

REPORT OF EXAMINATION  
OF THE  
NATIONAL AMERICAN INSURANCE COMPANY OF CALIFORNIA  
AS OF  
DECEMBER 31, 2024

*Commissioners Signature*

A handwritten signature in blue ink, appearing to be "D. DeLoe", written over a horizontal line.

Filed on June 23, 2026

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Los Angeles, California  
May 20, 2026

Honorable Ricardo Lara  
Insurance Commissioner  
California Department of Insurance  
Sacramento, California

Dear Commissioner:

Pursuant to your instructions, an examination was made of the

#### NATIONAL AMERICAN INSURANCE COMPANY OF CALIFORNIA

(hereinafter also referred to as the Company) The Company's statutory home office was located at 5 Batterson Park Road, 3rd Floor, Farmington, Connecticut 06032. In September 2025, the Company moved its statutory home office to 242 Trumbull Street Suite 204, Hartford, Connecticut 06103.

#### SCOPE OF EXAMINATION

We have performed our multi-state examination of the Company. The previous examination of the Company was as of December 31, 2019. This examination covered the period from January 1, 2020 through December 31, 2024.

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

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting

Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes findings of fact and general information about the Company and its financial condition. There might be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), were not included within the examination report but separately communicated to other regulators and/or the Company.

### COMPANY HISTORY

The Company was incorporated in the State of California on October 10, 1966. On March 28, 2019, the Company entered into a Stock Purchase Agreement to sell 100% of its stock of Danielson National Insurance Company (DNIC), a wholly-owned subsidiary, to Incline Insurance Group, LLC (Incline Group), a Texas limited liability holding company. On December 31, 2019, the California Department of Insurance (CDI) approved the acquisition of DNIC by Incline Group. In conjunction with the sale of DNIC, the Company entered into the following agreements effective January 1, 2020. These agreements were approved by CDI as part of the sale:

- A Reinsurance Agreement, whereby the Company reinsures 100% of the liabilities from policies written by DNIC prior to the sale.
- A Transfer Agreement, whereby the Company assumes 100% of all non-insurance liabilities of DNIC as of the date of the sale.
- An Administrative Services Agreement, whereby the Company agrees to service the pre-sale business written by DNIC.

Prior to January 1, 2022, ultimate control of the Company was held by Apollo Asset Management, Inc. (AAM), a Delaware corporation formerly known as Apollo Global Management, Inc. Effective January 1, 2022, AAM and Athene Holding Ltd., a Bermuda exempted company, were merged and became direct subsidiaries of Tango Holdings,

Inc. (Tango), a Delaware corporation. Tango was subsequently renamed as Apollo Global Management, Inc.

### Capitalization

The Company has 30,000 authorized shares and 13,000 shares issued and outstanding, with a par value of \$200 per share as of December 31, 2024. All shares are owned by its parent, Alea Holdings US Company (AHUSCO).

