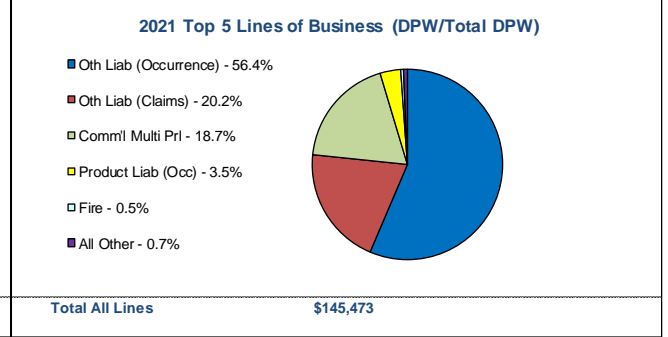
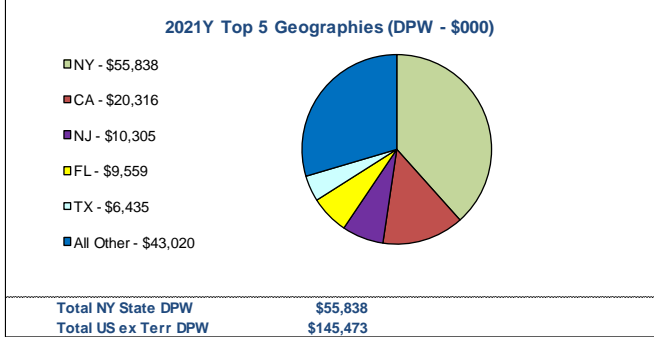
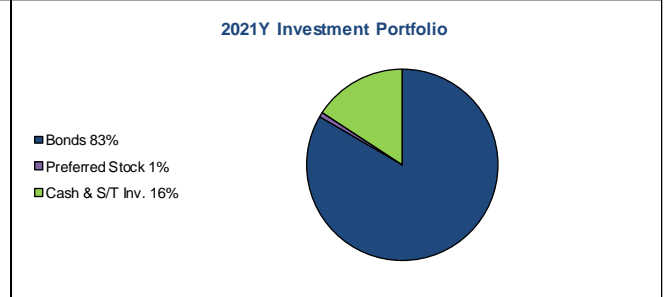
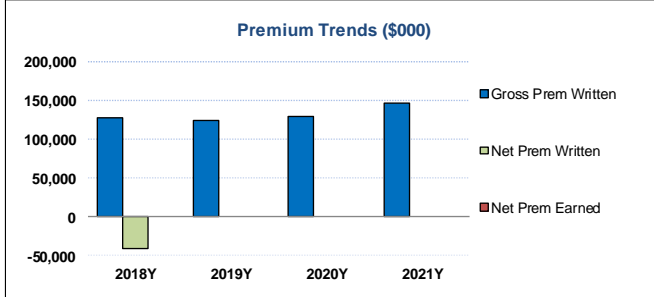
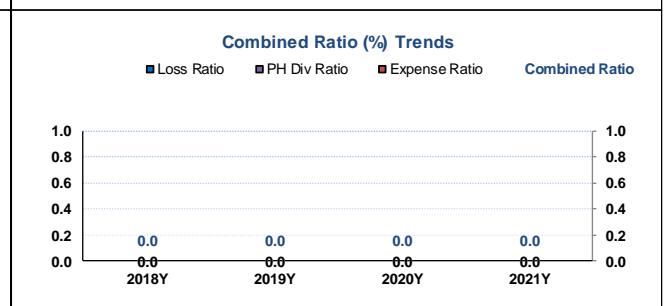
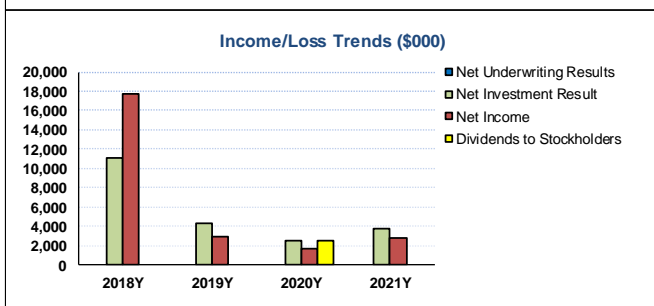




**AMERICAN EMPIRE SURPLUS LINES COMPANY, NAIC #35351  
AMERICAN FINANCIAL GROUP**

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	125,161	128,249	131,355	131,204	RBC Ratio (%)	35,241.6	31,137.4	29,468.2	11,345.8
Total Liabilities	3,082	2,692	5,779	2,782	2yr Res Development	0	0	0	0
Policyholder Surplus	122,079	125,558	125,576	128,422	2yr Dev/ Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	124,401	127,544	130,832	130,546	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	99.4%	99.5%	99.6%	99.5%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	-264,530	3,278	2,829	2,367	Net Reins Recoverable	488,586	496,312	515,953	528,896
Loss & LAE Reserves	0	0	0	0	Net Reins Rec / Surplus	400.2%	395.3%	410.9%	411.8%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%	AMB / S&P Ratings	A+ / A+	A+ / A+	A+ / A+	A+ / A+



**Top 5 Reinsurers for Amer Empire Surplus Lines Ins 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 –American Financial Group, Inc.

