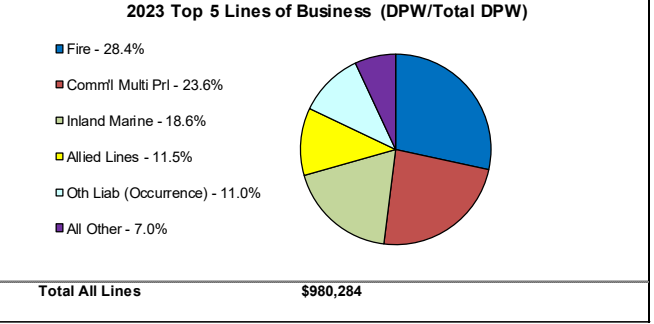
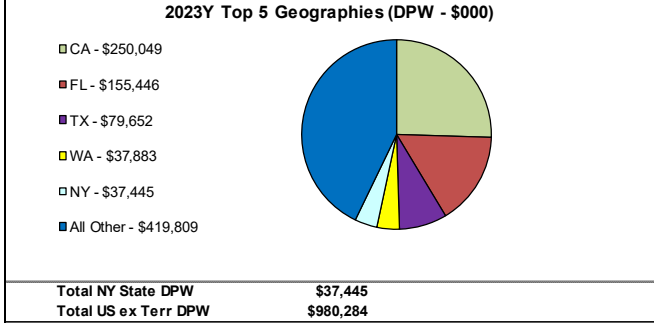
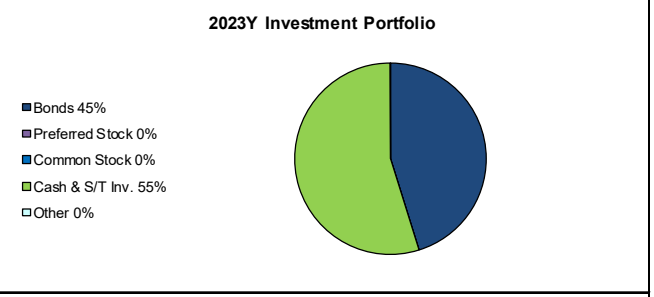
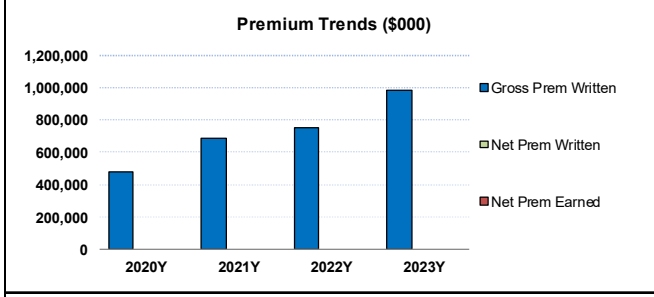
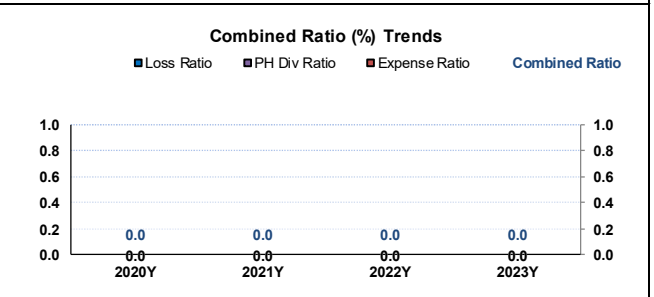
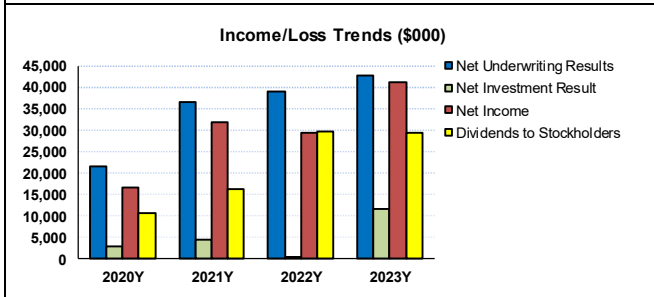




