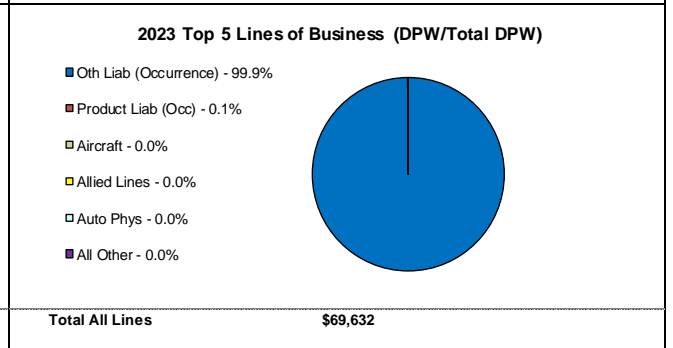
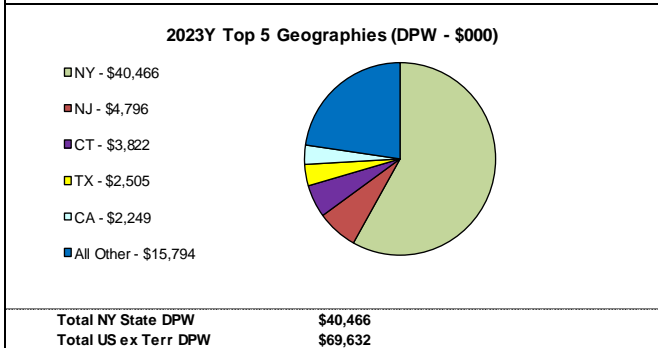
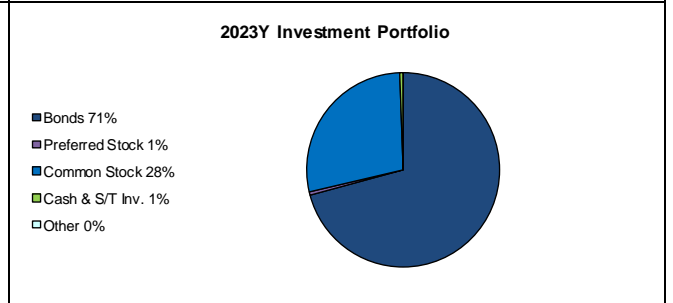
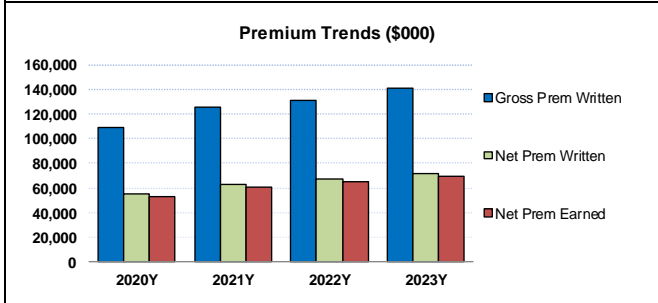
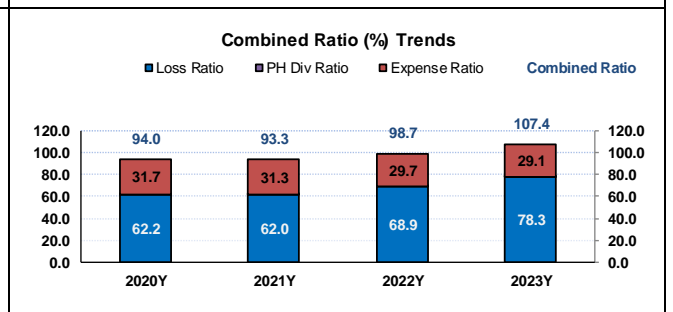
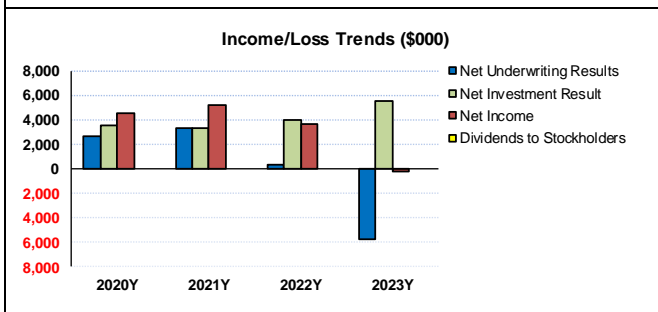




