



ROCKHILL INSURANCE COMPANY

Dollars in 000

	2016	2017	2018		2016	2017	2018
Total Assets	155,242	157,336	94,216	RBC Ratio (%)	3,309.7	4,007.9	2,086.7
Total Liabilities	66,043	68,638	53,980	2yr Res Development	0	0	0
Policyholder Surplus	89,199	88,698	40,237	2yr Dev / Surplus (IRIS #12)	0.0%	0.0%	0.0%
Cash & Invested Assets	94,680	108,825	63,766	Affiliated Common Stock	27,512	27,690	24,024
Cash & Invested Assets / Total Assets	61.0%	69.2%	67.7%	Affiliated CS / Surplus	30.8%	31.2%	59.7%
Net Cash from Operations	239	-37,192	-14,895	Net Reins Recoverable	390,158	516,265	403,045
Loss & LAE Reserves	0	0	0	Net Reins Rec / Surplus	437.4%	582.0%	1001.7%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR
GPW to PHS (IRIS #1)	302.2%	258.0%	133.2%				
NPW to PHS (IRIS #2)	0.0%	0.0%	0.0%				

Income/Loss Trends (\$000)			
2016	2017	2018	
Net Underwriting Results			
Net Investment Result			
Net Income			
Dividends to Stockholders			

Combined Ratio (%) Trends			
2016	2017	2018	
Loss Ratio			
Expense Ratio			
Combined Ratio			

Premium Trends (\$000)			
2016	2017	2018	
Gross Prem Written			
Net Prem Written			
Net Prem Earned			

2018 Investment Portfolio			
Bonds	57%		
Common Stock	38%		
Cash & S/T Inv.	5%		

2018 Top 5 Geographies (DPW - \$000)			
CA	\$15,939		
NY	\$6,003		
FL	\$3,603		
TX	\$3,316		
TN	\$1,655		
All Other	\$23,062		

2018 Top 5 Lines of Business (DPW/Total DPW)			
Oth Liab (Occurrence)	90.3%		
Oth Liab (Claims)	3.8%		
Allied Lines	3.1%		
Fire	1.5%		
Auto Phys	1.1%		
All Other	0.2%		

Total NY State DPW	\$6,003
Total US ex Terr DPW	\$53,579

Total All Lines	\$53,579
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The Co. was incorporated and licensed 1985, in AZ, as United Coastal Ins. Co., a subsidiary of ACMAT Corporation. In 2005, the Co. was acquired by Rockhill Holding Co. (RHC), the Specialty P&C ins. group of State Auto Mutual Ins. Co. (SAMIC) (OH), the controlling parent co. The Co. subsequently adopted its current name after its acquisition. Financial and operations control of the Co. remains with SAMIC. The Co. has been eligible to write surplus lines business in NY since ELANY's inception in 1989, and as of 2018 was licensed in AZ and operated on a non-admitted basis in 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

The Co. is a net 0 participant in an intercompany pooling agreement including 10 affiliates, with SAMIC (pool lead) retaining 34.5%, its affiliate, State Auto P&C (IA) retaining 51% and Milbank Ins. Co. (IA)(14%), Patron Mutual Ins. Co. (CT) (.5), totaling 100%, and the remaining 5 affiliates net 0. As such, the financial strength of the Co. is heavily dependent on the underwriting performance of its pool members, the credit risk of SAMIC, as well as investment risk of its own investment portfolio, managed in common by SAMIC.

For the years 2017 and 2018, respectively, the SAMIC pooled operations reflected combined ratios of 108% and 101% (rounded). For the years 2016, 2017 and 2018, respectively, Co. net recoverable was shown as \$390m, \$516m and \$403m (rounded), reflecting 437%, 582% and 1,001% (rounded) of surplus. AM Best rated the Co. 'A-' for the three years reviewed.

#DIV/0 error messages occur in instances where the denominator of the ratio are zero (i.e. zero premium or reserves due to a 100% quota share).

ULTIMATE PARENT – State Automobile Mutual Insurance Company

Corporate Profile		Highlights (\$000)	2017	2018
Address:	State Automobile Mutual Insurance Company 518 East Broad Street Columbus, OH 43215	Total Assets	2,407,294	2,295,425
Website:	www.stateauto.com	Total Liabilities	1,628,348	1,529,494
Ticker Symbol:	N/A	Shareholders' Equity	778,946	765,930
2018 Form 10-K:	<u>N/A</u>	Net Income	-18,767	12,288
		Debt	101,369	0
		Debt / Equity	13.0%	0.0%
		Dividends Paid	270	182
		Dividends / Net Income	-1.4%	1.5%

Top 5 Unaffiliated Reinsurers for Rockhill Insurance Co. by Gross Recoverables

Dollars in 000

Rank	Reinsurer	Gross Recoverables	Assumed Premium (As-Reported by Reinsurer)	Premiums Ceded (As-Reported By Cedant)
1	Munich Reinsurance America, Inc.	9,445	3,416	5,014
2	ACSTAR Insurance Company	6,115	0	0
3	Swiss Reinsurance America Corporation	3,191	-937	246
4	Maiden Reinsurance North America, Inc.	2,620	1	0
5	Hannover Rück SE	2,511	0	1,654

State Automobile Mutual Insurance Company was founded in 1921 and is the lead company of the State Auto Group, which provides property/casualty insurance products throughout the United States. The group operates through four segments: Personal insurance, Business insurance, Specialty insurance, and Investment operations. State Automobile Mutual Insurance Company owns roughly 62.6% of State Auto Financial Corporation, a publicly-traded intermediate holding company (NASDAQ: STFC).

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.