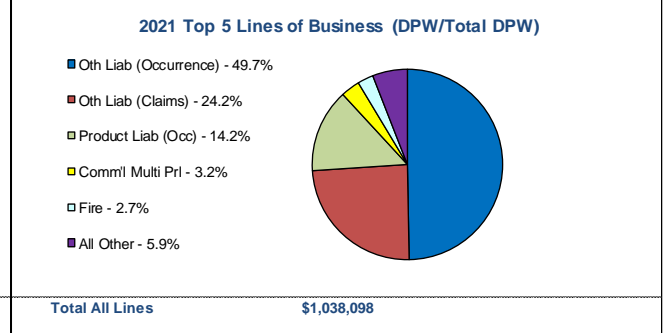
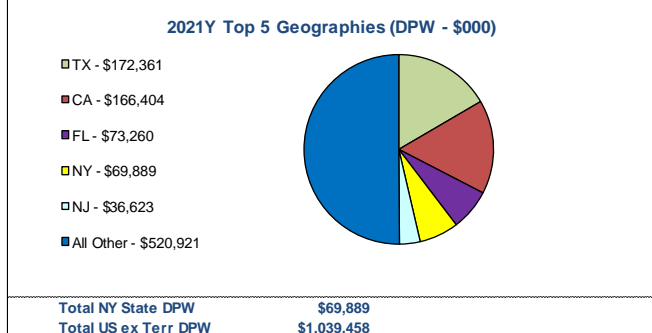
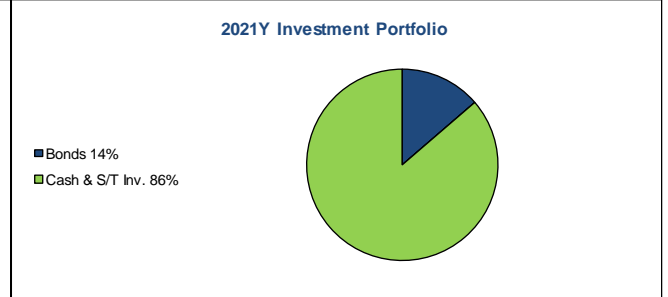
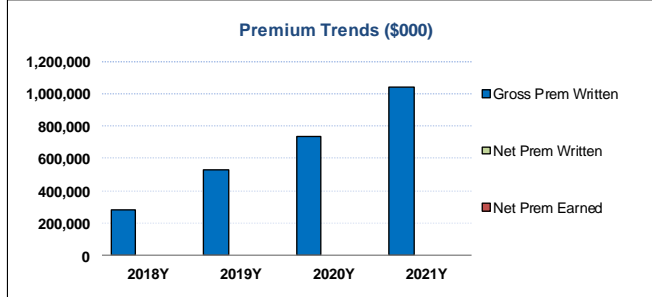
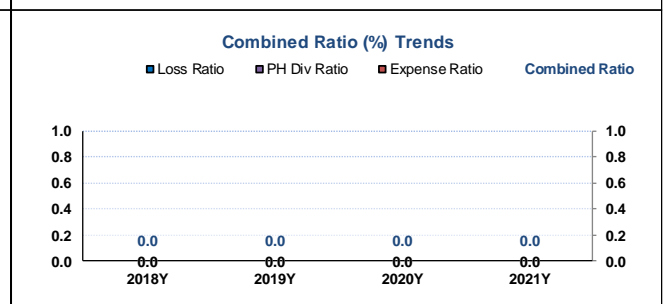
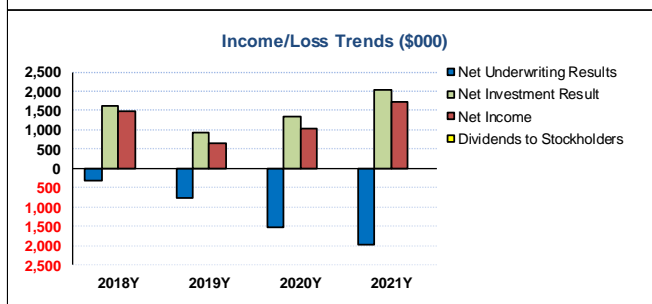




**CRUM & FORSTER SPECIALTY INSURANCE COMPANY, NAIC #44520  
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2018Y	2019Y	2020Y	2021Y		2018Y	2019Y	2020Y	2021Y
Total Assets	73,594	169,127	203,410	274,435	RBC Ratio (%)	57,939.9	26,551.5	8,996.0	6,901.5
Total Liabilities	22,239	118,031	151,383	222,032	2yr Res Development	0	0	0	0
Policyholder Surplus	51,355	51,096	52,027	52,403	2yr Dev/ Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	50,503	93,096	103,459	141,170	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	68.6%	55.0%	50.9%	51.4%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	-1,278	46,283	6,041	29,996	Net Reins Recoverable	483,942	641,195	979,795	1,404,365
Loss & LAE Reserves	0	0	0	0	Net Reins Rec / Surplus	942.3%	1254.9%	1883.3%	2679.9%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	0.0%	AMB / S&P Ratings	A / A-	A / A-	A / A-	A / A-



