Applicable

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change: 05/12/2022
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [] No []
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No []
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No []
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---------------------|------------------------|------------------------|
|---------------------|------------------------|------------------------|
5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [] If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2018
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/29/2020
- 6.4 By what department or departments?
Ohio Insurance Department
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No []
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No []
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No []
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No []
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No []
- 11.2 If yes, give full and complete information relating thereto:
- | | 1
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
Carrying Value |
|--|---|--|
| 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: | \$ 0 | \$ 0 |
| 13. Amount of real estate and mortgages held in short-term investments: | \$ 0 | \$ 0 |
| 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | |
| 14.2 If yes, please complete the following: | | |
| 14.21 Bonds | \$ 0 | \$ 0 |
| 14.22 Preferred Stock | \$ 0 | \$ 0 |
| 14.23 Common Stock | \$ 0 | \$ 0 |
| 14.24 Short-Term Investments | \$ 0 | \$ 0 |
| 14.25 Mortgage Loans on Real Estate | \$ 0 | \$ 0 |
| 14.26 All Other | \$ 0 | \$ 0 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$ 0 | \$ 0 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ 0 | \$ 0 |
| 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] | | |
| 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/>] | | |
| 15.2 If no, attach a description with this statement. | | |
| 16. For the reporting entity's security lending program, state the amount of the following as of the current statement date: | | |
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ 0 | |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ 0 | |
| 16.3 Total payable for securities lending reported on the liability page. | \$ 0 | |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
GENERAL INTERROGATORIES

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No []
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 Name of Custodian(s) | 2 Custodian Address |
|--|---|
| Federal Home Loan Bank of Cincinnati | 221 East Fourth Street Suite 600, Cincinnati OH 45202 |
| The Bank of New York Mellon | 135 Santilli Highway, Everett, MA 02149 |

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 Name(s) | 2 Location(s) | 3 Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No []

17.4 If yes, give full information relating thereto:

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|--------------------|---------------------|-------------|
| | | | |

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1 Name of Firm or Individual | 2 Affiliation |
|---------------------------------|------------------|
| | |

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [] No []

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No []

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1 Central Registration Depository Number | 2 Name of Firm or Individual | 3 Legal Entity Identifier (LEI) | 4 Registered With | 5 Investment Management Agreement (IMA) Filed |
|--|---------------------------------|------------------------------------|----------------------|---|
| | | | | |

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [] No []

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No []

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No []

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] N/A []
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
- 3.2 If yes, give full and complete information thereto.
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]
- 4.2 If yes, complete the following schedule:
- | 1
Line of Business | 2
Maximum
Interest | 3
Discount
Rate | TOTAL DISCOUNT | | | DISCOUNT TAKEN DURING PERIOD | | | |
|-----------------------|--------------------------|-----------------------|-----------------------|--------------------|-----------|------------------------------|-----------------------|--------------------|------------|
| | | | 4 Unpaid Losses | 5 Unpaid LAE | 6 IBNR | 7 TOTAL | 8 Unpaid Losses | 9 Unpaid LAE | 10 IBNR |
| TOTAL | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | |
5. Operating Percentages:
- 5.1 A&H loss percent 0.000 %
- 5.2 A&H cost containment percent 0.000 %
- 5.3 A&H expense percent excluding cost containment expenses 0.000 %
- 6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date \$ 0
7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No [X]

