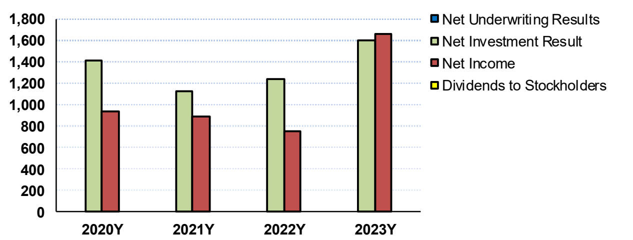
CM VANTAGE SPECIALTY INSURANCE COMPANY, NAIC #15872
PARENT – Church Mutual Insurance Company

Dollars in 000

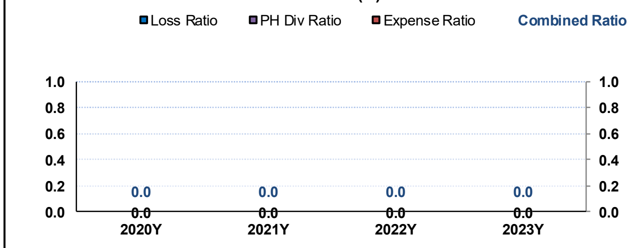
	2020Y	2021Y	2022Y	2023Y
Total Assets	74,483	80,065	86,373	83,026
Total Liabilities	18,854	23,461	29,213	25,634
Policyholder Surplus	55,629	56,605	57,160	57,393
Cash & Invested Assets	61,031	68,750	70,895	66,851
Cash & Invested Assets/ Total Asse	81.9%	85.9%	82.1%	80.5%
Net Cash from Operations	7,532	4,679	1,031	-9,903
Loss & LAE Reserves	0	0	0	0
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%

	2020Y	2021Y	2022Y	2023Y
RBC Ratio (%)	13,853.6	10,084.6	11,379.1	13,714.3
2yr Res Development	0	0	0	0
2yr Dev / Surplus	0.0%	0.0%	0.0%	0.0%
Affiliated Common Stck	0	0	0	0
Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Reins Recoverable	69,583	103,079	134,858	159,263
Net Reins Rec / Surplus	125.1%	182.1%	235.9%	277.5%
AMB / S&P Ratings	A / NR	A / NR	A / NR	A / NR

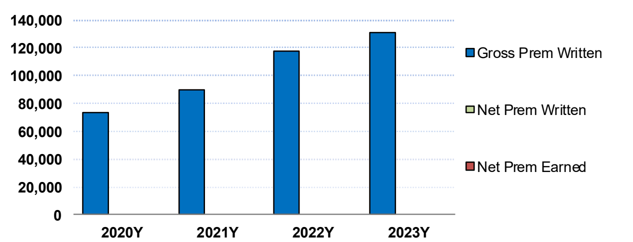
Income/Loss Trends ($000)



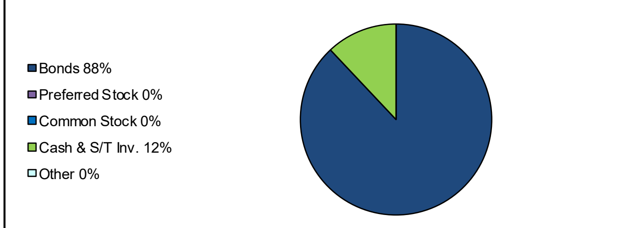
Combined Ratio (%) Trends



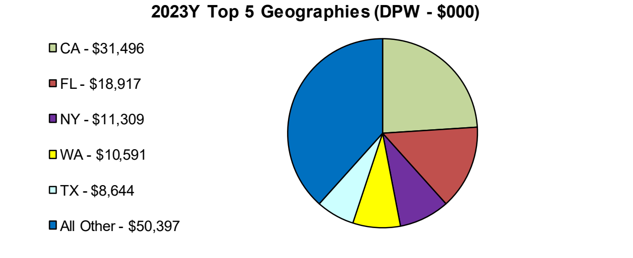
Premium Trends ($000)



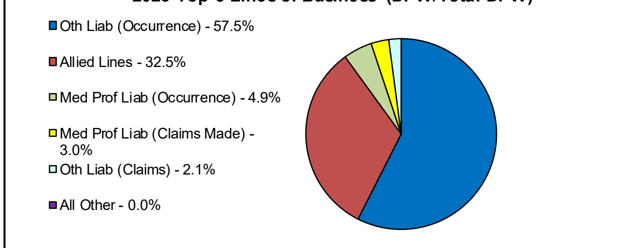
2023Y Investment Portfolio



2023Y Top 5 Geographies (DPW - $000)



