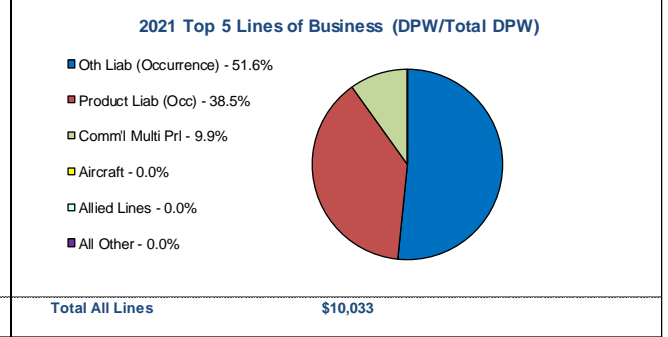
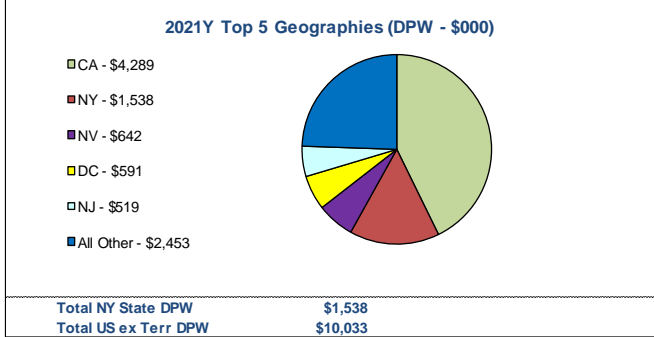
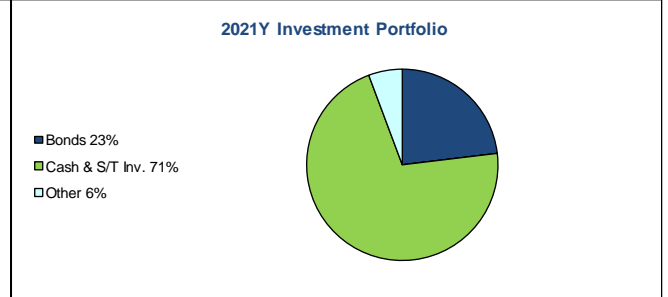
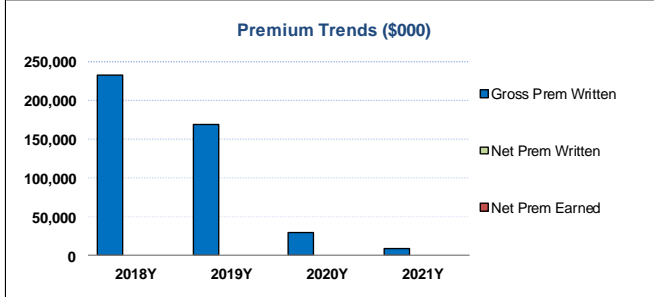
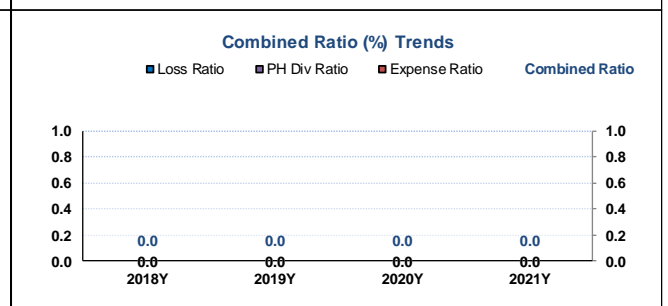
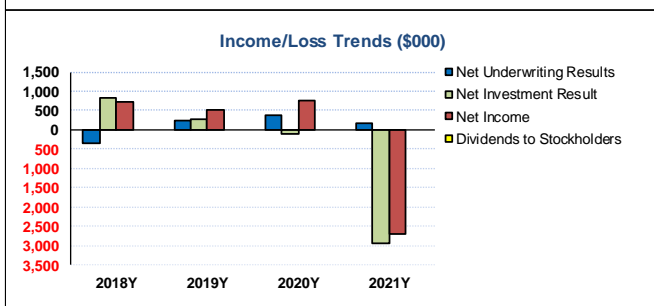




