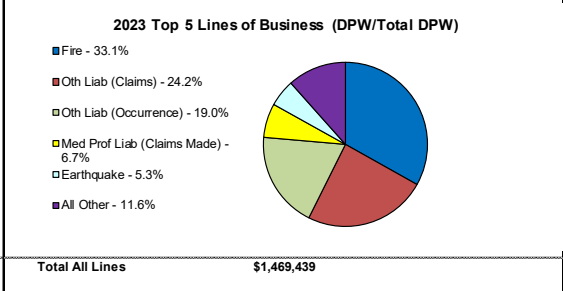
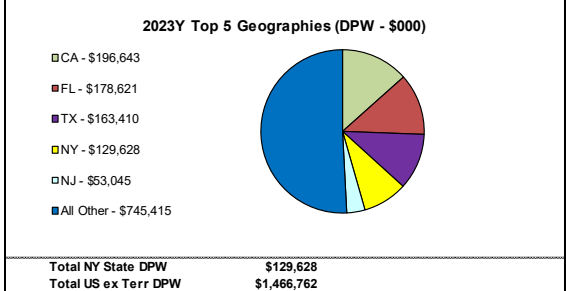
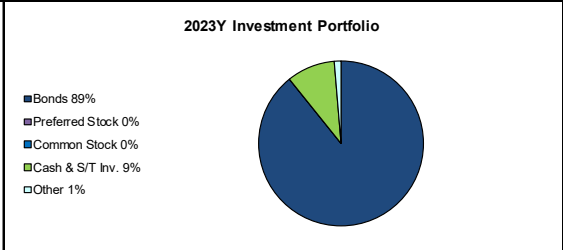
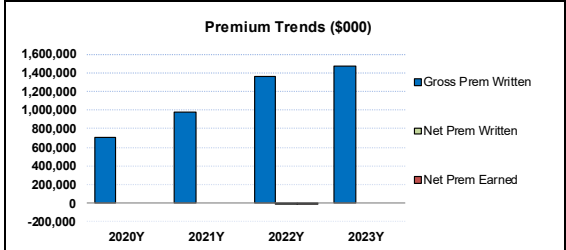
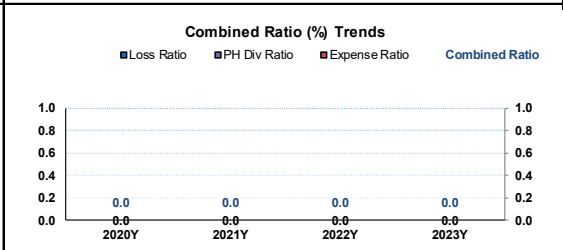
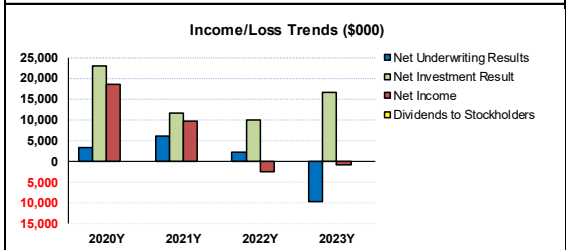




ARCH SPECIALTY INSURANCE COMPANY, NAIC #21199
ARCH CAPITAL GROUP

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	586,630	713,413	794,176	887,885	RBC Ratio (%)	2,462.1	1,995.2	2,128.8	1,944.5
Total Liabilities	247,253	368,747	443,297	525,869	2yr Res Development	-304	181	304	-370
Policyholder Surplus	339,377	344,666	350,878	362,015	2yr Dev/ Surplus	-10.1%	5.7%	9.0%	-10.7%
Cash & Invested Assets	422,545	447,353	518,186	600,847	Affiliated Common Stck	0	0	0	0
Cash & Invested Assets/ Total Assets	72.0%	62.7%	65.2%	67.7%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	70,721	58,803	54,828	56,149	Net Reins Recoverable	1,740,030	2,029,306	2,373,897	2,453,908
Loss & LAE Reserves	45,463	50,704	62,325	70,990	Net Reins Rec / Surplus	512.7%	588.8%	676.6%	677.8%
Loss & LAE Reserves/Surplus	13.4%	14.7%	17.8%	19.6%	AMB / S&P Ratings				



Total NY State DPW	\$129,628	Total All Lines	\$1,469,439
Total US ex Terr DPW	\$1,466,762		

TOP 5 REINSURERS FOR ARCH SPECIALTY INSURANCE CO. BY GROSS RECOVERABLES
PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Arch Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	2,049,226	0
2 - Hannover Rück SE	Non-US Unaffiliated	Mixed Filing	81,455	0
3 - Munich Reinsurance America, Inc.	US Unaffiliated	Authorized	64,674	68
4 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	34,911	0
5 - SCOR Reinsurance Company	US Unaffiliated	Authorized	32,223	0

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ULTIMATE PARENT – Arch Capital Group Ltd.

