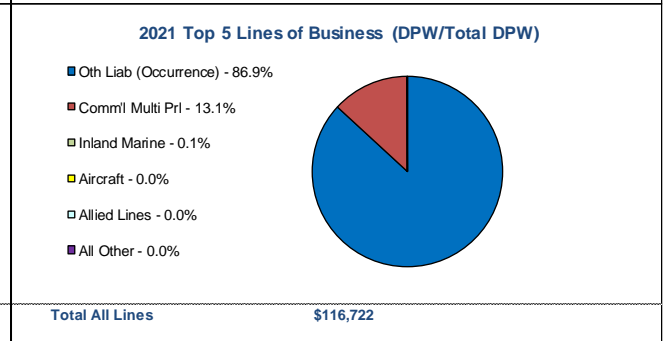
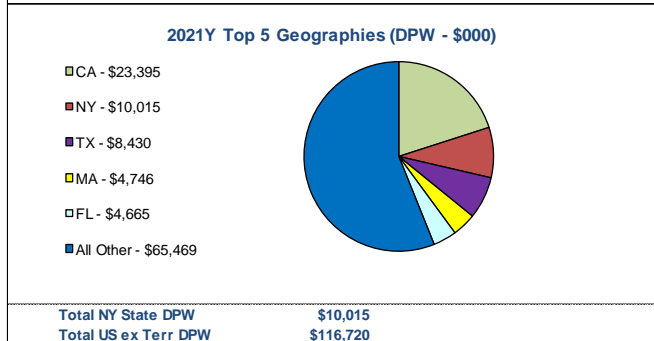
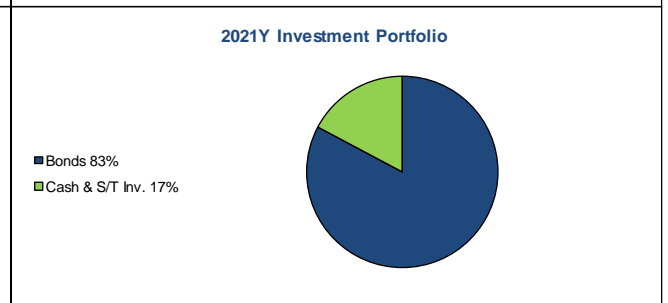
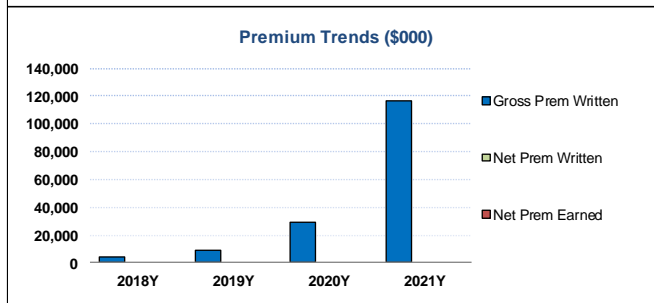
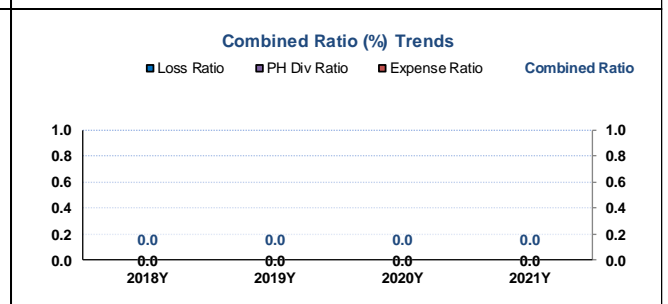
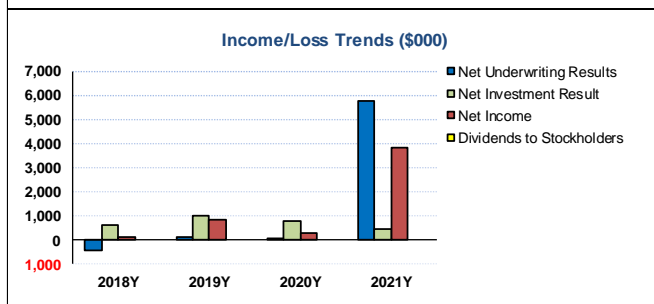




