### Income/Loss Trends ($000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Underwriting Results</th>
<th>Net Investment Result</th>
<th>Net Income</th>
<th>Dividends to Stockholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50.6</td>
<td>31.1</td>
<td>81.7</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>83.2</td>
<td>23.6</td>
<td>106.9</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>68.5</td>
<td>18.0</td>
<td>86.5</td>
<td></td>
</tr>
</tbody>
</table>

### Premium Trends ($000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Prem Written</th>
<th>Net Prem Written</th>
<th>Net Prem Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50,000</td>
<td>20,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2018</td>
<td>100,000</td>
<td>30,000</td>
<td>25,000</td>
</tr>
<tr>
<td>2019</td>
<td>150,000</td>
<td>40,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>

### Combined Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss Ratio</th>
<th>PH Div Ratio</th>
<th>Expense Ratio</th>
<th>Combined Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>31.1</td>
<td>50.6</td>
<td></td>
<td>81.7</td>
</tr>
<tr>
<td>2018</td>
<td>23.6</td>
<td>83.2</td>
<td></td>
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</tr>
<tr>
<td>2019</td>
<td>18.0</td>
<td>68.5</td>
<td></td>
<td>86.5</td>
</tr>
</tbody>
</table>

### 2019 Investment Portfolio

- Bonds: 15%
- Common Stock: 42%
- Cash & S/T Inv.: 35%

### 2019 Top 5 Lines of Business (DPW/Total DPW)

- Inland Marine: 42.3%
- Oth Liab (Occurrence): 21.6%
- Commit Auto Liab: 20.1%
- Allied Lines: 8.0%
- Oth Liab (Claims): 4.2%
- All Other: 3.8%

### 2019 Top 5 Geographies (DPW - $000)

- LA: $71,485
- TX: $46,265
- CA: $43,320
- FL: $22,484
- NY: $21,390
- All Other: $158,980

### Top 5 Reinsurers for Houston Specialty Insurance Co by Gross Recoverables

**Period: 2019Y**

<table>
<thead>
<tr>
<th>Reinsurer</th>
<th>Reinsurance Class</th>
<th>Authorized Status</th>
<th>Gross Recov</th>
<th>Over 120 Days Overdue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Everest Reinsurance Company</td>
<td>US Unaffiliated</td>
<td>Authorized</td>
<td>128,941</td>
<td>0</td>
</tr>
<tr>
<td>2 - Imperium Insurance Company</td>
<td>US Affiliated Non-captive Non-pooling</td>
<td>Authorized</td>
<td>55,014</td>
<td>0</td>
</tr>
<tr>
<td>3 - Hannover Rück SE</td>
<td>Non-US Unaffiliated</td>
<td>Authorized</td>
<td>20,524</td>
<td>0</td>
</tr>
<tr>
<td>4 - Transatlantic Reinsurance Company</td>
<td>US Unaffiliated</td>
<td>Authorized</td>
<td>18,229</td>
<td>0</td>
</tr>
<tr>
<td>5 - Munich Reinsurance America, Inc.</td>
<td>US Unaffiliated</td>
<td>Authorized</td>
<td>15,114</td>
<td>0</td>
</tr>
</tbody>
</table>
HISTORY
Houston Specialty Insurance Company (Houston Specialty) was incorporated in the State of Delaware in December 2006, as Naxos Insurance Company, a subsidiary of Delos Insurance Company (Delos), and itself a subsidiary of then Lightyear Delos Acquisition Company. The company and Delos were acquired in 2010 by the Houston International Insurance Group, Inc. (HIIG). The company adopted its current name in 2010 and re-domesticated to Texas in 2011. HIIG was acquired by Westaim Corporation (Westaim) (Toronto, Canada) in 2014. Financial and operations control remain with HIIG/Westaim. Houston Specialty has been eligible to write surplus lines business in New York since 2013. As of December 31, 2019, the company is licensed in Texas, and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

REINSURANCE
Houston Specialty cedes to various unaffiliated named and authorized reinsurers. For the years 2017 through 2019, respectively, Houston Specialty net reinsurance recoverable was shown as $204m, $281m and $304m, representing 78%, 107% and 90% of company surplus.

HOLDING COMPANY
Publically traded under the TSX Venture Exchange under the ticker WED since 1996, and based in Toronto, Canada, Westaim Corporation invests in medical equipment and electronics, ceramics, and insurance companies. Houston International Insurance Group was founded in 2007 writes commercial and surplus lines property and casualty insurance in construction, energy, medical stop loss, hospitality, professional liability, surety and exterminator business sectors. AM Best collectively rates six (6) insurance subsidiaries of HIIG, including Houston Specialty Insurance Company. For the years 2017 through 2019 the group was rated ‘A-’ and assigned the financial size of IX ($250m - $500m).

SUBSEQUENT EVENTS
In March 2020, the Covid-19 influenza was recognized as a global pandemic, severely disrupting economic activity. As of April, 2020, the results of this event upon year-ending 2020 insurance operations and those of its parent group are not known. For those companies exposed however, the potential for reduced premiums, return of premiums, and an increase in collections and operation expense may reduce cash flows. Losses and loss adjustment expenses may increase when losses become known and investments in affiliates and equity investments may suffer a decline in values. Also, the effect of future legislation, regulation and litigation could cause an adverse financial impact on those companies exposed.
**Corporate Profile**

**Address:** The Westaim Corporation

70 York Street, Suite 1700
Toronto, Ontario M5J 1S9

**Website:** [https://westaim.com/](https://westaim.com/)

**President:** -

**Ticker Symbol:** -

**2019 Form 10-K:** NA

**Financial Strength Ratings**

<table>
<thead>
<tr>
<th>S&amp;P Global</th>
<th>Moody’s</th>
<th>Fitch</th>
<th>AM Best - P&amp;C</th>
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</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Highlights ($000)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Policy Reserves</td>
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<td>0</td>
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<tr>
<td>Total Debt</td>
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<tr>
<td>Total Other Liabilities</td>
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<tr>
<td>Sep Account Liabilities</td>
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<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Total Liabilities</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td><strong>Total Liab &amp; Equity</strong></td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Book Value / Share ($)</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Reserves / Investments &amp; Cash (x)</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Reserves / Liabilities (x)</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Reserves / Equity (x)</td>
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<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Debt / Equity (x)</td>
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<tr>
<td>Dec. 31 Closing Price ($)</td>
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<tr>
<td>Net Income ($)</td>
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<td>Basic EPS ($)</td>
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<tr>
<td>Investment Yield (%)</td>
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</tr>
<tr>
<td>Ratios (%)</td>
<td>Loss Ratio</td>
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<td>0.00</td>
</tr>
<tr>
<td></td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>PH Dividend Ratio</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Combined Ratio</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Company Description and Notes**

**Industries:** Medical Equipment and Electronics, Ceramics, and Insurance Companies. HIIG writes Commercial and Surplus Lines Property and Casualty Insurance in Construction, Energy, Medical Stop Loss, Hospitality, Professional Liability, Surety and Exterminator Business Sectors.

**Geography:** United States and Canada

The Westaim Corporation is a privately owned/controlled company group and no financial information was publically available.

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**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 or completeness of information presented in this document. We assume no responsibility for loss or damage resulting from the use of this information.