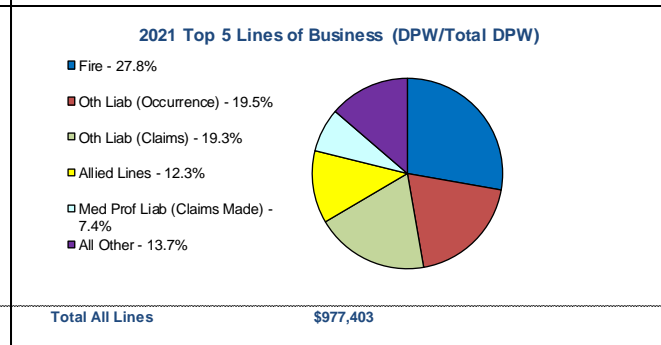
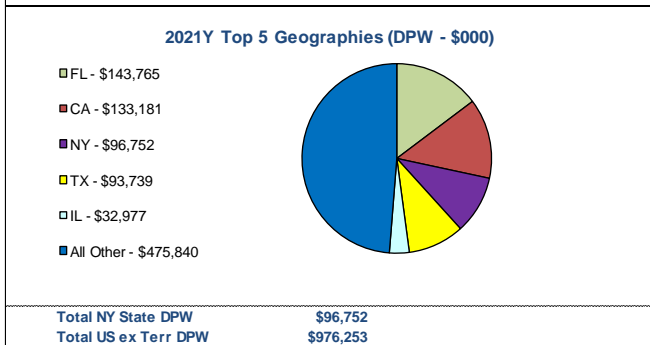
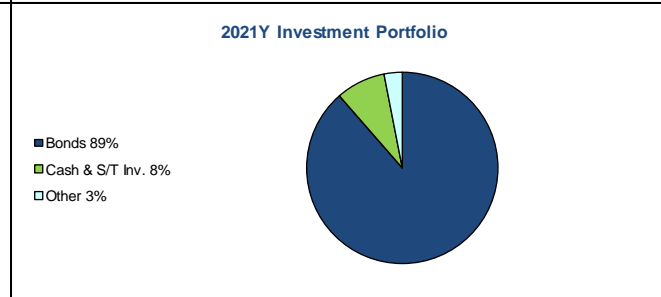
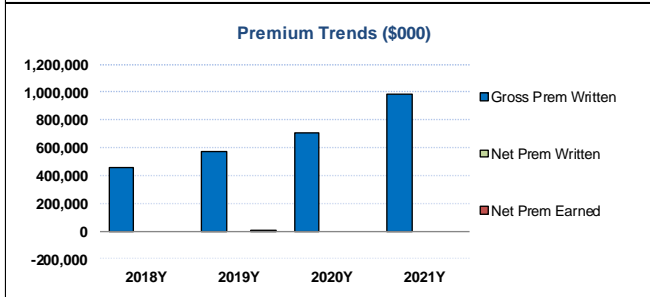
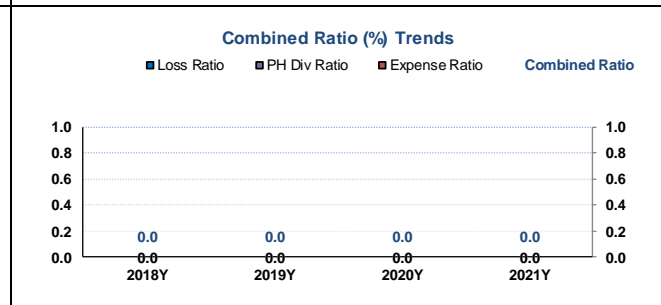
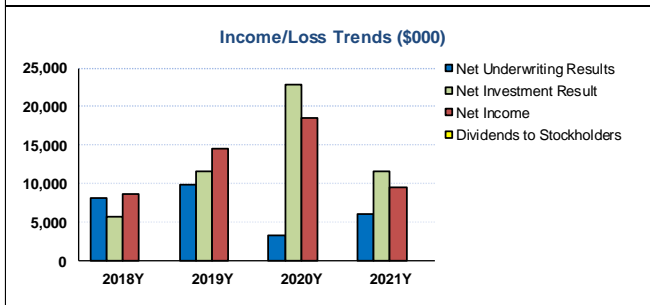




