



**SOUTHWEST MARINE & GENERAL INSURANCE COMPANY, NAIC #12294
PROSIGHT GLOBAL HOLDINGS LIMITED**

| <i>Dollars in 000</i> | | | | | | | |
|--------------------------------------|---------|---------|---------|-------------------------|---------|---------|---------|
| | 2017 | 2018 | 2019 | | 2017 | 2018 | 2019 |
| Total Assets | 216,443 | 292,645 | 314,804 | RBC Ratio (%) | 855.1 | 709.1 | 713.5 |
| Total Liabilities | 153,139 | 225,912 | 242,975 | 2yr Res Development | 1,921 | 848 | 2,229 |
| Policyholder Surplus | 63,304 | 66,733 | 71,829 | 2yr Dev / Surplus | 3.1% | 1.4% | 3.5% |
| Cash & Invested Assets | 193,133 | 226,565 | 216,545 | Affiliated Common Stock | 0 | 0 | 0 |
| Cash & Invested Assets/ Total Assets | 89.2% | 77.4% | 68.8% | Affiliated CS / Surplus | 0.0% | 0.0% | 0.0% |
| Net Cash from Operations | 28,354 | 846 | 35,076 | Net Reins Recoverable | 49,657 | 49,549 | 73,496 |
| Loss & LAE Reserves | 51,139 | 58,641 | 64,927 | Net Reins Rec / Surplus | 78.4% | 74.2% | 102.3% |
| Loss & LAE Reserves/Surplus | 80.8% | 87.9% | 90.4% | AMB / S&P Ratings | A- / A- | A- / A- | A- / A- |

| Income/Loss Trends (\$000) | | | | Combined Ratio (%) Trends | | | |
|-----------------------------------|--|--|--|----------------------------------|--|--|--|
| | | | | | | | |

| Premium Trends (\$000) | | | | 2019 Investment Portfolio | | | |
|-------------------------------|--|--|--|----------------------------------|--|--|--|
| | | | | | | | |

| 2019 Top 5 Geographies (DPW - \$000) | | | | 2019 Top 5 Lines of Business (DPW/Total DPW) | | | |
|---|--|-----------|--|--|--|-----------|--|
| <ul style="list-style-type: none"> NY - \$81,065 IL - \$23,335 MI - \$1,285 TX - \$860 IA - \$554 All Other - \$8,971 | | | | <ul style="list-style-type: none"> Oth Liab (Occurrence) - 64.3% Surety - 20.1% Fidelity - 10.8% Oth Liab (Claims) - 2.6% Comm'l Multi Prl - 1.6% All Other - 0.6% | | | |
| Total NY State DPW | | \$81,065 | | Total All Lines | | \$116,072 | |
| Total US ex Terr DPW | | \$116,072 | | | | | |

**Top 5 Reinsurers for SW Marine & General Ins Co. by Gross Recoverables
Period: 2019Y**

| <i>Dollars in 000</i> | | | | |
|---|---------------------------------------|-------------------------|-------------|-----------------------|
| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
| 1 - New York Marine and General Insurance Company | US Affiliated Non-captive Non-pooling | Authorized | 220,957 | 0 |
| 2 - - | - | - | - | - |
| 3 - - | - | - | - | - |
| 4 - - | - | - | - | - |
| 5 - - | - | - | - | - |

HISTORY

Southwest Marine & General Insurance Company (Southwest Marine) was incorporated in the State of Arizona in July 2005 as Arizona Marine & General Insurance Company, a subsidiary of New York Marine and General Insurance Company, Inc. (NY Marine) (New York), its direct parent. In July 2006, the company adopted its current name. Financial and operations control of the company has been under ProSight Specialty Insurance Holdings, Inc. since November 2010, itself owned by ProSight Global Holdings, Ltd (Bermuda). The company has been eligible to write surplus lines business in New York since June 6, 2007. As per its regulatory financial statement, Schedule T, as of December 31, 2019, Southwest Marine is licensed in its domestic state, Arizona, as well as licensed as an admitted insurer in all remaining forty-eight (48) states and the District of Columbia.

