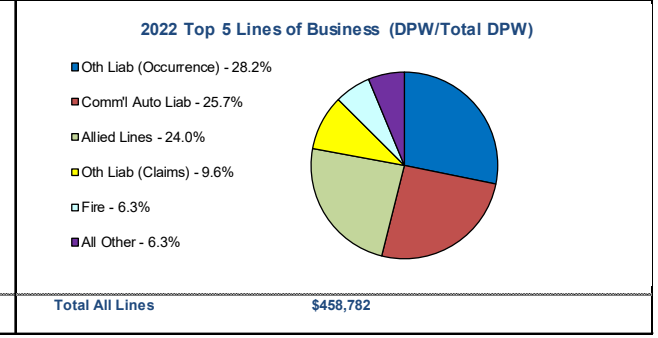
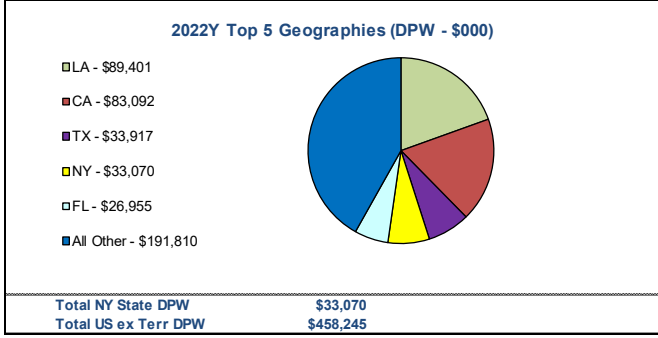
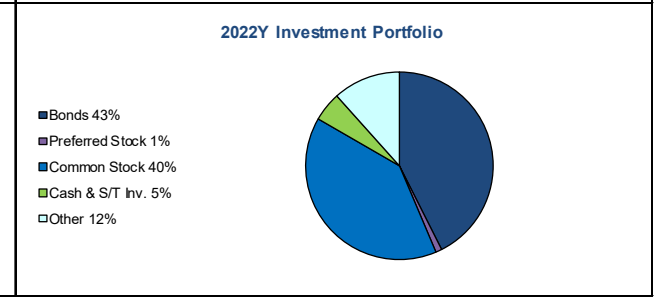
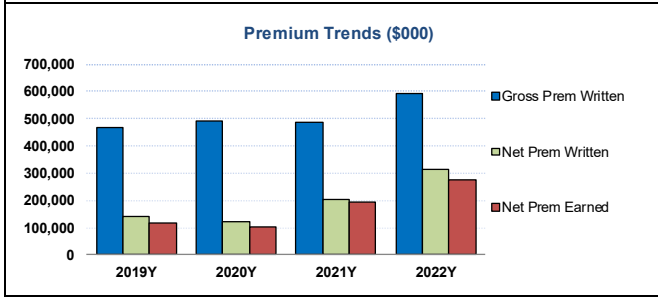
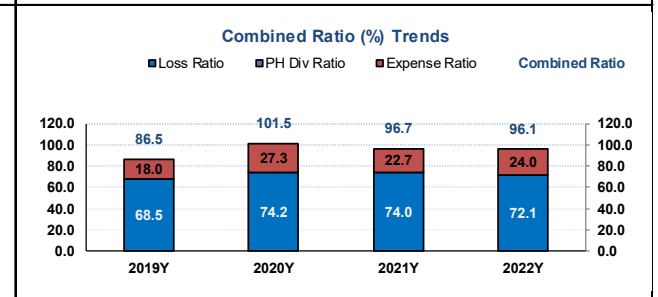
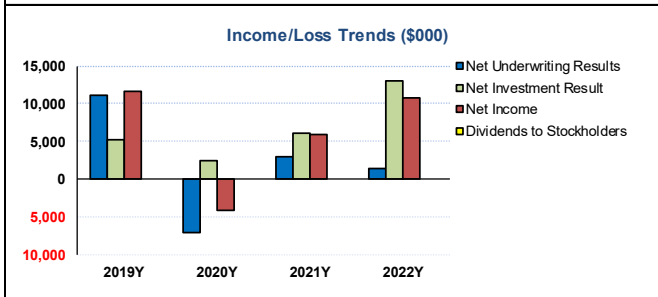




