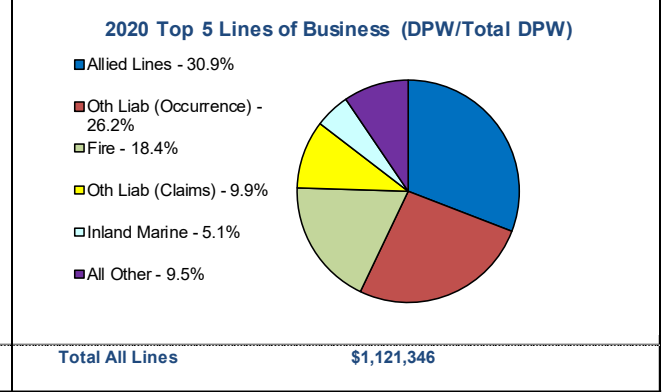
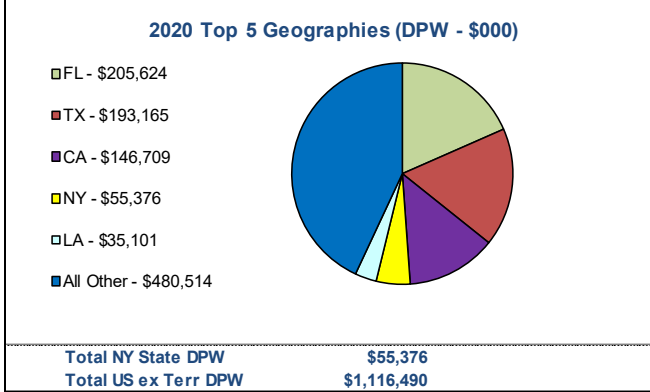
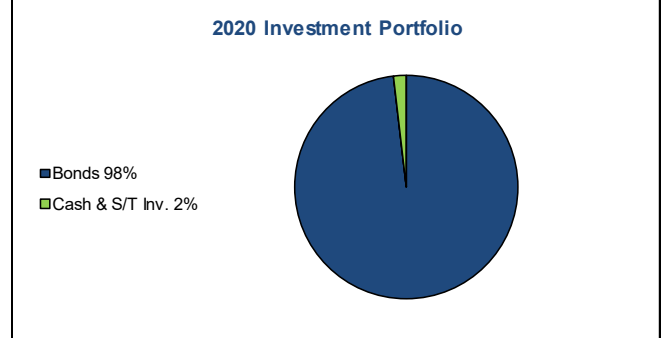
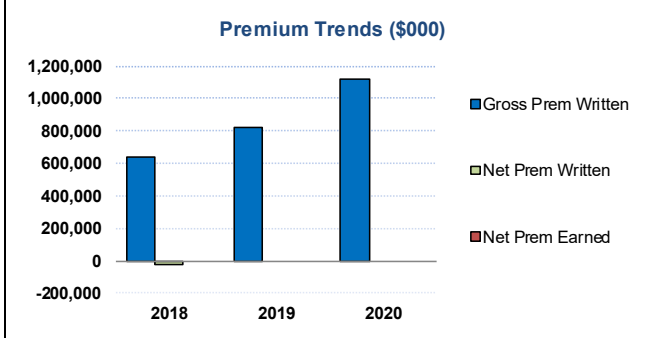
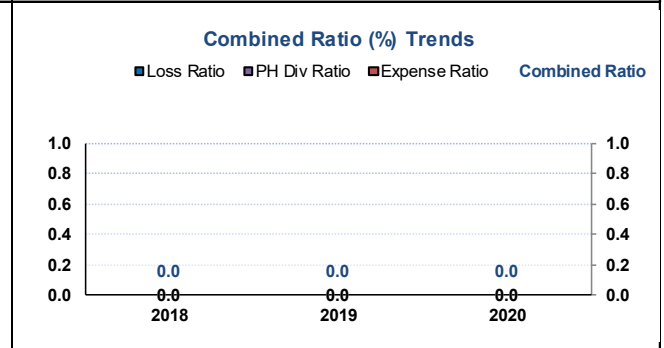
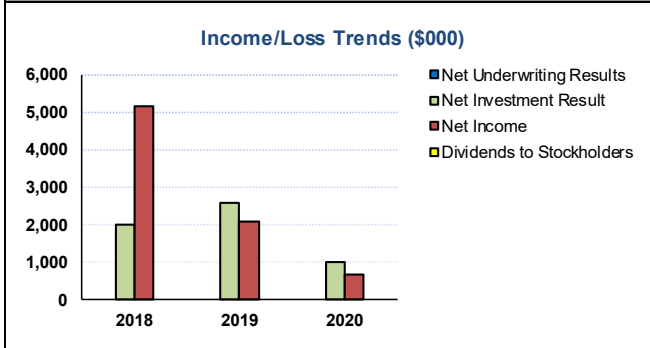




