The Co. was incorporated and licensed as an excess and surplus lines ins. co. 1996, in IL, as a subsidiary of First Mercury Syndicate, a member of the IL Ins. Exchange (IIE). Subsequent to its formation, IIE transferred a $35 million loss portfolio to the Co., withdrew from the IIE and was merged into the Co. In 2011, the Co. was acquired by Fairfax Financial Holdings, Ltd (Fairfax) (Toronto, CN), through its subsidiary Crum & Forster Holdings Corp. (C&F) In 2015, the Co. re-domesticated to DE. The Co. has been eligible to write surplus lines business in NY since 2004 and as of 2018 was licensed in IL and DE, operated on a non-admitted basis in 48 states, D.C. and the U.S.V.I.

The Co. maintains a 100% QS agreement with an affiliate, United States Fire Ins. Co. (USFIC), a subsidiary of C&F. As such, the financial strength of the Co. is heavily dependent on the credit risk of C&F/Fairfax, as well as investment risk from its own investment portfolio, managed in common by Fairfax. From Co. information reviewed, C&F operations reflected loss ratios of 63.5% and 65.3%, respectively, for the years 2017 and 2018. No information was available regarding its expense ratios for this period. For the years 2016, 2017 and 2018, respectively, net reins recoverable were shown as $988m, $874m and $605m (rounded), reflecting 1,939%, 1,657% and 947% of Co. surplus. AM Best and S&P rated C&F as ‘A/A-’ for the three years reviewed.
ULTIMATE PARENT – Fairfax Financial Holdings Limited

Corporate Profile
- Fairfax Financial Holdings Limited
- 95 Wellington Street, West
- Toronto, Ontario M5J 2N7
- www.fairfax.ca
- TSX: FFH
- N/A

Highlights ($000) 2017 2018
- Total Assets 64,090,100 64,372,100
- Total Liabilities 45,678,100 47,006,900
- Shareholders’ Equity 18,412,000 17,365,200
- Net Income 1,614,900 817,900
- Debt 6,414,100 6,480,400
- Debt / Equity 34.8% 37.3%
- Dividends Paid 282,000 0
- Dividends / Net Income 17.5% 0.0%

Top 5 Unaffiliated Reinsurers for First Mercury Insurance Co. by Gross Recoverables

<table>
<thead>
<tr>
<th>Rank</th>
<th>Reinsurer</th>
<th>Gross Recoverables</th>
<th>Assumed Premium (As- Reported by Reinsurer)</th>
<th>Premiums Ceded (As- Reported By Cedant)</th>
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Fairfax Financial Holdings Ltd is a publicly traded holding company (TSX: FFH). FFH is engaged in property and casualty insurance and reinsurance and investment management. FFH was founded in 1985 and is based in Toronto, Ontario.

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.