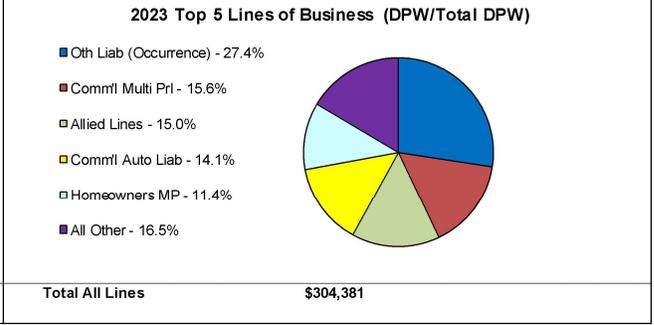
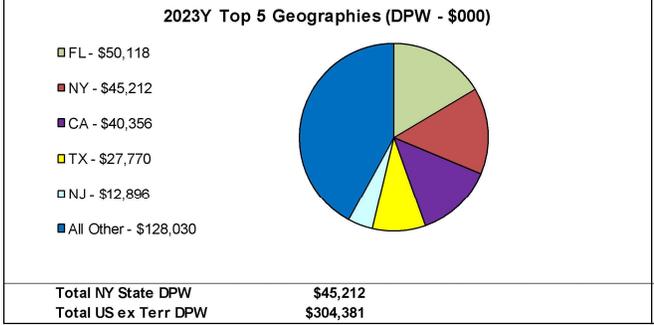
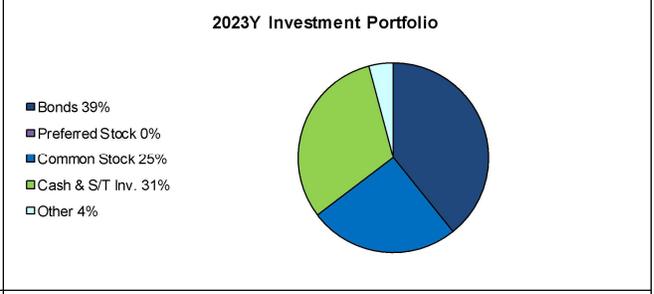
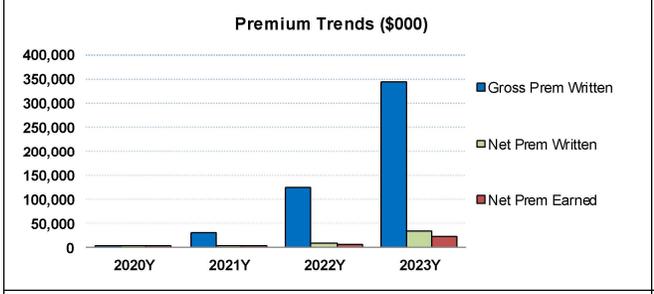
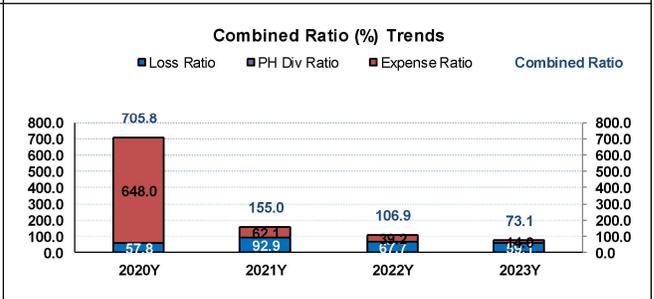
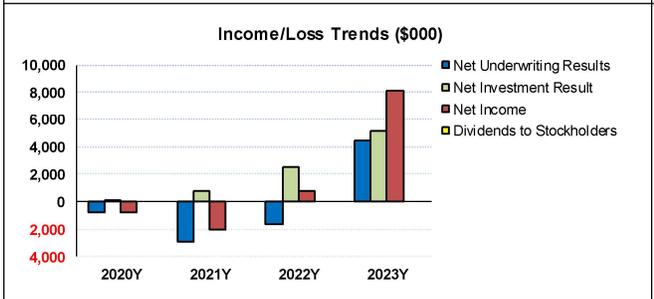




**SUTTON SPECIALTY INSURANCE COMPANY, NAIC #16848
PARENT – Sutton National Insurance Holdings Llc**

Dollars in 000

| | 2020Y | 2021Y | 2022Y | 2023Y | | 2020Y | 2021Y | 2022Y | 2023Y |
|---------------------------------------|---------|---------|---------|---------|-------------------------|----------|---------|---------|---------|
| Total Assets | 100,656 | 114,688 | 138,459 | 269,020 | RBC Ratio (%) | 18,609.4 | 3,746.1 | 2,170.6 | 1,667.6 |
| Total Liabilities | 141 | 14,437 | 37,153 | 134,185 | 2yr Res Development | 0 | 0 | 0 | -7 |
| Policyholder Surplus | 100,515 | 100,252 | 101,306 | 134,835 | 2yr Dev / Surplus | NA | NA | 0.0% | -0.7% |
| Cash & Invested Assets | 99,477 | 105,522 | 125,534 | 193,869 | Affiliated Common Stock | 44,170 | 43,550 | 43,805 | 49,254 |
| Cash & Invested Assets / Total Assets | 98.8% | 92.0% | 90.7% | 72.1% | Affiliated CS / Surplus | 43.9% | 43.4% | 43.2% | 36.5% |
| Net Cash from Operations | -669 | 1,696 | 17,808 | 49,577 | Net Reins Recoverable | 99 | 14,871 | 87,613 | 210,690 |
| Loss & LAE Reserves | 1 | 1,348 | 3,967 | 13,053 | Net Reins Rec / Surplus | 0.1% | 14.8% | 86.5% | 156.3% |
| Loss & LAE Reserves/Surplus | 0.0% | 1.3% | 3.9% | 9.7% | AMB / S&P Ratings | A- / NR | A- / NR | A- / NR | A- / NR |