**HOUSTON SPECIALTY INSURANCE COMPANY, NAIC #12936
WESTAIM CORPORATION**

Dollars in 000

| | 2019Y | 2020Y | 2021Y | 2022Y | | 2019Y | 2020Y | 2021Y | 2022Y |
|--------------------------------------|---------|---------|---------|-----------|-------------------------|---------|---------|---------|---------|
| Total Assets | 623,186 | 674,188 | 799,950 | 1,022,858 | RBC Ratio (%) | 485.9 | 504.5 | 464.5 | 368.9 |
| Total Liabilities | 284,701 | 331,932 | 430,367 | 614,691 | 2yr Res Development | 21,431 | -11,175 | -19,421 | -8,523 |
| Policyholder Surplus | 338,486 | 342,256 | 369,583 | 408,167 | 2yr Dev / Surplus | 820.1% | -422.8% | -573.8% | -249.0% |
| Cash & Invested Assets | 481,144 | 542,802 | 672,773 | 824,509 | Affiliated Common Stck | 195,470 | 153,583 | 219,418 | 276,328 |
| Cash & Invested Assets/ Total Assets | 77.2% | 80.5% | 84.1% | 80.6% | Affiliated CS / Surplus | 57.7% | 44.9% | 59.4% | 67.7% |
| Net Cash from Operations | 49,337 | 34,744 | 107,428 | 175,244 | Net Reins Recoverable | 303,907 | 338,444 | 331,219 | 339,627 |
| Loss & LAE Reserves | 92,837 | 105,768 | 184,799 | 357,023 | Net Reins Rec / Surplus | 89.8% | 98.9% | 89.6% | 83.2% |
| Loss & LAE Reserves/Surplus | 27.4% | 30.9% | 50.0% | 87.5% | AMB / S&P Ratings | A- / NR | A- / NR | A- / NR | A- / NR |



| | |
|----------------------|-----------|
| Total NY State DPW | \$33,070 |
| Total US ex Terr DPW | \$458,245 |

| | |
|-----------------|-----------|
| Total All Lines | \$458,782 |
|-----------------|-----------|

**Top 5 Reinsurers for Houston Specialty Insurance Co by Gross Recoverables
Period: 2022Y**

Dollars in 000

| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|-----------------------------------|---------------------------------------|-------------------------|-------------|-----------------------|
| 1 - Everest Reinsurance Company | US Unaffiliated | Authorized | 129,593 | 0 |
| 2 - Imperium Insurance Company | US Affiliated Non-captive Non-pooling | Authorized | 35,984 | 0 |
| 3 - ECaptive PC1-C, Inc. | US Unaffiliated | Unauthorized | 34,852 | 0 |
| 4 - Eurasia Insurance Company JSC | Non-US Unaffiliated | Unauthorized | 22,733 | 0 |
| 5 - HIG Reinsurance Ltd. | Non-US Affiliated Captive | Unauthorized | 21,651 | 0 |

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HISTORY

Houston Specialty Insurance Company (Houston Specialty) was incorporated in the State of Delaware in December 2006, as Naxos Insurance Company, a subsidiary of Delos Insurance Company (Delos), and itself a subsidiary of then Lightyear Delos Acquisition Company. The company and Delos were acquired in 2010 by the Houston International Insurance Group, Inc. (HIIG). The company adopted its current name in 2010 and re-domesticated to Texas in 2011. HIIG was acquired by Westaim Corporation (Westaim) (Toronto, Canada) in 2014. Financial and operations control remain with HIIG/Westaim. Houston Specialty has been eligible to write surplus lines business in New York since 2013. As of December 31, 2022, the company is licensed in Texas, and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

Houston Specialty cedes to various unaffiliated named and authorized reinsurers. For the years 2019 through 2022, respectively, Houston Specialty net reinsurance recoverable was shown as \$304M, \$338M, \$331M and \$340M, representing 90%, 99%, 90% and 83% of company surplus.

HOLDING COMPANY - [Website](#)

Publicly traded under the TSX Venture Exchange under the ticker WED since 1996, and based in Toronto, Canada, Westaim Corporation invests in medical equipment and electronics, ceramics, and insurance companies. Houston International Insurance Group was founded in 2007 and writes commercial and surplus lines property and casualty insurance in construction, energy, medical stop loss, hospitality, professional liability, surety and exterminator business sectors. AM Best collectively rates four (4) insurance subsidiaries of HIIG, including Houston Specialty Insurance Company. For the years 2019 through 2022 the group was rated 'A-' and assigned the financial size of IX (\$250m - \$500m).

SUBSEQUENT NOTE WORTHY OBSERVATIONS