

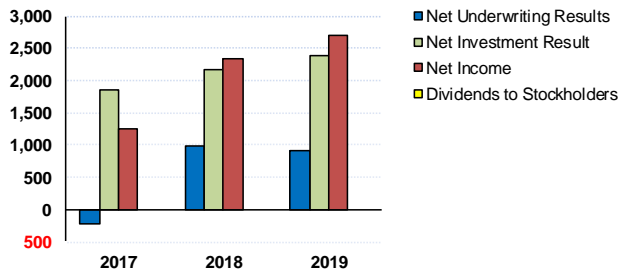


**COVINGTON SPECIALTY INSURANCE COMPANY, NAIC#13027
ALLEGHANY CORPORATION**

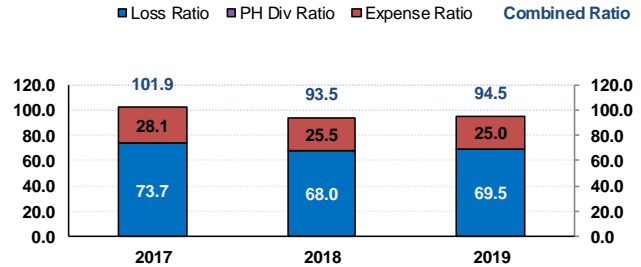
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	97,948	101,902	101,142	RBC Ratio (%)	1,403.7	1,375.8	1,423.5
Total Liabilities	50,653	52,153	48,729	2yr Res Development	1,035	1,539	1,046
Policyholder Surplus	47,296	49,748	52,413	2yr Dev / Surplus	2.1%	3.3%	2.2%
Cash & Invested Assets	74,053	74,585	82,824	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	75.6%	73.2%	81.9%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	-125	5,396	1,413	Net Reins Recoverable	224,830	236,378	233,054
Loss & LAE Reserves	20,540	22,016	21,955	Net Reins Rec / Surplus	475.4%	475.1%	444.6%
Loss & LAE Reserves/Surplus	43.4%	44.3%	41.9%	AMB / S&P Ratings	A+ / A+	A+ / A+	A+ / A+

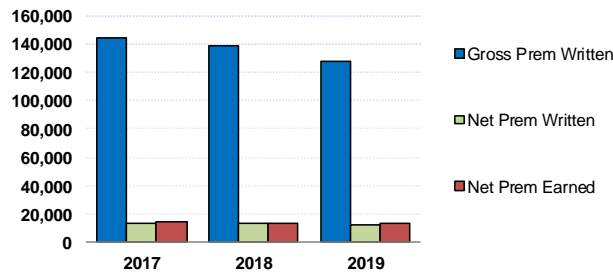
Income/Loss Trends (\$000)



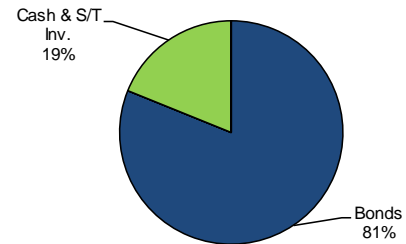
Combined Ratio (%) Trends



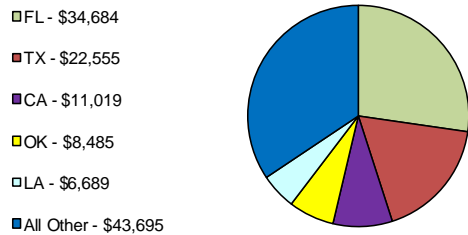
Premium Trends (\$000)



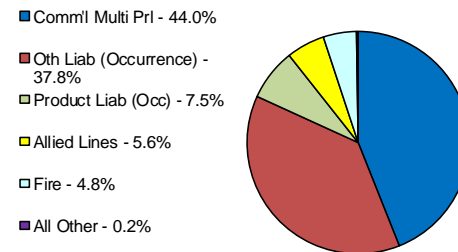
2019 Investment Portfolio



2019 Top 5 Geographies (DPW - \$000)



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



Total NY State DPW \$5,584
Total US ex Terr DPW \$127,128

Total All Lines \$127,128

**Top 5 Reinsurers for Covington Specialty Ins Co. by Gross Recoverables
Period: 2019Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - RSUI Indemnity Company	US Affiliated Non-captive Non-pooling	Authorized	251,140	0
2 - Renaissance Reinsurance U.S. Inc.	US Unaffiliated	Authorized	14	0
3 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	13	0
4 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	10	0
5 - Markel Global Reinsurance Company	US Unaffiliated	Authorized	8	0

HISTORY

Covington Specialty Insurance Company (Covington Specialty) was incorporated in the State of New Hampshire in September 2007 as a subsidiary of RSUI Group, Inc. Financial control remains under Alleghany Corporation. The company has been eligible to write surplus lines business in New York since April 30, 2012. As of December 31, 2019, Covington Specialty is a New Hampshire domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

REINSURANCE

Covington Specialty maintains a 90% quota share agreement with an affiliate, RSUI Indemnity Company. Since Covington Specialty retains less than 10% of its underwriting risk, the risk of financial impairment is largely limited to credit risk exposure to its 90% reinsurer as well as risk from its investment portfolio. For the years 2017 through 2019, Covington Specialty net reinsurance recoverable totaled \$225m, \$236m and \$233m, representing 475%, 475% and 445% 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 Covington Specialty Insurance Company. For the years 2017 through 2019, the group was rated by AM Best and S&P as 'A+/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:	https://www.alleghany.com/home/default.aspx	Moody's:	-
President :	Weston M. Hicks	Fitch:	-
Ticker Symbol:	NYSE: Y	AM Best - P&C:	-
2019 Form 10-K:	https://www.sec.gov/ix?doc=/Archives/edgar/data/775368/000156459020005335/y-10k_20191231.htm		

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
Total Equity	7,939,945	8,514,063	7,692,710	8,776,734
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	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
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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