North Rock Insurance Company Limited

(A Wholly Owned Subsidiary of Continental Casualty Company)

Condensed General Purpose Financial Statements
as at and for the Year Ended 31 December 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors of
North Rock Insurance Company Limited
Hamilton, Bermuda

We have audited the accompanying condensed financial statements of North Rock Insurance Company Limited (the "Company"), which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2020 and 2019, and the related condensed statements of income for the years then ended, and the related notes to the condensed financial statements.

Management's Responsibility for the Condensed Financial Statements

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of The Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the "Legislation"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these condensed financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 3 of the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the condensed financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Legislation described in Note 3.

Deloitte and Touche LLP

April 23, 2021

CONDENSED BALANCE SHEET

NORTH ROCK INSURANCE COMPANY LIMITED
AS AT 31 DECEMBER 2020
(EXPRESSED IN UNITED STATES DOLLARS)

Line No.		2020	2019
	ASSETS		
1.	**Cash and cash equivalents**	$ 11,016,068	$ 9,084,647
2.	**Quoted investments:**		
(a)	Bonds and debentures		
	(i) Held to maturity	—	—
	(ii) Other	50,917,110	45,225,512
(b)	Total bonds and debentures	50,917,110	45,225,512
(c)	Equities		
	(i) Common stocks	—	—
	(ii) Preferred stocks	—	—
	(iii) Mutual funds	—	—
(d)	Total equities	—	—
(e)	Other quoted investments	—	—
(f)	Total quoted investments	50,917,110	45,225,512
3.	**Unquoted investments:**		
(a)	Bonds and debentures		
	(i) Held to maturity	—	—
	(ii) Other	—	—
(b)	Total bonds and debentures	—	—
(c)	Equities		
	(i) Common stocks	—	—
	(ii) Preferred stocks	—	—
	(iii) Mutual funds	—	—
(d)	Total equities	—	—
(e)	Other unquoted investments	—	—
(f)	Total unquoted investments	—	—
4.	**Investments in and advances to affiliates:**		
(a)	Unregulated entities that conduct ancillary services	—	—
(b)	Unregulated non-financial operating entities	—	—
(c)	Unregulated financial operating entities	—	—
(d)	Regulated non-insurance financial operating entities	—	—
(e)	Regulated insurance financial operating entities	—	—
(f)	Total investments in affiliates	—	—
(g)	Advances to affiliates	—	—
(h)	Total investments in and advances to affiliates	—	—
5.	**Investments in mortgage loans on real estate:**		
(a)	First liens	—	—
(b)	Other than first liens	—	—
(c)	Total investment in mortgage loans on real estate	—	—
6.	**Policy loans**	—	—
7.	**Real estate:**		
(a)	Occupied by the Company (less encumbrances)	—	—
(b)	Other properties (less encumbrances)	—	—
(c)	Total real estate	—	—
8.	**Collateral loans**	—	—
9.	**Investment income due and accrued**	333,470	322,611

See accompanying Notes to Condensed General Purpose Financial Statements.

