The Co. was incorporated and licensed as an excess and surplus lines insurer 1986, in OK, as Gulf States Ins. Co., a subsidiary of Texas General Agency, Inc. The Co. was formed to replace a Cayman Islands affiliate, Gulf States Ins. Co., Cayman, the Co. assuming a loss portfolio transfer from the Cayman named co. in 1986. The Co. was acquired in 2006 by American Hallmark Ins. Co. of Texas (AHI), itself a subsidiary of Hallmark Financial Services, Inc. (HFS). Financial and operations control of the Co. remain with HFS. The Co. adopted its current name in 2007. The Co. has been eligible to write surplus lines business in NY since 2014 and as of 2018 was licensed in OK and operated on a non-admitted basis in 49 states and D.C. The company is a net 24% participant in an intercompany pooling agreement including three affiliates, with AHIC (pool lead) retaining 34%, Hallmark Ins. Co. (HIC) net 32%, and Hallmark National Ins. Co. (HNIC) net 10%. As such, the financial strength of the Co. is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of HFS, as well as investment risk of its own investment portfolio, managed in common by HFS.

For the years 2016, 2017 and 2018, respectively, Co. operations reflected combined ratios of 100%, 106% and 95% (rounded), and net recoverable of $181m, $237m and $327m (rounded), representing 306%, 423% and 537% of Co. surplus. AM Best rated the Co. ‘A’ for the three years reviewed.
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.