**MERCHANTS NATIONAL INSURANCE COMPANY, NAIC #12775
MERCHANTS MUTUAL INSURANCE COMPANY**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	186,735	208,863	230,242	239,865	RBC Ratio (%)	594.0	611.3	619.6	529.8
Total Liabilities	111,081	122,552	140,617	149,474	2yr Res Development	7,035	4,799	2,828	9,666
Policyholder Surplus	75,654	86,311	89,624	90,392	2yr Dev / Surplus	1117.4%	698.9%	373.8%	1119.9%
Cash & Invested Assets	156,717	178,450	199,164	203,705	Affiliated Common Stock	37,776	41,772	43,051	43,786
Cash & Invested Assets / Total Assets	83.9%	85.4%	86.5%	84.9%	Affiliated CS / Surplus	49.9%	48.4%	48.0%	48.4%
Net Cash from Operations	16,193	15,678	11,903	13,301	Net Reins Recoverable	61,612	86,571	107,314	135,532
Loss & LAE Reserves	67,932	76,475	86,521	101,062	Net Reins Rec / Surplus	81.4%	100.3%	119.7%	149.9%
Loss & LAE Reserves/Surplus	89.8%	88.6%	96.5%	111.8%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR



Total NY State DPW \$40,466
Total US ex Terr DPW \$69,632

Total All Lines \$69,632

TOP 5 REINSURERS FOR MERCHANTS NATIONAL INS CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	40,433	0
2 - Merchants Mutual Insurance Company	US Affiliated Pooling	Authorized	18,325	0
3 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	15,035	0
4 - Transatlantic Reinsurance Company	US Unaffiliated	Authorized	13,969	0
5 - AXIS Reinsurance Company	US Unaffiliated	Authorized	10,947	0

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HISTORY

Merchants National Insurance Company (Merchants National or the Company) was incorporated in the State of New Hampshire on January 1, 2007, as a subsidiary of Merchants Mutual Insurance Company (Merchants Mutual). Financial and operations control of the company remains with Merchants Mutual. The company became eligible to write surplus lines business in New York on May 17, 2016. As of December 31, 2023, Merchants National is a New Hampshire domestic surplus lines insurer and operated on a non-admitted basis in forty-three (43) states and the District of Columbia.

REINSURANCE

Merchants National is a participant in an intercompany pooling agreement including two (2) affiliates, with its parent Merchants Mutual pool lead, retaining 70%. Under the terms of the agreement the company cedes all business to the pool and receives 20% of the combined results, which may include business not written by the company. Another affiliate, Merchants Preferred Insurance Company participates with the balance of 10%. As such, the financial strength of the company is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of Merchants Mutual, as well as investment risk of its own investment portfolio, managed in common by Merchants Mutual. For the years 2020 through 2023, respectively, Merchants National net reinsurance recoverable was shown as \$62M, \$87M, \$107M and \$135M, representing 81%, 100%, 120% and 150% of company surplus.

HOLDING COMPANY

Founded 1918 by local merchants in Buffalo, NY as Merchants Mutual Liability Company to insure their delivery vehicles, the company remains in Buffalo. Renamed Merchants Mutual Insurance Company in 1957, Merchants Mutual has expanded and now writes personal lines auto, homeowners and personal umbrella insurance, commercial lines business and surplus lines insurance for building owners, auto repair shops, golf courses, contractors, retail, restaurants, workers compensation and umbrella coverage. AM Best collectively rates three (3) insurance subsidiaries of the Merchants Mutual Insurance Group, including Merchants National Insurance Company. For the years 2020 through 2023 the group was rated 'A-' and assigned the financial size of IX (\$250m - \$500m). Merchants Mutual Insurance Company does not file publicly available financial data.

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.