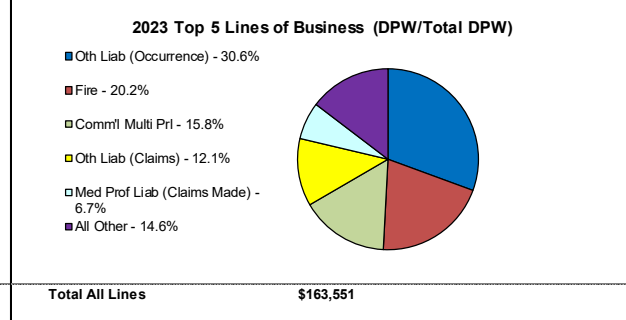
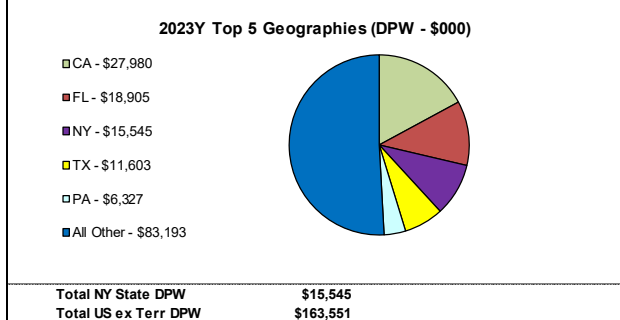
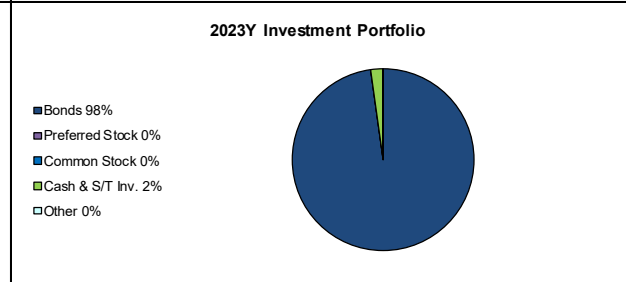
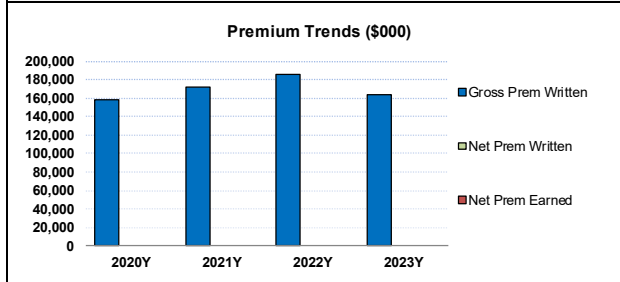
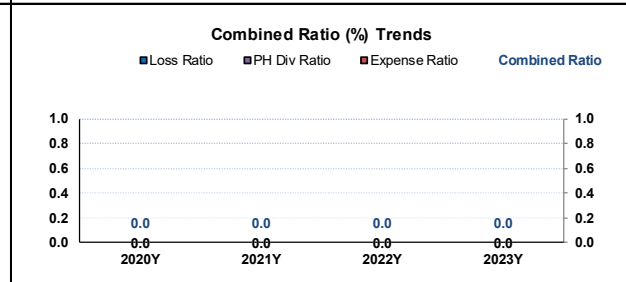
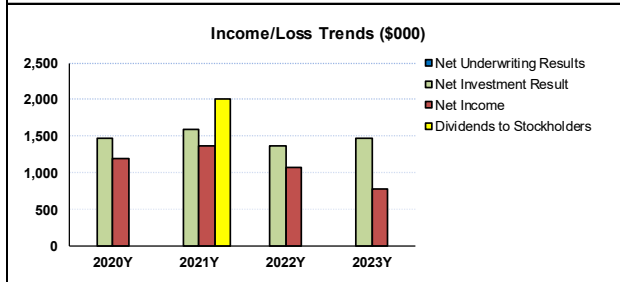




**AIX SPECIALTY INSURANCE COMPANY, NAIC #12833
THE HANOVER INSURANCE GROUP**

Dollars in 000

| | 2020Y | 2021Y | 2022Y | 2023Y | | 2020Y | 2021Y | 2022Y | 2023Y |
|-----------------------------------|--------|--------|--------|--------|-------------------------|----------|----------|----------|----------|
| Total Assets | 55,807 | 54,458 | 56,752 | 59,142 | RBC Ratio (%) | 24,646.7 | 11,117.7 | 11,249.2 | 10,661.7 |
| Total Liabilities | 6 | 264 | 3,585 | 7,519 | 2yr Res Development | 0 | 0 | 0 | 0 |
| Policyholder Surplus | 55,802 | 54,194 | 53,166 | 51,623 | 2yr Dev/ Surplus | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash & Invested Assets | 54,048 | 53,932 | 55,644 | 57,267 | Affiliated Common Stck | 0 | 0 | 0 | 0 |
| Cash & Invested Assets/ Total Ass | 96.8% | 99.0% | 98.0% | 96.8% | Affiliated CS / Surplus | 0.0% | 0.0% | 0.0% | 0.0% |
| Net Cash from Operations | 470 | 2,922 | 4,381 | 4,660 | Net Reins Recoverable | 307,111 | 371,598 | 403,543 | 418,191 |
| Loss & LAE Reserves | 0 | 0 | 0 | 0 | Net Reins Rec / Surplus | 550.4% | 685.7% | 759.0% | 810.1% |
| Loss & LAE Reserves/Surplus | 0.0% | 0.0% | 0.0% | 0.0% | AMB / S&P Ratings | A / NR | A / NR | A / NR | A / NR |