**PRINCETON EXCESS & SURPLUS LINES INSURANCE COMPANY, NAIC #10786**  
**PARENT – Munchener Rueckversicherungs-Gesellschaft AG**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	344,528	427,543	476,982	656,941	RBC Ratio (%)	8,228.1	3,463.2	3,326.9	2,733.9
Total Liabilities	266,042	334,041	383,417	550,525	2yr Res Development	0	0	0	0
Policyholder Surplus	78,486	93,502	93,566	106,416	2yr Dev / Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	296,849	335,560	336,868	493,846	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	86.2%	78.5%	70.6%	75.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	150,174	58,825	39,581	172,430	Net Reins Recoverable	710,478	1,012,728	1,233,109	1,180,437
Loss & LAE Reserves	0	0	0	0	Net Reins Rec / Surplus	905.2%	1083.1%	1317.9%	1109.3%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%	AMB / S&P Ratings	A+ / AA-	A+ / AA-	A+ / AA-	A+ / AA-



**TOP 5 REINSURERS FOR PRINCETON EXCESS & SURPLUS BY GROSS RECOVERABLES**

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Munich Reinsurance America, Inc.	US Affiliated Pooling	Authorized	1,538,838	0
2 - Affordable Housing Risk Pool LLC	US Unaffiliated	Unauthorized	3,394	0
3 - National Union Fire Insurance Company of Pittsburgh, Pa.	US Unaffiliated	Authorized	3,315	0
4 - Hannover Rueck SE	Non-US Unaffiliated	Authorized	3,208	0
5 - The Hartford Steam Boiler Inspection and Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	2,838	0

**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.

See A.M. Best and S&P Disclaimer on Summary Report page.

## ULTIMATE PARENT – Münchener Rueckversicherungs-Gesellschaft AG

Corporate Profile		Financial Strength Ratings	
Address:	Münchener Rückversicherungs-Gesellschaft Aktier Königinstr. 107 Munich, -, -	S&P Global:	-
Website:	<a href="http://www.munichre.com">www.munichre.com</a>	Moody's:	#OUTSIDE SUBSCRIPTION
President :	-	Fitch:	AA
Ticker Symbol:	XTRA: MUV2	AM Best - P&C:	-
SEC Filing:	N/A		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	297,946,478	312,404,569	269,391,000	273,793,000
Total Policy Reserves	226,800,763	240,143,108	NA	NA
Total Debt	6,341,799	6,363,972	6,095,000	5,891,000
Total Other Liabilities	11,591,283	10,720,135	22,501,000	14,008,000
Sep Account Liabilities	7,955,150	8,998,471	NA	NA
Total Liabilities	267,952,424	281,459,112	242,146,000	244,021,000
<b>Total Equity</b>	<b>29,994,054</b>	<b>30,945,457</b>	<b>27,245,000</b>	<b>29,772,000</b>
Total Liab & Equity	297,946,478	312,404,569	269,391,000	273,793,000
Book Value / Share (\$)	213.38	220.06	196.84	220.28
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	0.85	0.85	NA	NA
Reserves / Equity (x)	7.56	7.76	NA	NA
Debt / Equity (x)	0.21	0.21	0.22	0.20
Dec. 31 Closing Price (\$)	242.80	260.50	304.00	375.10
Net Income (\$)	1,211,065	2,932,239	5,309,000	4,597,000
Basic EPS (\$)	8.63	20.93	38.12	33.87
Investment Yield (%)	NA	NA	NA	NA
Ratios (%)				
Loss Ratio	NA	NA	NA	NA
Expense Ratio	NA	NA	NA	NA
PH Dividend Ratio	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Combined Ratio	NA	NA	NA	NA

