

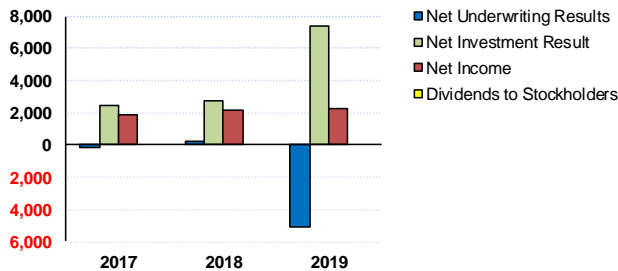


**CAPITOL SPECIALTY INSURANCE CORPORATION, NAIC#10328  
ALLEGHANY CORPORATION**

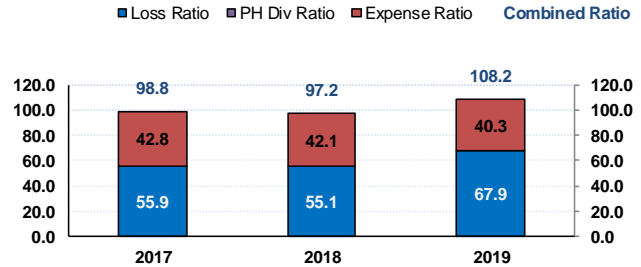
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	150,180	159,540	182,132	RBC Ratio (%)	762.1	691.7	570.6
Total Liabilities	91,265	98,792	122,197	2yr Res Development	-655	-340	2,295
Policyholder Surplus	58,915	60,748	59,935	2yr Dev / Surplus	-1.2%	-0.6%	3.9%
Cash & Invested Assets	102,329	111,478	118,557	Affiliated Common Stock	0	0	0
Cash & Invested Assets / Total Assets	68.1%	69.9%	65.1%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	12,049	4,421	6,531	Net Reins Recoverable	268,876	327,290	408,616
Loss & LAE Reserves	39,645	45,281	57,628	Net Reins Rec / Surplus	456.4%	538.8%	681.8%
Loss & LAE Reserves/Surplus	67.3%	74.5%	96.2%	AMB / S&P Ratings	A / NR	A / NR	A / NR

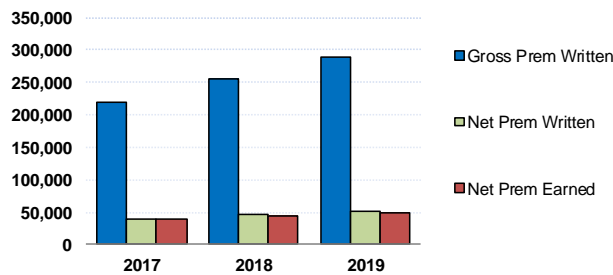
**Income/Loss Trends (\$000)**



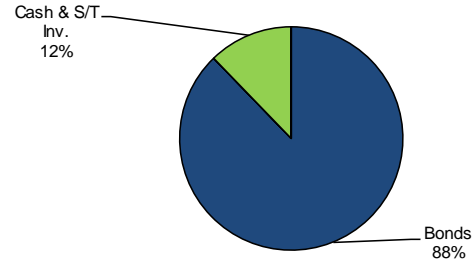
**Combined Ratio (%) Trends**



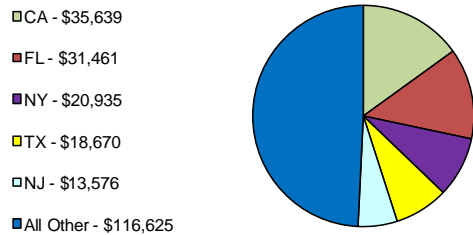
**Premium Trends (\$000)**



**2019 Investment Portfolio**

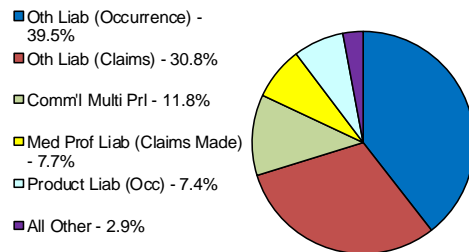


**2019 Top 5 Geographies (DPW - \$000)**



Total NY State DPW \$20,935  
Total US ex Terr DPW \$236,906

**2019 Top 5 Lines of Business (DPW/Total DPW)**



Total All Lines \$236,906

**Top 5 Reinsurers for Capitol Specialty Ins Corp. by Gross Recoverables**

Period: 2019Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Capitol Indemnity Corporation	US Affiliated Pooling	Authorized	409,093	0
2 - Endurance Assurance Corporation	US Unaffiliated	Authorized	7,658	0
3 - RSUI Indemnity Company	US Affiliated Non-captive Non-pooling	Authorized	5,769	0
4 - Lloyd's Syndicate - 2003 (Cattlin Underwriting Agencies Limited)	Non-US Unaffiliated	Authorized	3,119	0
5 - Lloyd's Syndicate - 4472 (Liberty Managing Agency Limited)	Non-US Unaffiliated	Authorized	3,072	0