ARCH SPECIALTY INSURANCE COMPANY, NAIC #21199
ARCH CAPITAL GROUP

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	507,672	558,568	586,630	713,413	RBC Ratio (%)	2,399.2	2,473.1	2,462.1	1,995.2
Total Liabilities	207,881	241,021	247,253	368,747	2yr Res Development	529	-93	-304	181
Policyholder Surplus	299,791	317,547	339,377	344,666	2yr Dev / Surplus	17.5%	-3.1%	-10.1%	5.7%
Cash & Invested Assets	361,497	398,230	422,545	447,353	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	71.2%	71.3%	72.0%	62.7%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	29,363	20,052	70,721	58,803	Net Reins Recoverable	1,536,026	1,493,701	1,740,030	2,029,306
Loss & LAE Reserves	42,696	40,256	45,463	50,704	Net Reins Rec / Surplus	512.4%	470.4%	512.7%	588.8%
Loss & LAE Reserves/Surplus	14.2%	12.7%	13.4%	14.7%	AMB / S&P Ratings	A+ / A+	A+ / A+	A+ / A+	A+ / A+



Total NY State DPW \$96,752
 Total US ex Terr DPW \$976,253

Total All Lines \$977,403

Top 5 Reinsurers for Arch Specialty 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 –Arch Capital Group Ltd.

Corporate Profile		Financial Strength Ratings	
Address:	Arch Capital Group Ltd. Waterloo House Pembroke, -, -	S&P Global:	-
Website:	www.archgroup.com	Moody's:	-
President :	Nicolas Alain Emmanu Papadopoulo	Fitch:	-
Ticker Symbol:	NASDAQGS: ACGL	AM Best - P&C:	-
2021 Form 10-K:	SEC Website		

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	32,218,329	37,885,361	43,282,297	45,100,945
Total Policy Reserves	15,606,933	18,231,391	21,352,894	23,769,098
Total Debt	2,189,210	2,506,432	3,152,815	2,851,105
Total Other Liabilities	3,591,400	4,218,397	4,105,884	3,342,360
Sep Account Liabilities	0	0	0	0
Total Liabilities	21,780,650	25,569,809	29,294,856	31,545,816
Total Equity	10,231,387	12,260,148	13,928,893	13,545,896
Total Liab & Equity	32,012,037	37,829,957	43,223,749	45,091,712
Book Value / Share (\$)	21.52	26.42	30.31	33.56
Reserves / Investments & Cash (x)	0.69	0.71	0.71	0.83
Reserves / Liabilities (x)	0.72	0.71	0.73	0.75
Reserves / Equity (x)	1.53	1.49	1.53	1.75
Debt / Equity (x)	0.21	0.20	0.23	0.21
Dec. 31 Closing Price (\$)	26.72	42.89	36.07	44.45
Net Income (\$)	727,821	1,693,300	1,465,711	2,239,462
Basic EPS (\$)	1.76	3.97	3.38	5.34
Investment Yield (%)	0.90	4.63	5.42	3.83
Ratios (%)				
Loss Ratio	55.20	54.20	67.10	56.70
Expense Ratio	28.40	28.30	26.90	28.50
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	83.60	82.50	94.00	85.20

Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Mortgage Insurance, Insurance Services, Claims Management and Associated Asset Management

Geography: Worldwide

HISTORY

Arch Specialty Insurance Company (Arch Specialty) was incorporated in the State of Illinois in December 1964 as Rock River Insurance Company, a subsidiary of Sierra General Life Insurance Company (25%) and Deere & Company (75%). In 1995, full ownership of the company was assumed by John Deere Insurance Group. In September 1999, the company was purchased by Sentry Insurance Group and re-domesticated to Wisconsin. The company was acquired by Arch Capital Group, Ltd (Arch), Bermuda, in February 2002 and subsequently adopted its current name. In December 2006, the company re-domesticated from Wisconsin to Nebraska. The company re-domesticated to Missouri in September 2015. Financial and operations control of the company remains with Arch. The company has been eligible to write surplus lines business in New York since July 9, 1993. As of December 31, 2021, Arch Specialty is a Missouri 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

Arch Specialty maintains a 100% quota share agreement with an affiliate, Arch Insurance Company, for all business written on or after January 1, 2007, other than business produced by the Alternative Markets division. As a result of the 100% quota share agreement, no values are reported for net premiums written, net premiums earned, underwriting income, and the various combined ratios trends. As such, the financial strength of the company is heavily dependent upon the credit risk of Arch, as well as investment risk of its own investment portfolio, managed in common by Arch. For the years 2018 through 2021, Arch Specialty net reinsurance recoverable was shown as \$1.54bn, \$1.49bn, \$1.74bn and \$2.02bn, representing 512%, 470%, 513% and 589% of company surplus.

HOLDING COMPANY

Founded in 1995 as Risk Capital Holdings, Inc. and made a public company that same year in an IPO, the company changed its name to Arch Capital Group, Ltd (Arch) in 2000 and moved its headquarters to Bermuda. With approximately \$14 billion in capital on December 31, 2021, Arch provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries. AM Best collectively rates eight (8) subsidiaries of Arch, including Arch Specialty Insurance Company. For the years 2018 through 2021, Arch was rated by AM Best and S&P as 'A+/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.