**HSB SPECIALTY INSURANCE COMPANY, NAIC #14438
MUNCHENER RUECKVERSICHERUNGS-GESELLSCHAFT AG 'MUNICH RE'**

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	54,327	54,026	58,711	74,812	RBC Ratio (%)	139,422.2	118,824.4	105,157.6	27,508.7
Total Liabilities	4,289	3,130	6,871	18,192	2yr Res Development	0	0	0	0
Policyholder Surplus	50,039	50,896	51,840	56,620	2yr Dev / Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	49,136	49,980	53,880	59,693	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	90.4%	92.5%	91.8%	79.8%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	348	1,372	3,765	6,911	Net Reins Recoverable	8,104	11,876	30,563	89,208
Loss & LAE Reserves	0	0	0	0	Net Reins Rec / Surplus	16.2%	23.3%	59.0%	157.6%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%	AMB / S&P Ratings	A++ / NR	A++ / NR	A++ / NR	A++ / NR



Top 5 Reinsurers for HSB Specialty 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

S&P Disclaimer Notice:

Reproduction of any information, data or material, including ratings ("content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("content providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. In no event shall content providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

ULTIMATE PARENT – Münchener Rückversicherungs-Gesellschaft AG ‘Munich Re’

Corporate Profile		Financial Strength Ratings	
Address:	Münchener Rückversicherungs-Gesellschaft Aktie KOeniginstrasse 107 Munich, -, -	S&P Global:	AA-
Website:	www.munichre.com	Moody's:	-
President :	-	Fitch:	AA
Ticker Symbol:	XTRA: MUV2	AM Best - P&C:	-
2021 Form 10-K:			

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	270,167,626	287,553,253	297,946,478	312,404,569
Total Policy Reserves	212,532,202	222,878,005	226,800,763	240,143,108
Total Debt	4,654,192	4,692,952	6,341,799	6,363,972
Total Other Liabilities	8,786,634	10,203,280	11,591,283	10,720,135
Sep Account Liabilities	7,924,826	8,171,516	7,955,150	8,998,471
Total Liabilities	243,667,724	256,977,516	267,952,424	281,459,112
Total Equity	26,499,902	30,575,737	29,994,054	30,945,457
Total Liab & Equity	270,167,626	287,553,253	297,946,478	312,404,569
Book Value / Share (\$)	180.86	215.32	213.38	220.06
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	0.87	0.87	0.85	0.85
Reserves / Equity (x)	8.02	7.29	7.56	7.76
Debt / Equity (x)	0.18	0.15	0.21	0.21
Dec. 31 Closing Price (\$)	190.55	263.00	242.80	260.50
Net Income (\$)	2,275,297	2,707,403	1,211,065	2,932,239
Basic EPS (\$)	15.53	18.97	8.63	20.93
Investment Yield (%)	0.00	0.00	0.00	0.00
Ratios (%)				
Loss Ratio	0.00	0.00	0.00	0.00
Expense Ratio	0.00	0.00	0.00	0.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	0.00	0.00	0.00	0.00

Company Description and Notes

Industries: All Personal and Commercial Lines Insurance and Reinsurance, both Life and Property & Casualty Insurance, Lloyds, Insurance Services, Claims Management, Associated Asset Management, Investments and Insurance Securitization

Geography: Worldwide

HISTORY

HSB Specialty Insurance Company (HSB Specialty) was incorporated in the State of Connecticut in June 2012, as a subsidiary of Münchener Rückversicherungs-Gesellschaft (“Munich Re”). Financial and operations control of the company remains with Munich Re. The company has been eligible to write surplus lines business in New York since July 11, 2013. As of December 31, 2021, HSB Specialty is a Connecticut domestic surplus lines insurer and operated on a non-admitted basis in fifty (50) states, the District of Columbia and Puerto Rico.

REINSURANCE

HSB Specialty maintains a 100% quota share agreement with an affiliate, Hartford Steam Boiler Inspection & Insurance Company (HSB). 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 risk of financial impairment is largely limited to credit risk of HSB/Munich Re as well as investment risk from its investment portfolio, managed in common by HSB. For the years 2018 through 2021, respectively, HSB Specialty net reinsurance recoverable totaled \$8.1M, \$11.9M, \$30.6m and \$89M, reflecting, 16%, 23%, 59% and 158% of company surplus.

HOLDING COMPANY

Founded in 1880, as the Munchener Ruckversicherungs-Gesellschaft, the company group now known as Munich Re is one of the world’s largest insurers. Munich Re is active in all lines of insurance covering all major commercial and insurance enterprises; personal lines, commercial lines, specialty lines, life, health, national and global reinsurance p&c and life, Lloyds, financial, reputational, weather, captives, insurance securitization, engineering and risk management. Munich Re operates worldwide and is headquartered in Munich, Germany. Due to the size and global reach of Munich Re, AM Best rates various divisions within the group. AM Best collectively rates twenty-four (24) insurance subsidiaries of the Munich Reinsurance Co., including HSB Specialty Insurance Company. For the years 2018 through 2021 the group was rated ‘A+’ and 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.