Line No.		2020	2019
10.	**Accounts and premiums receivable:**		
(a)	In course of collection	5,508,748	8,511,298
(b)	Deferred - not yet due	—	—
(c)	Receivables from retrocessional contracts	—	—
(d)	Total accounts and premiums receivable	5,508,748	8,511,298
11.	**Reinsurance balances receivable:**		
(a)	Foreign affiliates	—	—
(b)	Domestic affiliates	—	—
(c)	Pools & associations	—	—
(d)	All other insurers	—	—
(e)	Total reinsurance balances receivable	—	—
12.	**Funds held by ceding reinsurers**	—	—
13.	**Sundry assets:**		
(a)	Derivative instruments	—	—
(b)	Segregated accounts - Long-term business - variable annuities	—	—
(c)	Segregated accounts - Long-term business - other	—	—
(d)	Segregated accounts - General business	—	—
(e)	Deposit assets	—	—
(f)	Deferred acquisition costs	183,860	116,507
(g)	Net receivables for investments sold	—	—
(h)	Other sundry assets 1 - Deferred tax asset	77,133	368,017
(i)	Other sundry assets 2 - N/A	—	—
(j)	Other sundry assets 3 - N/A	—	—
(k)	Total sundry assets	260,993	484,524
14.	**Letters of credit, guarantees and other instruments:**		
(a)	Letters of credit	—	—
(b)	Guarantees	—	—
(c)	Other instruments	—	—
(d)	Total letters of credit, guarantees and other instruments	—	—
15.	**Total**	$ 68,036,389	$ 63,628,592
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND CAPITAL AND SURPLUS		
16.	**Unearned premium reserve:**		
(a)	Gross unearned premium reserves	$ 667,262,043	$ 603,255,067
(b)	Less: Ceded unearned premium reserve		
	(i) Foreign affiliates	—	—
	(ii) Domestic affiliates	—	—
	(iii) Pools & associations	—	—
	(iv) All other reinsurers	662,004,782	600,382,214
(c)	Total ceded unearned premium reserve	662,004,782	600,382,214
(d)	Net unearned premium reserve	5,257,261	2,872,853
17.	**Loss and loss expense provisions:**		
(a)	Gross loss and loss expense provisions	43,337,639	39,945,244
(b)	Less: Reinsurance recoverable balance		
	(i) Foreign affiliates	6,900,170	6,999,163
	(ii) Domestic affiliates	—	—
	(iii) Pools & associations	—	—
	(iv) All other reinsurers	28,960,070	26,760,581
(c)	Total reinsurance recoverable balance	35,860,240	33,759,744
(d)	Net loss and loss expenses provisions	7,477,399	6,185,500
18.	**Other general business insurance reserves**	—	—
19.	**Total general business insurance reserves**	12,734,660	9,058,353

See accompanying Notes to Condensed General Purpose Financial Statements.

Line No.		2020	2019
	LONG-TERM BUSINESS INSURANCE RESERVES [1]		
20.	**Reserve for reported claims**	—	—
21.	**Reserve for unreported claims**	—	—
22.	**Policy reserves - Life**	—	—
23	**Policy reserves - Accident and Health**	—	—
24.	**Policyholders' funds on deposit**	—	—
25.	**Liability for future policyholders' dividends**	—	—
26.	**Other long-term business insurance reserves**	—	—
27.	**Total long-term business insurance reserves:**		
(a)	Total gross long-term business insurance reserves	—	—
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign affiliates	—	—
	(ii) Domestic affiliates	—	—
	(iii) Pools & associations	—	—
	(iv) All other reinsurers	—	—
(c)	Total reinsurance recoverable balance	—	—
(d)	Total net long-term business insurance reserves	—	—
	OTHER LIABILITIES		
28.	**Insurance and reinsurance balances payable**	11,325,798	13,682,587
29.	**Commissions, expenses, fees and taxes payable**	3,026,032	2,783,687
30.	**Loans and notes payable**	—	—
31.	**(a) Income taxes payable**	155,347	129,727
	(b) Deferred income taxes	—	—
32.	**Amounts due to affiliates**	217,274	246,072
33.	**Accounts payable and accrued liabilities**	—	—
34.	**Funds held under reinsurance contracts**	—	—
35.	**Dividends payable**	—	—
36.	**Sundry liabilities:**		
(a)	Derivative instruments	—	—
(b)	Segregated accounts companies	—	—
(c)	Deposit liabilities	114,875	616,620
(d)	Net payable for investments purchased	—	—
(e)	Other sundry liabilities 1 - Advance premium	9,250	8,279
(f)	Other sundry liabilities 2 - N/A	—	—
(g)	Other sundry liabilities 3 - N/A	—	—
(h)	Total sundry liabilities	124,125	624,899
37.	**Letters of credit, guarantees and other instruments:**		
(a)	Letters of credit	—	—
(b)	Guarantees	—	—
(c)	Other instruments	—	—
(d)	Total letters of credit, guarantees and other instruments	—	—
38.	**Total other liabilities**	14,848,576	17,466,972
39.	**Total insurance reserves and other liabilities**	27,583,236	26,525,325
	CAPITAL AND SURPLUS		
40.	**Total capital and surplus**	40,453,153	37,103,267
41.	**Total**	$ 68,036,389	$ 63,628,592

(1) The Company does not write any long-term business.

