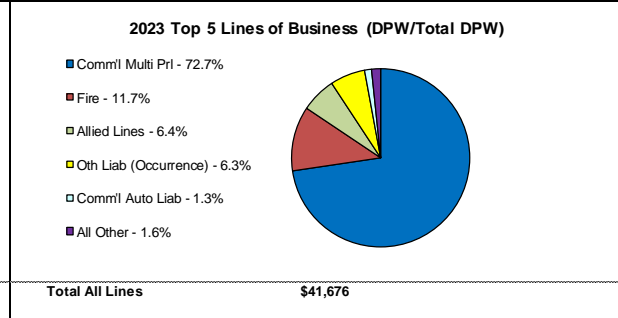
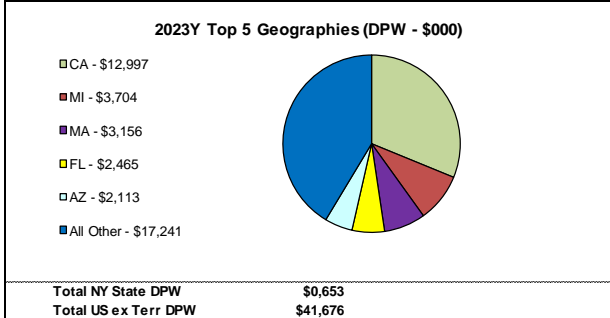
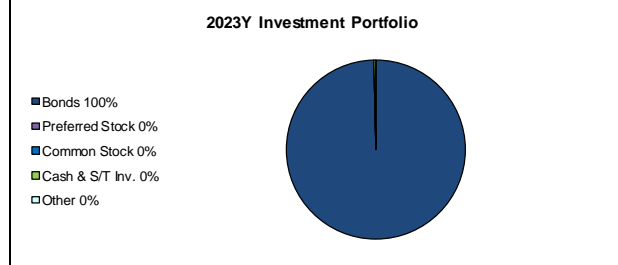
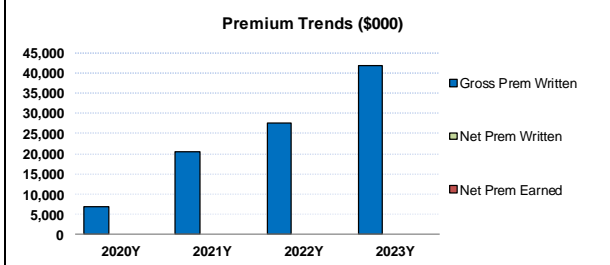
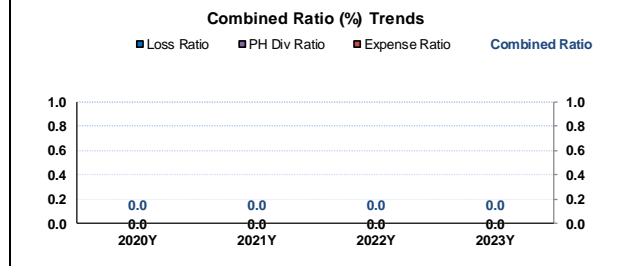
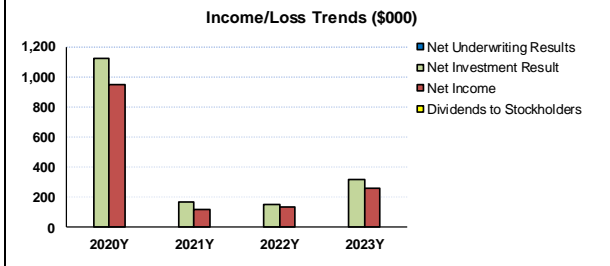




