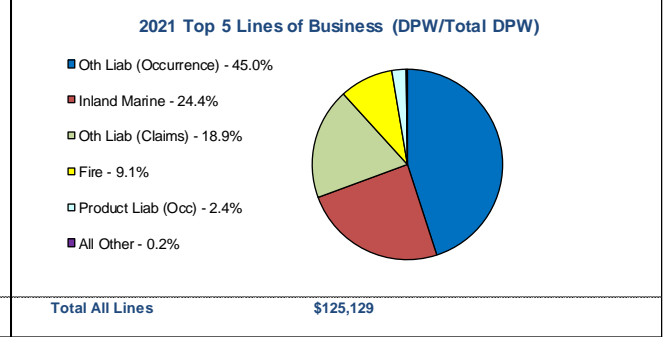
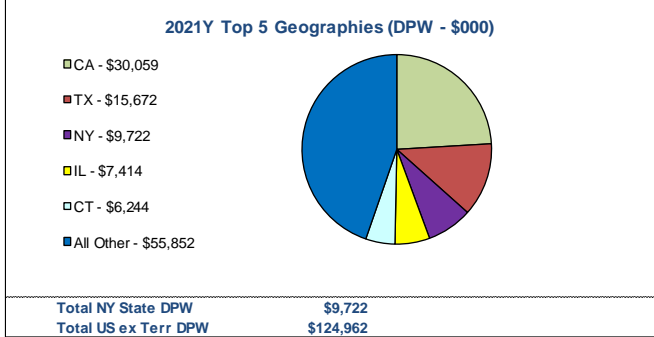
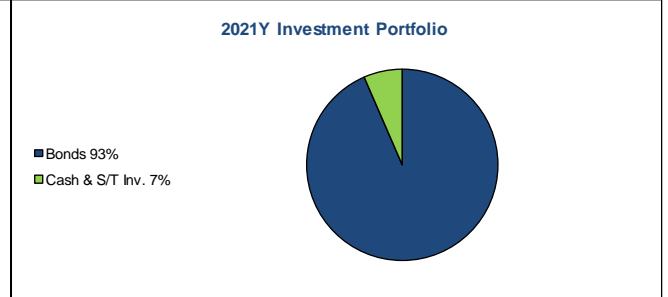
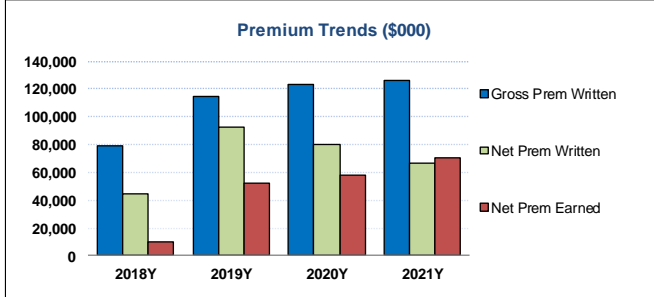
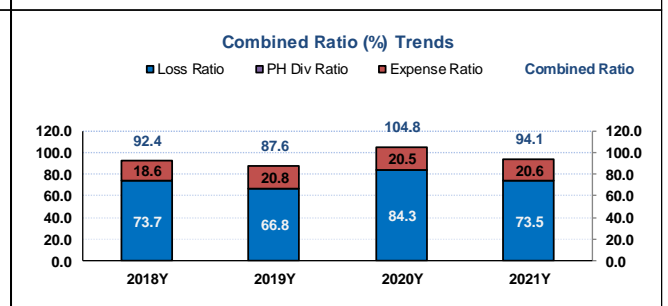
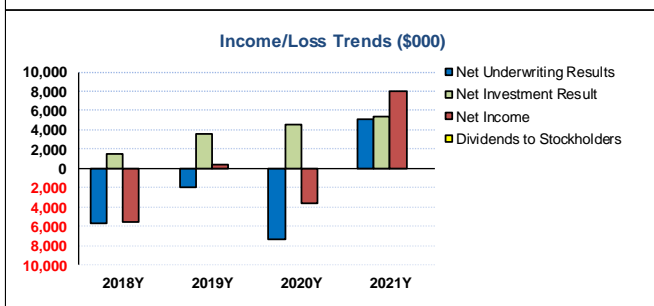




HDI SPECIALTY INSURANCE COMPANY, NAIC #16131 HAFTPFLICHTVERBAND DER DEUTSCHEN INDUSTRIE VVAG

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	129,433	172,007	237,471	277,847	RBC Ratio (%)	1,752.7	1,041.0	533.9	390.0
Total Liabilities	82,055	121,433	188,636	222,276	2yr Res Development	0	-1	-601	6,915
Policyholder Surplus	47,378	50,574	48,835	55,570	2yr Dev/ Surplus	NA	-0.2%	-126.9%	1367.3%
Cash & Invested Assets	100,045	138,857	202,745	240,193	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	77.3%	80.7%	85.4%	86.4%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	48,283	34,596	65,644	31,662	Net Reins Recoverable	6,056	28,331	39,259	49,687
Loss & LAE Reserves	6,511	33,279	64,287	97,081	Net Reins Rec / Surplus	12.8%	56.0%	80.4%	89.4%
Loss & LAE Reserves/Surplus	13.7%	65.8%	131.6%	174.7%	AMB / S&P Ratings	A / NR	A / NR	A / NR	A / NR



