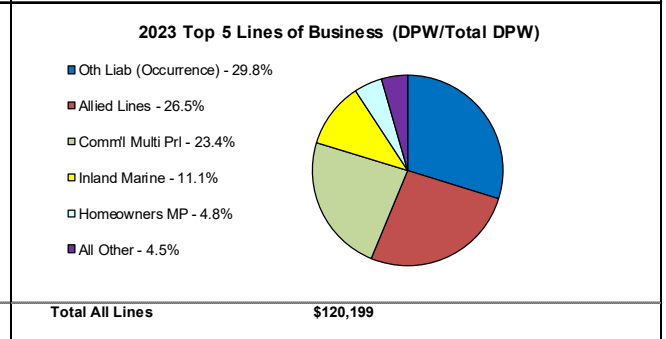
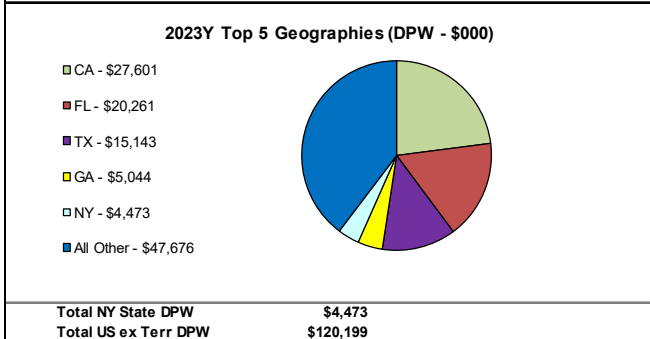
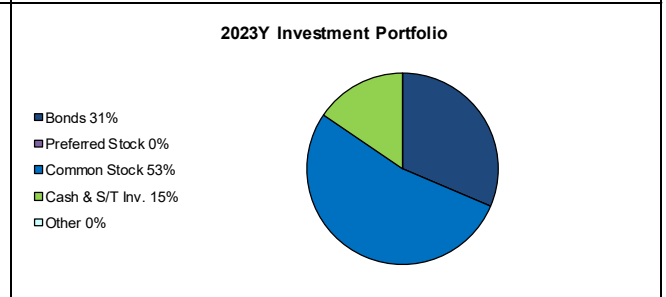
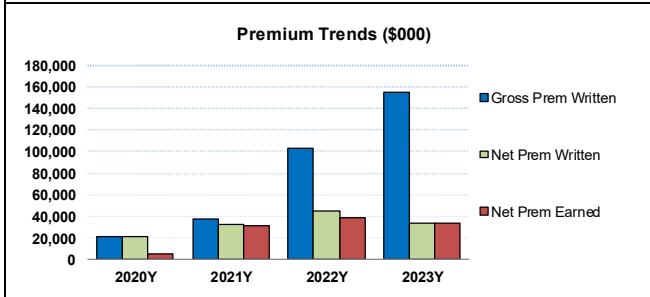
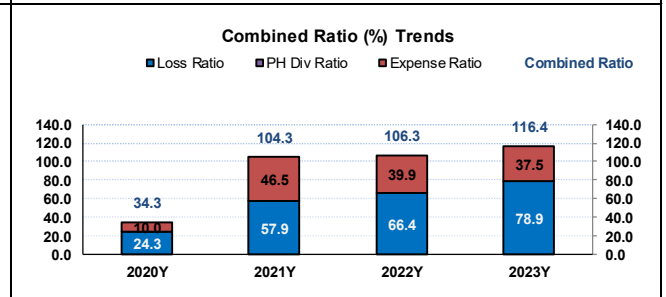
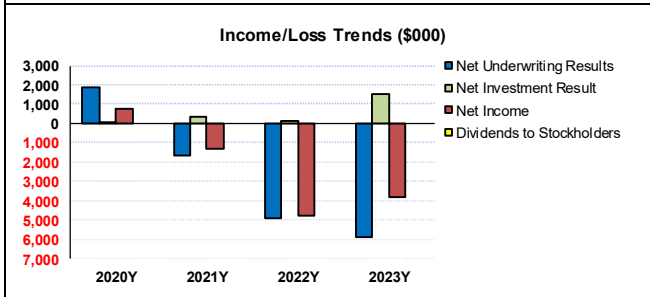




SUMMIT SPECIALTY INSURANCE COMPANY, NAIC #16889
PARENT – Mccarthy Partners Management, LLC