**WESTCHESTER SURPLUS LINES INSURANCE COMPANY, NAIC #10172  
CHUBB LIMITED**

Dollars in 000

|                                       | 2018     | 2019    | 2020    |                         | 2018      | 2019      | 2020      |
|---------------------------------------|----------|---------|---------|-------------------------|-----------|-----------|-----------|
| Total Assets                          | 233,439  | 274,071 | 337,452 | RBC Ratio (%)           | 49,412.8  | 8,590.6   | 23,284.3  |
| Total Liabilities                     | 121,871  | 160,312 | 222,972 | 2yr Res Development     | 0         | 0         | 0         |
| Policyholder Surplus                  | 111,568  | 113,759 | 114,480 | 2yr Dev / Surplus       | 0.0%      | 0.0%      | 0.0%      |
| Cash & Invested Assets                | 51,299   | 38,020  | 51,049  | Affiliated Common Stock | 0         | 0         | 0         |
| Cash & Invested Assets / Total Assets | 22.0%    | 13.9%   | 15.1%   | Affiliated CS / Surplus | 0.0%      | 0.0%      | 0.0%      |
| Net Cash from Operations              | -115,775 | 31,728  | -19,120 | Net Reins Recoverable   | 1,368,611 | 1,301,270 | 1,782,190 |
| Loss & LAE Reserves                   | 0        | 0       | 0       | Net Reins Rec / Surplus | 1226.7%   | 1143.9%   | 1556.8%   |
| Loss & LAE Reserves/Surplus           | 0.0%     | 0.0%    | 0.0%    | AMB / S&P Ratings       | A++ / AA  | A++ / AA  | A++ / AA  |



**Top 5 Reinsurers for Westchester Surplus Lines Ins by Gross Recoverables  
Period: 2020Y**

Dollars in 000

| Reinsurer                          | Reinsurance Class                     | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|------------------------------------|---------------------------------------|-------------------------|-------------|-----------------------|
| 1 - ACE American Insurance Company | US Affiliated Non-captive Non-pooling | Authorized              | 2,001,501   | 0                     |
| 2 - -                              | -                                     | -                       | -           | -                     |
| 3 - -                              | -                                     | -                       | -           | -                     |
| 4 - -                              | -                                     | -                       | -           | -                     |
| 5 - -                              | -                                     | -                       | -           | -                     |

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## ULTIMATE PARENT – Chubb Limited

| Corporate Profile |  | Financial Strength Ratings |   |
|-------------------|--|----------------------------|---|
| Address:          | Chubb Limited<br>Baerengasse 32<br>Zurich, -, -              | S&P Global:                | - |
| Website:          | <a href="http://www.chubb.com/us-en">www.chubb.com/us-en</a> | Moody's:                   | - |
| President :       | John W. Keogh  | Fitch:                     | - |
| Ticker Symbol:    | NYSE: CB   | AM Best - P&C:             | - |
| 2020 Form 10-K:   | <a href="#">SEC Website</a>                                  |                            |   |