Top 5 Reinsurers for HDI Specialty Insurance Co. by Gross Recoverables Period: 2021Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Lloyd's Syndicate - 1183 (Talbot Underwriting Ltd)	Non-US Unaffiliated	Authorized	15,791	263
2 - Transatlantic Reinsurance Company	US Unaffiliated	Authorized	10,344	0
3 - HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit	Non-US Affiliated Non-captive	Unauthorized	9,578	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	4,298	0
5 - Arch Reinsurance Ltd.	Non-US Unaffiliated	Unauthorized	2,332	0

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ULTIMATE PARENT – Haftpflichtverband der Deutschen Industrie V.a.G

Corporate Profile		Financial Strength Ratings	
Address:	HDI Haftpflichtverband der Deutschen Industrie Ver HDI-Platz 1 Hanover, -, -	S&P Global:	A+
Website:	www.hdi.de/privatkunden	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	-: -	AM Best - P&C:	-
2021 Form 10-K:			

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	163,747,000	179,378,000	182,783,000	0
Total Policy Reserves	127,091,000	137,496,000	140,218,000	0
Total Debt	4,983,000	6,172,000	6,134,000	0
Total Other Liabilities	6,285,000	7,081,000	7,608,000	0
Sep Account Liabilities	9,990,000	11,824,000	11,619,000	0
Total Liabilities	147,973,000	160,974,000	163,891,000	0
Total Equity	15,773,000	18,405,000	18,892,000	0
Total Liab & Equity	163,746,000	179,379,000	182,783,000	0
Book Value / Share (\$)	0.00	0.00	0.00	0.00
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	0.86	0.85	0.86	NA
Reserves / Equity (x)	8.06	7.47	7.42	0.00
Debt / Equity (x)	0.32	0.34	0.32	0.00
Dec. 31 Closing Price (\$)	0.00	0.00	0.00	0.00
Net Income (\$)	1,325,000	1,659,000	1,154,000	0
Basic EPS (\$)	0.00	0.00	0.00	0.00
Investment Yield (%)	0.00	0.00	0.00	0.00
Ratios (%)				
Loss Ratio	69.50	69.50	72.70	0.00
Expense Ratio	28.70	28.80	28.20	0.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>-2.00</u>	<u>0.00</u>
Combined Ratio	98.20	98.30	98.90	0.00

Company Description and Notes

Industries: Personal and Commercial Lines Property and Casualty Insurance, Surplus Lines, Life, Health and Disability Insurance, Legal Liability and Retirement Insurance Products, Reinsurance, Lloyds, Insurance Services, Claims Management and Associated Investment Management

Geography: Worldwide

HISTORY

HDI Specialty Insurance Company (“HDI Specialty” or “Company”) was incorporated on February 3, 2017, as a Illinois domestic surplus lines insurer, and wholly-owned subsidiary of HDI Global Insurance Company (HDI Global). HDI Global is owned by HDI Global Network AG, which in turn is owned by HDI Global SE, which is owned by Talanx AG. Also, Talanx AG is a 50.22% owner of Hannover Ruck SE. The ultimate parent is Haftpflichtverband der Deutschen Industrie V.a.G (“HDI”). HDI Specialty has been eligible in New York since November 3, 2017. As of December 31, 2021, HDI Specialty is an Illinois domestic surplus lines insurer and operates as a non-admitted insurer in forty-six (46) states, the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Marianas Islands.

REINSURANCE

HDI Specialty cedes 95% to 100% of its business to HDI Global Network and HDI Global SE on both a quota share and facultative basis. The business is then retroceded into the HDI Group’s global reinsurance framework. As such, the financial strength of the company is heavily dependent on the credit risk of HDI Global, as well as investment risk of its own investment portfolio, managed in common by HDI Global. A review of financials for the year 2017 and related loss/expense/combined ratios were not considered an adequate illustration of the company. For the years 2018 through 2021, respectively, HDI Specialty net reinsurance recoverable was shown as \$6M, \$28M, \$39M and \$50M, representing 13%, 56%, 80% and 89% of company surplus.

HOLDING COMPANY

Founded in 1903 in Hanover, Germany as Haftpflichtverband der Deutschen Industrie V.a.G (HDI), operating as a liability association insurer for the German iron and steel industry, the group has gone through numerous changes in branding and names over the succeeding generations. The HDI group was known as Hanover Re in 1966. With the acquisition of Gerling Konzern Allgemeine Versicherungen AG (Gerling Global) in 2006 the group was renamed HDI-Gerling. In 2016, it was renamed HDI Global Insurance Company. The HDI group manages the industrial lines division of the Talanx Group and has expanded operations to writing personal and commercial lines property and casualty, surplus lines, life, health and disability insurance, legal liability and retirement insurance products in over 150 countries. AM Best collectively rates twelve (12) insurance subsidiaries of the HDI group, including HDI 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.