**FIRST MERCURY INSURANCE COMPANY, NAIC #10657
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	70,744	126,680	98,064	68,670	RBC Ratio (%)	13,955.0	14,267.7	13,055.4	13,268.5
Total Liabilities	6,828	61,123	31,609	2,717	2yr Res Development	0	0	0	0
Policyholder Surplus	63,917	65,558	66,455	65,953	2yr Dev/ Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	55,024	66,303	60,894	54,955	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	77.8%	52.3%	62.1%	80.0%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	11,832	-32,346	13,538	34,073	Net Reins Recoverable	605,294	700,832	548,673	440,721
Loss & LAE Reserves	0	0	0	0	Net Reins Rec / Surplus	947.0%	1069.0%	825.6%	668.2%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%	AMB / S&P Ratings	A / A-	A / A-	A / A-	A / A-



**Top 5 Reinsurers for First Mercury Insurance Co. by Gross Recoverables
Period: 2021Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Allied World Insurance Company	US Affiliated Pooling	Authorized	711,600	0
2 - Allied World Assurance Company, Ltd.	Non-US Affiliated Non-captive	Mixed Filing	449,273	0
3 - Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München	Non-US Unaffiliated	Unauthorized	73,465	0
4 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	73,361	0
5 - AXIS Reinsurance Company	US Unaffiliated	Authorized	45,041	0

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ULTIMATE PARENT – Fairfax Financial Holdings Limited

Corporate Profile		Financial Strength Ratings	
Address:	Fairfax Financial Holdings Limited 95 Wellington Street West Toronto, -, -	S&P Global:	-
Website:	www.fairfax.ca	Moody's:	-
President :	Peter S. Clarke	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
2021 Form 10-K:			

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	64,372,100	70,508,500	74,054,000	86,645,400
Total Policy Reserves	35,353,900	35,722,600	39,206,800	47,346,500
Total Debt	6,480,400	8,729,000	10,266,100	8,893,700
Total Other Liabilities	3,921,900	8,149,700	6,697,400	8,491,100
Sep Account Liabilities	0	0	0	0
Total Liabilities	47,006,900	52,601,300	56,526,700	65,330,100
Total Equity	17,365,200	17,907,200	17,527,300	21,315,300
Total Liab & Equity	64,372,100	70,508,500	74,054,000	86,645,400
Book Value / Share (\$)	432.46	486.10	478.33	630.60
Reserves / Investments & Cash (x)	0.91	0.91	0.90	0.89
Reserves / Liabilities (x)	0.75	0.68	0.69	0.72
Reserves / Equity (x)	2.04	1.99	2.24	2.22
Debt / Equity (x)	0.37	0.49	0.59	0.42
Dec. 31 Closing Price (\$)	440.43	470.10	340.49	491.70
Net Income (\$)	817,900	1,971,200	37,400	3,666,600
Basic EPS (\$)	12.03	72.80	6.59	129.33
Investment Yield (%)	3.18	6.81	2.37	9.34
Ratios (%)				
Loss Ratio	62.70	63.10	65.40	62.70
Expense Ratio	34.60	33.80	32.40	32.30
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	97.30	96.90	97.80	95.00

Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Lloyds, Insurance Services, Claims Management and Associated Investment Management

Geography: Americas, Caribbean, Britain, European Union, India

HISTORY

First Mercury Insurance Company (First Mercury) was incorporated in the State of Illinois in June 1996, as a subsidiary of the First Mercury Syndicate, a member of the Illinois Insurance Exchange (IIE). The Syndicate transferred a \$35 million loss portfolio transfer to First Mercury, withdrew from the IIE and was merged into First Mercury. In 1998 Fairfax Financial Holding Limited (Fairfax), Toronto, Canada, acquired the Crum & Forester Insurance Group (C&F) from Xerox. In February 2011, First Mercury was acquired by Fairfax and contributed to C&F. The company has been eligible to write surplus lines business in New York since November 8, 2004. On October 28, 2015, First Mercury re-domesticated to Delaware. As of December 31, 2021, First Mercury is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia and the U.S. Virgin Islands.

REINSURANCE

First Mercury 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 2018 through 2021, First Mercury net reinsurance recoverable totaled \$605M, \$708M, \$549M and \$441M, reflecting 947%, 1,069%, 826% and 668% of Co. 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, Verasure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2018 through 2021, AM Best and S&P rated thirty three (33) insurance subsidiaries of the Fairfax Group, including First Mercury Insurance Company as 'A / A-' and were assigned the 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.