

REPORT OF EXAMINATION
OF THE
OMAHA NATIONAL CASUALTY COMPANY
AS OF
DECEMBER 31, 2024

Commissioners Signature

A handwritten signature in blue ink, appearing to read "P. DeFina", written over a horizontal line.

Filed on June 2, 2026

TABLE OF CONTENTS

	<u>PAGE</u>
SCOPE OF EXAMINATION	1
COMPANY HISTORY:	2
Capitalization	3
Dividends Paid	3
Capital Contributions Received.....	3
MANAGEMENT AND CONTROL:.....	4
Intercompany Agreements.....	5
TERRITORY AND PLAN OF OPERATION.....	6
REINSURANCE:	7
Intercompany Pooling Agreement.....	7
Assumed.....	7
Ceded	7
ACCOUNTS AND RECORDS.....	8
FINANCIAL STATEMENTS:	9
Statement of Financial Condition as of December 31, 2024.....	10
Underwriting and Investment Exhibit for the Year Ended December 31, 2024	11
Reconciliation of Surplus as Regards Policyholders from December 31, 2020 through December 31, 2024.....	12
COMMENTS ON FINANCIAL STATEMENT ITEMS:.....	13
Losses and Loss Adjustment Expenses	13
SUMMARY OF COMMENTS AND RECOMMENDATIONS:	13
Current Report of Examination	13
Previous Report of Examination	13
ACKNOWLEDGMENT	14

Los Angeles, California
May 28, 2026

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

Dear Commissioner:

Pursuant to your instructions, an examination was made of the

OMAHA NATIONAL CASUALTY COMPANY

(hereinafter also referred to as the Company). Its administrative office is located at 9110 West Dodge Road, Suite 300, Omaha, Nebraska 68114. The Company's statutory home office is located at 915 West Manchester Boulevard, Suite 5-201, Inglewood, California 90301.

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. The 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 licensed on June 28, 1974, and started business on January 25, 1975, as Sutter Insurance Company, a wholly-owned subsidiary of Dibill, Inc., a California corporation. In 2020, the Company ceased writing new business, began non-renewing its existing policies, and went into run-off in 2021.

On February 15, 2023, Omaha National Group, Inc. (ONG), a Delaware holding company, filed a Form A with the California Department of Insurance (CDI) to acquire control of the Company through a Stock Purchase Agreement (SPA). A Novation to the Stock Purchase Agreement, dated October 24, 2023, replaced ONG as the acquirer with Omaha National Insurance Company (ONIC), a Nebraska domiciled insurer; all other terms of the SPA remained unchanged. Under the terms of the SPA, ONIC acquired the Company's 60,000 issued and outstanding shares of capital stock, all which are voting common stock with a par value of \$50 per share, for an aggregate cash price of \$750,000, and capital and surplus of \$17,464,293 as of the purchase date of July 1, 2023, for a total purchase price of \$18,214,293. The CDI approved the Form A on June 28, 2023.

The Company filed an Application for Amended Certificate of Authority (ACA) on August 2, 2023, to add workers' compensation class of insurance in California. The ACA was approved by the CDI on March 27, 2024.

On September 1, 2023, the Company filed an Amended and Restated Articles of Incorporation to reflect the change in ownership due to the acquisition.

The Company changed its name from Sutter Insurance Company to Omaha National Casualty Company, which was approved by the CDI on November 3, 2023.

Capitalization

The Company is authorized to issue one million shares of voting common stock with a par value of \$50 per share. As of December 31, 2024, there were 60,000 shares issued and outstanding.

Dividends Paid

In accordance with California Insurance Code Section 1215.4(f), the Company notified the CDI of the following ordinary dividends it paid to its former parent, Dibill, Inc.:

<u>Date</u>	<u>Type</u>	<u>Amount</u>
03/20/2020	Ordinary	\$2,298,430
12/16/2021	Ordinary	\$1,000,000
09/12/2022	Ordinary	\$2,896,630

Capital Contributions Received

On March 31, 2024, the Company received a cash capital contribution of \$32,722,121 from its parent, ONIC.

On February 23, 2026, the Company received a \$13,000,000 cash capital contribution from ONIC. On February 24, 2026, the CDI received a request from the Company to treat the capital contribution as an admitted asset on its 2025 annual statutory financial statement, Type 1 Subsequent Event, pursuant to Statement of Statutory Accounting Principles No. 72. The CDI approved the Type 1 Subsequent Event on February 25, 2026.

MANAGEMENT AND CONTROL

The Company is a member of an insurance holding company system of which ultimate control is held by the Howard Scott Silverman Gift Trust. The following organizational chart depicts the inter-relationship of the companies as of December 31, 2024 (all ownership is 100% unless otherwise indicated).

Howard Scott Silverman Gift Trust

Omaha National Management and Various Investors 12.63%

Series B & B-1 Investors 15.05%

AP Omaha National, LLC 72.32%

Omaha National Group, Inc.