See accompanying Notes to Condensed General Purpose Financial Statements.

CONDENSED STATEMENT OF INCOME

NORTH ROCK INSURANCE COMPANY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020
(EXPRESSED IN UNITED STATES DOLLARS)

Line No.		2020	2019
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	**Gross premiums written:**		
(a)	Direct gross premiums written	$ 177,475,146	$ 173,759,137
(b)	Assumed gross premiums written	38,435,381	40,513,875
(c)	Total gross premiums written	215,910,527	214,273,012
2.	**Reinsurance premiums ceded**	210,989,641	213,456,010
3.	**Net premiums written**	4,920,886	817,002
4.	**Increase (decrease) in unearned premiums**	2,384,408	(1,094,762)
5.	**Net premiums earned**	2,536,478	1,911,764
6.	**Other insurance income**	3,057,809	2,713,633
7.	**Total general business underwriting income**	5,594,287	4,625,397
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	**Net losses incurred and net loss expenses incurred**	1,689,284	1,350,286
9.	**Commissions and brokerage**	2,664,350	2,336,486
10.	**Total general business underwriting expenses**	4,353,634	3,686,772
11.	**Net underwriting profit (loss) - General business**	1,240,653	938,625
	LONG-TERM BUSINESS INCOME (1)		
12.	**Gross premiums and other consideration:**		
(a)	Direct gross premiums and other considerations	—	—
(b)	Assumed gross premiums and other considerations	—	—
(c)	Total gross premiums and other considerations	—	—
13.	**Premiums ceded**	—	—
14.	**Net premiums and other considerations:**		
(a)	Life	—	—
(b)	Annuities	—	—
(c)	Accident and Health	—	—
(d)	Total net premiums and other considerations	—	—
15.	**Other insurance income**	—	—
16.	**Total long-term business income**	—	—
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES (1)		
17.	**Claims - Life**	—	—
18.	**Policyholders' dividends**	—	—
19.	**Surrenders**	—	—
20.	**Maturities**	—	—
21.	**Annuities**	—	—
22.	**Accident and Health benefits**	—	—
23.	**Commissions**	—	—
24.	**Other**	—	—
25.	**Total long-term business deductions and expenses**	—	—
26.	**Increase (decrease) in policy reserves (actuarial liabilities):**		
(a)	Life	—	—
(b)	Annuities	—	—
(c)	Accident and Health	—	—
(d)	Total increase (decrease) in policy reserves	—	—
27.	**Total long-term business expenses**	—	—
28.	**Net underwriting profit (loss) - Long-term business**	—	—
29.	**Combined net underwriting results before the undernoted items**	1,240,653	938,625

(1) The Company does not write any long-term business.

See accompanying Notes to Condensed General Purpose Financial Statements.

Line No.		2020	2019
	UNDERNOTED ITEMS		
30.	**Combined operating expense:**		
(a)	General and administration	508,085	282,780
(b)	Personnel cost	—	—
(c)	Other	—	—
(d)	Total combined operating expenses	508,085	282,780
31.	**Combined investment income - net**	1,298,457	1,467,489
32.	**Combined other income (deductions)**	—	—
33.	**Combined income before taxes**	2,031,025	2,123,334
34.	**Combined income taxes (if applicable):**		
(a)	Current	586,348	510,521
(b)	Deferred	(159,832)	(61,042)
(c)	Total	426,516	449,479
35.	**Combined income before realized gains (losses)**	1,604,509	1,673,855
36.	**Combined realized gains (losses)**	62,387	579
37.	**Combined interest charges**	—	—
38.	**Net income**	$ 1,666,896	$ 1,674,434

See accompanying Notes to Condensed General Purpose Financial Statements.

