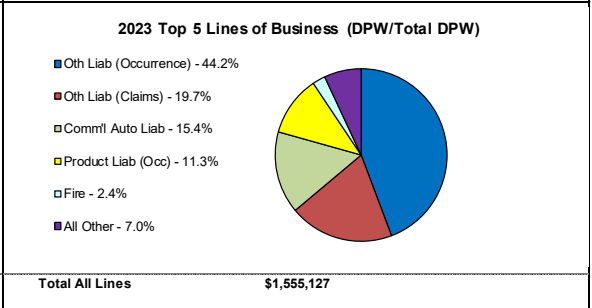
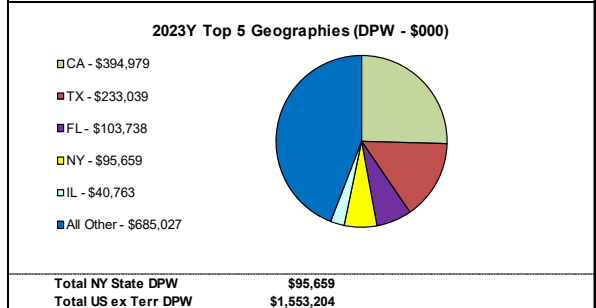
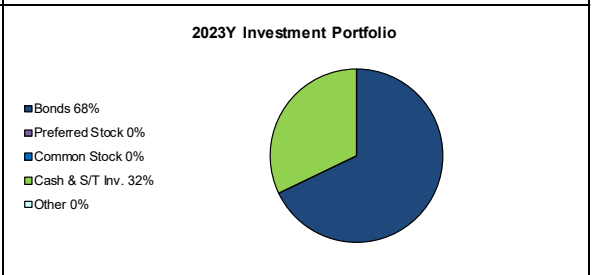
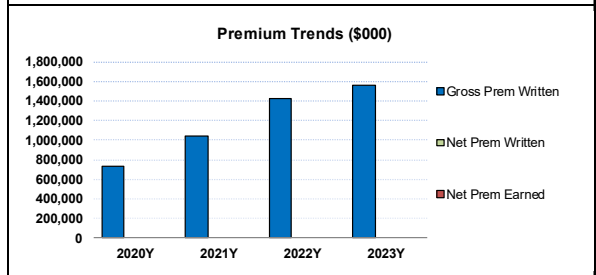
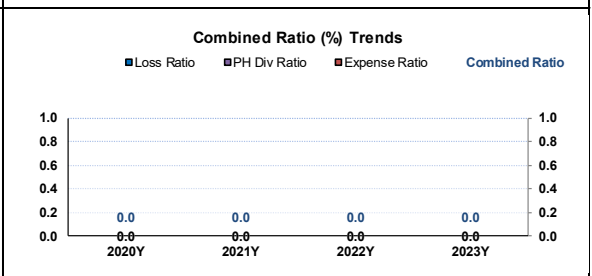
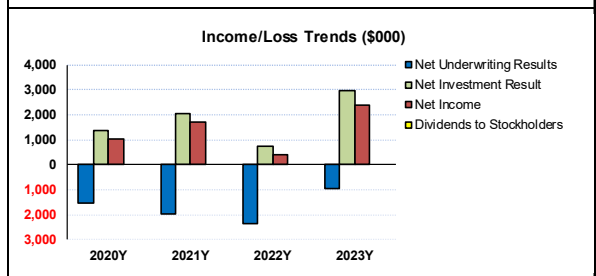




**CRUM & FORSTER SPECIALTY INSURANCE COMPANY, NAIC #44520  
FAIRFAX FINANCIAL HOLDINGS LIMITED**

| Dollars in 000                       |         |         |          |         |
|--------------------------------------|---------|---------|----------|---------|
|                                      | 2020Y   | 2021Y   | 2022Y    | 2023Y   |
| Total Assets                         | 203,410 | 274,435 | 228,321  | 292,971 |
| Total Liabilities                    | 151,383 | 222,032 | 177,300  | 242,650 |
| Policyholder Surplus                 | 52,027  | 52,403  | 51,020   | 50,321  |
| Cash & Invested Assets               | 103,459 | 141,170 | 73,829   | 72,777  |
| Cash & Invested Assets/ Total Assets | 50.9%   | 51.4%   | 32.3%    | 24.8%   |
| Net Cash from Operations             | 6,041   | 29,996  | -188,278 | 123,911 |
| Loss & LAE Reserves                  | 0       | 0       | 0        | 0       |
| Loss & LAE Reserves/Surplus          | 0.0%    | 0.0%    | 0.0%     | 0.0%    |