Omaha National Underwriters, LLC

Omaha National Employer Services, LLC

Omaha National Insurance Company (Nebraska)

Omaha National Casualty Company (California)

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

Directors

<u>Name and Location</u>	<u>Principal Business Affiliation</u>
Geoffrey R. Banta Binghamton, New York	Owner and Sole Proprietor GBLB Consulting
Dennis H. Chookaszian Chicago, Illinois	Adjunct Professor University of Chicago
Nicholas J. Davies Key Largo, Florida	Operating Partner Agman
Reagan R. Pufall Omaha, Nebraska	President and Chief Executive Officer Omaha National Underwriters, LLC

Directors (continued)

Name and Location

Howard S. Silverman
Chicago, Illinois

Principal Business Affiliation

Founder and Chief Executive Officer
Agman

Principal Officers

Name

Reagan R. Pufall
Bryan J. Connolly
Dale G. Mackel^(a)
James A. Hempel
Christopher M. LaMantia
Joan M. Klucarich

Title

President and Chief Executive Officer
Chief Operating Officer
Chief Financial Officer and Treasurer
General Counsel and Secretary
Chief Marketing Officer
Chief Actuary

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

- ^(a) On April 16, 2025, Jeffrey J. Goeser replaced Dale G. Mackel as Chief Financial Officer and Treasurer.

Intercompany Agreements

Cost Sharing Agreement: Effective October 6, 2017, Omaha National Group, Inc. (ONG), and Omaha National Employers Services, LLC, Omaha National Insurance Company, and Omaha National Underwriters, LLC (ONU) (collectively “subsidiaries”), entered into a Cost Sharing Agreement (Agreement). Under the terms of the Agreement, ONU will provide shared operational services, including but not limited to accounting, compliance, leadership, audit engagements, actuarial reviews, tax preparation, facilities, IT services, underwriting, marketing, and claims services. The costs of shared services are allocated based on actual cost and reimbursed no later than 45 days after the close of the quarter.

On July 1, 2023, Amendment 2 was made to add the Company as a party to the Agreement post-acquisition. An amendment was filed with the California Department of Insurance (CDI), in accordance with California Insurance Code (CIC) Section

1215.5(b)(4). During the review, Amendment 3, effective October 1, 2023, was made to clarify that the cost allocation method should conform with Statement of Statutory Accounting Principles, No. 70; settlements not made in a timely manner will include interest payment equal to 3% annually; add an assignment clause; and other revisions to comply with CDI regulations. On January 16, 2024, Amendments 2 and 3 were approved by the CDI. Fees paid by the Company under the terms of the Agreement were \$0 and \$1,228,140 for the years 2023 and 2024, respectively.

Tax Sharing Agreement: Effective October 6, 2017, ONG and its subsidiaries entered into a Tax Sharing Agreement (Agreement). Under the terms of the Agreement, ONG will act as a clearinghouse, to collect tax liabilities and distribute tax benefits among the participants. Each member's tax liability or benefit is computed on a separate entity basis as if they filed a stand-alone return. An amendment was made on July 1, 2023, to include the Company as a party to the Agreement. On October 11, 2023, the Company filed an amendment with the CDI, in accordance with CIC Section 1215.5(b)(4), which was approved on January 16, 2024. During 2023 and 2024, federal income taxes paid by the Company totaled \$16,182 and \$629,774, respectively.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in California, Nevada, Oregon, and Washington.

Prior to 2021, the Company wrote commercial automobile liability and automobile physical damage, catering to its niche market in commercial trucking. In the 3rd Quarter of 2020, the Company ceased writing new business and began non-renewing its existing policies. In 2021, the Company went into run-off.

In 2023, the Company was acquired and amended its California Certificate of Authority to include the workers' compensation line of business. Direct written premium during 2024 totaled \$52,468,488 in workers' compensation in the state of California.

The Company writes business through Omaha National Underwriters, LLC, its affiliate and general agent.

REINSURANCE

Intercompany Pooling Agreement

Effective July 1, 2024, the Company and Omaha National Insurance Company (ONIC), its parent and a Nebraska insurer, entered into an Intercompany Pooling Agreement (Agreement). The Company's participation in the pool is 65%, and ONIC's participation is 35%. Under the terms of the Agreement, ONIC cedes and the Company assumes 100% of ONIC's net liabilities. The cessions from ONIC are combined with the Company's business, resulting in the pooled balance to be allocated to each member by participating percentage. The Agreement was approved by the California Department of Insurance on June 27, 2024.

Assumed

The Company assumed an immaterial amount of business from the California Commercial Auto Insurance Procedures (CAIP). As the Company no longer writes commercial automobile line of business, this is in run-off.