CONDENSED STATEMENT OF CAPITAL AND SURPLUS

NORTH ROCK INSURANCE COMPANY LIMITED
AS AT 31 DECEMBER 2020
(EXPRESSED IN UNITED STATES DOLLARS)

LINE No.		2020	2019
1.	**Capital:**		
(a)	Capital stock:		
	(i) Common shares ($1.00 par value; 1,000,000 shares authorized; 1,000,000 shares issued and fully paid)	$ 1,000,000	$ 1,000,000
	(ii) Preferred shares (no authorized shares)	—	—
	(iii) Treasury shares (no repurchased shares)	—	—
(b)	Contributed surplus	15,538,750	15,538,750
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	—	—
	(ii) Guarantees and others	—	—
	(iii) Total any other fixed capital	—	—
(d)	Total capital	16,538,750	16,538,750
2.	**Surplus:**		
(a)	Surplus - beginning of year	20,564,517	16,835,357
(b)	Add: Income for the year	1,666,896	1,674,434
(c)	Less: Dividends paid and payable	—	—
(d)	Add (deduct) change in unrealized appreciation (depreciation) of investments	1,682,990	2,054,726
(e)	Add (deduct) change in any other surplus	—	—
(f)	Surplus - end of year	23,914,403	20,564,517
3.	**Minority Interest**	—	—
4.	**Total capital and surplus**	$ 40,453,153	$ 37,103,267

See accompanying Notes to Condensed General Purpose Financial Statements.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS

General Notes to the Financial Statements

1. North Rock Insurance Company Limited (the Company) was incorporated in Bermuda in 1994 and is a wholly owned subsidiary of Continental Casualty Company (CCC). CCC is an indirect wholly owned subsidiary of CNA Financial Corporation (CNAF), a company incorporated in the United States. CNAF was approximately 89.6% owned by Loews Corporation (Loews) at 31 December 2020.

2. The Company, as a licensed Class 3A insurer, writes auto warranty business and punitive damages business on a direct basis. The Company also reinsures business through assuming risks from affiliated companies.

   The Company has an assumed reinsurance agreement with The Continental Insurance Company (CIC), an affiliated company, for auto warranty business. The majority of this business is retroceded to a number of auto-dealer captives incorporated in Bermuda and Turks and Caicos. Assumed gross premiums written were $38,435,381 for 2020. Net premiums written related to this agreement were $591,351 in 2020. Net losses incurred and net loss expenses incurred related to this agreement during 2020 were $4,868 due to commuted auto-dealer captive accounts.

   The Company writes auto warranty business under a contractual liability insurance policy issued to Continental Service Provider, an affiliated company. Gross premiums written were $174,556,494 for 2020. Net premiums written related to this agreement were $1,410,883 in 2020. Net losses incurred and net loss expenses incurred related to this agreement during 2020 were $130,922 due to commuted auto-dealer captive accounts. The business is produced by CNA National Warranty Corporation (CNAN), also an affiliated company. The majority of this business is retroceded to a number of auto-dealer captives incorporated in Bermuda and Turks and Caicos.

   The Company mitigates its credit risk related to reinsurance ceded to the auto-dealer captives by obtaining collateral, generally in amounts equal to or exceeding 102% of ceded unearned premium reserves. CNAN has also agreed to indemnify the Company for any expenses incurred related to business assumed from CIC and its affiliated insurance companies and retroceded to captive reinsurance companies affiliated with dealers and agents of CNAN.

   The Company writes and retains punitive damages coverage with insured limits up to $25 million. Net premiums written and Net losses incurred and net loss expenses incurred during 2020 were $2,918,652 and $1,553,494, respectively.

   In prior years, the Company also wrote fully funded Exposure Buyback Programs. These programs covered the deductible layer on Workers Compensation and General Liability Insurance policies on a per occurrence basis. The Company's remaining liability on these programs is limited to premiums received plus investment income thereon. At 31 December 2020, the Company's maximum liability under these programs was $114,875, which related to one insured.