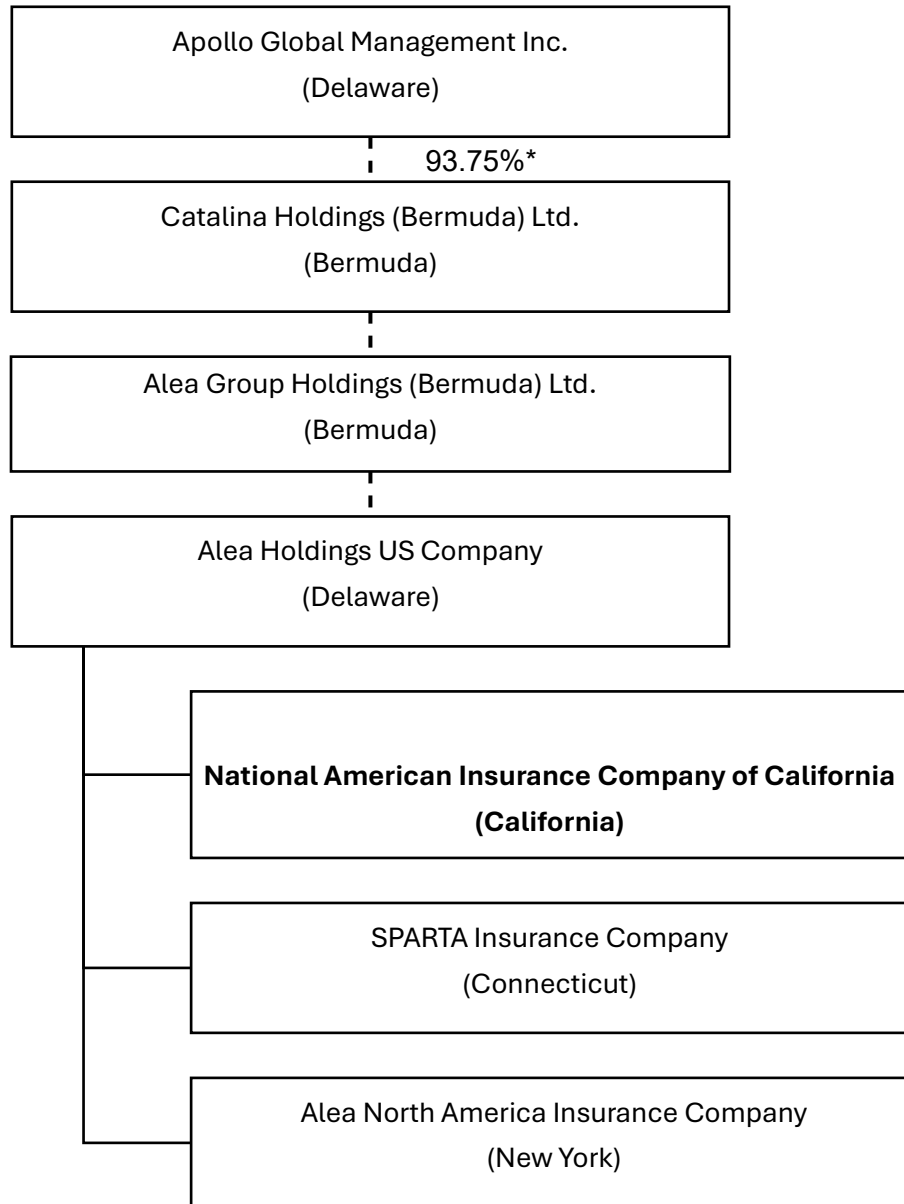
### Capital Contributions

The Company received cash capital contributions from AHUSCO of \$0.5 million on December 14, 2020, \$1.2 million on February 24, 2024, and \$1.0 million on June 27, 2024. The \$1.2 million contribution received on February 24, 2024 was recorded as a receivable from the parent as of December 31, 2023. The Company obtained approval from CDI to record the receivable as a Type 1 Subsequent Event in accordance with Statement of Statutory Accounting Principles No. 72 on February 26, 2024.

## MANAGEMENT AND CONTROL

The Company is a wholly-owned subsidiary of Alea Holdings US Company (AHUSCO), a Delaware intermediate holding company. AHUSCO is indirectly owned by Catalina Holdings (Bermuda) Ltd., which is ultimately owned by Apollo Global Management, Inc. (AGM), a Delaware corporation, with controlling individuals: Mr. Leon Black (16.1%), Mr. Joshua Harris (8.1%), and Mr. Marc Rowan (6.5%). AGM is a publicly traded company, listed on the New York Stock Exchange.

The following abridged organizational chart depicts the Company's relationship within the holding company system (all ownership is 100% unless otherwise indicated):



Note: The dotted line represents that there are other entities in-between.

\* The remaining 5.84% and 0.41% are owned by Renaissance Re Holdings Limited and AMG executives, respectively.

The three members of the board of directors, who are elected annually, manage the business and affairs of the Company. Following are members of the board and principal officers of the Company serving at December 31, 2024:

## Directors

<u>Name and Location</u>	<u>Principal Business Affiliation</u>
Luann M. Petrellis <sup>(a)</sup> Farmington, Connecticut	Chairman of the Board, President, and Chief Executive Officer National American Insurance Company of California
Hugh B. McCreery Parker, Colorado	Chief Financial Officer National American Insurance Company of California
Kevin M. Grant Stevenson Ranch, California	Chief Claims Officer National American Insurance Company of California

## Principal Officers

<u>Name</u>	<u>Title</u>
Luann M. Petrellis <sup>(a)</sup>	President and Chief Executive Officer
Hugh B. McCreery	Chief Financial Officer
Thomas M. Duggan	Chief Investment Officer
Kevin M. Grant	Chief Claims Officer
Andrew B. Diaz-Matos	Executive Vice President and Assistant Secretary
Max R. Bemrose	Chief Information Security Officer
Tess Leopold	US Compliance Officer and Assistant Secretary
Maryann B. Dean	Secretary
Douglas J. Anthony	Treasurer
Ellen Z. Lombard	Vice President

The following changes in management occurred subsequent to the examination date:

- <sup>(a)</sup> On February 15, 2025, Luann M. Petrellis left the Company and Andrew Diaz-Matos was elected as Chairman, President, and Chief Executive Officer.

