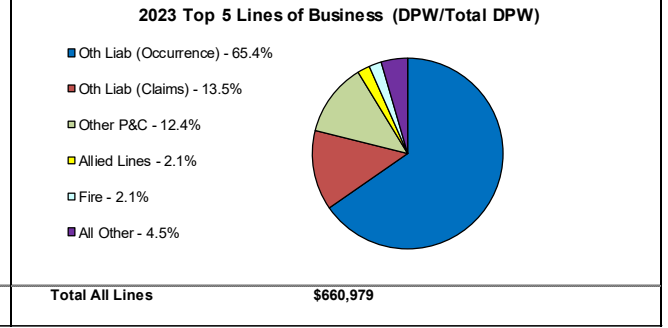
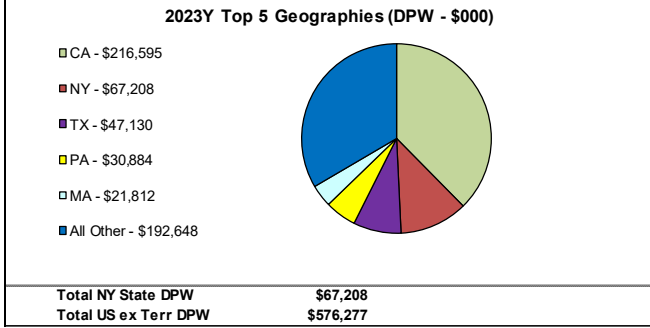
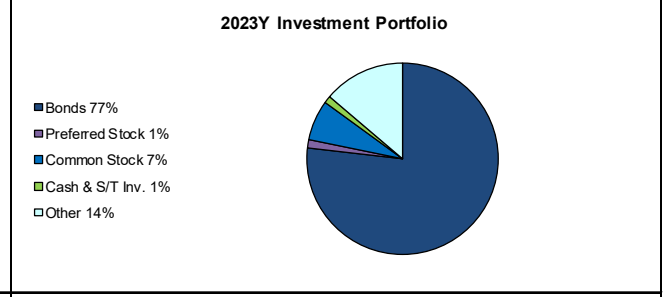
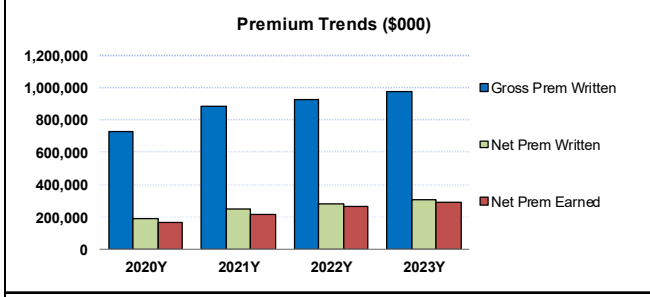
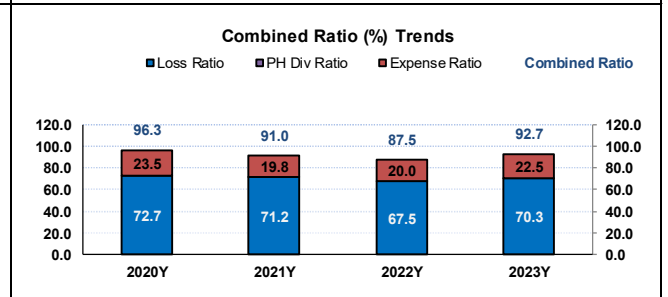
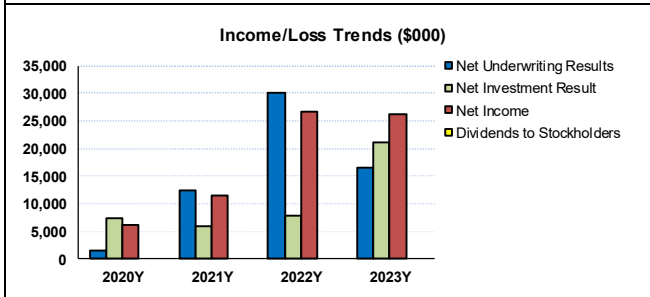


**ALLIED WORLD NATIONAL ASSURANCE COMPANY, NAIC #10690  
PARENT – Fairfax Financial Holdings Limited**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	649,072	743,266	905,323	1,041,752	RBC Ratio (%)	317.8	308.4	353.0	358.5
Total Liabilities	485,936	542,893	654,003	758,984	2yr Res Development	4,298	2,805	8,080	2,104
Policyholder Surplus	163,136	200,372	251,320	282,768	2yr Dev / Surplus	288.8%	180.1%	495.3%	105.0%
Cash & Invested Assets	469,419	587,577	739,071	833,765	Affiliated Common Stck	3,113	9,603	9,003	23,428
Cash & Invested Assets / Total Assets	72.3%	79.1%	81.6%	80.0%	Affiliated CS / Surplus	1.9%	4.8%	3.6%	8.3%
Net Cash from Operations	68,295	119,532	108,886	86,004	Net Reins Recoverable	1,587,980	1,785,161	1,858,096	1,902,235
Loss & LAE Reserves	224,339	298,921	384,229	440,936	Net Reins Rec / Surplus	973.4%	890.9%	739.3%	672.7%
Loss & LAE Reserves/Surplus	137.5%	149.2%	152.9%	155.9%	AMB / S&P Ratings	A/A	A/A	A/A	A/A