**AMERICAN FEDERATION INSURANCE COMPANY, NAIC #10245  
ZURICH INSURANCE GROUP**

Dollars in 000

|                                     | 2020Y  | 2021Y  | 2022Y  | 2023Y  |                         | 2020Y    | 2021Y    | 2022Y    | 2023Y    |
|-------------------------------------|--------|--------|--------|--------|-------------------------|----------|----------|----------|----------|
| Total Assets                        | 57,422 | 61,455 | 64,253 | 77,079 | RBC Ratio (%)           | 34,772.8 | 19,077.2 | 17,677.1 | 15,379.0 |
| Total Liabilities                   | 3,693  | 7,617  | 10,292 | 22,865 | 2yr Res Development     | 0        | 0        | 0        | 0        |
| Policyholder Surplus                | 53,729 | 53,838 | 53,962 | 54,214 | 2yr Dev/ Surplus        | 0.0%     | 0.0%     | 0.0%     | 0.0%     |
| Cash & Invested Assets              | 53,436 | 60,406 | 60,592 | 71,214 | Affiliated Common Stck  | 0        | 0        | 0        | 0        |
| Cash & Invested Assets/ Total Asses | 93.1%  | 98.3%  | 94.3%  | 92.4%  | Affiliated CS / Surplus | 0.0%     | 0.0%     | 0.0%     | 0.0%     |
| Net Cash from Operations            | 4,430  | 3,505  | -4,296 | 8,332  | Net Reins Recoverable   | 2,505    | 13,013   | 25,962   | 30,733   |
| Loss & LAE Reserves                 | 0      | 0      | 0      | 0      | Net Reins Rec / Surplus | 4.7%     | 24.2%    | 48.1%    | 56.7%    |
| Loss & LAE Reserves/Surplus         | 0.0%   | 0.0%   | 0.0%   | 0.0%   | AMB / S&P Ratings       | A/A      | A/A      | A/A      | A/A      |



**TOP 5 REINSURERS FOR AMERICAN FEDERATION INS CO. BY GROSS RECOVERABLES  
PERIOD: 2023Y**

Dollars in 000

| Reinsurer                            | Reinsurance Class                     | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|--------------------------------------|---------------------------------------|-------------------------|-------------|-----------------------|
| 1 - Hannover Rück SE                 | Non-US Unaffiliated                   | Certified               | 37,316      | 0                     |
| 2 - Farmers Insurance Exchange       | US Affiliated Non-captive Non-pooling | Authorized              | 8,007       | 0                     |
| 3 - Factory Mutual Insurance Company | US Unaffiliated                       | Authorized              | 1,548       | 0                     |
| 4 - Farmers Reinsurance Company      | US Affiliated Non-captive Non-pooling | Authorized              | 74          | 0                     |
| 5 -                                  | -                                     | -                       | -           | -                     |

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| Corporate Profile |   | Financial Strength Ratings |                       |
|-------------------|---|----------------------------|-----------------------|
| Address:          | Zurich Insurance Group AG<br>Mythenquai 2<br>Zurich, -, - | S&P Global:                | -                     |
| Website:          | <a href="http://www.zurich.com">www.zurich.com</a>        | Moody's:                   | #OUTSIDE SUBSCRIPTION |
| President :       | -   | Fitch:                     | -                     |
| Ticker Symbol:    | SWX: ZURN   | AM Best - P&C:             | -                     |
| SEC Filing:       | <a href="#">NA</a>  |                            |                       |

| Highlights (\$000)                | 2020Y             | 2021Y             | 2022Y             | 2023Y             |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets                      | 439,299,245       | 435,826,078       | 335,412,000       | 361,382,000       |
| Total Policy Reserves             | 358,376,089       | 346,685,980       | NA                | NA                |
| Total Debt                        | 16,643,760        | 18,368,897        | 18,096,000        | 17,580,000        |
| Total Other Liabilities           | 6,301,000         | 5,453,000         | 4,330,000         | 4,705,000         |
| Sep Account Liabilities           | 145,014,252       | 145,444,964       | NA                | NA                |
| Total Liabilities                 | 399,453,372       | 396,656,005       | 308,482,000       | 335,102,000       |
| <b>Total Equity</b>               | <b>39,845,873</b> | <b>39,170,073</b> | <b>26,930,000</b> | <b>26,280,000</b> |
| Total Liab & Equity               | 439,299,245       | 435,826,078       | 335,412,000       | 361,382,000       |
| Book Value / Share (\$)           | 257.77            | 255.45            | 173.11            | 172.65            |
| Reserves / Investments & Cash (x) | NA                | NA                | NA                | NA                |
| Reserves / Liabilities (x)        | 0.90              | 0.87              | NA                | NA                |
| Reserves / Equity (x)             | 8.99              | 8.85              | NA                | NA                |
| Debt / Equity (x)                 | 0.42              | 0.47              | 0.67              | 0.67              |
| Dec. 31 Closing Price (\$)        | 422.15            | 439.22            | 478.33            | 522.05            |
| Net Income (\$)                   | 4,071,442         | 5,425,285         | 4,299,000         | 4,717,000         |
| Basic EPS (\$)                    | 25.85             | 34.99             | 26.70             | 29.95             |
| Investment Yield (%)              | NA                | NA                | NA                | NA                |
| Ratios (%)                        |                   |                   |                   |                   |
| Loss Ratio                        | 66.44             | 63.11             | NA                | NA                |
| Expense Ratio                     | 31.96             | 31.18             | NA                | NA                |
| PH Dividend Ratio                 | <u>0.00</u>       | <u>0.00</u>       | <u>NA</u>         | <u>NA</u>         |
| Combined Ratio                    | 98.40             | 94.29             | NA                | NA                |