| Highlights (\$000)                | 2017              | 2018              | 2019              | 2020              |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets                      | 167,022,000       | 167,771,000       | 176,943,000       | 190,774,000       |
| Total Policy Reserves             | 85,588,000        | 85,935,000        | 86,926,000        | 93,499,000        |
| Total Debt                        | 14,285,000        | 14,322,000        | 17,185,000        | 17,178,000        |
| Total Other Liabilities           | 6,676,000         | 7,638,000         | 6,940,000         | 8,668,000         |
| Sep Account Liabilities           | 2,734,000         | 2,823,000         | 3,573,000         | 4,388,000         |
| Total Liabilities                 | 115,850,000       | 117,459,000       | 121,612,000       | 131,333,000       |
| <b>Total Equity</b>               | <b>51,172,000</b> | <b>50,312,000</b> | <b>55,331,000</b> | <b>59,441,000</b> |
| Total Liab & Equity               | 167,022,000       | 167,771,000       | 176,943,000       | 190,774,000       |
| Book Value / Share (\$)           | 110.32            | 109.56            | 122.42            | 131.88            |
| Reserves / Investments & Cash (x) | 0.82              | 0.83              | 0.77              | 0.76              |
| Reserves / Liabilities (x)        | 0.74              | 0.73              | 0.71              | 0.71              |
| Reserves / Equity (x)             | 1.67              | 1.71              | 1.57              | 1.57              |
| Debt / Equity (x)                 | 0.28              | 0.28              | 0.31              | 0.29              |
| Dec. 31 Closing Price (\$)        | 146.13            | 129.18            | 155.66            | 153.92            |
| Net Income (\$)                   | 3,861,000         | 3,962,000         | 4,454,000         | 3,533,000         |
| Basic EPS (\$)                    | 8.26              | 8.55              | 9.77              | 7.82              |
| Investment Yield (%)              | 3.50              | 2.93              | 3.25              | 3.80              |
| Ratios (%)                        |                   |                   |                   |                   |
| Loss Ratio                        | 65.80             | 62.10             | 62.10             | 68.50             |
| Expense Ratio                     | 28.90             | 28.50             | 28.50             | 27.60             |
| PH Dividend Ratio                 | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       |
| Combined Ratio                    | 94.70             | 90.60             | 90.60             | 96.10             |

### Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Lloyds, Insurance Services, Claims Management and associated Asset Management

Geography: Worldwide in 54 countries and territories

## **HISTORY**

Westchester Surplus Lines Insurance Company (Westchester Surplus Lines) was incorporated in the State of Hawaii in June 1971 as Industrial Insurance Company of Hawaii. The company re-domesticated to Georgia and the current name was adopted in November 1994. Ace, Ltd (Switzerland) had control of the Company from 1998 until its acquisition and subsequent merger with the Chubb, Ltd (Switzerland), effective January 1, 2016. The company has been eligible to write surplus lines business in New York since March 26, 1991. As of December 31, 2020, Westchester Surplus Lines is licensed in Georgia and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia, Guam, the U.S. Virgin Islands, and the Northern Mariana Islands.

## **REINSURANCE**

Westchester Surplus Lines participates in the 25 member intercompany Chubb Pool, through its 100% quota share agreement ceding business to Federal Insurance Company (FIC), IN, as the pool lead. Reinsurance for the pool is complex and flows through various intercompany and non-affiliate layers managed by Chubb. As a result of the pooling agreement, no values are reported for net premiums written, net premiums earned, underwriting income, and the various combined ratio trends. As such, the financial strength of the company is heavily dependent upon the credit risk of Chubb, as well as investment risk of its own investment portfolio, managed in common by Chubb. For the years 2018 through 2020, respectively, Westchester net reinsurance recoverable was shown as \$1.37bn, \$1.30bn and \$1.78bn, reflecting 1,227%, 1,149% and 1,557% of company surplus.

## **HOLDING COMPANY**

Founded in 1985, in Bermuda, ACE, Ltd, subsequently moving its domicile to Switzerland purchased the Chubb Group in 2016. The two groups were subsequently merged, retaining the brand name and now operating under the name of Chubb. The Chubb and Son Group, was founded in 1882 with roots in New York, NY, and Chicago, IL was a highly regarded and best-in-class global insurance, reinsurance and financial services group. The rebranded group, Chubb, is one of the world's largest publicly traded insurance holding companies. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance, and life insurance to a diverse group of clients. AM Best collectively rates Chubb and forty-nine (49) insurance subsidiaries, including Westchester Surplus Lines Insurance Company. For the years 2018 through 2020, Chubb was rated by AM Best and S&P as 'A++'/'AA' and assigned a financial size of XV (\$2bn - >).

## **SUBSEQUENT NOTEWORTHY OBSERVATIONS**

### **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.