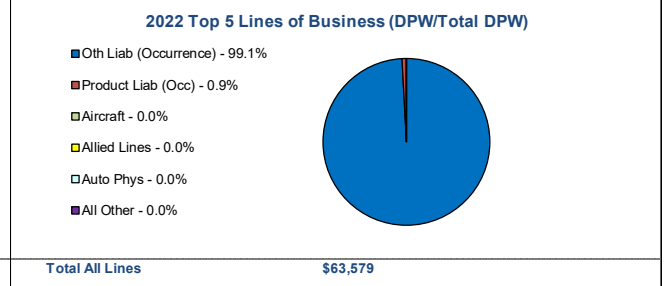
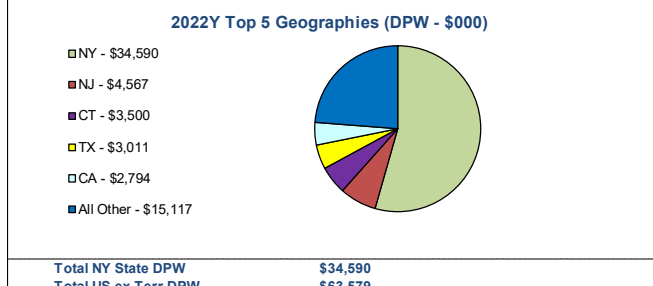
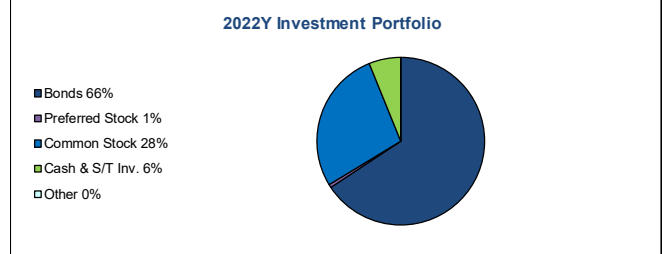
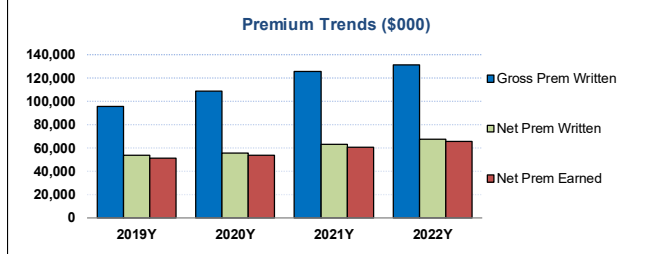
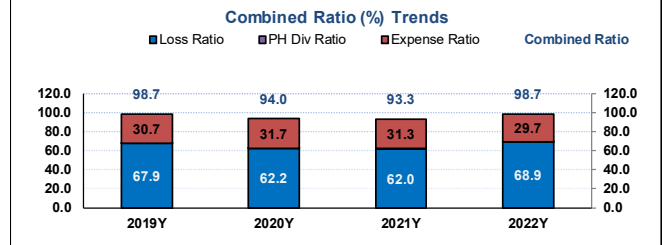
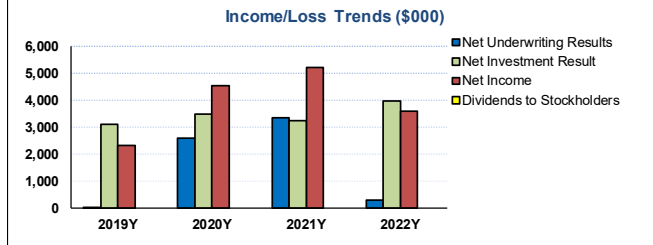




**MERCHANTS NATIONAL INSURANCE COMPANY, NAIC #12775
MERCHANTS MUTUAL INSURANCE COMPANY**

Dollars in 000

	2019Y	2020Y	2021Y	2022Y		2019Y	2020Y	2021Y	2022Y
Total Assets	165,911	186,735	208,863	230,242	RBC Ratio (%)	600.0	594.0	611.3	619.6
Total Liabilities	97,247	111,081	122,552	140,617	2yr Res Development	2,575	7,035	4,799	2,828
Policyholder Surplus	68,664	75,654	86,311	89,624	2yr Dev / Surplus	465.4%	1117.4%	698.9%	373.8%
Cash & Invested Assets	139,221	156,717	178,450	199,164	Affiliated Common Stck	35,210	37,776	41,772	43,051
Cash & Invested Assets/ Total Assets	83.9%	83.9%	85.4%	86.5%	Affiliated CS / Surplus	51.3%	49.9%	48.4%	48.0%
Net Cash from Operations	10,163	16,193	15,678	11,903	Net Reins Recoverable	37,190	61,612	86,571	107,314
Loss & LAE Reserves	59,682	67,932	76,475	86,521	Net Reins Rec / Surplus	54.2%	81.4%	100.3%	119.7%
Loss & LAE Reserves/Surplus	86.9%	89.8%	88.6%	96.5%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR



Total NY State DPW	\$34,590
Total US ex Terr DPW	\$63,579

Total All Lines	\$63,579
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**Top 5 Reinsurers for Merchants National Ins Co. by Gross Recoverables
Period: 2022Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	35,234	0
2 - Merchants Mutual Insurance Company	US Affiliated Pooling	Authorized	15,161	0
3 - Transatlantic Reinsurance Company	US Unaffiliated	Authorized	14,169	0
4 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	10,868	0
5 - SiriusPoint America Insurance Company	US Unaffiliated	Authorized	8,550	0

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HISTORY

Merchants National Insurance Company (Merchants National or the Company) was incorporated in the State of New Hampshire on January 1, 2007, as a subsidiary of Merchants Mutual Insurance Company (Merchants Mutual). Financial and operations control of the company remains with Merchants Mutual. The company became eligible to write surplus lines business in New York on May 17, 2016. As of December 31, 2022, Merchants National is a New Hampshire domestic surplus lines insurer and operated on a non-admitted basis in forty-three (43) states and the District of Columbia.

REINSURANCE

Merchants National is a participant in an intercompany pooling agreement including two (2) affiliates, with its parent Merchants Mutual pool lead, retaining 70%. Under the terms of the agreement the company cedes all business to the pool and receives 20% of the combined results, which may include business not written by the company. Another affiliate, Merchants Preferred Insurance Company participates with the balance of 10%. As such, the financial strength of the company is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of Merchants Mutual, as well as investment risk of its own investment portfolio, managed in common by Merchants Mutual. For the years 2019 through 2022, respectively, Merchants National net reinsurance recoverable was shown as \$37M, \$62M, \$87M and \$107M, representing 54%, 81%, 100% and 120% of company surplus.

HOLDING COMPANY

Founded 1918 by local merchants in Buffalo, NY as Merchants Mutual Liability Company to insure their delivery vehicles, the company remains in Buffalo. Renamed Merchants Mutual Insurance Company in 1957, Merchants Mutual has expanded and now writes personal lines auto, homeowners and personal umbrella insurance, commercial lines business and surplus lines insurance for building owners, auto repair shops, golf courses, contractors, retail, restaurants, workers compensation and umbrella coverage. AM Best collectively rates three (3) insurance subsidiaries of the Merchants Mutual Insurance Group, including Merchants National Insurance Company. For the years 2018 through 2022 the group was rated 'A-' and assigned the financial size of VIII (\$100m - \$250m). Merchants Mutual Insurance Company does not file publicly available financial data.

SUBSEQUENT NOTE WORTHY OBSERVATIONS