**TOP 5 REINSURERS FOR ALLIED WORLD NATIONAL ASSR CO. BY GROSS RECOVERABLES**

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Allied World Insurance Company	US Affiliated Pooling	Authorized	979,019	0
2 - Allied World Assurance Company, Ltd	Non-US Affiliated Non-captive	Mixed Filing	152,262	0
3 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	118,305	0
4 - Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München	Non-US Unaffiliated	Unauthorized	76,251	0
5 - Odyssey Reinsurance Company	US Affiliated Non-captive Non-pooling	Authorized	71,403	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.

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 95 Wellington Street West Toronto, -, -	S&P Global:	-
Website:	<a href="http://www.fairfax.ca">www.fairfax.ca</a>	Moody's:	#OUTSIDE SUBSCRIPTION
President :	Peter S. Clarke	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
SEC Filing:	<a href="#">40-F</a>		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	74,054,000	86,645,400	78,818,500	91,985,100
Total Policy Reserves	39,206,800	47,346,500	NA	NA
Total Debt	10,266,100	8,893,700	9,718,900	10,798,700
Total Other Liabilities	6,697,400	8,491,100	5,306,300	6,063,800
Sep Account Liabilities	0	0	0	0
Total Liabilities	56,526,700	65,330,100	55,799,800	64,284,200
<b>Total Equity</b>	<b>17,527,300</b>	<b>21,315,300</b>	<b>23,018,700</b>	<b>27,700,900</b>
Total Liab & Equity	74,054,000	86,645,400	78,818,500	91,985,100
Book Value / Share (\$)	478.33	630.60	762.28	939.65
Reserves / Investments & Cash (x)	0.90	0.89	NA	NA
Reserves / Liabilities (x)	0.69	0.72	NA	NA
Reserves / Equity (x)	2.24	2.22	NA	NA
Debt / Equity (x)	0.59	0.42	0.42	0.39
Dec. 31 Closing Price (\$)	340.49	491.70	592.62	925.70
Net Income (\$)	37,400	3,666,600	3,811,700	5,094,900
Basic EPS (\$)	6.59	129.33	140.83	186.87
Investment Yield (%)	2.37	9.34	0.77	8.21
Ratios (%)				
Loss Ratio	65.40	62.70	65.20	63.20
Expense Ratio	32.40	32.30	29.50	30.00
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	97.80	95.00	94.70	93.20

## **HISTORY**

Abc Insurance Company (Admiral Insurance) was incorporated in the State of Delaware in December Allied World Abc Insurance Company (Admiral Insurance) was incorporated in the State of Delaware in December Allied World National Assurance Company (AW National) was incorporated in New Hampshire in September 1996 as Newmarket Underwriters Insurance Company, a subsidiary of Swiss Reinsurance Company. The company was acquired by Allied World Assurance Company Holdings, AG in July 2002 and adopted its current name in August 2007. In July 2017, Allied World Assurance Company Holdings AG (AWAC) was acquired by Fairfax Financial Holdings Limited (Fairfax). The company has been eligible to write surplus lines business in New York since June 10, 1997. As of December 31, 2023, Allied World National is licensed in forty-seven (47) states and the District of Columbia and operated on a non-admitted basis in California, Delaware and New York.

## **REINSURANCE**

AW National is a participant in an intercompany pooling agreement including four (4) affiliates, with Allied World Insurance Company (AWIC), pool lead retaining 45%. AW National 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 2020 through 2023, respectively, AW National net reinsurance recoverable was shown as \$1.59bn, \$1.78bn, \$1.86bn and \$1.90bn, representing 973%, 8903%, 739% and 673% of company surplus. Of the total recoverable in 2023, \$979M 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 National, with other Fairfax groups rated separately. For the years 2020 through 2023, 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 over thirty-five (35) other Fairfax / Crum & Forester / Odyssey Re subsidiaries (above) noted they were also rated by AM Best as 'A'.

## **SUBSEQUENT NOTEWORTHY OBSERVATIONS**

S&P Global has upgraded its financial strength ratings on Fairfax Financial Holdings' operating subsidiaries including Allied World Assurance Co Holdings to A+ from A.

Last revised: September 2024

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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. <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.