## Management Agreements

Administrative Service Agreement: Effective November 14, 2014, the Company entered into an Administrative Service Agreement with its parent company, Alea Holdings US

Company (AHUSCO), and its affiliates. The purpose of the agreement is to allow affiliates to provide and receive services from each other in order to coordinate and integrate administrative functions. Services provided include, but are not limited to, claims, policies, the collection of funds, accounting and preparation of financial reports, administration, systems, actuarial, investments, and legal. On December 29, 2014, the agreement was approved by the California Department of Insurance (CDI). Effective March 11, 2015, the Company updated the agreement to include other affiliated parties in the United States. The updated agreement was reviewed by CDI and determined no prior approval was required. During 2020, 2021, 2022, 2023, and 2024, and under the terms of the agreement, the fees paid by the Company were \$1.3 million, \$0.8 million, \$0.7 million, \$0.6 million, and \$0.9 million, respectively.

Tax Allocation Agreement: Effective November 14, 2014, the Company entered into a Tax Allocation Agreement with AHUSCO and its affiliates. Under the tax agreement, AHUSCO acts as an agent for the affiliates with respect to all matters related to consolidated tax returns and refund claims. Allocation of tax liability of each company shall not exceed the amount that it would have incurred as a separate filing corporation. CDI issued its notice of non-disapproval of the agreement on December 15, 2014. The Company did not pay any federal income tax during the years under examination and received a \$432,984 refund in 2020.

#### Related Party Transaction

On March 18, 2021, the CDI approved a three-year promissory note under which the Company borrows \$2.5 million in cash from AHUSCO, effective April 1, 2021. The terms of this loan call for quarterly interest payment equal to 0.25% over the Federal Funds Rate. On July 3, 2024, the CDI approved the promissory note to add an additional year, extending the due date to August 2025. The outstanding balance of the loan was \$1.2 million as of December 31, 2024, and the remaining balance was paid in full on August 5, 2025.

## TERRITORY AND PLAN OF OPERATION

As of December 31, 2024, the Company was licensed to transact multiple lines of property and casualty insurance in the following states:

Arizona	California	Hawaii
Oregon	Texas	Utah

The Company's operations consist of three principal segments currently under run off: 1) private passenger automobile, 2) surety, and 3) legacy run-off lines consisting of workers' compensation and other liability comprising of asbestos and environmental exposures.

The last active policy was issued in 2019 and expired in 2020. The Company has no direct policies in force as of December 31, 2024.

## REINSURANCE

### Assumed

The Company did not assume any reinsurance during the examination period, except for the agreement that was entered into with Danielson National Insurance Company, a former subsidiary, on January 1, 2020, as discussed in the COMPANY HISTORY section above.

### Ceded

The Company did not have any ceded reinsurance contracts in-force during the examination period.

## ACCOUNTS AND RECORDS

### Statutory Home Office

Pursuant to California Insurance Code (CIC) Section 834(b) and California Code of Regulations (CCR), Title 10, Chapter 5, Subchapter 4, Article 3, Section 2603.12, domestic insurers must maintain its statutory home office in the state of incorporation in California. In 2022, the Company relocated its statutory home office from San Diego, California to Farmington, Connecticut, and subsequently relocated to Hartford, Connecticut in September 2025. It is recommended the Company maintain its statutory home office in California pursuant to CIC Section 834(b) and CCR Title 10, Chapter 5, Subchapter 4, Article 3, Section 2603.12.

## FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the California Department of Insurance and present the financial condition of the Company for the period ending December 31, 2024. The accompanying comments to the amounts reported in the annual statements should be considered an integral part of the financial statements. There were no adjustments made to the statutory financial statements filed by the Company.

Statement of Financial Condition as of December 31, 2024

Underwriting and Investment Exhibit for the Year Ended December 31, 2024

Reconciliation of Surplus as Regards Policyholders from December 31, 2019  
through December 31, 2024