Corporate Profile		Financial Strength Ratings	
Address:	American Financial Group, Inc. 301 East Fourth Street Cincinnati, OH, 45202	S&P Global:	-
Website:	<a href="http://www.afginc.com">www.afginc.com</a>	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	NYSE: AFG	AM Best - P&C:	-
2021 Form 10-K:	<a href="#">SEC Website</a>		

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	63,456,000	70,130,000	73,710,000	28,931,000
Total Policy Reserves	49,587,000	54,080,000	13,195,000	14,115,000
Total Debt	1,302,000	1,653,000	2,122,000	2,100,000
Total Other Liabilities	6,286,000	6,686,000	50,797,000	6,784,000
Sep Account Liabilities	557,000	628,000	0	0
Total Liabilities	58,484,000	63,861,000	66,921,000	23,919,000
<b>Total Equity</b>	<b>4,972,000</b>	<b>6,269,000</b>	<b>6,789,000</b>	<b>5,012,000</b>
Total Liab & Equity	63,456,000	70,130,000	73,710,000	28,931,000
Book Value / Share (\$)	55.66	69.42	78.63	59.02
Reserves / Investments & Cash (x)	1.02	0.98	0.98	0.90
Reserves / Liabilities (x)	0.85	0.85	0.20	0.59
Reserves / Equity (x)	9.97	8.63	1.94	2.82
Debt / Equity (x)	0.26	0.26	0.31	0.42
Dec. 31 Closing Price (\$)	90.53	109.65	87.62	137.32
Net Income (\$)	517,000	869,000	721,000	1,995,000
Basic EPS (\$)	5.95	9.98	8.25	23.44
Investment Yield (%)	4.44	5.44	3.31	6.72
Ratios (%)				
Loss Ratio	61.70	63.00	64.10	58.50
Expense Ratio	32.10	32.80	31.40	28.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	93.80	95.80	95.50	86.50

### Company Description and Notes

Industries: Property and Casualty, Life, Annuities, Reinsurance, Financial Planning, Insurance Services, Claims Management and Associated Asset Management

Geography: The Americas and Caribbean

## **HISTORY**

American Empire Surplus Lines Insurance Company (AESLIC) was incorporated in the State of Delaware in July 1977 as Great American Surplus Lines Insurance Company, a subsidiary of Great American Insurance Company (GAIC), itself ultimately owned by American Financial Group, Inc. (AFG). In December 1986, the company adopted its current name. Financial and operations control of the company remains with AFG. The company has been eligible to write surplus lines business in New York since May 5, 1989. As of December 31, 2021, AESLIC is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

## **REINSURANCE**

Effective January 1, 2018, the company became a participant in an intercompany pooling agreement including thirteen (13) affiliates, with its parent company, GAIC, pool lead retaining 100% of all pooled business. The company cedes 100% of its business under the agreement but does not receive any business back. As a result of the pooling agreement, no values are reported for net premiums written or earned, underwriting income, and the various combined ratio trends. As such, the financial strength of the company, and all pool participants, is heavily dependent upon the credit risk of GAIC/AFG, as well as investment risk of its own investment portfolio, managed in common by AFG. For the years 2018 through 2021, respectively, American Empire net reinsurance recoverable totaled \$489M, \$496M, \$516M and \$529M, representing 400%, 395%, 411% and 412% of company surplus.

## **HOLDING COMPANY**

Founded in 1872 as the Great American Insurance Company, the American Financial Group (AFG) is a holding company based in Cincinnati, Ohio. Through the operations of Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialized commercial products for businesses, and the sale of traditional fixed, fixed-indexed and variable-indexed annuities in the retail, financial institutions, broker-dealer and registered investment advisor markets. AM Best collectively rates twenty-six (26) insurance subsidiaries of the American Financial Group, including American Empire Surplus Lines Company. For the years 2018 through 2021, the group was rated by AM Best and S&P as 'A+ / A+' and assigned a 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.