Schedule F - Ceded Reinsurance
N O N E

Schedule T - Exhibit of Premiums Written
N O N E

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company

| | |
|---|---------|
| Carlyle Group Management, LLC ² | DE |
| The Carlyle Group Inc. (Trades on NASDAQ under Ticker: CG) ³ | DE |
| --(various intermediate entities controlled by same parties) | |
| Carlyle FRL GP, LLC | DE |
| Carlyle FRL LP (71.5%) | DE |
| T&D Holdings, Inc. (Trades on the Tokyo Stock Exchange) ⁴ | |
| T&D United Capital Co., Ltd. (25%) | Japan |
| American International Group, Inc. (3.5%) | DE |
| FGH Parent, LP | Bermuda |
| Fortitude Group Holdings, LLC ⁵ | DE |
| Fortitude Reinsurance Company Ltd. | Bermuda |
| Fortitude Re Investments, LLC | DE |
| Fortitude Group Services, Inc. | DE |
| Fortitude Life & Annuity Solutions, Inc. | DE |
| Fortitude P&C Solutions, Inc. | DE |
| Fortitude Life Insurance & Annuity Company | AZ |
| Grove Funding I Inc. | DE |
| Fortitude U.S. Reinsurance Company (f/k/a RX Life Ins Company) | AZ |
| Fortitude Casualty Insurance Company | OH |
| Fortitude International Ltd. | Bermuda |
| Fortitude International Group Holdings Ltd. | UK |
| Fortitude International Reinsurance Ltd. | Bermuda |
| Fortitude International Group Services Ltd. | Bermuda |

Notes to Organizational Chart

(1) This organizational chart does not include limited partners of limited partnerships and non-managing members of limited liability companies. This organizational chart does not include other portfolio company investments of The Carlyle Group Inc. and its affiliates or other entities through which such investments are made.

(2) This organizational chart is presented on the basis of Carlyle Group Management L.L.C being the ultimate controlling party of the Fortitude Re group of companies. Three individuals (together, the "Founders") each own 10% or more of the membership interests in Carlyle Group Management L.L.C., but do not participate in the day-to-day activity or decision making of Plans' Liability Insurance Company, and filed disclaimers of control with respect thereto. No person other than the Founders owns 10% or more of the membership interests in Carlyle Group Management L.L.C.

(3) Carlyle Group Management L.L.C. has the right to vote approximately 42.8% of the voting stock of The Carlyle Group Inc. Other than Carlyle Group Management L.L.C., no person holds a proxy for, or controls 10% or more of the issued and outstanding voting securities in The Carlyle Group Inc.

(4) As of March 31, 2022, the Master Trust Bank of Japan Ltd. (the "Master Trust Bank") holds approximately 18.4% of the shareholding in T&D Holdings, Inc. However, the Master Trust Bank is acting as a custodian with respect to these shareholdings for underlying holders, holds such shares in a registered capacity only and does not vote or hold any economic interest with respect to these shareholdings. The amount of shares the Master Trust Bank holds in T&D Holdings, Inc. will fluctuate from time to time as underlying holders buy or sell their shareholdings. No other shareholder of T&D Holdings, Inc. owns 10% or more of its voting securities.

(5) The general partner of FGH Parent, L.P. does not have control over FGH Parent, L.P. and is therefore excluded from this organizational chart.

(6) Fortitude Group Holdings, LLC acquired Fortitude Life & Annuity Solutions, Inc. and Fortitude P&C Solutions, Inc. on January 1, 2022, Fortitude U.S. Reinsurance Company (f/k/a Rx Life Insurance Company) on January 3, 2022, Fortitude Life Insurance & Annuity Company (f/k/a Prudential Annuities Life Assurance Corporation) on April 1, 2022 and Plans' Liability Insurance Company (to be renamed Fortitude Casualty Insurance Company) on May 12, 2022. Rx Life Insurance Company changed its name to Fortitude U.S. Reinsurance Company on April 18, 2022 in Arizona and is in the process of changing its name in other applicable jurisdictions.

Prudential Annuities Life Assurance Corporation changed its name to Fortitude Life Insurance & Annuity Company on May 24, 2022 in Arizona and is in the process of changing its name in other applicable jurisdictions. Plans' Liability Insurance Company is in the process of changing its name to Fortitude Casualty Insurance Company.