REINSURANCE

Southwest Marine participates in an intercompany pooling agreement including three (3) affiliates, with its parent, NY Marine, pool lead retaining 79%, and its affiliate Gotham Insurance Company (New York) retaining 15%. Southwest Marine cedes 100% of its business to New York Marine and assumes 5% of pools net retained premiums losses and expenses, including pooled business not its own. As such, the financial strength of the company is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of NY Marine/ProSight, as well as investment risk of its own investment portfolio, managed in common by ProSight. For the years 2017 through 2019, respectively, Southwest Marine net reinsurance recoverable was shown as \$50m, \$50m and \$73m, representing 78%, 74% and 102% of company surplus.

HOLDING COMPANY

Founded 2009 with headquarters in Morristown, New Jersey, ProSight Global, Inc. is a property and casualty insurance holding company that through its subsidiaries designs insurance solutions to help customers improve their business and realize value from their insurance purchasing decision. The company focuses on select niche industries (Construction / Consumer / Marine / Real Estate / Media / Professional Services / Transportation / Energy / Sports), deploying differentiated underwriting and claims expertise with the goal of enhancing each customer's operating performance. ProSight's products are sold through a limited and select group of retail and wholesale distribution partners.

AM Best collectively rates five (5) companies of the ProSight Specialty Insurance Group, including Southwest Marine and General Insurance Company. For the years 2017 through 2019 the group was rated by AM Best and S&P as 'A-/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 – ProSight Global Inc.

| Corporate Profile | | Financial Strength Ratings | |
|-------------------|---|----------------------------|---|
| Address: | ProSight Global, Inc. 412 Mount Kemble Avenue Morristown, NJ, 07960 | S&P Global: | - |
| Website: | https://www.prosightspecialty.com/ | Moody's: | - |
| President : | Lawrence Hannon | Fitch: | - |
| Ticker Symbol: | NYSE: PROS | AM Best - P&C: | - |
| 2019 Form 10-K: | https://www.sec.gov/Archives/edgar/data/1634038/000155837020001239/pros-20191231x10k.htm | | |

| Highlights (\$000) | 2016 | 2017 | 2018 | 2019 |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Total Assets | 2,251,502 | 2,409,452 | 2,577,106 | 2,877,234 |
| Total Policy Reserves | 1,521,447 | 1,653,669 | 1,832,745 | 2,004,871 |
| Total Debt | 163,678 | 164,017 | 182,355 | 175,690 |
| Total Other Liabilities | 0 | 85,075 | 95,730 | 77,019 |
| Sep Account Liabilities | 0 | 0 | 0 | 0 |
| Total Liabilities | 1,870,849 | 2,033,469 | 2,187,276 | 2,334,203 |
| Total Equity | 380,654 | 375,983 | 389,830 | 543,031 |
| Total Liab & Equity | 2,251,503 | 2,409,452 | 2,577,106 | 2,877,234 |
| Book Value / Share (\$) | 0.00 | 0.00 | 0.00 | 12.61 |
| Reserves / Investments & Cash (x) | 1.08 | 1.01 | 1.00 | 0.91 |
| Reserves / Liabilities (x) | 0.81 | 0.81 | 0.84 | 0.86 |
| Reserves / Equity (x) | 4.00 | 4.40 | 4.70 | 3.69 |
| Debt / Equity (x) | 0.43 | 0.44 | 0.47 | 0.32 |
| Dec. 31 Closing Price (\$) | 0.00 | 0.00 | 0.00 | 16.13 |
| Net Income (\$) | -100,328 | -43,993 | 54,543 | 38,890 |
| Basic EPS (\$) | 0.00 | 0.00 | 0.00 | 0.95 |
| Investment Yield (%) | 1.64 | 2.66 | 3.12 | 3.47 |
| Ratios (%) | | | | |
| Loss Ratio | 72.40 | 64.60 | 59.50 | 62.00 |
| Expense Ratio | 35.80 | 35.10 | 37.20 | 36.00 |
| PH Dividend Ratio | 0.00 | 0.00 | 0.00 | 0.00 |
| Combined Ratio | 108.20 | 99.70 | 96.70 | 98.00 |

Company Description and Notes

Industries: Commercial and Specialty Lines Insurance for Industries (Construction / Consumer / Marine / Real Estate / Media / Professional Services / Transportation / Energy / Sports), Insurance Brokerage, Reinsurance, Lloyds, Insurance Services, Claims Management and Associated Asset Management

Geography: United States

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