Dollars in 000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>56,208</td>
<td>54,327</td>
<td>54,026</td>
<td>146,227.1</td>
<td>139,422.2</td>
<td>118,824.4</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>5,530</td>
<td>4,289</td>
<td>3,130</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policyholder Surplus</td>
<td>50,678</td>
<td>50,039</td>
<td>50,896</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Invested Assets</td>
<td>49,958</td>
<td>49,136</td>
<td>49,980</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Invested Assets / Total Asset</td>
<td>88.9%</td>
<td>90.4%</td>
<td>92.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash from Operations</td>
<td>0</td>
<td>348</td>
<td>1,372</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss &amp; LAE Reserves</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss &amp; LAE Reserves/ Surplus</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RBC Ratio (%) 146,227.1 139,422.2 118,824.4
2yr Res Development 0 0 0
2yr Dev/ Surplus 0.0% 0.0% 0.0%
Affiliated Common Stck 0 0 0
Affiliated CS / Surplus 0.0% 0.0% 0.0%
Net Reins Recoverable 11,183 8,104 11,876
Net Reins Rec / Surplus 22.1% 16.2% 23.3%
AMB / S&P Ratings A++ / NR A++ / NR A++ / NR

Combined Ratio (%)

Income/Loss Trends ($000)

Combined Ratio Trends

Premium Trends ($000)

2019 Top 5 Geographies (DPW - $000)

CA - $3,021
AL - $795
CT - $610
TX - $544
NY - $473
All Other - $3,995

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

Comm'l Multi Prl - 54.1%
Oth Liab (Occurrence) - 45.2%
Inland Marine - 0.7%
Aircraft - 0.0%
Allied Lines - 0.0%
All Other - 0.0%

Top 5 Reinsurers for HSB Specialty Insurance Co. by Gross Recoverables
Period: 2019Y

<table>
<thead>
<tr>
<th>Reinsurer</th>
<th>Reinsurance Class</th>
<th>Reins Authorized Status</th>
<th>Gross Recov</th>
<th>Over 120 Days Overdue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Hartford Steam Boiler Inspection and Insurance Company</td>
<td>US Affiliated Non-captive Non-pooling</td>
<td>Authorized</td>
<td>14,451</td>
<td>0</td>
</tr>
</tbody>
</table>
HISTORY
HSB Specialty Insurance Company (HSB Specialty) was incorporated in the State of Connecticut in June 2012, as a subsidiary of Münchener Rückversicherungs-Gesellschaft ("Munich Re"). Financial and operations control of the company remains with Munich Re. The company has been eligible to write surplus lines business in New York since July 11, 2013. As of December 31, 2019, HSB Specialty is a Connecticut domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia and Puerto Rico.

REINSURANCE
HSB Specialty maintains a 100% quota share agreement with an affiliate, Hartford Steam Boiler Inspection & Insurance Company (HSB). 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 risk of financial impairment is largely limited to credit risk of HSB/Munich Re as well as investment risk from its investment portfolio, managed in common by HSB. For the years 2017 through 2019, respectively, HSB Specialty net reinsurance recoverable did not exceed 25% of company surplus.

HOLDING COMPANY
Founded in 1880, as the Munchener Rückversicherungs-Gesellschaft, the company group now known as Munich Re is one of the world’s largest insurers. Munich Re is active in all lines of insurance covering all major commercial and insurance enterprises; personal lines, commercial lines, specialty lines, life, health, national and global reinsurance p&c and life, Lloyds, financial, reputational, weather, captives, insurance securitization, engineering and risk management. Munich Re operates worldwide and in headquartered in Munich, Germany. Due to the size and global reach of Munich Re, AM Best rates various divisions within the group. AM Best collectively rates twenty four (24) insurance subsidiaries of the Munich Reinsurance Co., including HSB Specialty Insurance Company. For the years 2017 through 2019 the group was rated ‘A+’ and assigned the financial size of XV ($2bn - >).

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.

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.
Imported 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.