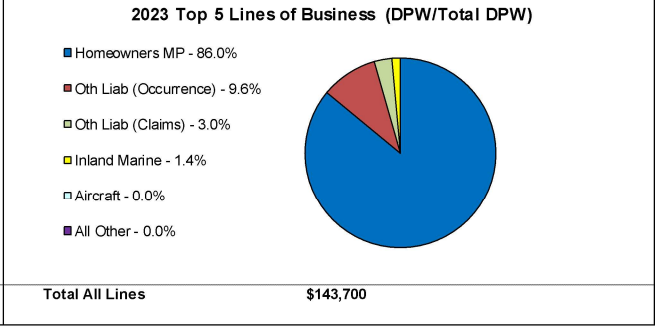
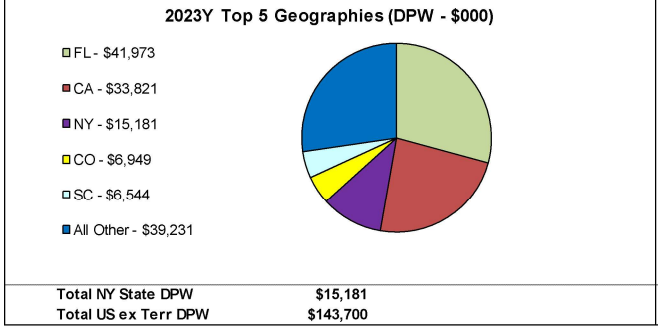
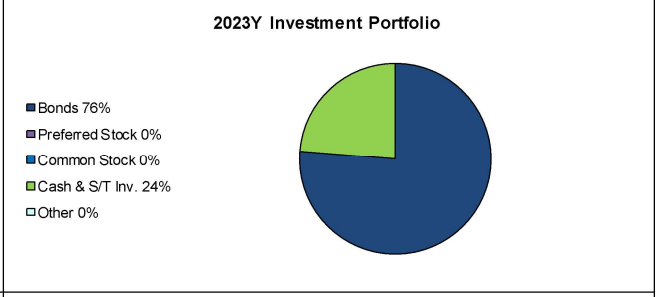
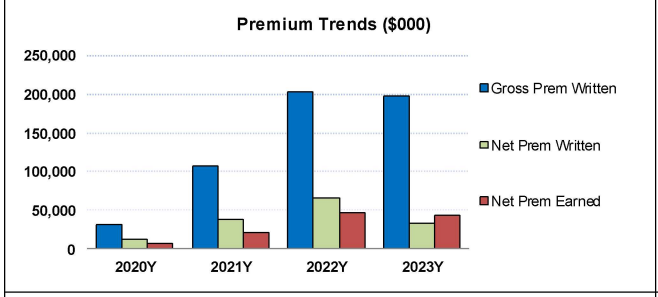
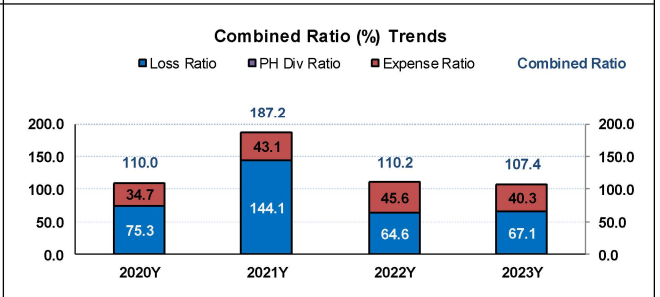
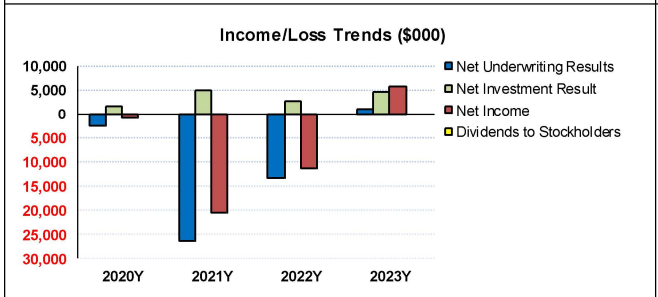