|                         | 2020Y   | 2021Y     | 2022Y     | 2023Y     |
|-------------------------|---------|-----------|-----------|-----------|
| RBC Ratio (%)           | 8,996.0 | 6,901.5   | 3,617.0   | 4,647.1   |
| 2yr Res Development     | 0       | 0         | 0         | 0         |
| 2yr Dev / Surplus       | 0.0%    | 0.0%      | 0.0%      | 0.0%      |
| Affiliated Common Stck  | 0       | 0         | 0         | 0         |
| Affiliated CS / Surplus | 0.0%    | 0.0%      | 0.0%      | 0.0%      |
| Net Reins Recoverable   | 979,795 | 1,404,365 | 2,145,889 | 2,541,481 |
| Net Reins Rec / Surplus | 1883.3% | 2679.9%   | 4205.9%   | 5050.5%   |
| AMB / S&P Ratings       | A/A     | A/A       | A/A       | A/A       |



Total NY State DPW \$95,659  
Total US ex Terr DPW \$1,553,204

Total All Lines \$1,555,127

**TOP 5 REINSURERS FOR CRUM & FORSTER SPCLTY INS CO. BY GROSS RECOVERABLES**

PERIOD: 2023Y

| Dollars in 000                           |                       |                         |             |                       |
|--|-----------------------|-------------------------|-------------|-----------------------|
| Reinsurer                                | Reinsurance Class     | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
| 1 - United States Fire Insurance Company | US Affiliated Pooling | Authorized              | 2,760,225   | 0                     |
| 2 - -                                    | -                     | -                       | -           | -                     |
| 3 - -                                    | -                     | -                       | -           | -                     |
| 4 - -                                    | -                     | -                       | -           | -                     |
| 5 - -                                    | -                     | -                       | -           | -                     |

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## ULTIMATE PARENT – Fairfax Financial Holdings Limited

| Corporate Profile |  | Financial Strength Ratings |                       |
|-------------------|--|----------------------------|-----------------------|
| Address:          | Fairfax Financial Holdings Limited<br>95 Wellington Street West<br>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                 | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       |
| Combined Ratio                    | 97.80             | 95.00             | 94.70             | 93.20             |

## HISTORY

Crum & Forster Specialty Insurance Company (C&F Specialty) was incorporated in the State of Connecticut in October 1989 as Transnational Reinsurance Company, a subsidiary of Phoenix Reinsurance Company. In December 1996, the company changed its name to Transnational Insurance Company. In 1998, Fairfax Financial Holdings Limited (Fairfax) acquired the Crum & Forster Insurance Group (C&F) from Xerox. In December 2000, Fairfax acquired the company and contributed it to C&F, subsequently changing its name to Crum & Forester Specialty Insurance Company. In October 2001, the company re-domesticated to Arizona. In November 2014, the company re-domesticated to Delaware. Financial and operations control of C&F Specialty remains with C&F/Fairfax. The company has been eligible to write surplus lines business in New York since May 27, 1998. As of December 31, 2023, C&F Specialty was a Delaware domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

## REINSURANCE

C&F Specialty maintains a 100% quota share agreement with an affiliate, United States Fire Insurance Company, a subsidiary of C&F. 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 C&F/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2020 through 2023, respectively, C&F Specialty net reinsurance recoverable under the agreement was shown as \$980M, \$1.4bn, \$2.1bn and \$2.5bn, reflecting 1883%, 1680%, 4205% and 5050% 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, Verassure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2020 through 2023, AM Best and S&P rated thirty three (33) insurance subsidiaries of the Fairfax Group, including C&F Specialty as 'A / A' and were 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.