Total NY State DPW \$15,545
Total US ex Terr DPW \$163,551

Total All Lines \$163,551

TOP 5 REINSURERS FOR AIX SPECIALTY INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|-----------------------------------|---------------------------------------|-------------------------|-------------|-----------------------|
| 1 - The Hanover Insurance Company | US Affiliated Non-captive Non-pooling | Authorized | 425,148 | 0 |
| 2 - - | - | - | - | - |
| 3 - - | - | - | - | - |
| 4 - - | - | - | - | - |
| 5 - - | - | - | - | - |

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ULTIMATE PARENT – The Hanover Insurance Group, Inc.

| Corporate Profile | | Financial Strength Ratings | |
|-------------------|---|----------------------------|-----------------------|
| Address: | The Hanover Insurance Group, Inc. 440 Lincoln Street Worcester, MA, 01653 | S&P Global: | - |
| Website: | www.hanover.com | Moody's: | #OUTSIDE SUBSCRIPTION |
| President : | John Conner Roche | Fitch: | - |
| Ticker Symbol: | NYSE: THG | AM Best - P&C: | - |
| SEC Filing: | 10-K | | |

| Highlights (\$000) | 2020Y | 2021Y | 2022Y | 2023Y |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Total Assets | 13,443,700 | 14,254,300 | 13,995,100 | 14,612,600 |
| Total Policy Reserves | 8,506,700 | 9,182,500 | 9,966,800 | 10,410,600 |
| Total Debt | 816,600 | 781,600 | 782,400 | 783,200 |
| Total Other Liabilities | 772,500 | 1,029,400 | 841,900 | 888,900 |
| Sep Account Liabilities | 0 | 0 | 0 | 0 |
| Total Liabilities | 10,241,500 | 11,109,400 | 11,661,400 | 12,147,000 |
| Total Equity | 3,202,200 | 3,144,900 | 2,333,700 | 2,465,600 |
| Total Liab & Equity | 13,443,700 | 14,254,300 | 13,995,100 | 14,612,600 |
| Book Value / Share (\$) | 87.97 | 88.59 | 65.55 | 68.87 |
| Reserves / Investments & Cash (x) | 0.95 | 0.98 | 1.13 | 1.13 |
| Reserves / Liabilities (x) | 0.83 | 0.83 | 0.85 | 0.86 |
| Reserves / Equity (x) | 2.66 | 2.92 | 4.27 | 4.22 |
| Debt / Equity (x) | 0.26 | 0.25 | 0.34 | 0.32 |
| Dec. 31 Closing Price (\$) | 116.92 | 131.06 | 135.13 | 121.42 |
| Net Income (\$) | 358,700 | 418,700 | 116,000 | 35,300 |
| Basic EPS (\$) | 9.52 | 11.67 | 3.26 | 0.99 |
| Investment Yield (%) | 3.18 | 4.76 | 2.15 | 3.37 |
| Ratios (%) | | | | |
| Loss Ratio | 62.80 | 65.70 | 69.00 | 73.00 |
| Expense Ratio | 31.60 | 31.30 | 30.80 | 30.50 |
| PH Dividend Ratio | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Combined Ratio | 94.40 | 97.00 | 99.80 | 103.50 |

HISTORY

AIX Specialty Insurance Company (AIX Specialty) was incorporated in the State of Delaware in June 2006, as a subsidiary of NOVA Casualty Company, itself a subsidiary of AIX Holdings, Inc. AIX Holdings and its subsidiaries were acquired by The Hanover Insurance Group (Hanover) September 2009, and the direct parent of company is the Hanover Insurance Company (Hanover Insurance) (New Hampshire). The company has been eligible to write surplus lines business in New York since September 2, 2009. As of December 31, 2023, AIX Specialty is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

AIX Specialty maintains a 100% quota share reinsurance agreement with its parent, Hanover Insurance. As a result of the quota share agreement, 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 on the credit risk of Hanover, as well as investment risk of its own investment portfolio, managed in common by Hanover. For the years 2020 through 2023, respectively, AIX Specialty net reinsurance recoverable from Hanover totaled \$307M, \$372M, \$403M and \$418M, representing 550%, 686%, 759% and 810% of company surplus.

HOLDING COMPANY

The Hanover Insurance Group (Hanover) was founded in 1852 as The Hanover Fire Insurance Company, at Hanover Square in New York. The Hanover, now with headquarters in Worcester, Massachusetts, operates in two divisions, Citizens Insurance, focusing primarily in the Midwest, and Hanover Insurance, focusing in the northeast, east coast, southern states and the west. Hanover provides property and casualty insurance through independent agents and brokers and offers standard and specialized insurance protection for small and mid-sized businesses, as well as for homes, automobiles, and other personal items. AM Best collectively rates fifteen (15) insurance affiliates of Hanover, including AIX Specialty Insurance Company. Hanover was initially rated by AM Best in 1907. For the years 2019 through 2022 the Hanover Group was rated by AM Best and S&P as 'A' / 'A+' and assigned a financial size of XV (\$2b and >).

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.