**Vault E&S Insurance Company, NAIC #16237  
Parent – Cornell Capital GP II GP LLC**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	65,313	207,756	226,059	223,372	RBC Ratio (%)	958.4	1,443.8	824.9	1,868.0
Total Liabilities	17,317	80,613	111,447	102,026	2yr Res Development	66	9	2,098	-4,336
Policyholder Surplus	47,996	127,143	114,611	121,347	2yr Dev / Surplus	13.1%	1.8%	437.1%	-341.0%
Cash & Invested Assets	55,574	158,799	169,298	172,543	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets / Total Assets	85.1%	76.4%	74.9%	77.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	660	18,459	-18,836	-651	Net Reins Recoverable	8,241	26,639	50,826	74,157
Loss & LAE Reserves	2,051	12,139	12,139	22,754	Net Reins Rec / Surplus	17.2%	21.0%	44.3%	61.1%
Loss & LAE Reserves/Surplus	4.3%	9.5%	10.6%	18.8%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A- / NR



**TOP 5 REINSURERS FOR VAULT E&S INSURANCE CO. BY GROSS RECOVERABLES**

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Vault Reciprocal Exchange	US Affiliated Pooling	Authorized	25,075	0
2 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	15,139	0
3 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	14,461	0
4 - Arch Reinsurance Ltd.	Non-US Unaffiliated	Authorized	10,075	0
5 - Hannover Rück SE	Non-US Unaffiliated	Authorized	9,362	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".

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.

## HISTORY

Vault E&S Insurance Company (“Vault E&S” or “Company”) was incorporated in the state of Arkansas on October 23, 2017, as a direct subsidiary of Allied World Insurance Company (“AWIC”), which is owned by Allied World Assurance Company (AWAC), itself ultimate owned by Fairfax Financial Holdings Limited (Fairfax), Toronto, Canada. Vault E&S has been eligible to write surplus lines business in New York since May 15, 2018. Effective March 1, 2021, Vault E&S became a wholly owned indirect subsidiary of Cornell Capital GP II GP LLC (Cornell Capital), a private equity firm pursuant to the Agreement and Plan of Acquisition (Acquisition), dated as of November 12, 2020, by and among the Companies, Cornell Capital and asset manager Hudson Structured Capital Management. As a result of the Acquisition, Cornell Capital GP II GP LLC became the ultimate controlling entity of Vault E&S and identifies the topmost entity of the corporate structure. As of December 31, 2023, Vault E&S is licensed as an Arkansas domestic surplus lines insurer and is eligible to write surplus lines insurance in all fifty (50) states, the District of Columbia and the U.S. Virgin Islands.

## REINSURANCE

Effective April 1, 2021, Vault E&S maintains various reinsurance programs including multiple excess of loss and quota share layers placed with financially sound reinsurance partners. In addition, Vault E&S participates in a pooling arrangement with Vault Reciprocal Exchange, a reciprocal insurance exchange managed by an affiliated attorney-in-fact, Vault Risk Management Services, which applies net of other reinsurance recoveries. The reinsurance programs supersede the quota share reinsurance agreement with its former owner, AWIC, and quota share and excess of loss programs with Lloyd’s syndicates that were in force through March 31, 2021. For the years 2020 through 2023, Vault E&S net reinsurance recoverable was shown as \$8M, \$27m, \$51M and \$74M, representing 17%, 21%, 44% and 61% of company surplus.

## HOLDING COMPANY

Cornell Capital LLC is a U.S.-based private investment firm with over \$5B of assets under management (AUM) and offices in New York and Hong Kong. Partnering with strong, entrepreneurial management teams, the firm takes a value-oriented approach to investing across the consumer, financial and industrial sectors. Founder and Senior Partner Henry Cornell, who served as the Vice Chairman of Goldman Sachs’ Merchant Banking Division prior to founding Cornell Capital in 2013, leads a highly seasoned senior leadership team with decades of shared investing experience. AM Best collectively rates two (2) insurance subsidiaries of the Vault Insurance Group, including Vault E&S Insurance Company. For the years 2020 through 2023 the group was rated by AM Best ‘A-’ and assigned financial size of VIII (\$100M - \$250M).

## SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: September 2024

### AM Best Disclaimer Notice:

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.

### S&P Disclaimer Notice:

Reproduction of any information, data or material, including ratings (“content”) in any form is prohibited except with the written permission of the relevant party. Such party, its affiliates and suppliers (“content providers”) do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any content and are not responsible for any errors and omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. In no event shall content providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any user of the content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

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. <sup>1</sup>
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.

Financial Term	Definition
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
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, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is \$47 million.
RBC Ratio (%)	<p>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.</p> <p>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%.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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.

<sup>1</sup> 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>

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