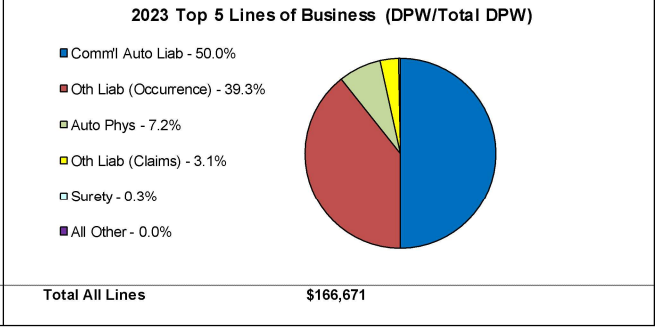
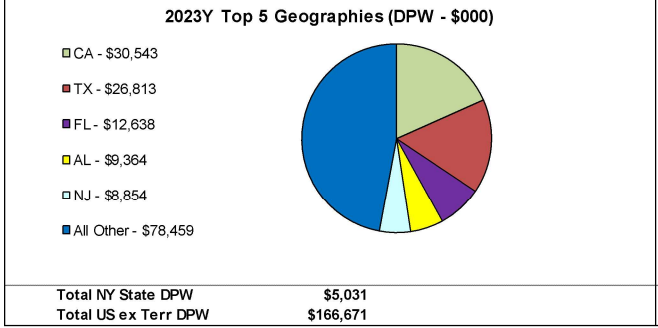
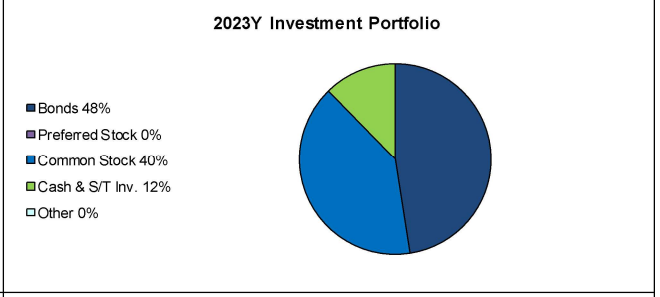
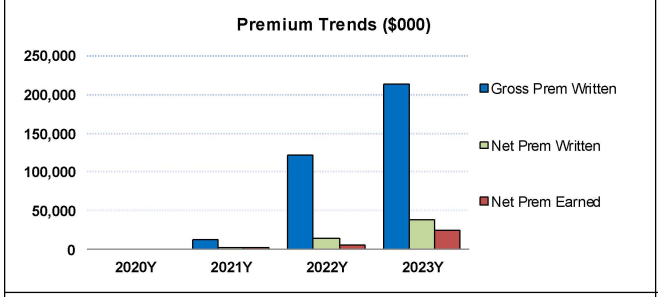
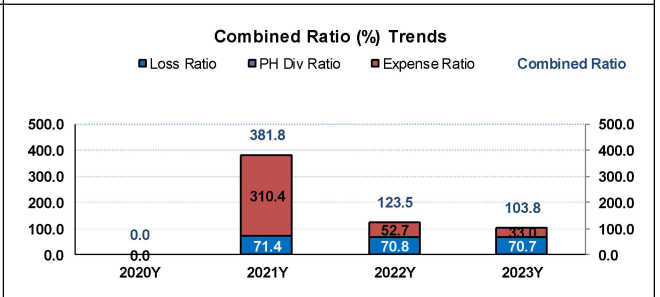
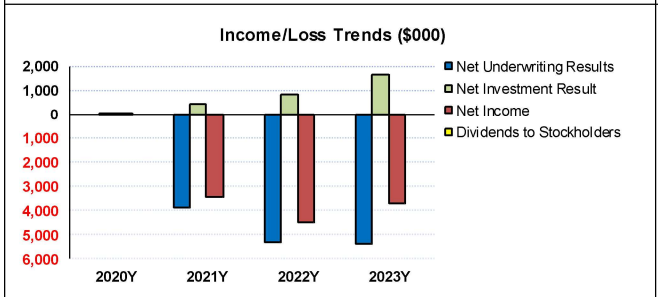




EVERSPAN INDEMNITY INSURANCE COMPANY, NAIC #16882
PARENT – Ambac Financial Group Inc

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	25,805	112,941	145,703	184,707	RBC Ratio (%)	70,761.8	1,927.6	1,343.3	814.5
Total Liabilities	1	7,021	38,218	76,656	2yr Res Development	0	0	0	260
Policyholder Surplus	25,804	105,921	107,485	108,051	2yr Dev / Surplus	NA	NA	0.0%	24.5%
Cash & Invested Assets	25,803	109,439	128,377	136,760	Affiliated Common Stock	10,803	55,172	54,971	54,921
Cash & Invested Assets / Total Assets	100.0%	96.9%	88.1%	74.0%	Affiliated CS / Surplus	41.9%	52.1%	51.1%	50.8%
Net Cash from Operations	1	1,219	17,613	6,970	Net Reins Recoverable	0	7,698	78,050	181,579
Loss & LAE Reserves	0	237	4,681	19,578	Net Reins Rec / Surplus	0.0%	7.3%	72.6%	168.0%
Loss & LAE Reserves/Surplus	0.0%	0.2%	4.4%	18.1%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR



TOP 5 REINSURERS FOR EVERSPAN INDEM INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - General Reinsurance Corporation	US Unaffiliated	Authorized	81,198	0
2 - Everspan Insurance Company	US Affiliated Pooling	Authorized	26,008	0
3 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	19,989	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	10,824	0
5 - Consolidated National Insurance Company	US Affiliated Pooling	Authorized	6,831	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.