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| Asterisk | Explanation |
|----------|-----------------------------|
| * | Indicates a required field. |

Part 1 - Loss Experience
N O N E

Part 2 - Direct Premiums Written
N O N E

Part 3 (000 omitted) - Loss and Loss Adjustment Expense Reserves Schedule
N O N E

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

| | Response |
|--|----------|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? | NO |
| 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? | NO |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |
| 4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | NO |

AUGUST FILING

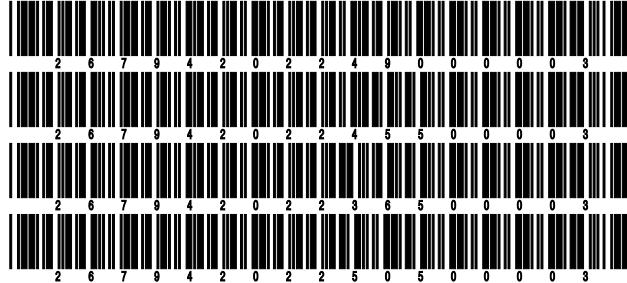
| | |
|---|-----|
| 5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter. | N/A |
|---|-----|

Explanations:

1. Not Applicable
2. Not Applicable
3. Not Applicable
4. Not Applicable

Bar Codes:

1. Trusteed Surplus Statement [Document Identifier 490]
2. Supplement A to Schedule T [Document Identifier 455]
3. Medicare Part D Coverage Supplement [Document Identifier 365]
4. Director and Officer Supplement [Document Identifier 505]



STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company
OVERFLOW PAGE FOR WRITE-INS

NONE

SCHEDULE A - VERIFICATION

Real Estate

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other than temporary impairment recognized | | |
| 8. Deduct current year's depreciation | | |
| 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | | |

NONE**SCHEDULE B - VERIFICATION**

Mortgage Loans

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and mortgage interest paid and commitment fees | | |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | |
| 12. Total valuation allowance | | |
| 13. Subtotal (Line 11 plus Line 12) | | |
| 14. Deduct total nonadmitted amounts | | |
| 15. Statement value at end of current period (Line 13 minus Line 14) | | |

NONE**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

NONE**SCHEDULE D - VERIFICATION**

Bonds and Stocks

| | 1 Year to Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 4,848,944 | 4,852,428 |
| 2. Cost of bonds and stocks acquired | 2,879,032 | 599,815 |
| 3. Accrual of discount | 524 | .810 |
| 4. Unrealized valuation increase (decrease) | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration for bonds and stocks disposed of | 3,209,830 | 600,000 |
| 7. Deduct amortization of premium | 1,340 | .4,109 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees | 0 | 0 |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) | 4,517,330 | 4,848,944 |
| 12. Deduct total nonadmitted amounts | 0 | 0 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 4,517,330 | 4,848,944 |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

| NAIC Designation | 1 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|--|--|--|---|--|---|---|
| BONDS | | | | | | | | |
| 1. NAIC 1 (a) | 4,473,546 | 0 | 0 | (321) | 4,763,432 | 4,473,546 | 4,473,226 | 4,804,844 |
| 2. NAIC 2 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. NAIC 3 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. NAIC 4 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. NAIC 5 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. NAIC 6 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total Bonds | 4,473,546 | 0 | 0 | (321) | 4,763,432 | 4,473,546 | 4,473,226 | 4,804,844 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. NAIC 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. NAIC 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. NAIC 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. NAIC 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. NAIC 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Total Preferred Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Total Bonds and Preferred Stock | 4,473,546 | 0 | 0 | (321) | 4,763,432 | 4,473,546 | 4,473,226 | 4,804,844 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

SI02

Schedule DA - Part 1 - Short-Term Investments

N O N E

Schedule DA - Verification - Short-Term Investments

N O N E

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of Derivatives

N O N E

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | 1,890,125 | 1,866,486 |
| 2. Cost of cash equivalents acquired | 396,938 | 635,141 |
| 3. Accrual of discount | 0 | 0 |
| 4. Unrealized valuation increase (decrease) | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration received on disposals | 296,826 | 611,502 |
| 7. Deduct amortization of premium | 0 | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 1,990,237 | 1,890,125 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 1,990,237 | 1,890,125 |

Schedule A - Part 2 - Real Estate Acquired and Additions Made
N O N E

Schedule A - Part 3 - Real Estate Disposed
N O N E

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made
N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid
N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made
N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid
N O N E

Schedule D - Part 3 - Long-Term Bonds and Stocks Acquired
N O N E

Schedule D - Part 4 - Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed Of
N O N E

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open
N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made
N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To
N O N E

