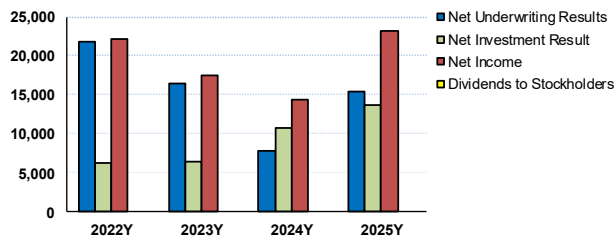


APPALACHIAN INSURANCE COMPANY, NAIC #10316
PARENT – Factory Mutual Insurance Company

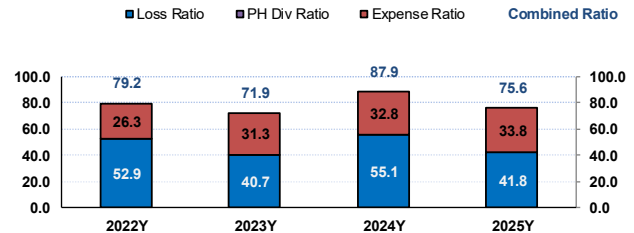
Dollars in 000

	2022Y	2023Y	2024Y	2025Y		2022Y	2023Y	2024Y	2025Y
Total Assets	349,515	380,539	404,627	436,364	RBC Ratio (%)	899.5	1,267.2	1,006.0	1,044.4
Total Liabilities	95,938	109,347	118,320	127,293	2yr Res Development	-1	5,001	40,999	35,997
Policyholder Surplus	253,577	271,192	286,307	309,071	2yr Dev / Surplus	0.0%	216.0%	1616.8%	1327.4%
Cash & Invested Assets	319,769	350,433	360,009	415,355	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	91.5%	92.1%	89.0%	95.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	20,903	40,898	-5,207	51,951	Net Reins Recoverable	56,958	46,268	108,444	82,095
Loss & LAE Reserves	70,223	74,093	108,495	106,070	Net Reins Rec / Surplus	22.5%	17.1%	37.9%	26.6%
Loss & LAE Reserves/Surplus	27.7%	27.3%	37.9%	34.3%	AMB / S&P Ratings	A+ / NR	A+ / NR	A+ / NR	A+ / NR

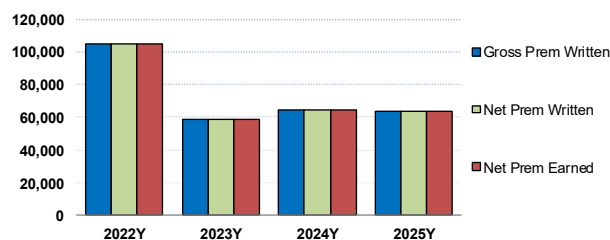
Income/Loss Trends (\$000)



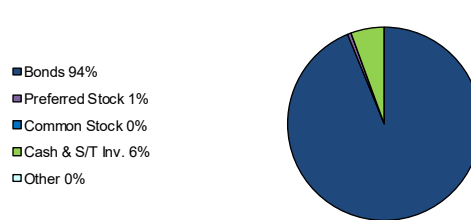
Combined Ratio (%) Trends



Premium Trends (\$000)



2025Y Investment Portfolio

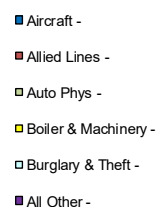


2025Y Top 5 Geographies (DPW - \$000)



Total NY State DPW \$0,000
Total US ex Terr DPW \$0,000

2025 Top 5 Lines of Business (DPW/Total DPW)



Total All Lines \$0,000

TOP 5 REINSURERS FOR APPALACHIAN INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2025Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Excess and Casualty Reinsurance Association	Voluntary Pools	Authorized	3,815	61
2 - General Reinsurance Corporation	US Unaffiliated	Authorized	2,525	69
3 - Everest Reinsurance Company	US Unaffiliated	Authorized	2,495	0
4 - TIG Insurance Company	US Unaffiliated	Authorized	2,419	0
5 - XL Reinsurance America Inc.	US Unaffiliated	Authorized	2,186	-6

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.

See A.M. Best and S&P Disclaimer on Summary Report page.

ULTIMATE PARENT – Factory Mutual Insurance Company

Corporate Profile		Financial Strength Ratings
Address:	Factory Mutual Insurance Company 270 Central Avenue Johnston, RI, 02919	S&P Global: - Moody's: #OUTSIDE SUBSCRIPTION Fitch: - AM Best - P&C: A+
Website:	www.fm.com	
President :	-	
Ticker Symbol:	-: -	
SEC Filings:	NA	