## HISTORY

American Federation Insurance Company (American Federation) was incorporated in the state of Arizona in 1995 as the 20th Century Insurance Company, as a subsidiary of the 20th Century Insurance Group, renamed 21st Century Insurance Group. The company was re-domesticated to Texas in 2004 and subsequently renamed the 21st Century Insurance Company of the Southwest. American International Group (AIG) purchased the 21st Century Insurance Group in 2005. Effective July 1, 2009, the Company and other entities were sold by AIG to the Farmers Group Incorporated (Farmers Group), who subsequently sold the company and other acquired entities to its affiliate, Farmers Insurance Exchange (Farmers Exchange), a California domestic. The company was renamed American Federation Insurance Company in November 2019. The company was granted ELANY Listed status in February 2020 and is licensed in Texas. As of December 31, 2023, American Federation is a Texas domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

## REINSURANCE

As of December 31, 2023, the company was not yet a named participant in reinsurance agreements. For the years 2020 through 2023, respectively, GARSSLIC net reinsurance recoverable totaled \$2.5M, \$13M, \$26M and \$31M, representing 5%, 24%, 48% and 57% of company surplus. Of the total recoverable in 2023, \$8M was with affiliates.

## HOLDING COMPANY

Founded 1872 in Zurich, Switzerland, as a reinsurance company. Zurich has gone through successive changes and was finally named Zurich Insurance Group (Zurich) in 2012. Zurich is a multi-line insurer that serves customers in global and local markets writing a wide range of P&C, and life products and services in more than 215 countries and territories. Zurich owns the Farmers Exchange, a U.S. group founded in 1928 to originally serve the auto and truck insurance needs of rural farmers. The Farmers Exchange Group writes across all 50 states through exclusive and independent agents. The Farmers Exchanges are three reciprocal insurers (Farmers Ins. Exchange, Fire Ins. Exchange and Truck Ins. Exchange) owned by their policyholders, and together with their subsidiaries and affiliates comprise the Farmers Insurance Group of Companies. Farmers Group, Inc. and its subsidiaries, in their capacity as attorneys-in-fact, provide administrative and management services to the Farmers Exchanges. Initially rated in 1933, AM Best collectively now rates forty-seven (47) insurance subsidiaries of the Farmers Ins. Exchange, including American Federation Insurance Company. For the years 2020 through 2023, respectively, AM Best and S&P rated the group 'A/A' and assigned the financial size of XV (\$2bn - >). AM Best and S&P rated the Zurich American Insurance Group 'A+/AA-' over the same period.

## SUBSEQUENT NOTEWORTHY OBSERVATIONS

Updated April 2024

### 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".

The Excess Line Association of New York has compiled the insurance company financial information from the Annual Statutory Financial Statements. All ratios, charts, and graphs are based on the compiled information. We have made every effort to ensure all information transcribed for these pages is correct. However, the Excess Line Association of New York cannot attest to the accuracy of data provided by its sources, nor do we make any warranties, either expressed or implied, regarding the accuracy or completeness of information presented in this document. We assume no responsibility for loss or damage resulting from the use of this information.