Corporate Profile		Financial Strength Ratings	
Address:	Arch Capital Group Ltd. Waterloo House Pembroke, -, -	S&P Global:	-
Website:	www.archgroup.com	Moody's:	#OUTSIDE SUBSCRIPTION
President :	Nicolas Alain Emmanu Papadopoulos	Fitch:	-
Ticker Symbol:	NASDAQGS: ACGI	AM Best - P&C:	-
SEC Filing:	10-K		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	43,282,297	45,100,945	47,990,507	58,906,000
Total Policy Reserves	21,352,894	23,769,098	27,368,945	31,560,000
Total Debt	3,152,815	2,851,105	2,877,300	2,882,000
Total Other Liabilities	4,105,884	3,342,360	3,293,441	4,109,000
Sep Account Liabilities	0	0	0	0
Total Liabilities	29,294,856	31,545,816	35,069,605	40,551,000
Total Equity	13,928,893	13,545,896	12,910,073	18,353,000
Total Liab & Equity	43,223,749	45,091,712	47,979,678	58,904,000
Book Value / Share (\$)	30.31	33.56	32.62	46.93
Reserves / Investments & Cash (x)	0.71	0.83	0.94	0.88
Reserves / Liabilities (x)	0.73	0.75	0.78	0.78
Reserves / Equity (x)	1.53	1.75	2.12	1.72
Debt / Equity (x)	0.23	0.21	0.22	0.16
Dec. 31 Closing Price (\$)	36.07	44.45	62.78	74.27
Net Income (\$)	1,465,711	2,239,462	1,482,423	4,442,000
Basic EPS (\$)	3.38	5.34	3.90	11.94
Investment Yield (%)	5.42	3.83	-0.27	3.63
Ratios (%)				
Loss Ratio	67.10	56.70	51.90	50.20
Expense Ratio	26.90	28.50	29.70	29.10
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	94.00	85.20	81.60	79.30

HISTORY

Arch Specialty Insurance Company (Arch Specialty) was incorporated in the State of Illinois in December 1964 as Rock River Insurance Company, a subsidiary of Sierra General Life Insurance Company (25%) and Deere & Company (75%). In 1995, full ownership of the company was assumed by John Deere Insurance Group. In September 1999, the company was purchased by Sentry Insurance Group and re-domesticated to Wisconsin. The company was acquired by Arch Capital Group, Ltd (Arch), Bermuda, in February 2002 and subsequently adopted its current name. In December 2006, the company re-domesticated from Wisconsin to Nebraska. The company re-domesticated to Missouri in September 2015. Financial and operations control of the company remains with Arch. The company has been eligible to write surplus lines business in New York since July 9, 1993. As of December 31, 2023, Arch Specialty is a Missouri 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

Arch Specialty maintains a 100% quota share agreement with an affiliate, Arch Insurance Company, for all business written on or after January 1, 2007, other than business produced by the Alternative Markets division. As a result of the 100% quota share agreement, no values are reported for net premiums written, net premiums earned, underwriting income, and the various combined ratios trends. As such, the financial strength of the company is heavily dependent upon the credit risk of Arch, as well as the investment risk of its own investment portfolio, managed in common by Arch. For the years 2020 through 2023, Arch Specialty net reinsurance recoverable was shown as \$1.7bn, \$2.0bn, \$2.4bn and \$2.5bn, representing 513%, 589%, 677% and 678% of company surplus.

HOLDING COMPANY

Founded in 1995 as Risk Capital Holdings, Inc. and made a public company that same year in an IPO, the company changed its name to Arch Capital Group, Ltd (Arch) in 2000 and moved its headquarters to Bermuda. With approximately \$18.4 billion in capital on December 31, 2023, Arch provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries. AM Best collectively rates nine (9) subsidiaries of Arch, including Arch Specialty Insurance Company. For the years 2020 through 2023, Arch was rated by AM Best and S&P as 'A+/A+' and assigned the financial size of XV (\$2bn >).

SUBSEQUENT NOTE WORTHY 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.