2023 Top 5 Lines of Business (DPW/Total DPW)



Total NY State DPW	**$11,309**
Total US ex Terr DPW	**$131,353**
Total All Lines	**$131,353**

TOP 5 REINSURERS FOR CM VANTAGE SPECIALTY INS CO. BY GROSS RECOVERABLES
PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Church Mutual Insurance Company S.I.	US Affiliated Pooling	Authorized	169,852	0
2 - Arch Reinsurance Company	US Unaffiliated	Authorized	1,841	0
3 - Hannover Rück SE	Non-US Unaffiliated	Authorized	667	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	639	0
5 - Berkley Insurance Company	US Unaffiliated	Authorized	566	0

Important Information Regarding Financial Summaries

This financial summary contains information helpful to New York excess lines brokers in meeting their non-delegable duty to use “due care” in the selection of a financially secure excess line insurer. Definitions of the financial terms used in the summaries appear as pop-up boxes when hovering your mouse over the corresponding text. For additional guidance on assessing insurance company financial statements, please reference “ELANY COMPLIANCE ADVISOR: FUNDAMENTALS OF INSURANCE COMPANY FINANCIAL ANALYSIS”.

HISTORY

CM Vantage Specialty Insurance Company (CM Vantage) is a Wisconsin property/casualty insurance company that was incorporated on November 12, 2015, and commenced operation in 2016. CM Vantage is a wholly owned subsidiary of Church Mutual Insurance Company (CMIC). Effective January 2020, the company is a wholly owned subsidiary of Church Mutual Holding Company (CMHC), following a series of transactions that restructured the legal entity structure. The company has been eligible to write surplus lines business in New York since October 6, 2016. As of December 31, 2023, CM Vantage is a Wisconsin domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

CM Vantage writes primary and excess liability, and primary and excess property, for businesses associated with worship centers, schools, camps, daycare, education, healthcare and social assistance service providers. Effective January 1, 2016, the company entered into a 100% quota share agreement with its ultimate parent, CMIC. As a result of the 100% cession, no values are reported for net premiums written or earned, underwriting income and the various combined ratio trends. As such, the financial strength of the company is heavily dependent upon the credit risk of CMIC, as well as investment risk of its own investment portfolio. For the years 2020 through 2023, respectively, CM Vantage net reinsurance recoverable was shown as $70M, $103M, $135M and $159M, representing 125%, 182%, 236% and 277% of company surplus.

HOLDING COMPANY

Founded 1897 with headquarters in Merrill, WI, Church Mutual Insurance Holdings offer commercial and specialty property and casualty insurance coverages to worship related enterprises in the United States. AM Best collectively rates four (4) subsidiaries of Church Mutual, including CM Vantage Insurance Company. For the years 2020 through 2023, respectively, the group was rated ‘A’ and assigned the financial size of X ($500M - $750M). Church Mutual Insurance Company does not file publicly available financial data. A review of its required annual Policyholders Report showed it to possess Policyholder Equity of $764M.

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2024

Financial Term	Definition
2y Dev/Surplus (IRIS #12)	Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus.
2yr Res Development	The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years.
Affiliated Common Stock	The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries.
Affiliated CS / Surplus	The percentage of surplus that is comprised of investments in affiliates or subsidiaries.
AMB / S&P Ratings	Financial strength ratings from AM Best Company and Standard & Poor's.[1]
Cash & Invested Assets	Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities.
Cash & Invested Assets/Total Assets	A measure of liquidity that indicates the portion of assets held in cash or marketable securities.
Combined Ratio	A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit.
Dividends to Stockholders	Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors.
DPW – Direct Premiums Written	Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business.
Expense Ratio	The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs.
Gross Premiums	The total premium written and assumed by an insurer before deductions for reinsurance.
Loss & LAE Reserves	The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim.
Loss & LAE Reserves/Surplus	Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus.
Loss Ratio	The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business.
Net Cash from Operations	Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid.
Net Income	The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement.
Net Investment Result	The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks.
Net Premiums Earned	The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage.
Net Premiums Written	Represents gross premium written less reinsurance ceded.

Financial Term	Definition
Net Reins Rec / Surplus	Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus.
Net Reins Recoverable	The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers.
Net Underwriting Results	Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred.
PH Div Ratio	A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies
Policyholder Surplus	The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is $47 million.
RBC Ratio (%)	This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments. A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%. A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans. A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems. A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.
Total Assets	Assets that are permitted by state law to be included in the company's financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid.
Total Liabilities	A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due.

[1] AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. https://web.ambest.com/home

[1] S&P - Please see “Intro to Credit Ratings” at http://www.spglobal.com/understandingratings to learn more.