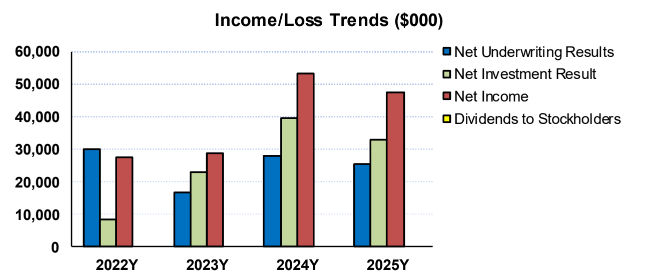
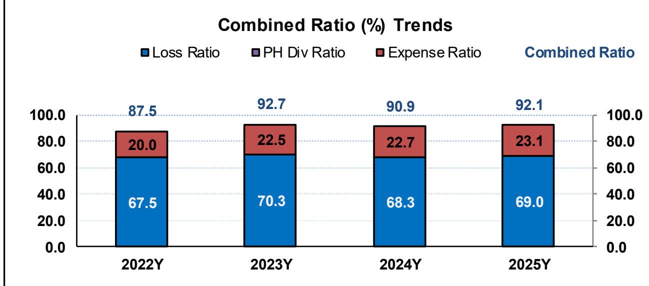
ALLIED WORLD SURPLUS LINES INSURANCE COMPANY, NAIC #24319
PARENT – FAIRFAX FINANCIAL HOLDINGS LIMITED

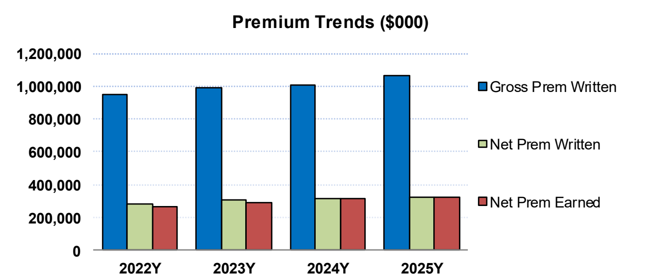
Dollars in 000

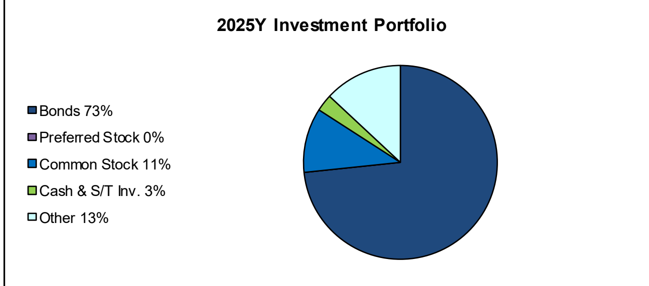
	2022Y	2023Y	2024Y	2025Y
Total Assets	857,207	993,818	1,091,858	1,211,149
Total Liabilities	620,456	720,273	773,293	823,598
Policyholder Surplus	236,751	273,545	318,564	387,551
Cash & Invested Assets	702,617	782,317	844,092	950,181
Cash & Invested Assets/ Total Asse	82.0%	78.7%	77.3%	78.5%
Net Cash from Operations	106,167	83,252	81,895	85,240
Loss & LAE Reserves	384,229	440,936	509,446	540,666
Loss & LAE Reserves/Surplus	162.3%	161.2%	159.9%	139.5%

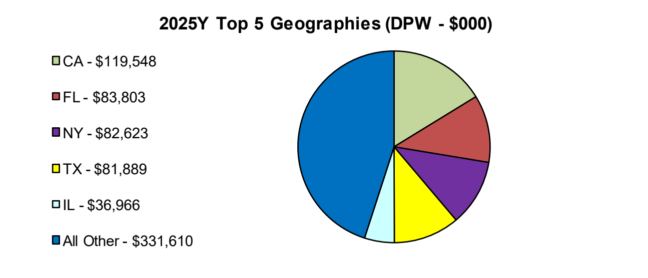
	2022Y	2023Y	2024Y	2025Y
RBC Ratio (%)	355.7	366.9	429.8	495.8
2yr Res Development	8,080	2,104	6,475	6,288
2yr Dev / Surplus	651.5%	116.7%	273.5%	229.9%
Affiliated Common Stck	18,318	29,296	49,000	67,548
Affiliated CS / Surplus	7.7%	10.7%	15.4%	17.4%
Net Reins Recoverable	1,187,837	1,404,980	1,543,202	1,727,002
Net Reins Rec / Surplus	501.7%	513.6%	484.4%	445.6%
AMB / S&P Ratings	A / NR	A / NR	A / NR	A / NR

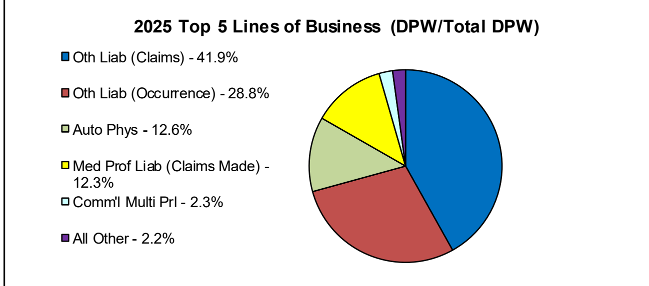












Total NY State DPW	**$82,623**
Total US ex Terr DPW	**$736,440**
Total All Lines	**$736,405**

TOP 5 REINSURERS FOR ALLIED WORLD SURPLUS LINES INS BY GROSS RECOVERABLES
PERIOD: 2025Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Allied World Insurance Company	US Affiliated Pooling	Authorized	1,047,881	0
2 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	149,997	0
3 - Odyssey Reinsurance Company	US Affiliated Non-captive Non-pooling	Authorized	56,437	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	51,548	0
5 - Everest Reinsurance (Bermuda), Ltd.	Non-US Unaffiliated	Mixed Filing	51,531	0

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".

