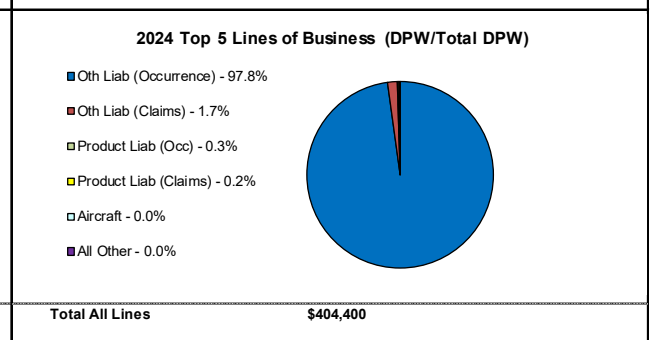
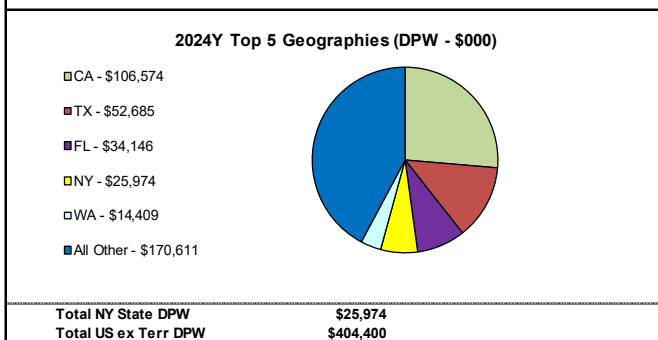
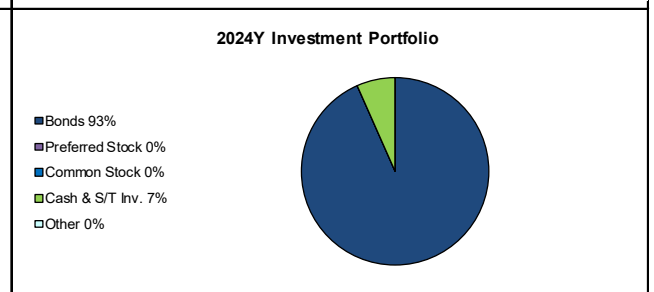
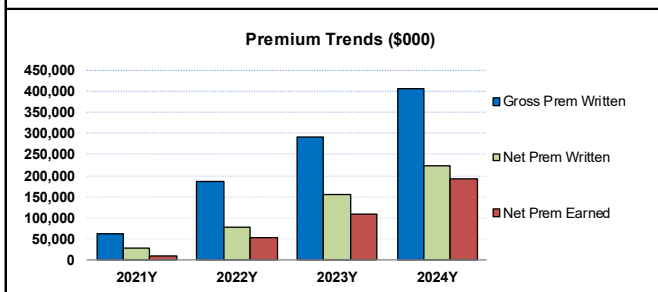
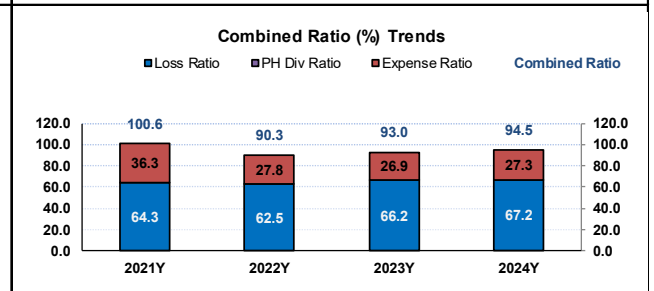
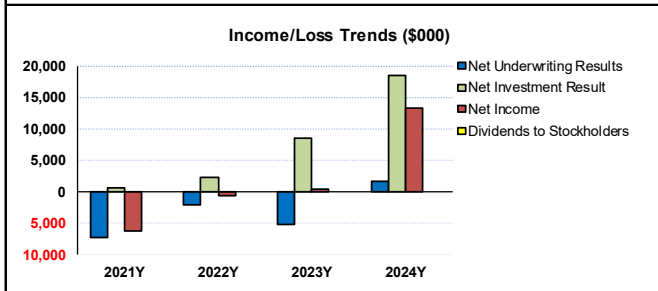


