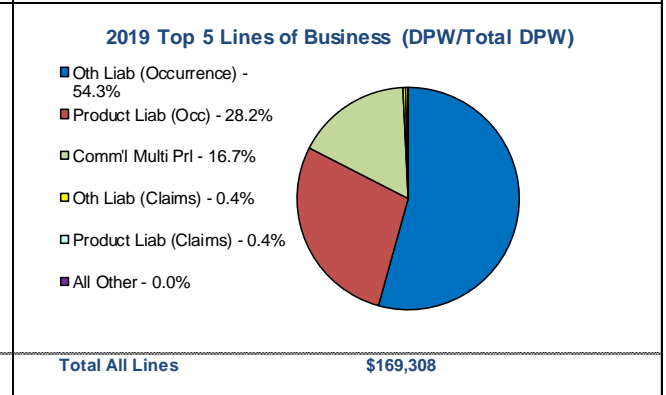
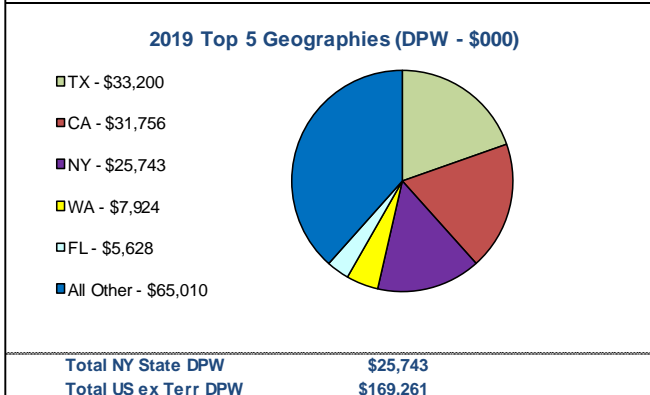
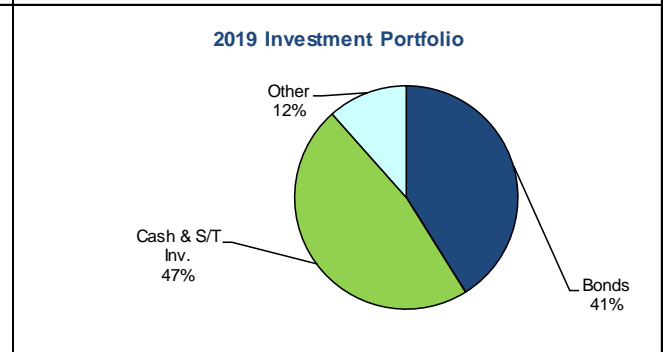
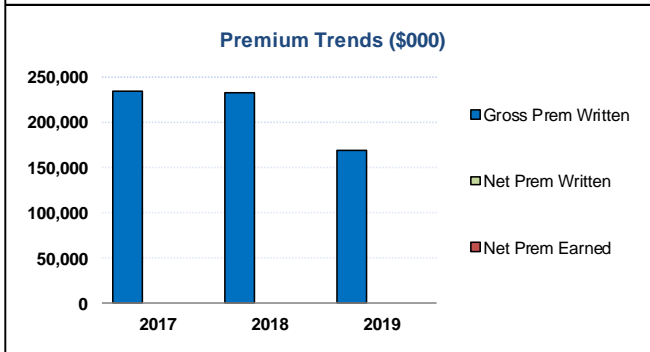
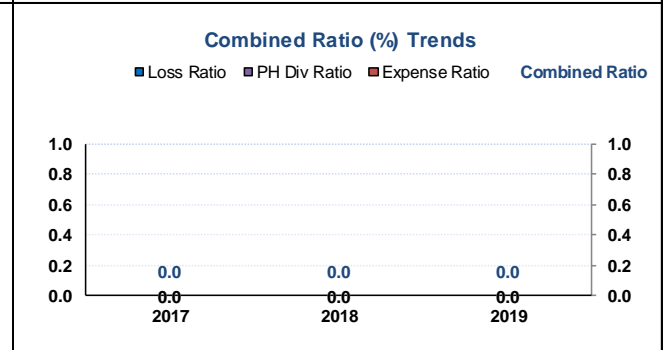
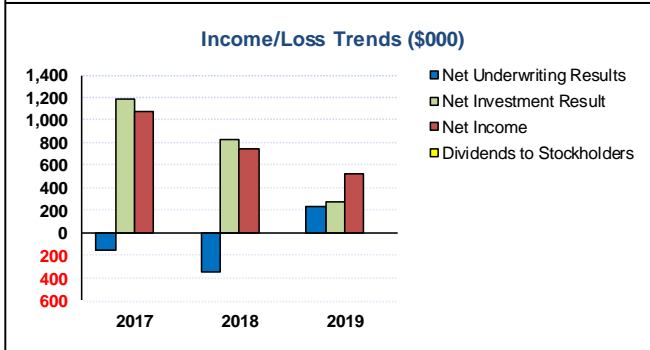