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	128,123	133,741	147,926	181,578	RBC Ratio (%)	514.2	454.4	346.6	645.3
Total Liabilities	18,813	25,094	42,077	70,840	2yr Res Development	-918	-377	-409	-356
Policyholder Surplus	109,310	108,647	105,848	110,738	2yr Dev / Surplus	NA	NA	-37.4%	-32.8%
Cash & Invested Assets	107,820	128,073	136,757	155,569	Affiliated Common Stck	82,828	83,902	76,691	80,520
Cash & Invested Assets / Total Assets	84.2%	95.8%	92.4%	85.7%	Affiliated CS / Surplus	75.8%	77.2%	72.5%	72.7%
Net Cash from Operations	-66	19,969	6,987	13,438	Net Reins Recoverable	66	4,082	44,084	85,623
Loss & LAE Reserves	3,612	4,269	8,664	15,986	Net Reins Rec / Surplus	0.1%	3.8%	41.6%	77.3%
Loss & LAE Reserves/Surplus	3.3%	3.9%	8.2%	14.4%	AMB / S&P Ratings	A / NR	A / NR	A / NR	A / NR



TOP 5 REINSURERS FOR SUMMIT SPECIALTY INSURANCE CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - National Summit Insurance Company	US Affiliated Pooling	Authorized	67,726	0
2 - Conduit Reinsurance Limited	Non-US Unaffiliated	Unauthorized	8,176	0
3 - Hannover Rück SE	Non-US Unaffiliated	Mixed Filing	4,507	0
4 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	3,621	0
5 - Everest Reinsurance Company	US Unaffiliated	Authorized	3,549	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

Summit Specialty Insurance Company (Summit Specialty) is a newly formed company incorporated in Nebraska on September 29, 2020. It was formed by its parent company, ReAlign Insurance Holdings Inc. (RIH), based in San Diego, California. Summit Specialty was established as a specialty property and casualty (P&C) company to write E&S insurance programs and received regulatory approval as a domestic surplus lines insurer from the Nebraska Department of Insurance in October 2020. Summit Specialty was formed to build leading specialty P&C insurance programs including homeowners, commercial property, commercial auto, excess liability, earthquake, builders' risk, and surety. As of December 31, 2023, Summit Specialty is eligible to write surplus lines in forty-nine (49) states, the District of Columbia, Puerto Rico and is a qualified reinsurer in Texas.

REINSURANCE

Summit Specialty is a participant in an intercompany pooling agreement including two (2) affiliates, with National Summit Insurance Company (NSIC) as the pool lead. Summit Specialty cedes 100% of its premiums (net of reinsurance) to NSIC. NSIC retains 54%, and then proportionally allocates based on surplus annually back to Summit Specialty (28%) and American Summit Insurance Company (ASIC) (18%). For the years 2020 through 2023, respectively, Summit Specialty net reinsurance recoverable totaled \$66K, \$4M, \$44M and \$85M, respectively, reflecting 0.1%, 4%, 42% and 77% of company surplus.

HOLDING COMPANY

RIH was incorporated in 2020 and operates as a member of The MGI Holdings Group. RIH purchased ASIC and National Group Corporation (NGC) on June 30, 2020. NGC was the indirect parent company of National Lloyds Insurance Company (NLIC), now known as NSIC. Following the transaction, RIH formed Summit Specialty and converted NLIC from a Texas Lloyds Plan to a stock insurance company and changed the name to NSIC. In December 2020, RIH contributed the stock of ASIC to SSIC, and the stock of NSIC to ASIC, such that the three RIH insurers have a stacked organizational structure. In this structure, RIH is the parent of SSIC, which is the parent of ASIC, which in turn is the parent of NSIC. ASIC and NSIC are admitted in 49 states with applications pending in Washington. Summit Specialty, ASIC and NSIC are the primary insurance carriers that support RIH's business, collectively referred to herein as the ReAlign Insurance Group.

RIH is a 100% wholly owned subsidiary of ReAlign Insurance Holdings LLC (RIHLLC). RIHLLC was incorporated in 2020 as an insurance holding company created by a non-insurance parent, ReAlign Capital Strategies LLC (RCS), and other private investors that include Align Financial Holdings LLC. RCS was formed in 2018. The ultimate controlling person is McCarthy Partners Management LLC (MPM), a private equity firm with approximately \$1.8B assets under management. MPM was founded in 1986 and is based in Omaha, Nebraska, with an additional office in Wellesley, Massachusetts. For the years 2020 through 2023 the ReAlign Insurance Group was rated by AM Best A and assigned the financial size of VIII (\$100M To \$250M).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 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.

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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.

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.

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.