



**ALLIED WORLD NATIONAL ASSURANCE COMPANY, NAIC #10690  
FAIRFAX FINANCIAL HOLDINGS LIMITED**

<i>Dollars in 000</i>			
	2017	2018	2019
Total Assets	320,917	440,917	463,417
Total Liabilities	167,184	292,117	307,693
Policyholder Surplus	153,733	148,800	155,724
Cash & Invested Assets	164,811	319,274	329,950
Cash & Invested Assets/ Total Assets	51.4%	72.4%	71.2%
Net Cash from Operations	1,512	26,834	40,504
Loss & LAE Reserves	97,270	129,000	172,627
Loss & LAE Reserves/Surplus	63.3%	86.7%	110.9%
RBC Ratio (%)	257.7	384.9	357.7
2yr Res Development	5,363	4,871	2,167
2yr Dev / Surplus	4.0%	3.1%	1.4%
Affiliated Common Stock	0	0	0
Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Reins Recoverable	1,370,191	1,482,449	1,490,610
Net Reins Rec / Surplus	891.3%	996.3%	957.2%
AMB / S&P Ratings	A / A-	A / A-	A / A-

  

<b>Income/Loss Trends (\$000)</b>			
8,000			
6,000			
4,000			
2,000			
0			
2,000			
4,000			
6,000			
8,000			
10,000			
12,000			
	2017	2018	2019

  

<b>Combined Ratio (%) Trends</b>			
140.0			
120.0			
100.0			
80.0			
60.0			
40.0			
20.0			
0.0			
	2017	2018	2019

  

<b>Premium Trends (\$000)</b>			
800,000			
700,000			
600,000			
500,000			
400,000			
300,000			
200,000			
100,000			
0			
	2017	2018	2019

  

<b>2019 Investment Portfolio</b>	
Cash & S/T Inv. 12%	Other 5%
Bonds 83%	

  

<b>2019 Top 5 Geographies (DPW - \$000)</b>	
CA - \$70,887	
TX - \$49,509	
PA - \$28,484	
NY - \$26,941	
IL - \$24,739	
All Other - \$195,356	

  

<b>2019 Top 5 Lines of Business (DPW/Total DPW)</b>	
Oth Liab (Occurrence) - 54.3%	
Other P&C - 24.3%	
Oth Liab (Claims) - 13.2%	
Inland Marine - 2.8%	
Allied Lines - 1.6%	
All Other - 3.7%	

  

Total NY State DPW	\$26,941
Total US ex Terr DPW	\$395,916

  

Total All Lines	\$523,420
-----------------	-----------

**Top 5 Reinsurers for Allied World National Assr Co. by Gross Recoverables  
Period: 2019Y**

<i>Dollars in 000</i>				
Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Allied World Assurance Company, Ltd.	Non-US Affiliated Non-captive	Mixed Filing	604,675	0
2 - Allied World Insurance Company	US Affiliated Pooling	Authorized	570,216	0
3 - Münchener Rückversicherungs-Gesellschaft A G	Non-US Unaffiliated	Unauthorized	50,945	0
4 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	50,042	0
5 - AXIS Reinsurance Company	US Unaffiliated	Authorized	33,791	0

## HISTORY

Allied World National Assurance Company (AW National) was incorporated in New Hampshire in September 1996 as Newmarket Underwriters Insurance Company, a subsidiary of Swiss Reinsurance Company. The company was acquired by Allied World Assurance Company Holdings, AG in July 2002 and adopted its current name in August 2007. In July 2017, Allied World Assurance Company Holdings AG (AWAC) was acquired by Fairfax Financial Holdings Limited (Fairfax). The company has been eligible to write surplus lines business in New York since June 10, 1997. As of December 31, 2019, Allied World National is licensed in forty-four (44) states and the District of Columbia and operated on a non-admitted basis in California, Delaware and New York.

## REINSURANCE

AW National is a participant in an intercompany pooling agreement including five (5) affiliates, with Allied World Insurance Company (AWIC), pool lead retaining 45%. AW National cedes 100% of its premiums to AWIC and receives a 10.0% share of the pool's combined results. As such, the financial strength of the company is heavily dependent upon the underwriting performance of its pool members, the credit risk of AWIC/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2017 through 2019, respectively, AW National net reinsurance recoverable was shown as \$1.37bn, \$1.48bn and \$1.49bn, representing 891%, 996% and 957% of company surplus. Of the total recoverable in 2019, \$1.175bn was with affiliates.

## 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. AM Best collectively rates nine (9) insurance subsidiaries of AWAC, including Allied World National, with other Fairfax groups rated separately. For the years 2017 through 2019, the AWAC group was rated by AM Best and S&P as 'A / A-' and assigned the financial size of XV (\$2bn >). A review of individual group ratings of thirty three (33) other Fairfax / Crum & Forester / Odyssey Re subsidiaries (above) noted they were also rated by AM Best as 'A'.

## 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:	<a href="https://www.fairfax.ca/">https://www.fairfax.ca/</a>	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
2019 Form 10-K:	<a href="#">N/A</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
<b>Total Equity</b>	<b>11,820,100</b>	<b>18,412,000</b>	<b>17,365,200</b>	<b>17,907,200</b>
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

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.