**FIRST MERCURY INSURANCE COMPANY, NAIC #10657
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	97,579	70,744	126,680	RBC Ratio (%)	9,907.7	13,955.0	14,267.7
Total Liabilities	44,859	6,828	61,123	2yr Res Development	2	0	0
Policyholder Surplus	52,720	63,917	65,558	2yr Dev / Surplus	0.0%	0.0%	0.0%
Cash & Invested Assets	24,306	55,024	66,303	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	24.9%	77.8%	52.3%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	19,818	11,832	-32,346	Net Reins Recoverable	873,502	605,294	700,832
Loss & LAE Reserves	0	0	0	Net Reins Rec / Surplus	1656.9%	947.0%	1069.0%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	AMB / S&P Ratings	A / A-	A / A-	A / A-



**Top 5 Reinsurers for First Mercury Insurance Co. by Gross Recoverables
Period: 2019Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - United States Fire Insurance Company	US Affiliated Pooling	Authorized	712,246	0
2 - -	-	-	-	-
3 - -	-	-	-	-
4 - -	-	-	-	-
5 - -	-	-	-	-

#DIV/0 error messages occur in instances where the denominator of the ratio are zero (i.e. zero premium or reserves due to a 100% quota share).

HISTORY

First Mercury Insurance Company (First Mercury) was incorporated in the State of Illinois in June 1996, as a subsidiary of the First Mercury Syndicate, a member of the Illinois Insurance Exchange (IIE). The Syndicate transferred a \$35 million loss portfolio transfer to First Mercury, withdrew from the IIE and was merged into First Mercury. In 1998 Fairfax Financial Holding Limited (Fairfax), Toronto, Canada, acquired the Crum & Forester Insurance Group (C&F) from Xerox. In February 2011, First Mercury was acquired by Fairfax and contributed to C&F. The company has been eligible to write surplus lines business in New York since November 8, 2004. On October 28, 2015, First Mercury re-domesticated to Delaware. As of December 31, 2019, First Mercury is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty nine (49) states, the District of Columbia and the U.S. Virgin Islands.

REINSURANCE

First Mercury maintains a 100% quota share agreement with an affiliate, United States Fire Insurance Company, a subsidiary of C&F. As a result of the quota share agreement, no values are reported for net premiums written or earned, underwriting income, and the various combined ratio trends. As such, the financial strength of the company is heavily dependent on the credit risk of C&F/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2017 through 2019, First Mercury net reinsurance recoverable totaled \$874m, \$605m and \$708m, reflecting 1,657%, 947% and 1,069% of Co. 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, Verassure Insurance, Onlia Agency Inc., and Zenith Insurance Company. For the years 2017 through 2019, AM Best and S&P rated thirty three (33) insurance subsidiaries of the Fairfax Group, including First Mercury Insurance Company as ‘A / A-‘ and were 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 – Fairfax Financial Holdings Limited

Corporate Profile		Financial Strength Ratings	
Address:	Fairfax Financial Holdings Limited 95 Wellington Street, West Toronto, -, -	S&P Global:	-
Website:	https://www.fairfax.ca/	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
2019 Form 10-K:	N/A		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	43,384,400	64,090,100	64,372,100	70,508,500
Total Policy Reserves	23,222,200	34,562,500	35,353,900	35,722,600
Total Debt	4,767,600	6,414,100	6,480,400	8,729,000
Total Other Liabilities	2,660,000	3,423,100	3,921,900	8,149,700
Sep Account Liabilities	0	0	0	0
Total Liabilities	31,564,300	45,678,100	47,006,900	52,601,300
Total Equity	11,820,100	18,412,000	17,365,200	17,907,200
Total Liab & Equity	43,384,400	64,090,100	64,372,100	70,508,500
Book Value / Share (\$)	367.40	449.55	432.46	486.10
Reserves / Investments & Cash (x)	0.81	0.88	0.91	0.91
Reserves / Liabilities (x)	0.74	0.76	0.75	0.68
Reserves / Equity (x)	1.96	1.88	2.04	1.99
Debt / Equity (x)	0.40	0.35	0.37	0.49
Dec. 31 Closing Price (\$)	483.45	533.73	440.43	470.10
Net Income (\$)	-394,700	1,614,900	817,900	1,971,200
Basic EPS (\$)	-24.18	66.74	12.03	72.80
Investment Yield (%)	-2.11	6.84	3.18	6.81
Ratios (%)				
Loss Ratio	58.20	72.30	62.70	63.10
Expense Ratio	34.30	34.30	34.60	33.80
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	92.50	106.60	97.30	96.90

Company Description and Notes

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

Geography: Americas, Caribbean, Britain, European Union, India

Important Information Regarding Financial Summaries

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