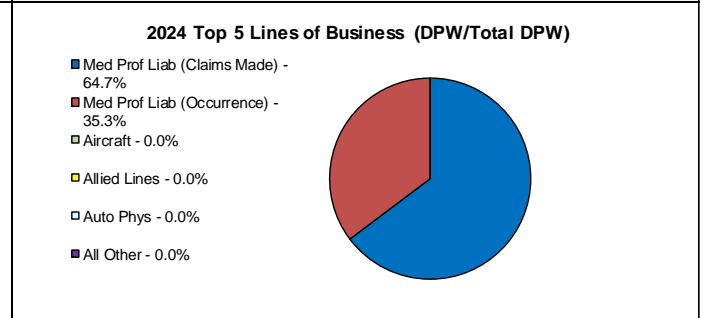
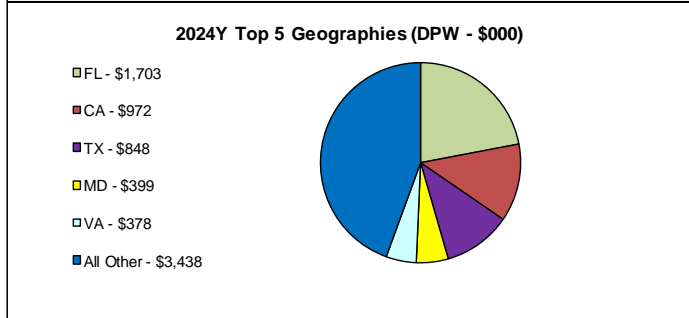
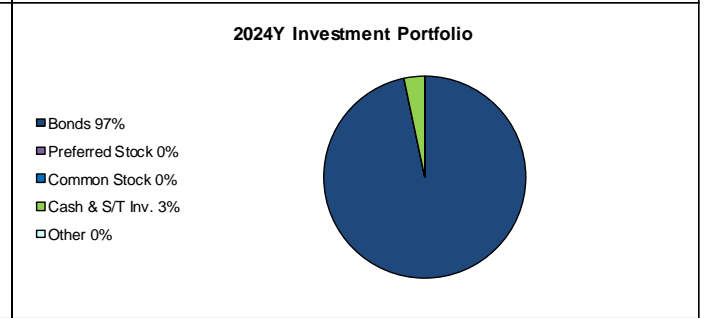
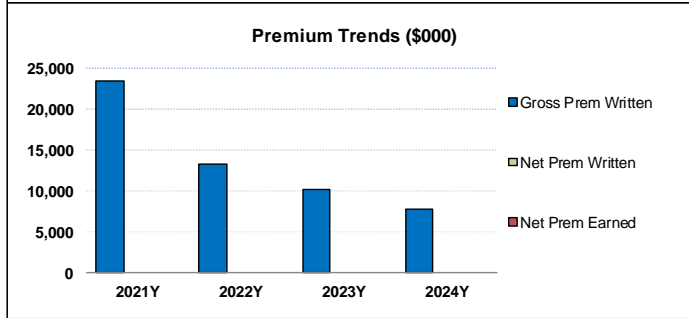
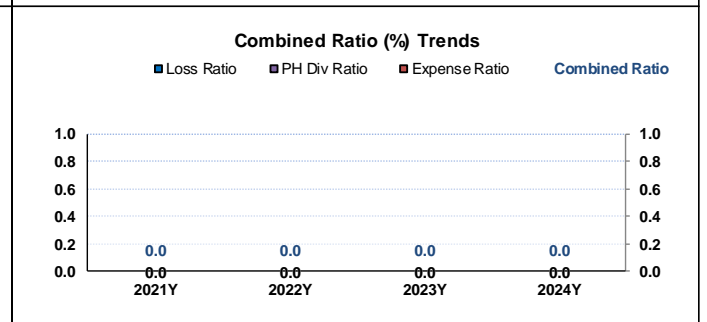
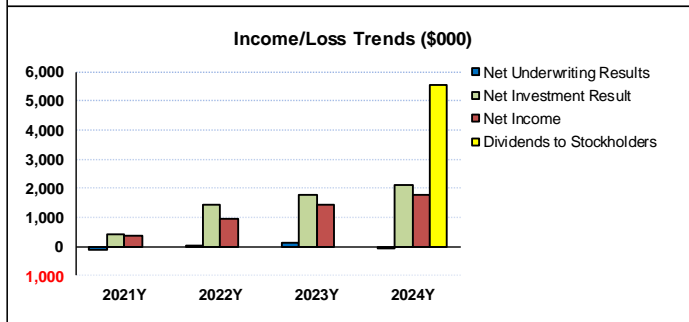


