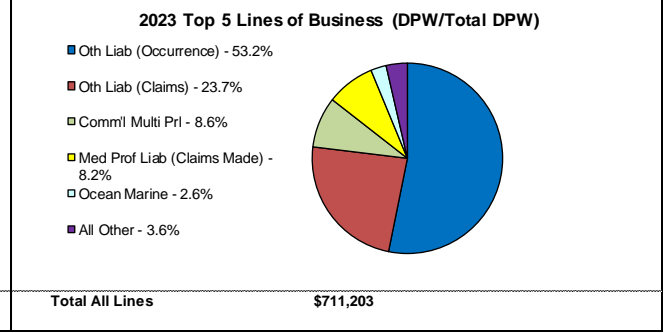
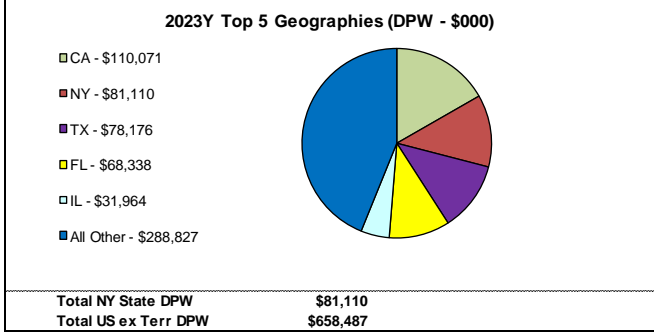
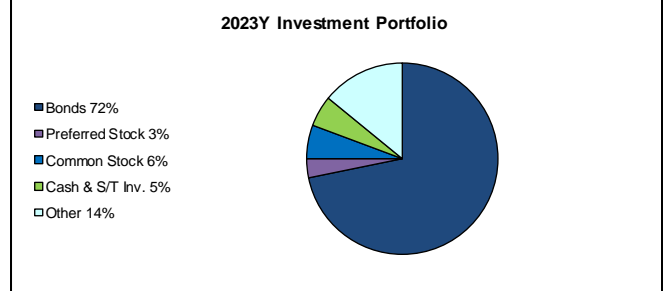
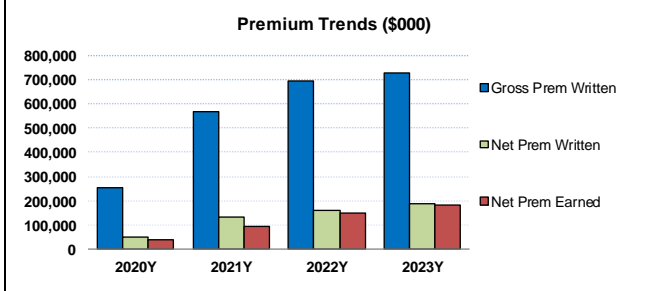
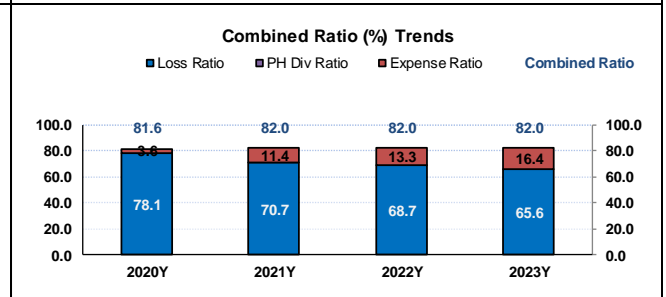
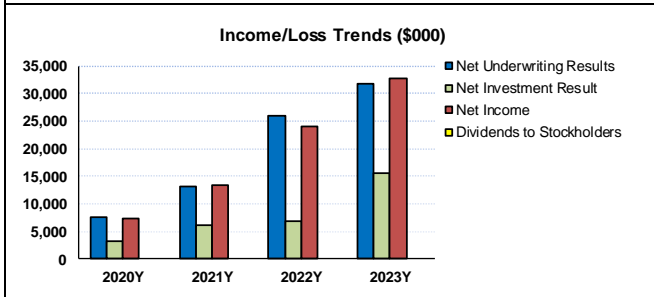




