Invictus Insurance Exchange

California Homeowners Program

Explanatory Memorandum

On June 26, 2026, Builder Reciprocal Insurance Exchange completed its acquisition of Hallmark Insurance Company. Effective June 29, 2026, Hallmark Insurance Company was converted from a stock insurer to a reciprocal insurance exchange and renamed Invictus Insurance Exchange, the applicant in this filing.

The financial data auto-populated in the rate template from the NAIC database reflects the most recent consolidated statutory annual statement of the former Hallmark parent group. Those figures are not representative of the applicant. The transaction was an acquisition of Hallmark Insurance Company only — not the consolidated group — so the invested assets, reserves, and surplus should reflect Invictus Insurance Exchange on a stand-alone basis as of its post-closing opening balance sheet.

A reconciliation of the NAIC-loaded (group) amounts to the corrected stand-alone, post-closing figures is provided with this submission for the Department's reference.