## HISTORY

Princeton Excess & Surplus Lines Insurance Company (Princeton E&S) was incorporated in the State of Delaware June 1995 as The Princeton Excess & Surplus Lines Insurance Corporation, a subsidiary of American Re Corporation (American Re). The company adopted its current name in December 1995. Financial control has been under Münchener Rückversicherungs-Gesellschaft ("Munich Re") since August 1996. The company has been eligible to write surplus lines business in New York since October 7, 2003. As of December 31, 2023, Princeton E&S 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

Princeton E&S is a participant in an intercompany pooling agreement including three (3) affiliates, with Munich Reinsurance America, Inc., pool lead retaining 100%. Princeton E&S cedes 100% of its business and does not receive a share of the pool's combined results. As a result of the pooling 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 Munich Re, as well as investment risk of its own investment portfolio, managed in common by Munich Re. For the years 2020 through 2023, respectively, Princeton E&S net reinsurance recoverable was shown as \$710M, \$1bn, \$1.2bn and \$1.2bn reflecting 905%, 1083%, 1318% and 1109% of company surplus.

## HOLDING COMPANY

Founded in 1880, as the Münchener Rückversicherungs-Gesellschaft, the company group now known as Munich Re is one of the world's largest insurers. Munich Re is active in all lines of insurance covering all major commercial and insurance enterprises; personal lines, commercial lines, specialty lines, life, health, national and global reinsurance p&c and life, Lloyds, financial, reputational, weather, captives, insurance securitization, engineering and risk management. Munich Re operates worldwide and is headquartered in Munich, Germany. Due to the size and global reach of Munich Re, AM Best rates various divisions within the group. AM Best collectively rates twenty-one (21) insurance subsidiaries of the Munich Reinsurance Co., including Princeton Excess & Surplus Lines Insurance Company. For the years 2020 through 2023 the group was rated by AM Best and S&P as 'A+/AA-' and assigned the financial size of XV (\$2bn - >).

## SUBSEQUENT NOTEWORTHY OBSERVATIONS

S&P has upgraded Munich Re's financial strength rating including Princeton Excess & Surplus to AA from AA-.

Last revised: September 2024

### AM Best Disclaimer Notice:

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Financial Term	Definition
2y Dev/Surplus (IRIS #12)	Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus.
2yr Res Development	The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years.
Affiliated Common Stock	The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries.
Affiliated CS / Surplus	The percentage of surplus that is comprised of investments in affiliates or subsidiaries.
AMB / S&P Ratings	Financial strength ratings from AM Best Company and Standard & Poor's. <sup>1</sup>
Cash & Invested Assets	Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities.
Cash & Invested Assets/Total Assets	A measure of liquidity that indicates the portion of assets held in cash or marketable securities.
Combined Ratio	A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit.
Dividends to Stockholders	Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors.
DPW – Direct Premiums Written	Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business.
Expense Ratio	The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs.
Gross Premiums	The total premium written and assumed by an insurer before deductions for reinsurance.
Loss & LAE Reserves	The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim.
Loss & LAE Reserves/Surplus	Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus.
Loss Ratio	The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business.
Net Cash from Operations	Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid.
Net Income	The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement.
Net Investment Result	The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks.
Net Premiums Earned	The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage.
Net Premiums Written	Represents gross premium written less reinsurance ceded.

Financial Term	Definition
Net Reins Rec / Surplus	Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus.
Net Reins Recoverable	The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers.
Net Underwriting Results	Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred.
PH Div Ratio	A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies
Policyholder Surplus	The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is \$47 million.
RBC Ratio (%)	<p>This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments.</p> <p>A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%.</p> <p>A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans.</p> <p>A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems.</p> <p>A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.</p>
Total Assets	Assets that are permitted by state law to be included in the company’s financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid.
Total Liabilities	A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due.

<sup>1</sup> AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. <https://web.ambest.com/home>

<sup>1</sup>S&P - Please see “Intro to Credit Ratings” at <http://www.spglobal.com/understandingratings> to learn more.