   Although the Company reinsures the majority of its warranty business, the reinsurance contracts do not discharge the primary liability of the Company. Failure of reinsurers, including the aforementioned captives, to honor their obligations could result in losses to the Company.

   Due to the significance of the related party transactions between the Company and affiliates of CNAF, the financial statements of the Company may not be indicative of the conditions that would have existed or the results that would have been achieved if the Company had operated independently of CNAF and its affiliates. Certain immaterial expenses incurred by CCC on behalf of the Company are not subject to reimbursement.

3. The Condensed General Purpose Financial Statements have been prepared in accordance with accounting practices prescribed or permitted in Bermuda by the Insurance Act of 1978 and the Insurance Account Rules 2016.

4. On 1 January 2020, the Company adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The updated accounting guidance predominantly applies to the Company's bonds and reinsurance recoverables. For available-for-sale bonds carried at fair value, estimated credit losses will continue to be measured at the present value of expected cash flows, but will now be recorded through an allowance rather than as a write-down of amortized cost. For assets measured at cost, the guidance requires immediate recognition of estimated credit losses over the life of the asset and presentation of the asset at the net amount expected to be collected. The Company adopted the updated guidance prospectively for bonds and using the modified retrospective method for reinsurance recoverables. While the updated guidance changed the criteria for recognition of estimated credit losses, the Company recorded no estimated credit losses upon adoption on 1 January 2020, or for the year ended 31 December 2020, and therefore the updated guidance had no impact on the Company's Condensed General Purpose Financial Statements for the year ended 31 December 2020.

Significant accounting policies are as follows:

a) Cash and cash equivalents include cash as well as a money market fund. Amounts are stated at cost, which approximates fair value.

b) Quoted investments are carried at fair value with unrealized gains or losses treated as a separate component of surplus. The amortized cost of bonds is adjusted for amortization of premiums and accretion of discounts, which are included in Combined investment income - net on the Condensed Statement of Income. The amortization of premium and accretion of discount for bonds takes into consideration call and maturity dates that produce the lowest yield.

A security is impaired if the fair value of the security is less than its cost adjusted for accretion, amortization and allowance for credit losses. When a security is impaired, it is evaluated to determine whether the Company intends to sell the security before recovery of amortized cost or whether a credit loss exists. Losses on bonds that the Company intends to sell, or it more likely than not will be required to sell before recovery of amortized cost, are recognized as impairment losses within Combined realized gains (losses) on the Condensed Statement of Income. If a credit loss exists, an allowance is established and the corresponding amount is recognized as an impairment loss within Combined realized gains (losses) on the Condensed Statement of Income. The allowance for credit losses on bonds is the difference between the present value of cash flows expected to be collected and the amortized cost basis, limited by the amount that the fair value is less than the amortized cost basis. In subsequent periods, the allowance is reviewed, with any changes in the allowance presented as a component of Combined realized gains (losses) on the Condensed Statement of Income. Changes in the difference between the amortized cost basis, net of the allowance, and the fair value, are recognized as changes in unrealized appreciation (depreciation) of investments on the Condensed Statement of Capital and Surplus. There were no impairment losses for the year ended 31 December 2020.

Purchases and sales of all securities are recorded on the trade date. Realized investment gains and losses are determined on the basis of the cost or amortized cost, net of any allowance for credit losses, of the specific securities sold.

c) The Company previously entered into fully funded Exposure Buyback Programs for which the deposit method of accounting was adopted as there was no significant transfer of insurance risk to the Company. The deposit method of accounting requires that premium paid or received by the Company be accounted for as a deposit asset or liability. At 31 December 2020, deposit liabilities of $114,875 were reflected in Sundry liabilities on the Condensed Balance Sheet. Interest expense on premium funds recorded as deposit liabilities is recorded, based on rates of return specified in the contracts, as a reduction to Combined investment income - net on the Condensed Statement of Income.

d) Loss and loss expense provisions on the Condensed Balance Sheet represent the Company's estimate of the ultimate cost of incurred losses, including losses incurred but not reported, which are unpaid at year end. See Notes to the Condensed Balance Sheet, Note 17.