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

ULTIMATE PARENT – Fairfax Financial Holdings Limited

Corporate Profile		Financial Strength Ratings	
Address:	Fairfax Financial Holdings Limited	S&P Global:	-
	95 Wellington Street West	Moody's:	#OUTSIDE SUBSCRIPTION
	Toronto, -, -	Fitch:	-
		AM Best - P&C:	-
Website:	www.fairfax.ca		
President :	Peter S. Clarke		
Ticker Symbol:	TSX: FFH		
SEC Filing:	Form 40-F		

Highlights ($000)	2022Y	2023Y	2024Y	2025Y
Total Assets	78,818,500	91,985,100	96,777,300	107,787,700
Total Policy Reserves	NA	NA	NA	NA
Total Debt	9,718,900	10,798,700	13,058,500	14,833,900
Total Other Liabilities	5,306,300	6,063,800	6,053,400	9,692,000
Sep Account Liabilities	0	0	0	0
Total Liabilities	55,799,800	64,284,200	68,428,100	76,913,600
Total Equity	**23,018,700**	**27,700,900**	**28,349,200**	**30,874,100**
Total Liab & Equity	78,818,500	91,985,100	96,777,300	107,787,700
Book Value / Share ($)	762.28	939.65	1,059.60	1,260.19
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	NA	NA	NA	NA
Reserves / Equity (x)	NA	NA	NA	NA
Debt / Equity (x)	0.42	0.39	0.46	0.48
Dec. 31 Closing Price ($)	592.62	925.70	1,390.01	1,907.85
Net Income ($)	3,811,700	5,094,900	4,262,900	5,283,800
Basic EPS ($)	140.83	186.87	173.41	230.07
Investment Yield (%)	0.77	8.21	6.77	9.00
Ratios (%)				
Loss Ratio	65.20	63.20	62.10	61.70
Expense Ratio	29.50	30.00	30.60	31.30
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	94.70	93.20	92.70	93.00

HISTORY

Allied World Surplus Lines Insurance Company (AW Surplus Lines) was incorporated in the State of Delaware in December 1990 as Ulico Indemnity Insurance Company, a subsidiary of Ulico Casualty Company. In 1992, the company re-domesticated to Arkansas. The company was acquired by Darwin National Assurance Company in May 2005 and adopted the name Darwin Select Insurance Company. In October 2008, Allied World Assurance Company Holdings, AG (AW Holdings) acquired the company. In June 2014, the company adopted its current name. In July 2017, AW Holding was acquired by Fairfax Financial Holdings, Ltd (Fairfax). The company has been eligible to write surplus lines business in New York since February 8, 2008. As of December 31, 2025, AW Surplus Lines is an Arkansas domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states, the District of Columbia and the U.S. Virgin Islands.

REINSURANCE

AW Surplus Lines is a participant in an intercompany pooling agreement including five (5) affiliates, with Allied World Insurance Company (AWIC), pool lead retaining 45%. AW Surplus Lines cedes 100% of its premiums to AWIC and receives a 10.0% share of the pool's combined results. As such, the financial strength of the company is heavily dependent upon the underwriting performance of its pool members, the credit risk of AWIC/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2022 through 2025, respectively, AW Surplus Lines net recoverable was shown as $1.2bn, $1.4bn, $1.5bn and $1.7bn, representing 502%, 514%, 484% and 445% of company surplus. Of the total recoverable in 2025, $1.2bn was with affiliates.

HOLDING COMPANY

Founded in 1951 as Markel Service Company of Canada, specializing in Canadian trucking insurance, the company was renamed Markel Financial Holdings, Ltd in 1976. In 1985, the investor Prem Watsa, with partner Tony Hamlin, of the investment firm, Hamblin Watsa Investment Counsel, Ltd, Toronto, Canada, acquired control of Markel Financial Holdings and renamed the group Fairfax Financial Holdings, Ltd (Fairfax) (short for "fair, friendly acquisitions" in 1987. Fairfax, through its subsidiaries, is engaged in property and casualty insurance, reinsurance, Lloyds, insurance services, claims management and associated investment management. Fairfax operates primarily through several subsidiaries, including Odyssey Re, Northbridge Financial, Crum & Forster, Allied World, Verassure Insurance, Onlia Agency Inc., and Zenith Insurance Company. AM Best collectively rates eight (8) insurance subsidiaries of AWAC, including Allied World Surplus, with other Fairfax groups rated separately. For the years 2022 through 2024, the AWAC group was rated by AM Best and S&P as 'A / A+' respectively and assigned the financial size of XV ($2bn >) by AM Best. A review of individual group ratings of other several Fairfax / Crum & Forester / Odyssey Re subsidiaries (above) noted they were also rated by AM Best as 'A'. In May 2024, S&P Global upgraded the rating to A+ from A, and in June 2025 to AA-. In May 2025 AM Best upgraded the group's rating to A+ from A.

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2026

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

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