UPLAND SPECIALTY INSURANCE COMPANY, NAIC #16988
PARENT – NL Pursuit Holdings, LP

Dollars in 000

	2021Y	2022Y	2023Y	2024Y		2021Y	2022Y	2023Y	2024Y
Total Assets	149,839	215,431	368,519	571,404	RBC Ratio (%)	2,467.3	962.8	567.3	390.4
Total Liabilities	39,741	104,701	219,700	377,234	2yr Res Development	0	0	193	7,545
Policyholder Surplus	110,098	110,731	148,819	194,170	2yr Dev / Surplus	NA	NA	17.5%	681.4%
Cash & Invested Assets	136,156	188,646	325,725	511,697	Affiliated Common Stck	0	0	0	0
Cash & Invested Assets / Total Assets	90.9%	87.6%	88.4%	89.6%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	20,288	52,611	100,550	153,732	Net Reins Recoverable	20,963	93,200	166,110	261,861
Loss & LAE Reserves	6,584	36,059	94,026	195,471	Net Reins Rec / Surplus	19.0%	84.2%	111.6%	134.9%
Loss & LAE Reserves/Surplus	6.0%	32.6%	63.2%	100.7%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR

**TOP 5 REINSURERS FOR UPLAND SPECIALTY INSURANCE CO. BY GROSS RECOVERABLES**

PERIOD: 2024Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Endurance Assurance Corporation	US Unaffiliated	Authorized	34,509	0
2 - SiriusPoint America Insurance Company	US Unaffiliated	Authorized	34,289	0
3 - ACE Property and Casualty Insurance Company	US Unaffiliated	Authorized	31,700	0
4 - Arch Reinsurance Company	US Unaffiliated	Authorized	19,939	0
5 - Accident Fund Insurance Company of America	US Unaffiliated	Authorized	17,857	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

Upland Specialty Insurance Company (USIC) was formed under the laws of Texas on February 12, 2021 and granted a license to commence operations in March 2021. USIC was formed by Upland Capital Group, Inc. (UCG) to write specialty property and casualty (P&C) insurance on an excess and surplus lines basis. UCG also formed Upland Underwriters, LLC (UU), a Delaware-domiciled limited liability company that was incorporated on October 14, 2020, to provide underwriting, claims and administrative services to USIC. As of December 31, 2024, USIC was a Texas domestic surplus lines carrier and operated on a non-admitted basis in all fifty (50) states and the District of Columbia.

REINSURANCE

Upland Specialty seeks to limit its potential ultimate losses net of reinsurance to less than 2% of the Company's statutory equity for any one claim and 10% for any one event, such as catastrophe, in the aggregate, inclusive of reinstatement costs. The Company initially purchased predominantly quota share reinsurance; however, more excess of loss will be utilized over time. The desired net retention is managed by all divisions and lines of business. Effective March 1, 2021, management secured an initial reinsurance program anchored by a variable quota share (VQS) treaty, with a facultative excess of loss facility for placement of higher-limit exposures or risks that are excluded from the VQS treaty. Net retentions vary by division and operating unit but manage to be capped at below \$1.5M. For the years 2021 and 2024, USIC net reinsurance recoverable (see snapshot for names of key reinsurers) was shown as \$20M, \$93M, \$166 and \$261M, respectively, reflecting 19%, 84%, 112% and 135% of the company surplus.

HOLDING COMPANY

UCG was funded through Pursuit Insurance, LP (Pursuit), an investment limited partnership whose investors include Newlight Partners, LP, a private equity investment firm with over \$4B in assets under management and with significant insurance investment experience, as well as some members of UU's executive management. Pursuit incorporated UCG as a privately held, Delaware-domiciled holding company formed on September 22, 2020, for the purpose of capitalizing USIC. Newlight Partners, LP is privately controlled, and no financial information was publicly available. USIC received an initial rating of A- from A.M. Best on March 25, 2021, and assigned the financial size category of VIII (\$100M to \$250M). The rating was affirmed on May 23, 2024.

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2025

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.
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

Financial Term	Definition
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, 2025, the minimum policyholder surplus requirement for eligible insurers in New York is \$49 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.