Apart from the adoption of ASU 2016-13, there were no significant changes in accounting policy during the year.

5. The basis of recognition of premium, investment and commission income is as follows:

a) Premiums on auto warranty contracts are recognized as revenue in proportion to the pattern of incurred losses that is expected to occur over the duration of the policies, based on the Company's historical experience. Premiums on punitive damages contracts are earned ratably over the duration of the policies.

b) Investment income is accounted for on an accrual basis and includes amortization of premium or accretion of discount net of interest expense on funds held liabilities.

c) The unearned portion of ceding commission revenue is recorded as Commissions, expenses, fees and taxes payable on the Condensed Balance Sheet and earned ratably over the contract period.

6 - 12. Not applicable.

13. The fair value hierarchy of investments is based on the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly.

Level 3: Unobservable inputs.

The following provides fair value hierarchy for all quoted and unquoted investments.

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total Assets at Fair Value**
Assets				
Fixed maturity securities:				
Corporate and other taxable bonds	$ —	$ 30,521,728	$ —	$ 30,521,728
Residential mortgage-backed	—	7,145,392	—	7,145,392
U.S Treasury and obligations of government-sponsored enterprises	1,250,293	—	—	1,250,293
Total fixed maturity securities	1,250,293	37,667,120	—	38,917,413
Short term investments	11,999,697	—	—	11,999,697
Total assets	$ 13,249,990	$ 37,667,120	$ —	$ 50,917,110

14. The following provides the contractual maturity profile of the Company's fixed maturity and short term investments. Actual maturities may differ from contractual maturities because certain securities may be called or prepaid. Securities not due on a single date are allocated based on weighted average life.

31 December	**2020**	
	Cost or Amortized Cost	**Estimated Fair Value**
Due in one year or less	$ 11,999,580	$ 11,999,697
Due after one year through five years	16,063,883	17,333,443
Due after five years through ten years	14,603,668	16,370,891
Due after ten years	4,179,756	5,213,079
Total	$ 46,846,887	$ 50,917,110

15. The components of Amounts due to affiliates, net are presented in the following table:

31 December	**2020**
Due to CCC	$ 236,646
Due from CIC	(19,372)
Amounts due to affiliates	$ 217,274

The amounts above relate to intercompany claim and general and administration expenses and are generally settled on a monthly basis. See Notes to the Condensed Balance Sheet, Note 10b for Accounts and premium receivable - In course of collection related to affiliated entities. For additional information regarding related party transactions see General Notes to the Financial Statements, Note 2.

16. Not applicable.

17. There is no difference between the total Bermuda statutory capital and surplus as reported herein and Stockholder's equity based on accounting principles generally accepted in the United States of America (U.S. GAAP).

Notes to the Statement of Capital and Surplus

1(a) Capital Stock

As respects authorized capital stock there shall be disclosed severally—

a) There are 1,000,000 shares authorized of U.S. dollars $1.00 each. All shares have equal rank. All of the authorized shares are issued and fully paid.

b) Not applicable.

c) Not applicable.

d) Not applicable.

1(b) Not applicable.

2(c) No dividends were declared and paid to CCC for the year ended 31 December 2020.

Notes to the Condensed Balance Sheet

1. Not applicable.

2. Debt securities are valued using quoted market prices, if available. If quoted prices are not available, debt securities are valued using methodologies based on information generated by market transactions involving identical or comparable assets, discounted cash flow methodologies or a combination of both when necessary. Common inputs include prices from recently executed transactions of similar securities, marketplace quotes, benchmark yields, spreads off benchmark yields, interest rates and U.S. Treasury or swap curves.

3 - 8. Not applicable.

9. Investment income due and accrued was $333,470 at 31 December 2020.

10. a) Not applicable.

b) Accounts and premiums receivable included $5,508,748 in course of collection, primarily with affiliated entities at 31 December 2020.

11 - 12. Not applicable.

