



FIRST SPECIALTY INSURANCE CORPORATION

<i>Dollars in 000</i>							
	2015	2016	2017		2015	2016	2017
Total Assets	174,487	178,892	171,885	RBC Ratio (%)	1,146.4	1,383.5	1,592.4
Total Liabilities	104,863	106,711	98,561	2yr Res Development	3,105	6,355	5,341
Policyholder Surplus	69,624	72,181	73,324	2yr Dev / Surplus (IRIS #12)	4.9%	9.1%	7.7%
Cash & Invested Assets	105,500	93,207	67,859	Affiliated Common Stck	0	0	0
Cash & Invested Assets/ Total Asset	60.5%	52.1%	39.5%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	-11,682	-8,419	-28,200	Net Reins Recoverable	545,298	624,211	730,883
Loss & LAE Reserves	35,470	29,797	24,566	Net Reins Rec / Surplus	783.2%	864.8%	996.8%
Loss & LAE Reserves/Surplus	50.9%	41.3%	33.5%	AMB / S&P Ratings	A+ / AA-	A+ / AA-	A+ / AA-
GPW to PHS (IRIS #1)	344.3%	325.5%	308.6%				
NPW to PHS (IRIS #2)	0.0%	0.0%	0.0%				

Income/Loss Trends (\$000)				Combined Ratio (%) Trends			

Premium Trends (\$000)				2017 Investment Portfolio			

2017 Top 5 Geographies (DPW - \$000)				2017 Top 5 Lines of Business (DPW/Total DPW)			
<ul style="list-style-type: none"> FL - \$36,317 CA - \$26,753 TX - \$26,737 IL - \$16,544 NY - \$10,699 All Other - \$109,237 				<ul style="list-style-type: none"> Oth Liab (Occurrence) - 52.1% Allied Lines - 22.4% Fire - 11.5% Oth Liab (Claims) - 9.9% Earthquake - 1.7% All Other - 2.5% 			

Total NY State DPW	\$10,699	Total All Lines	\$226,286
Total US ex Terr DPW	\$226,286		

First Specialty Insurance Corporation was incorporated in the State of Missouri in November 1989, a subsidiary of General Electric Company. Financial control has been under Swiss Re Limited since June 2006. The company has been eligible to write surplus lines business in New York since September 24, 1990. As of December 31, 2017, First Specialty was a Missouri domestic surplus lines insurer and operated on a non-admitted basis in fifty states, the District of Columbia, Puerto Rico and the Virgin Islands.

The company maintains a 100% quota share agreement with an affiliate, Westport Insurance Corporation. Since First Specialty does not retain its underwriting risk, the risk of financial impairment is largely limited to credit risk exposure to its 100% reinsurer as well as risk from its investment portfolio. As a result of the quota share agreement, no values are reported for net premiums written, net premiums earned, underwriting income, and the various combined ratio trends.

ULTIMATE PARENT – Swiss Re Limited

Corporate Profile		Highlights (\$000)	2016	2017
Address:	Swiss Re Limited Mythenquai 50/60 8022 Zurich	Total Assets	215,065,000	222,526,000
Website:	www.swissre.com	Total Liabilities	179,349,000	188,232,000
Ticker Symbol:	SWX: SREN	Shareholders' Equity	35,716,000	34,294,000
2017 Form 10-K:	<u>N/A</u>	Net Income	3,623,000	393,000
		Debt	12,361,000	11,570,000
		Debt / Equity	34.6%	33.7%
		Dividends Paid	1,561,000	1,559,000
		Dividends / Net Income	43.1%	396.7%

Top 5 Unaffiliated Reinsurers for First Specialty Insurance Corp by Gross Recoverables

Dollars in 000

Rank	Reinsurer	Gross Recoverables	Assumed Premium (As-Reported by Reinsurer)	Premiums Ceded (As-Reported By Cedant)
1	National Indemnity Company	25,290	-11	-11
2	Sanctuary Insurance Company	249	NA	306
3	Lumbermens Mutual Casualty Company	2	NA	0
4	-	-	-	-
5	-	-	-	-

Swiss Re Limited is a publicly traded holding company (SWEX: SREN). SREN provides wholesale reinsurance, insurance, and insurance-based forms of risk transfer for insurance companies, mid-sized and multinational corporations, and public sector bodies worldwide. The company operates in four segments: Property and Casualty Reinsurance, Life and Health Reinsurance, Corporate Solutions, and Admin Re. SREN was founded in 1863 and is headquartered in Zurich, Switzerland.

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.