**NORCAL SPECIALTY INSURANCE COMPANY, NAIC #35114
PARENT – PROASSURANCE CORPORATION**

Dollars in 000

	2021Y	2022Y	2023Y	2024Y		2021Y	2022Y	2023Y	2024Y
Total Assets	64,977	64,345	64,161	60,394	RBC Ratio (%)	5,639.7	5,620.3	6,752.4	7,560.3
Total Liabilities	11,614	12,125	8,784	8,473	2yr Res Development	0	0	0	0
Policyholder Surplus	53,363	52,220	55,377	51,921	2yr Dev / Surplus	0.0%	0.0%	0.0%	0.0%
Cash & Invested Assets	60,369	52,413	55,890	56,083	Affiliated Common Stock	0	0	0	0
Cash & Invested Assets/ Total Assets	92.9%	81.5%	87.1%	92.9%	Affiliated CS / Surplus	0.0%	0.0%	0.0%	0.0%
Net Cash from Operations	1,087	-7,774	3,468	5,464	Net Reins Recoverable	107,071	104,620	90,490	54,074
Loss & LAE Reserves	4,899	4,899	4,899	3,199	Net Reins Rec / Surplus	200.6%	200.3%	163.4%	104.1%
Loss & LAE Reserves/Surplus	9.2%	9.4%	8.8%	6.2%	AMB / S&P Ratings	A- / NR	A- / NR	A / NR	A / NR



Total NY State DPW	\$0,000
Total US ex Terr DPW	\$7,739

Total All Lines	\$7,739
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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 – ProAssurance Corporation

Corporate Profile		Financial Strength Ratings	
Address:	ProAssurance Corporation 100 Brookwood Place Birmingham, AL, 35209	S&P Global:	-
Website:	www.proassurance.com	Moody's:	#OUTSIDE SUBSCRIPTION
President :	Edward Lewis Rand Jr.	Fitch:	-
Ticker Symbol:	NYSE: PRA	AM Best - P&C:	-
SEC Filing:	10-K		

Highlights (\$000)	2021Y	2022Y	2023Y	2024Y
Total Assets	6,191,477	5,699,999	5,631,925	5,574,273
Total Policy Reserves	4,013,901	3,894,097	3,834,996	3,676,452
Total Debt	445,830	446,991	444,312	442,263
Total Other Liabilities	280,732	226,379	216,618	226,520
Sep Account Liabilities	0	0	0	0
Total Liabilities	4,763,090	4,595,981	4,519,945	4,372,524
Total Equity	1,428,387	1,104,018	1,111,980	1,201,749
Total Liab & Equity	6,191,477	5,699,999	5,631,925	5,574,273
Book Value / Share (\$)	26.46	20.46	21.82	23.49
Reserves / Investments & Cash (x)	0.81	0.88	0.87	0.83
Reserves / Liabilities (x)	0.84	0.85	0.85	0.84
Reserves / Equity (x)	2.81	3.53	3.45	3.06
Debt / Equity (x)	0.31	0.40	0.40	0.37
Dec. 31 Closing Price (\$)	25.30	17.47	13.79	15.91
Net Income (\$)	144,124	-402	-38,604	52,744
Basic EPS (\$)	2.67	-0.01	-0.73	1.03
Investment Yield (%)	3.20	1.47	3.40	3.81
Ratios (%)				
Loss Ratio	77.40	75.40	81.90	76.40
Expense Ratio	27.60	29.90	30.80	33.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	105.00	105.30	112.70	109.40

HISTORY

NORCAL Specialty Insurance Company (NORCAL Specialty) was incorporated in the State of Pennsylvania in June 1976 as the Pennsylvania Medical Society Liability Insurance Company. Financial control has been under NORCAL Mutual Insurance Company (NORCAL Mutual) since December 2000. The company adopted the name PMLSIC Insurance Company in January 2005. The company re-domesticated to the state of Texas as a domestic surplus lines insurer and changed its name to NORCAL Specialty Insurance Company in December 2016. In May 2021 NORCAL became a part of ProAssurance Corporation following its demutualization. The company has been eligible to write surplus lines business in New York since November 8, 2013. As of December 31, 2024, NORCAL Specialty Insurance Company is licensed in Texas as a domestic surplus lines insurer and operated on a non-admitted basis in all states and the District of Columbia.

REINSURANCE

NORCAL Specialty cedes 100% quota share to its parent, NORCAL Mutual. As a result of this agreement, no values are reported for net premiums written or earned, underwriting income and the various combined ratio trends. As such, the company is heavily dependent on the credit risk of NORCAL Mutual as well as investment risk of its own investment portfolio, managed in common by NORCAL Mutual. For the years 2021 through 2024, respectively, NORCAL Specialty net reinsurance recoverable was shown as \$107M, \$105M, \$90M, and \$54M, representing 201%, 200%, 163% and 104% of company surplus.

HOLDING COMPANY

Founded in 1976, in Birmingham, AL as the Mutual Assurance Company, the company was renamed Medical Assurance Company in 1997 and again renamed ProAssurance Corporation in 2001 upon its merger with the Professionals Group. ProAssurance Corporation is a specialty insurer with extensive expertise in healthcare professional liability, products liability for medical technology and life sciences, legal professional liability, and workers' compensation insurance. AM Best collectively rates thirteen (13) insurance subsidiaries of the ProAssurance group, including NORCAL Specialty Insurance. Prior to 2020 the group was rated by AM Best as 'A' and downgraded to 'A-' in February 2020. The rating was upgraded back to 'A' in May 2023 and assigned the financial size of XIII (\$1.25b - \$1.5bn).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

The Doctors Company agreed to acquire ProAssurance Corp. for \$23 per share, about \$1.3B in a take-private transaction expected to close in 2026. The deal carries a termination fee of \$52.6M. A.M. Best does not expect the deal to materially impact ProAssurance's rating fundamentals, it commented.

Last revised: April 2025

AM Best Disclaimer Notice:

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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.
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 (%)	<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.