TOP 5 REINSURERS FOR SUTTON SPECIALTY INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|---|-----------------------|-------------------------|-------------|-----------------------|
| 1 - Fergus Reinsurance Limited | Non-US Unaffiliated | Unauthorized | 27,141 | 0 |
| 2 - Sutton National Insurance Company | US Affiliated Pooling | Authorized | 25,385 | 0 |
| 3 - SiriusPoint America Insurance Company | US Unaffiliated | Authorized | 16,927 | 0 |
| 4 - Arch Reinsurance Company | US Unaffiliated | Authorized | 16,308 | 0 |
| 5 - Validus Reinsurance (Switzerland) Ltd | Non-US Unaffiliated | Authorized | 14,128 | 0 |

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.

HISTORY

Sutton Specialty Insurance Company (Sutton Specialty) was incorporated under the laws of Oklahoma on July 27, 2020 as a domestic surplus lines insurance company and commenced operation in late 2020. Sutton Specialty is a wholly owned subsidiary of Sutton National Insurance Holdings, LLC (SNH), which in turn is a wholly owned subsidiary of Brickell Insurance Holdings LLC (BIH). In January 2019, SNH acquired Sutton National Insurance Company (SNIC), formerly Unigard Indemnity Company (Unigard) domiciled in Wisconsin. In August 2020, SNIC re-domesticated to Oklahoma and subsequently adopted its current name. In late 2023, SNH ownership was transferred directly to Steven Pasko, an individual. As of December 31, 2023, Sutton Specialty is an Oklahoma domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

Sutton Specialty maintains various reinsurance agreements with affiliated and unaffiliated companies. Sutton Specialty also participates in an intercompany pooling arrangement with an affiliates. Under the Pooling Agreement SNIC cedes all of its net business written and all of its net underwriting and acquisition costs to Sutton Specialty, the pool manager, which in turn cedes back to SNIC 45% of the net business underwritten, and net underwriting and acquisition costs incurred by the pool. Sutton Specialty retains the remaining 55%. For the years 2020 through 2023, Sutton Specialty's net reinsurance recoverable totaled \$99K, \$15M, \$88M and \$210M respectively, reflecting 0.1%, 15%, 86% and 156% of company surplus.

HOLDING COMPANY

Steven Pasko is the ultimate controlling person in ownership and control of the holding company system. BIH, formed in Delaware on July 12, 2018, receives financial backing from the investment firm 777 Partners. The voting interests of BIH are 100% owned by MTCP LLC, a Delaware holding company that is owned 100% by Pasko. BIH owns four insurance companies as of December 31, 2022. 777 Re Ltd. (777 Re) is a life reinsurer incorporated on March 4, 2019, in Bermuda and Merit Life Insurance Company domiciled in Texas that was purchased on December 31, 2019. Sutton Specialty and SNIC are the only property and casualty (P/C) companies under BIH. Effective July 31, 2021 the PC companies are wholly owned by Brickell PC Insurance Holdings, following a series of transactions that restructured the organization. For the years 2020 through 2023, the group was rated 'A-' by A.M. Best and was assigned the financial size category of VIII (\$100M-\$250M).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2024

AM Best Disclaimer Notice:

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| Financial Term | Definition |
|-------------------------------------|---|
| 2y Dev/Surplus (IRIS #12) | Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus. |
| 2yr Res Development | The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years. |
| Affiliated Common Stock | The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries. |
| Affiliated CS / Surplus | The percentage of surplus that is comprised of investments in affiliates or subsidiaries. |
| AMB / S&P Ratings | Financial strength ratings from AM Best Company and Standard & Poor's. ¹ |
| Cash & Invested Assets | Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities. |
| Cash & Invested Assets/Total Assets | A measure of liquidity that indicates the portion of assets held in cash or marketable securities. |
| Combined Ratio | A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit. |
| Dividends to Stockholders | Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors. |
| DPW – Direct Premiums Written | Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business. |
| Expense Ratio | The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs. |
| Gross Premiums | The total premium written and assumed by an insurer before deductions for reinsurance. |
| Loss & LAE Reserves | The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim. |
| Loss & LAE Reserves/Surplus | Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus. |
| Loss Ratio | The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business. |
| Net Cash from Operations | Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid. |
| Net Income | The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement. |
| Net Investment Result | The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks. |
| Net Premiums Earned | The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage. |
| Net Premiums Written | Represents gross premium written less reinsurance ceded. |

| Financial Term | Definition |
|--------------------------|--|
| Net Reins Rec / Surplus | Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus. |
| Net Reins Recoverable | The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers. |
| Net Underwriting Results | Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred. |
| PH Div Ratio | A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies |
| Policyholder Surplus | The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is \$47 million. |
| RBC Ratio (%) | <p>This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments.</p> <p>A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%.</p> <p>A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans.</p> <p>A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems.</p> <p>A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.</p> |
| Total Assets | Assets that are permitted by state law to be included in the company’s financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid. |
| Total Liabilities | A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due. |

¹ AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. <https://web.ambest.com/home>

¹S&P - Please see “Intro to Credit Ratings” at <http://www.spglobal.com/understandingratings> to learn more.