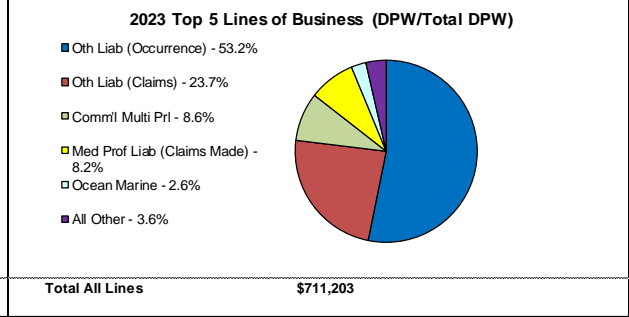
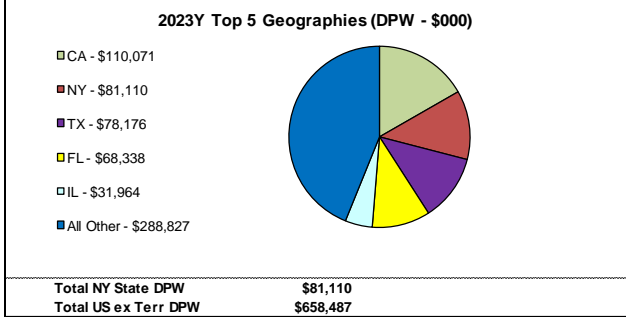
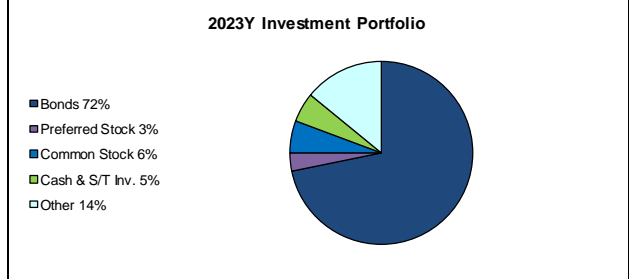
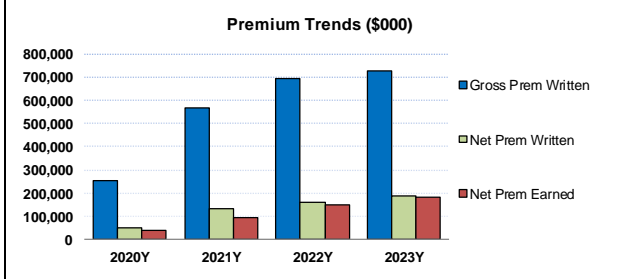
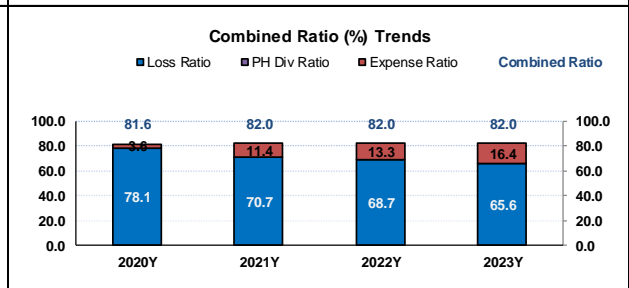
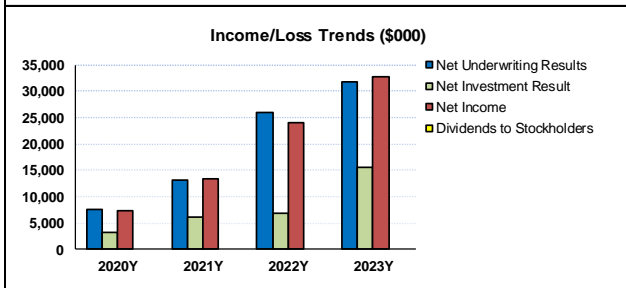




**HUDSON EXCESS INSURANCE COMPANY, NAIC #14484  
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	254,498	413,587	540,235	730,527	RBC Ratio (%)	878.0	549.7	365.5	369.6
Total Liabilities	175,526	311,275	424,295	575,889	2yr Res Development	432	2,681	1,682	3,713
Policyholder Surplus	78,973	102,312	115,941	154,638	2yr Dev / Surplus	68.6%	398.3%	213.0%	362.9%
Cash & Invested Assets	189,645	322,989	433,309	571,792	Affiliated Common Stock	0	0	15,214	15,769
Cash & Invested Assets / Total Assets	74.5%	78.1%	80.2%	78.3%	Affiliated CS / Surplus	0.0%	0.0%	13.1%	10.2%
Net Cash from Operations	62,738	112,393	117,987	112,202	Net Reins Recoverable	278,735	509,250	746,632	965,319
Loss & LAE Reserves	51,632	104,060	175,115	249,565	Net Reins Rec / Surplus	353.0%	497.7%	644.0%	624.2%
Loss & LAE Reserves/Surplus	65.4%	101.7%	151.0%	161.4%	AMB / S&P Ratings	A+ / A	A+ / A	A+ / A	A+ / A