Total NY State DPW	\$69,889
Total US ex Terr DPW	\$1,039,458

Total All Lines	\$1,038,098
-----------------	-------------

**Top 5 Reinsurers for Crum & Forster Spclty Ins 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

**S&P Disclaimer Notice:**

Reproduction of any information, data or material, including ratings ("content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("content providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. In no event shall content providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

## ULTIMATE PARENT – Fairfax Financial Holdings Limited

Corporate Profile		Financial Strength Ratings	
Address:	Fairfax Financial Holdings Limited 95 Wellington Street West Toronto, -, -	S&P Global:	-
Website:	<a href="http://www.fairfax.ca">www.fairfax.ca</a>	Moody's:	-
President :	Peter S. Clarke	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
2021 Form 10-K:			

Highlights (\$000)	2018Y	2019Y	2020Y	2021Y
Total Assets	64,372,100	70,508,500	74,054,000	86,645,400
Total Policy Reserves	35,353,900	35,722,600	39,206,800	47,346,500
Total Debt	6,480,400	8,729,000	10,266,100	8,893,700
Total Other Liabilities	3,921,900	8,149,700	6,697,400	8,491,100
Sep Account Liabilities	0	0	0	0
Total Liabilities	47,006,900	52,601,300	56,526,700	65,330,100
<b>Total Equity</b>	<b>17,365,200</b>	<b>17,907,200</b>	<b>17,527,300</b>	<b>21,315,300</b>
Total Liab & Equity	64,372,100	70,508,500	74,054,000	86,645,400
Book Value / Share (\$)	432.46	486.10	478.33	630.60
Reserves / Investments & Cash (x)	0.91	0.91	0.90	0.89
Reserves / Liabilities (x)	0.75	0.68	0.69	0.72
Reserves / Equity (x)	2.04	1.99	2.24	2.22
Debt / Equity (x)	0.37	0.49	0.59	0.42
Dec. 31 Closing Price (\$)	440.43	470.10	340.49	491.70
Net Income (\$)	817,900	1,971,200	37,400	3,666,600
Basic EPS (\$)	12.03	72.80	6.59	129.33
Investment Yield (%)	3.18	6.81	2.37	9.34
Ratios (%)				
Loss Ratio	62.70	63.10	65.40	62.70
Expense Ratio	34.60	33.80	32.40	32.30
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	97.30	96.90	97.80	95.00

### Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Lloyds, Insurance Services, Claims Management and Associated Investment Management

Geography: Americas, Caribbean, Britain, European Union, India

## **HISTORY**

Crum & Forster Specialty Insurance Company (C&F Specialty) was incorporated in the State of Connecticut in October 1989 as Transnational Reinsurance Company, a subsidiary of Phoenix Reinsurance Company. In December 1996, the company changed its name to Transnational Insurance Company. In 1998, Fairfax Financial Holdings Limited (Fairfax) acquired the Crum & Forster Insurance Group (C&F) from Xerox. In December 2000, Fairfax acquired the company and contributed it to C&F, subsequently changing its name to Crum & Forester Specialty Insurance Company. In October 2001, the company re-domesticated to Arizona. In November 2014, the company re-domesticated to Delaware. Financial and operations control of C&F Specialty remains with C&F/Fairfax. The company has been eligible to write surplus lines business in New York since May 27, 1998. As of December 31, 2021, C&F Specialty was a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia, Guam, and Puerto Rico.

## **REINSURANCE**

C&F Specialty maintains a 100% quota share agreement with an affiliate, United States Fire Insurance Company, a subsidiary of C&F. As a result of the quota share 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 is heavily dependent on the credit risk of C&F/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2018 through 2021, respectively, C&F Specialty net reinsurance recoverable under the agreement was shown as \$484M, \$641M, \$980M and \$1.4bn, reflecting 942%, 1,255% and 1,883% and 2,680% of company surplus.

## **HOLDING COMPANY**

Founded in 1951 as Markel Service Company of Canada, specializing in Canadian trucking insurance, the company was renamed Markel Financial Holdings, Ltd in 1976. In 1985, the investor Prem Watsa, with partner Tony Hamlin, of the investment firm, Hamblin Watsa Investment Counsel, Ltd, Toronto, Canada, acquired control of Markel Financial Holdings and renamed the group Fairfax Financial Holdings, Ltd (Fairfax) (short for 'fair, friendly acquisitions' in 1987. Fairfax through its subsidiaries is engaged in property and casualty insurance, reinsurance, Lloyds, insurance services, claims management and associated investment management. Fairfax operates primarily through several subsidiaries, including Odyssey Re, Northbridge Financial, Crum & Forster, Allied World, Verasure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2018 through 2021, AM Best and S&P rated thirty three (33) insurance subsidiaries of the Fairfax Group, including C&F Specialty as 'A / A-' and were 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.