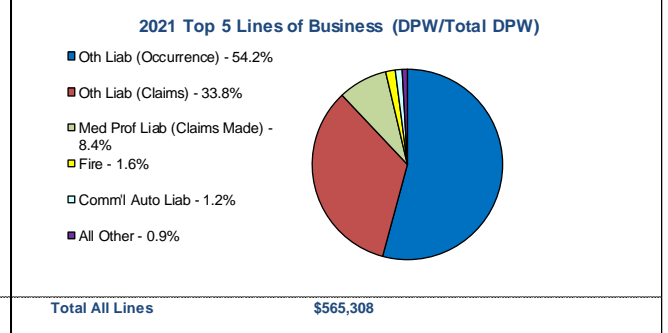
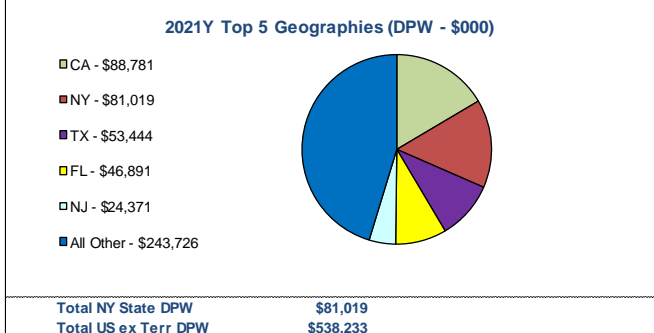
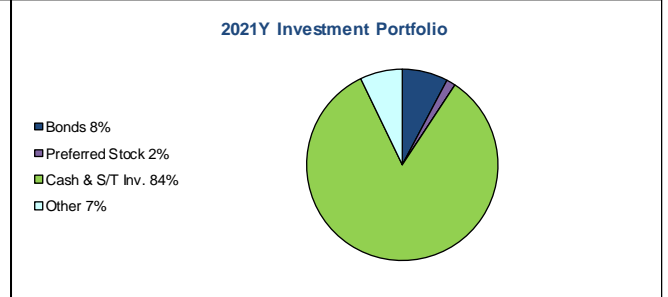
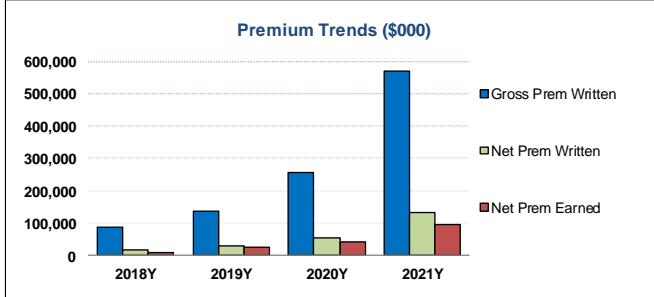
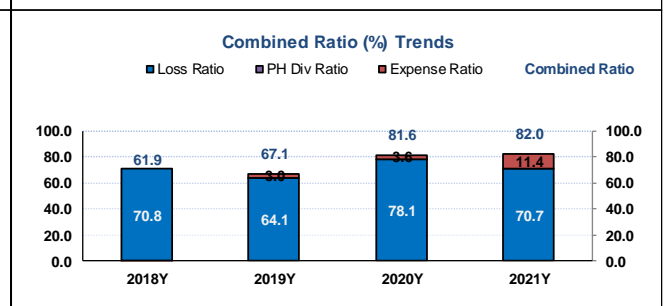
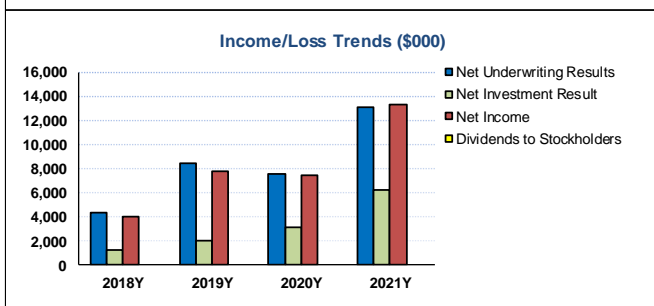




**HUDSON EXCESS INSURANCE COMPANY, NAIC #14484
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	100,265	155,110	254,498	413,587	RBC Ratio (%)	3,836.6	1,640.5	878.0	549.7
Total Liabilities	37,258	87,800	175,526	311,275	2yr Res Development	0	0	432	2,681
Policyholder Surplus	63,007	67,310	78,973	102,312	2yr Dev/ Surplus	0.0%	0.0%	68.6%	398.3%
Cash & Invested Assets	85,647	124,388	189,645	322,989	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	85.4%	80.2%	74.5%	78.1%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	17,059	40,924	62,738	112,393	Net Reins Recoverable	113,358	158,417	278,735	509,250
Loss & LAE Reserves	8,461	23,934	51,632	104,060	Net Reins Rec / Surplus	179.9%	235.4%	353.0%	497.7%
Loss & LAE Reserves/Surplus	13.4%	35.6%	65.4%	101.7%	AMB / S&P Ratings	A / NR	A / NR	A / NR	A / NR



**Top 5 Reinsurers for Hudson Excess 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

Hudson Excess Insurance Company (Hudson Excess) was incorporated in the State of Delaware in May 2012, as a subsidiary of the Odyssey Reinsurance Group (Odyssey Re), itself ultimately owned by Fairfax Financial Holdings Limited (Fairfax). Financial and operations control of the company remains with Fairfax. The company has been eligible to write surplus lines business in New York since April 29, 2013. As of December 31, 2021, Hudson Excess is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia, Puerto Rico and the U.S Virgin Islands.

REINSURANCE

Hudson Excess maintains a 70% quota share agreement with its upstream parent, Odyssey Re. As such, the financial strength of the company is heavily dependent on the credit risk of Odyssey Re/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2018 through 2021, respectively, Hudson Excess net reinsurance recoverable totaled \$113M and \$158M, \$279M and \$509M, representing 180%, 235%, 353% and 498% of company 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 Hudson Excess 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.