**TOP 5 REINSURERS FOR HUDSON EXCESS INSURANCE CO. BY GROSS RECOVERABLES**

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Odyssey Reinsurance Company	US Affiliated Non-captive Non-pooling	Authorized	806,974	0
2 - General Reinsurance Corporation	US Unaffiliated	Authorized	33,041	0
3 - Everest Reinsurance Company	US Unaffiliated	Authorized	23,792	0
4 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	17,246	0
5 - Lloyd's Syndicate - 2987 (Brit Syndicates Limited)	Non-US Affiliated Non-captive	Authorized	13,611	0

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## ULTIMATE PARENT – Fairfax Financial Holdings Limited

Corporate Profile		Financial Strength Ratings	
Address:	Fairfax Financial Holdings Limited 95 Wellington Street West Toronto, -, -	S&P Global:	-
Website:	<a href="http://www.fairfax.ca">www.fairfax.ca</a>	Moody's:	#OUTSIDE SUBSCRIPTION
President :	Peter S. Clarke	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
SEC Filing:	<a href="#">40-F</a>		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	74,054,000	86,645,400	78,818,500	91,985,100
Total Policy Reserves	39,206,800	47,346,500	NA	NA
Total Debt	10,266,100	8,893,700	9,718,900	10,798,700
Total Other Liabilities	6,697,400	8,491,100	5,306,300	6,063,800
Sep Account Liabilities	0	0	0	0
Total Liabilities	56,526,700	65,330,100	55,799,800	64,284,200
<b>Total Equity</b>	<b>17,527,300</b>	<b>21,315,300</b>	<b>23,018,700</b>	<b>27,700,900</b>
Total Liab & Equity	74,054,000	86,645,400	78,818,500	91,985,100
Book Value / Share (\$)	478.33	630.60	762.28	939.65
Reserves / Investments & Cash (x)	0.90	0.89	NA	NA
Reserves / Liabilities (x)	0.69	0.72	NA	NA
Reserves / Equity (x)	2.24	2.22	NA	NA
Debt / Equity (x)	0.59	0.42	0.42	0.39
Dec. 31 Closing Price (\$)	340.49	491.70	592.62	925.70
Net Income (\$)	37,400	3,666,600	3,811,700	5,094,900
Basic EPS (\$)	6.59	129.33	140.83	186.87
Investment Yield (%)	2.37	9.34	0.77	8.21
Ratios (%)				
Loss Ratio	65.40	62.70	65.20	63.20
Expense Ratio	32.40	32.30	29.50	30.00
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	97.80	95.00	94.70	93.20

## HISTORY

Hudson Excess Insurance Company (Hudson Excess) was incorporated in the State of Delaware in May 2012, as a subsidiary of the Odyssey Reinsurance Group (Odyssey Re), itself ultimately owned by Fairfax Financial Holdings Limited (Fairfax). Financial and operations control of the company remains with Fairfax. The company has been eligible to write surplus lines business in New York since April 29, 2013. As of December 31, 2023, Hudson Excess is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states, the District of Columbia, Puerto Rico and the U.S Virgin Islands.

## REINSURANCE

Hudson Excess maintains a 70% quota share agreement with its upstream parent, Odyssey Re. As such, the financial strength of the company is heavily dependent on the credit risk of Odyssey Re/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2020 through 2023, respectively, Hudson Excess net reinsurance recoverable totaled \$279M and \$509M, \$747M and \$965M, representing 353%, 498%, 644% and 624% of company surplus.

## HOLDING COMPANY

Founded in 1951 as Markel Service Company of Canada, specializing in Canadian trucking insurance, the company was renamed Markel Financial Holdings, Ltd in 1976. In 1985, the investor Prem Watsa, with partner Tony Hamlin, of the investment firm, Hamblin Watsa Investment Counsel, Ltd, Toronto, Canada, acquired control of Markel Financial Holdings and renamed the group Fairfax Financial Holdings, Ltd (Fairfax) (short for “fair, friendly acquisitions” in 1987. Fairfax, through its subsidiaries is engaged in property and casualty insurance, reinsurance, Lloyds, insurance services, claims management and associated investment management. Fairfax operates primarily through several subsidiaries, including Odyssey Re, Northbridge Financial, Crum & Forster, Allied World, Verasure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2020 through 2022, AM Best and S&P rated thirty-three (33) insurance subsidiaries of the Fairfax Group, including Hudson Excess Insurance Company as ‘A / A-’. As of December 31, 2023, the ratings were ‘A+ / A’ and assigned the financial size of XV (\$2bn >).

## 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.