## HISTORY

Capitol Specialty Insurance Corporation (Capital Specialty) was incorporated in the State of Wisconsin in November 1961 as All Star Title Insurance. The company was acquired by Capitol Indemnity Corporation (Capital Indemnity) in the early 1960's and renamed Capitol Land Title Insurance, Inc. in 1966. The company adopted its current name in November 1993. Financial control has been under Alleghany Corporation since January 2002. The company has been eligible to write surplus lines business in New York since October 3, 2003. As of December 31, 2019, Capitol Specialty is a Wisconsin domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

## REINSURANCE

Capital Specialty is a participant in an intercompany pooling agreement including three (3) affiliates, with its direct parent, Capital Indemnity, pool lead retaining 70%, and its affiliate, Platte River Insurance Company retaining 15%. Capitol Specialty cedes 100% of its premiums to Capitol Indemnity and receives a 15.0% share of the pool's combined results, which includes lines of business not directly written by the company, such as surety. As such, the financial strength of Capitol Specialty is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of Alleghany, as well as investment risk of its own investment portfolio, managed in common by Alleghany. For the years 2017 through 2019, respectively, Capital Specialty net reinsurance recoverable totaled of \$269m, \$327m and \$409m, representing 456%, 539% and 682% of company surplus.

## HOLDING COMPANY

Founded in 1929 with headquarters in New York, NY, Alleghany Corporation is an investment holding company focused on the business of property and casualty, surety and fidelity insurance. Alleghany's property and casualty subsidiaries include: Transatlantic Holdings, Inc., a leading global reinsurer; RSUI Group, Inc., which underwrites wholesale specialty insurance coverages including property, casualty, professional liability and directors' and officers' liability; and CapSpecialty, Inc., an underwriter of commercial property, casualty and surety insurance coverages. AM Best collectively rates eighteen (18) insurance subsidiaries of the Alleghany Ins. Group, including Capital Specialty Insurance Corporation. For the years 2017 through 2019, the group was rated by AM Best as 'A', and assigned the financial size of XV (\$2bn - >).

## SUBSEQUENT EVENTS

In March 2020, the Covid-19 influenza was recognized as a global pandemic, severely disrupting economic activity. As of April, 2020, the results of this event upon year-ending 2020 insurance operations and those of its parent group are not known. For those companies exposed, however, the potential for reduced premiums, return of premiums, and an increase in collections and operation expense may reduce cash flows. Losses and loss adjustment expenses may increase when losses become known and investments in affiliates and equity investments may suffer a decline in values. Also, the effect of future legislation, regulation and litigation could cause an adverse financial impact on those companies exposed.

### 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.

## ULTIMATE PARENT – Alleghany Corporation

Corporate Profile		Financial Strength Ratings	
Address:	Alleghany Corporation 1411 Broadway New York, NY, 10018	S&P Global:	-
Website:	<a href="https://www.alleghany.com/home/default.aspx">https://www.alleghany.com/home/default.aspx</a>	Moody's:	-
President :	Weston M. Hicks	Fitch:	-
Ticker Symbol:	NYSE: Y	AM Best - P&C:	-
2019 Form 10-K:	<a href="https://www.sec.gov/ix?doc=/Archives/edgar/data/775368/000156459020005335/y-10k_20191231.htm">https://www.sec.gov/ix?doc=/Archives/edgar/data/775368/000156459020005335/y-10k_20191231.htm</a>		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	23,756,591	25,384,317	25,344,896	26,931,604
Total Policy Reserves	13,262,697	14,053,544	14,517,372	14,494,529
Total Debt	1,476,489	1,484,897	1,669,039	1,992,213
Total Other Liabilities	912,081	1,068,907	1,127,346	1,274,976
Sep Account Liabilities	0	0	0	0
Total Liabilities	15,741,926	16,763,724	17,482,424	17,950,117
<b>Total Equity</b>	<b>7,939,945</b>	<b>8,514,063</b>	<b>7,692,710</b>	<b>8,776,734</b>
Total Liab & Equity	23,681,871	25,277,787	25,175,134	26,726,851
Book Value / Share (\$)	515.24	553.20	527.75	611.00
Reserves / Investments & Cash (x)	0.71	0.72	0.78	0.72
Reserves / Liabilities (x)	0.84	0.84	0.83	0.81
Reserves / Equity (x)	1.67	1.65	1.89	1.65
Debt / Equity (x)	0.19	0.17	0.22	0.23
Dec. 31 Closing Price (\$)	608.12	596.09	623.32	799.57
Net Income (\$)	460,664	100,492	54,654	890,201
Basic EPS (\$)	29.60	5.85	2.62	59.44
Investment Yield (%)	2.44	2.81	1.38	6.35
Ratios (%)				
Loss Ratio	58.60	73.10	70.70	67.30
Expense Ratio	33.30	33.30	32.50	32.10
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	91.90	106.40	103.20	99.40

### Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Insurance Services, Claims Management and Associated Asset Management

Geography: The Americas and Caribbean, Britain, European Union

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