Statement of Financial Condition  
as of December 31, 2024

<u>Assets</u>	Ledger and <u>Nonledger Assets</u>	Assets Not <u>Admitted</u>	Net Admitted <u>Assets</u>	<u>Notes</u>
Bonds	\$ 8,520,592	\$	\$ 8,520,592	
Cash, cash equivalents, and short-term investments	6,071,786		6,071,786	
Other invested assets	114,072		114,072	
Subtotals, cash and invested assets	14,706,449		14,706,449	
Investment income due and accrued	32,704		32,704	
Uncollected premiums and agents' balances in the course of collection	1,788		1,788	
Reinsurance: Amounts recoverable from reinsurers	185,711		185,711	
Funds held by or deposited with reinsured companies	161,084	99,998	61,086	
Aggregate write-ins for other than invested assets	<u>214,943</u>	<u>1,375</u>	<u>213,568</u>	
Total assets	<u>\$ 15,302,679</u>	<u>\$ 101,373</u>	<u>\$ 15,201,306</u>	
<u>Liabilities, Surplus and Other Funds</u>				<u>Notes</u>
Losses			\$ 6,616,370	(1)
Reinsurance payable on paid loss and loss adjustment expenses			1,205,537	
Loss adjustment expenses			1,291,141	(1)
Other expenses			42,828	
Borrowed money			1,229,617	
Unearned premiums			3,108	
Funds held by company under reinsurance treaties			28,445	
Amounts withheld or retained by company for account of others			88,795	
Provision for reinsurance			52,837	
Payable for parent, subsidiaries, and affiliates			<u>111,976</u>	
Total liabilities			10,670,654	
Common capital stock		\$ 2,600,000		
Gross paid-in and contributed surplus		72,849,001		
Unassigned funds (surplus)		<u>(70,918,349)</u>		
Surplus as regards policyholders			<u>4,530,652</u>	
Total liabilities, surplus, and other funds			<u>\$ 15,201,306</u>	

Underwriting and Investment Exhibit  
for the Year Ended December 31, 2024

State of Income

Underwriting Income

Premium earned		\$ 5,987
Deductions:		
Losses incurred	\$ 73,607	
Loss adjustment expenses incurred	908,339	
Other underwriting expenses incurred	<u>925,813</u>	
Total underwriting deductions		<u>1,907,758</u>
Net underwriting loss		(1,901,771)

Investment Income

Net investment income earned	\$ 155,263	
Net realized capital losses	<u>(12,215)</u>	
Net investment gain		143,048
Net loss		<u>\$ (1,758,724)</u>

Capital and Surplus Account

Surplus as regards policyholders, December 31, 2023		\$ 5,223,063
Net loss	\$ (1,758,724)	
Change in net unrealized capital gains or (losses)	(14,161)	
Change in nonadmitted assets	4,983	
Change in provision for reinsurance	75,492	
Surplus Adjustments: Paid-in	<u>1,000,000</u>	
Change in surplus as regards policyholders for the year		<u>(692,410)</u>
Surplus as regards policyholders, December 31, 2024		<u>\$ 4,530,653</u>

Reconciliation of Surplus as Regards Policyholders  
from December 31, 2019 through December 31, 2024

Surplus as regards policyholders, December 31, 2019			\$ 5,452,914
	Gain in Surplus	Loss in Surplus	
Net income	\$	\$	6,847,976
Change in net unrealized foreign exchange capital gain (loss)	2,592,253		
Change in nonadmitted assets	6,746		
Change in provision for reinsurance	190,345		
Capital change: Paid-in	2,700,000		
Aggregate write-ins for gains and losses in surplus	436,371		
Total gains and losses	<u>\$ 5,925,715</u>	<u>\$ 6,847,976</u>	
Net decrease in surplus as regards policyholders			<u>(922,261)</u>
Surplus as regards policyholders, December 31, 2024			<u>\$ 4,530,653</u>

## COMMENTS ON FINANCIAL STATEMENT ITEMS

### (1) Losses and Loss Adjustment Expenses

Based on an analysis by a Senior Casualty Actuary for the California Department of Insurance, the Company's losses and loss adjustment expense reserves as of December 31, 2024, were found to be reasonably stated, and have been accepted for purposes of this examination.

## SUMMARY OF COMMENTS AND RECOMMENDATIONS

### Current Report of Examination

Accounts and Records – Statutory Home Office (Page 8): It is recommended the Company maintain its statutory home office in California pursuant to California Insurance Code Section 834(b) and California Code of Regulations, Title 10, Chapter 5, Subchapter 4, Article 3, Section 2603.12.

### Previous Report of Examination

None.

ACKNOWLEDGMENT

Acknowledgment is made of the cooperation and assistance extended by the Company's officers and employees during the course of this examination.

Respectfully submitted,

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Eduardo "Eddy" Montenegro, CFE (Fraud)  
Examiner-In-Charge  
Associate Insurance Examiner  
Department of Insurance  
State of California

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Sayaka Dillon, CFE  
Senior Insurance Examiner, Supervisor  
Department of Insurance  
State of California