Ceded

The following is a summary of the principal ceded reinsurance treaties in-force as of December 31, 2024:

Line of Business and Type of Contract	Reinsurer's Name	Company's Retention	Reinsurer's Limit
Quota Share	<u>Authorized</u> 19.0% Allianz Reinsurance America, Inc. 15.0% Everspan Insurance Company 15.0% Renaissance Reinsurance U.S. Inc 2.5% Safety National Casualty Corporation 2.5% XL Reinsurance America, Inc <u>Non-authorized</u> 4.0% FG Reinsurance Ltd 2.0% Cover Reinsurance SPC, LTD	40%	\$1,000,000

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 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 reported 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>	<u>Ledger and Nonledger Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>	<u>Notes</u>
Bonds	\$ 39,965,627	\$	\$ 39,965,627	
Cash and short-term investments	36,615,780		36,615,780	
Investment income due and accrued	228,977		228,977	
Premiums and agents' balances in course of collection	3,691,245		3,691,245	
Premiums, agents' balances and installments booked but deferred and not yet due (including \$2,345,987 earned but unbilled premiums.	73,923,259	234,599	73,688,660	
Amount recoverable from reinsurers	2,777,461		2,777,461	
Funds held by or deposited with reinsured companies	7,010,789		7,010,789	
Net deferred tax asset	1,892,974		1,892,974	
Aggregate write-ins for other than invested assets	<u>2,749,620</u>	<u>10,482</u>	<u>2,739,138</u>	
Total assets	<u>\$ 168,855,732</u>	<u>\$ 245,081</u>	<u>\$ 168,610,651</u>	
 <u>Liabilities, Surplus and Other Funds</u>			<u>Current Year</u>	<u>Notes</u>
Losses and loss adjustment expenses			\$ 32,235,322	(1)
Reinsurance payable on paid loss and loss adjustment expenses			7,494,124	
Loss adjustment expenses			5,360,503	(1)
Commissions payable, contingent commissions and other similar charges			5,986,588	
Other expenses			138,423	
Taxes, licenses and fees			4,617,460	
Current federal and foreign income taxes			656,114	
Unearned premiums			21,984,968	
Ceded reinsurance premiums payable			38,703,865	
Funds held by company under reinsurance treaties			552,080	
Payable to parent, subsidiaries, and affiliates			1,491,727	
Aggregate write-ins for liabilities			<u>2,682,450</u>	
Total liabilities			121,903,624	
Common capital stock		3,000,000		
Gross paid-in and contributed surplus		35,522,121		
Unassigned funds (surplus)		<u>8,184,906</u>		
Surplus as regards policyholders			<u>46,707,027</u>	
Total liabilities, Surplus, and other funds			<u>\$ 168,610,651</u>	

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

Statement of Income

Underwriting Income

Premium earned	\$ 48,655,063
Deduction:	
Losses and loss expenses incurred	26,767,126
Loss adjustment expenses incurred	5,909,246
Other underwriting expenses incurred	<u>22,695,628</u>
Total underwriting deductions	<u>55,372,000</u>
Net underwriting loss	(6,716,937)

Investment Income

Net investment income earned	1,308,936
Net realized capital gain	<u>44,566</u>
Net investment gain	1,353,502

Other Income

Aggregate write-ins for miscellaneous income	<u>15</u>
Total other income	<u>15</u>

Net loss before dividends to policyholders, after capital gains tax and before federal and foreign income taxes	(5,363,420)
Net loss after dividends to policyholders, after capital gains tax and before federal and foreign income taxes	(5,363,420)
Federal and foreign income taxes incurred	<u>629,774</u>
Net loss	<u>\$ (5,993,194)</u>

Capital and Surplus Account

Surplus as regards policyholders, December 31, 2023	\$ 18,277,879
Net loss	\$ (5,993,194)
Change in net unrealized capital gains	(769)
Change in net deferred income tax	1,871,941
Change in nonadmitted assets	(170,951)
Surplus adjustments: Paid-in	<u>32,722,121</u>
Change in surplus as regards policyholders for the year	<u>28,429,148</u>
Surplus as regards policyholders, December 31, 2024	<u>\$ 46,707,027</u>

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

Surplus as regards policyholders, December 31, 2019			\$ 22,984,305
	Gain in Surplus	Loss in Surplus	
Net income	\$	\$	3,949,317
Net unrealized capital gains			769
Change in net deferred income tax	1,341,992		
Change in nonadmitted assets		196,245	
Surplus adjustment: Paid-in	32,722,121		
Dividends to stockholders		6,195,060	
Total gains and losses	<u>\$ 34,064,113</u>	<u>\$ 10,341,391</u>	
Net increase in surplus as regards policyholders			<u>23,722,722</u>
Surplus as regards policyholders, December 31, 2024			<u>\$ 46,707,027</u>

COMMENTS ON FINANCIAL STATEMENT ITEMS

(1) Losses and Loss Adjustment Expenses

A Casualty Actuary from the California Department of Insurance reviewed the Actuarial Report as of December 31, 2024, prepared by the Company's actuary and concurred with the actuary's conclusion that the Company's loss and loss adjustment expense reserves as of December 31, 2024, were reasonable and have been accepted for purposes of this examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

Current Report of Examination

Accounts and Records – It is recommended that the Company implement procedures to ensure that it files its Annual Information Statement in a timely manner in accordance with California Insurance Code Section 701.

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,

Kenneth Garcia, AFE
Examiner-In-Charge
Associate Insurance Examiner
Department of Insurance
State of California

Anjanette Briggs, CFE
Senior Insurance Examiner, Supervisor
Department of Insurance
State of California