Schedule DB - Part E - Derivatives Hedging Variable Annuity Guarantees
N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned
N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned
N O N E

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 Depository | 2 Code | 3 Rate of Interest | 4 Amount of Interest Received During Current Quarter | 5 Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter | | | 9 * |
|--|-----------|--------------------------|--|--|---|-------------------|------------------|--------|
| | | | | | 6 First Month | 7 Second Month | 8 Third Month | |
| BNY Mellon Asset Servicing | | 0.000 | .0 | .0 | 5,475 | 24,888 | 576,241 | XXX |
| HSBC | | 0.000 | .0 | .0 | 487,242 | 487,242 | 987,242 | XXX |
| 0199998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories | XXX | XXX | 0 | 0 | 3,037 | 3,037 | 3,037 | XXX |
| 0199999. Totals - Open Depositories | XXX | XXX | 0 | 0 | 495,754 | 515,167 | 1,566,520 | XXX |
| 0299998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories | XXX | XXX | 0 | 0 | 0 | 0 | 0 | XXX |
| 0299999. Totals - Suspended Depositories | XXX | XXX | 0 | 0 | 0 | 0 | 0 | XXX |
| 0399999. Total Cash on Deposit | XXX | XXX | 0 | 0 | 495,754 | 515,167 | 1,566,520 | XXX |
| 0499999. Cash in Company's Office | XXX | XXX | XXX | XXX | 0 | 0 | 0 | XXX |
| 0599999. Total - Cash | XXX | XXX | 0 | 0 | 495,754 | 515,167 | 1,566,520 | XXX |

STATEMENT AS OF SEPTEMBER 30, 2022 OF THE Fortitude Casualty Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 CUSIP | 2 Description | 3 Code | 4 Date Acquired | 5 Rate of Interest | 6 Maturity Date | 7 Book/Adjusted Carrying Value | 8 Amount of Interest Due and Accrued | 9 Amount Received During Year |
|---|------------------|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|-------------------------------------|
| 0109999999. Total - U.S. Government Bonds | | | | | | 0 | 0 | 0 |
| 0309999999. Total - All Other Government Bonds | | | | | | 0 | 0 | 0 |
| 0509999999. Total - U.S. States, Territories and Possessions Bonds | | | | | | 0 | 0 | 0 |
| 0709999999. Total - U.S. Political Subdivisions Bonds | | | | | | 0 | 0 | 0 |
| 0909999999. Total - U.S. Special Revenues Bonds | | | | | | 0 | 0 | 0 |
| 1109999999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds | | | | | | 0 | 0 | 0 |
| 1309999999. Total - Hybrid Securities | | | | | | 0 | 0 | 0 |
| 1509999999. Total - Parent, Subsidiaries and Affiliates Bonds | | | | | | 0 | 0 | 0 |
| 1909999999. Subtotal - Unaffiliated Bank Loans | | | | | | 0 | 0 | 0 |
| 2419999999. Total - Issuer Obligations | | | | | | 0 | 0 | 0 |
| 2429999999. Total - Residential Mortgage-Backed Securities | | | | | | 0 | 0 | 0 |
| 2439999999. Total - Commercial Mortgage-Backed Securities | | | | | | 0 | 0 | 0 |
| 2449999999. Total - Other Loan-Backed and Structured Securities | | | | | | 0 | 0 | 0 |
| 2459999999. Total - SVO Identified Funds | | | | | | 0 | 0 | 0 |
| 2469999999. Total - Affiliated Bank Loans | | | | | | 0 | 0 | 0 |
| 2479999999. Total - Unaffiliated Bank Loans | | | | | | 0 | 0 | 0 |
| 2509999999. Total Bonds | | | | | | 0 | 0 | 0 |
| Dreyfus Treasury Securities CM 761 | | | 09/20/2022 | .000 | | 1,990,237 | 3,720 | 349,419 |
| 8309999999. Subtotal - All Other Money Market Mutual Funds | | | | | | 1,990,237 | 3,720 | 349,419 |
| 8609999999 - Total Cash Equivalents | | | | | | 1,990,237 | 3,720 | 349,419 |