13. a) Sundry assets include deferred acquisition costs and the deferred tax asset.

b) Not applicable.

14. Not applicable.

16. The reserve for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage.

17.

a)

31 December		2020		2019
General Business Reserves				
Gross loss and loss expense provisions at beginning of year	$	39,945,244	$	30,331,078
Less: Reinsurance recoverable at beginning of year		33,759,744		25,472,615
Net loss and loss expense provisions at beginning of year		6,185,500		4,858,463
Net losses incurred and net loss expenses incurred related to:				
(a) Current year		1,689,284		1,273,616
(b) Prior years		—		76,670
Total net losses incurred and net loss expenses incurred		1,689,284		1,350,286
Less: Losses and loss expenses paid or payable related to:				
(a) Current year		397,385		23,249
(b) Prior years		—		—
Total losses and loss expenses paid or payable		397,385		23,249
Net loss and loss expense provisions at end of year		7,477,399		6,185,500
Add: Reinsurance recoverable at end of year		35,860,240		33,759,744
Gross loss and loss expense provisions at end of year	$	43,337,639	$	39,945,244

b) Loss and loss expense provisions represent the estimated amounts necessary to resolve all outstanding claims, including claims that are incurred but not reported as of the reporting date. The Company's reserve projections are based primarily on detailed analysis of the facts in each case, experience with similar cases and various historical development patterns. Consideration is given to historical patterns such as claims settlement practices, loss payments, pending levels of unpaid claims and product mix, as well as court decisions, economic conditions including inflation and public attitudes.

Establishing Loss and loss expense provisions is an estimation process. Many factors can ultimately affect the final settlement of a claim and therefore, the necessary reserve. Changes in the law, results of litigation, medical costs, the cost of repair materials and labor rates can all affect ultimate claim costs. In addition, time can be a critical part of reserving determinations since the longer the span between the incidence of a loss and the payment or settlement of the claim, the more variable the ultimate settlement amount can be. Adjustments to prior year reserve estimates, if necessary, are reflected on the Condensed Statement of Income in the period that the need for such adjustments is determined.

c) Not applicable.

20 - 27. Not applicable.

28. Insurance and reinsurance balances payable to third parties was $11,325,798 at 31 December 2020.

29. Unearned ceding commission revenue was $3,026,032 at 31 December 2020 related to auto warranty business retroceded to the auto-dealer captives. See General Notes to the Financial Statements, Note 5c and Notes to the Condensed Statement of Income, Note 6.

30. Not applicable.

31. The Company is a member of CNAF's consolidated tax group (CNA Tax Group) through its election under Internal Revenue Code Section 953(d), which subjects the Company to U.S. income taxes as a domestic U.S. insurance company. The CNA Tax Group is included in the consolidated U.S. federal income tax return of Loews and its eligible subsidiaries. CNAF has a policy whereby each eligible subsidiary, including the Company, will pay to, or receive from, CNAF the amount of U.S. federal income tax it would have incurred or been entitled to recover, if that entity were filing its own U.S. federal income tax return.

a) In accordance with the income tax policy noted above, the Company's federal income taxes payable at 31 December 2020 of $155,347 was due to CNAF and is generally settled on a quarterly basis.

b) The net deferred tax asset was $77,133 at 31 December 2020.

32. Amounts due to affiliates was $217,274 at 31 December 2020. See General Notes to the Financial Statements, Note 15.

33 -35. Not applicable.

36. a) Sundry liabilities primarily include deposit liabilities. See General Notes to the Financial Statements, Note 4c.

b) Not applicable.

37. Not applicable.

Notes to the Condensed Statement of Income

6. Other insurance income represents earned ceding commission revenue of $3,057,809. See General Notes to the Financial Statements, Note 5c.

15. Not applicable.

32. Not applicable.

36. Combined realized gains (losses) represent net capital gains (losses), net of tax, arising from the sale of investments as well as any impairment losses, including losses on investments that the Company intends to sell and changes in the allowance for credit losses. See General Notes to the Financial Statements, Note 4b.