See A.M. Best and S&P Disclaimer on Summary Report page.



ULTIMATE PARENT – Ambac Financial Group Inc

Corporate Profile		Financial Strength Ratings
Address:	Ambac Financial Group, Inc. One World Trade Center New York, NY, 10007	S&P Global: - Moody's: #OUTSIDE SUBSCRIPTION Fitch: - AM Best - P&C: -
Website:	www.ambac.com	
President :	Claude L. LeBlanc	
Ticker Symbol:	NYSE: AMBC	
SEC Filing:	10-K	

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	13,220,000	12,303,000	7,973,000	8,428,000
Total Policy Reserves	2,215,000	1,965,000	1,177,000	1,315,000
Total Debt	7,262,000	6,474,000	3,771,000	3,497,000
Total Other Liabilities	2,548,000	2,716,000	1,661,000	2,095,000
Sep Account Liabilities	0	0	0	0
Total Liabilities	12,074,000	11,187,000	6,647,000	6,997,000
Total Equity	1,140,000	1,098,000	1,305,000	1,415,000
Total Liab & Equity	13,214,000	12,285,000	7,952,000	8,412,000
Book Value / Share (\$)	23.58	22.42	27.84	30.14
Reserves / Investments & Cash (x)	0.22	0.21	0.18	0.19
Reserves / Liabilities (x)	0.18	0.18	0.18	0.19
Reserves / Equity (x)	1.94	1.79	0.90	0.93
Debt / Equity (x)	6.37	5.90	2.89	2.47
Dec. 31 Closing Price (\$)	15.38	16.05	17.44	16.48
Net Income (\$)	-437,000	-16,000	522,000	5,000
Basic EPS (\$)	-9.47	-0.61	11.48	0.18
Investment Yield (%)	1.03	1.82	2.14	1.84
Ratios (%)				
Loss Ratio	NA	NA	NA	NA
Expense Ratio	NA	NA	NA	NA
PH Dividend Ratio	NA	NA	NA	NA
Combined Ratio	NA	NA	NA	NA

HISTORY

Everspan Indemnity Insurance Company (Everspan Indemnity) was incorporated as a domestic surplus lines insurer under the laws of Arizona in October 2020. The Company is wholly owned by Everspan Holdings, LLC, a Delaware domicile company. In December 2020, through a series of transactions, that restructured the legal entity structure, Everspan Holdings contributed its 100% ownership interest in Everspan Insurance Company (EIC) to Everspan Indemnity, Everspan Indemnity became the parent of EIC and an indirect parent of EIC subsidiaries and created the Everspan Group. Everspan Indemnity is ultimately owned by Ambac Financial Group, Inc. (Ambac). As of December 31, 2023, Everspan Indemnity is an Arizona domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

REINSURANCE

Everspan Indemnity is the pool lead in an intercompany pooling agreement including four (4) affiliates, EIC, Greenwood Insurance Company (GIC), Consolidated Specialty Insurance Company (CSIC) and Consolidated National Insurance Company (CNIC). The pooling agreement stipulates that 100% of the members premiums will be ceded to the company, and that after reinsurance of the combined pool premiums, the company will retain 48% of the balance, effectively leaving EIC (30%), GIC (8%) CSIC (6%) and CNIC (8%) as net 52% pool participants. As such, the financial strength of the company is dependent on the underwriting performance of its pool members, the credit risk of Ambac, as well as investment risk of its own investment portfolio, managed in common by Ambac. For the years 2021 through 2023, respectively, Everspan Indemnity's net reinsurance recoverable totaled \$8M, \$78M and \$181M, reflecting 7%, 73% and 168% of company surplus.

HOLDING COMPANY

Everspan Holdings is a direct, wholly owned subsidiary of Ambac, headquartered in New York City. Ambac is a financial services holding company incorporated in Delaware on April 29, 1991. Ambac services financial guarantee insurance policies through its principal operating subsidiary, Ambac Assurance Corporation, and its wholly owned subsidiary, Ambac Assurance UK Ltd., both of which have been in runoff since 2008. Ambac subsidiaries include Xchange Benefits, LLC, Xchange Affinity Underwriting Agency, LLC, and P&C Managing General Underwriters. AM Best collectively rates Everspan and six (6) insurance subsidiaries, including Everspan Indemnity. For the years 2021 through 2023, Everspan Group was rated 'A-' by AM Best and assigned the financial size category of VIII (\$100M - \$250M).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2024

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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.