Highlights (\$000)	2022Y	2023Y	2024Y	2025Y
Total Assets	30,733,700	34,479,000	39,402,500	44,644,000
Total Policy Reserves	10,443,700	9,955,700	10,796,000	10,389,800
Total Debt	280,000	262,800	258,800	292,700
Total Other Liabilities	1,376,700	1,291,400	1,630,700	1,751,800
Sep Account Liabilities	0	0	0	0
Total Liabilities	12,255,400	12,000,100	13,450,200	13,694,000
Total Equity	18,478,300	22,478,900	25,952,300	30,950,000
Total Liab & Equity	30,733,700	34,479,000	39,402,500	44,644,000
Book Value / Share (\$)	NA	NA	NA	NA
Reserves / Investments & Cash (x)	0.44	0.36	0.34	0.28
Reserves / Liabilities (x)	0.85	0.83	0.80	0.76
Reserves / Equity (x)	0.57	0.44	0.42	0.34
Debt / Equity (x)	0.02	0.01	0.01	0.01
Dec. 31 Closing Price (\$)	NA	NA	NA	NA
Net Income (\$)	-295,700	3,748,500	3,390,600	4,394,400
Basic EPS (\$)	NA	NA	NA	NA
Investment Yield (%)	-7.46	9.71	9.68	10.39
Ratios (%)				
Loss Ratio	49.90	38.10	51.50	39.90
Expense Ratio	25.10	26.30	26.50	26.30
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	75.00	64.40	78.00	66.20

HISTORY

Appalachian Insurance Company (Appalachian Insurance) was incorporated in the State of Rhode Island in April 1941 as Appalachian Insurance Company of Providence, a subsidiary of Factory Mutual Insurance Company (Factory Mutual). The company adopted its current name in 1975. The company has been eligible to write surplus lines business in New York at least since ELANY's inception in 1989. As of December 31, 2025, Appalachian Insurance is licensed in Rhode Island and operated on a non-admitted basis in forty-nine (49) states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

REINSURANCE

Appalachian Insurance is a participant in an intercompany pooling agreement including three (3) affiliates, with its parent, Factory Mutual, pool lead retaining 87% and Affiliated FM Insurance Company 12%. Appalachian Insurance cedes 100% of its premiums to Factory Mutual and receives a 1.0% share of the pool's combined results, which includes lines of business not directly written by the company. As such, the financial strength of the company is heavily dependent on the underwriting performance of its pool members, the credit risk of Factory Mutual, as well as investment risk of its own investment portfolio, managed in common by Factory Mutual. For the years 2022 through 2025, Appalachian Insurance net reinsurance recoverable was shown as \$57M, \$46M, \$408M and \$82M, representing 23%, 17%, 38% and 27% of company surplus.

HOLDING COMPANY

Founded in 1835 by Rhode Island textile mill owners as Manufactures Mutual Insurance Company, the company insured mills through commonly agreed mill changes in manufacturing, safety, and loss prevention efforts, regularly inspected. Having grown and expanded over the successive generations as new mutual companies were formed for new enterprises, the collective companies became known as the Associated Factory Mutual Fire Insurance Companies (Factory Mutual), or FM Global. FM Global, based in Johnston, Rhode Island, maintains offices worldwide, specializing in loss prevention services primarily to large corporations in the Highly Protected Risk (HPR) property insurance market sector. Maintaining its roots in loss prevention and inspection, risks and premiums are determined by engineering analysis and regular inspection. AM Best collectively rates four (4) insurance subsidiaries of FM Global, including Appalachian Insurance Company. FM Global was initially rated in 1918, and for the years 2022 through 2025 was rated 'A+' and assigned a financial size of XV (\$2.0bn >).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2026

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Please see "Understanding Best's Credit Ratings" at <http://www.ambest.com/ratings> for rating disclosures related to the use and limitations of Best's Credit Rating, and for additional information regarding the development of a Best's Credit Rating, and other rating-related information and definitions. Best's Credit Ratings® reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of ELANY or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings®. Best's Credit Ratings® are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best Company.

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Financial Term	Definition
2y Dev/Surplus (IRIS #12)	Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus.
2yr Res Development	The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years.
Affiliated Common Stock	The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries.
Affiliated CS / Surplus	The percentage of surplus that is comprised of investments in affiliates or subsidiaries.
AMB / S&P Ratings	Financial strength ratings from AM Best Company and Standard & Poor's. ¹
Cash & Invested Assets	Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities.
Cash & Invested Assets/Total Assets	A measure of liquidity that indicates the portion of assets held in cash or marketable securities.
Combined Ratio	A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit.
Dividends to Stockholders	Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors.
DPW – Direct Premiums Written	Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business.
Expense Ratio	The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs.
Gross Premiums	The total premium written and assumed by an insurer before deductions for reinsurance.
Loss & LAE Reserves	The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim.
Loss & LAE Reserves/Surplus	Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus.
Loss Ratio	The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business.
Net Cash from Operations	Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid.
Net Income	The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement.
Net Investment Result	The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks.
Net Premiums Earned	The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage.
Net Premiums Written	Represents gross premium written less reinsurance ceded.
Net Reins Rec / Surplus	Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus.
Net Reins Recoverable	The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers.
Net Underwriting Results	Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred.
PH Div Ratio	A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies

Financial Term	Definition
Policyholder Surplus	The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2025, the minimum policyholder surplus requirement for eligible insurers in New York is \$49 million.
RBC Ratio (%)	This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments. A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%. A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans. A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems. A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.
Total Assets	Assets that are permitted by state law to be included in the company’s financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid.
Total Liabilities	A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due.

¹ AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. <https://web.ambest.com/home>

¹S&P - Please see “Intro to Credit Ratings” at <http://www.spglobal.com/understandingratings> to learn more.