**HUDSON EXCESS INSURANCE COMPANY, NAIC #14484
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

| | 2020Y | 2021Y | 2022Y | 2023Y | | 2020Y | 2021Y | 2022Y | 2023Y |
|--------------------------------------|---------|---------|---------|---------|-------------------------|---------|---------|---------|---------|
| Total Assets | 254,498 | 413,587 | 540,235 | 730,527 | RBC Ratio (%) | 878.0 | 549.7 | 365.5 | 369.6 |
| Total Liabilities | 175,526 | 311,275 | 424,295 | 575,889 | 2yr Res Development | 432 | 2,681 | 1,682 | 3,713 |
| Policyholder Surplus | 78,973 | 102,312 | 115,941 | 154,638 | 2yr Dev / Surplus | 68.6% | 398.3% | 213.0% | 362.9% |
| Cash & Invested Assets | 189,645 | 322,989 | 433,309 | 571,792 | Affiliated Common Stck | 0 | 0 | 15,214 | 15,769 |
| Cash & Invested Assets/ Total Assets | 74.5% | 78.1% | 80.2% | 78.3% | Affiliated CS / Surplus | 0.0% | 0.0% | 13.1% | 10.2% |
| Net Cash from Operations | 62,738 | 112,393 | 117,987 | 112,202 | Net Reins Recoverable | 278,735 | 509,250 | 746,632 | 965,319 |
| Loss & LAE Reserves | 51,632 | 104,060 | 175,115 | 249,565 | Net Reins Rec / Surplus | 353.0% | 497.7% | 644.0% | 624.2% |
| Loss & LAE Reserves/Surplus | 65.4% | 101.7% | 151.0% | 161.4% | AMB / S&P Ratings | A+ / A | A+ / A | A+ / A | A+ / A |



TOP 5 REINSURERS FOR HUDSON EXCESS INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|--|---------------------------------------|-------------------------|-------------|-----------------------|
| 1 - Odyssey Reinsurance Company | US Affiliated Non-captive Non-pooling | Authorized | 806,974 | 0 |
| 2 - General Reinsurance Corporation | US Unaffiliated | Authorized | 33,041 | 0 |
| 3 - Everest Reinsurance Company | US Unaffiliated | Authorized | 23,792 | 0 |
| 4 - Swiss Reinsurance America Corporation | US Unaffiliated | Authorized | 17,246 | 0 |
| 5 - Lloyd's Syndicate - 2987 (Brit Syndicates Limited) | Non-US Affiliated Non-captive | Authorized | 13,611 | 0 |

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ULTIMATE PARENT – Fairfax Financial Holdings, Ltd

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

| 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 |
| Total Equity | 17,527,300 | 21,315,300 | 23,018,700 | 27,700,900 |
| 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 | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Combined Ratio | 97.80 | 95.00 | 94.70 | 93.20 |

HISTORY

Hudson Excess Insurance Company (Hudson Excess) was incorporated in the State of Delaware in May 2012, as a subsidiary of the Odyssey Reinsurance Group (Odyssey Re), itself ultimately owned by Fairfax Financial Holdings Limited (Fairfax). Financial and operations control of the company remains with Fairfax. The company has been eligible to write surplus lines business in New York since April 29, 2013. As of December 31, 2023, Hudson Excess is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in all fifty (50) states, the District of Columbia, Puerto Rico and the U.S Virgin Islands.

REINSURANCE

Hudson Excess maintains a 70% quota share agreement with its upstream parent, Odyssey Re. As such, the financial strength of the company is heavily dependent on the credit risk of Odyssey Re/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2020 through 2023, respectively, Hudson Excess net reinsurance recoverable totaled \$279M and \$509M, \$747M and \$965M, representing 353%, 498%, 644% and 624% of company surplus.

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, Verasure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2020 through 2022, AM Best and S&P rated thirty-three (33) insurance subsidiaries of the Fairfax Group, including Hudson Excess Insurance Company as ‘A / A-’. As of December 31, 2023, the ratings were ‘A+ / A’ and assigned the financial size of XV (\$2bn >).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Updated May 2024

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.