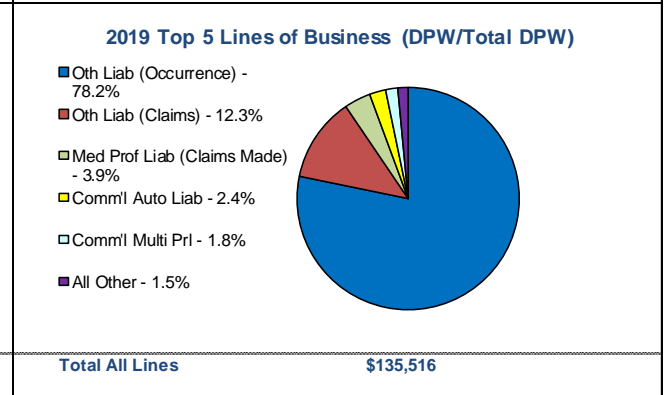
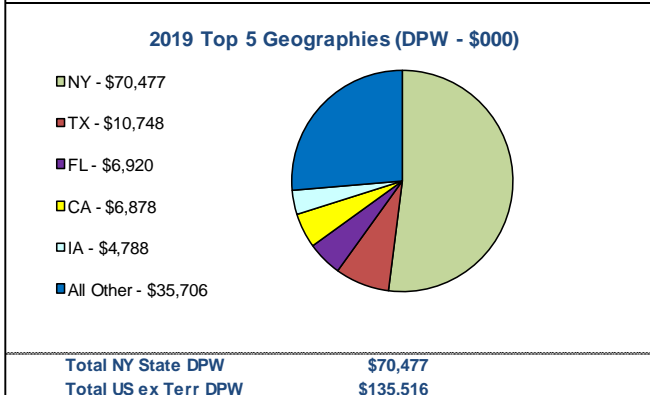
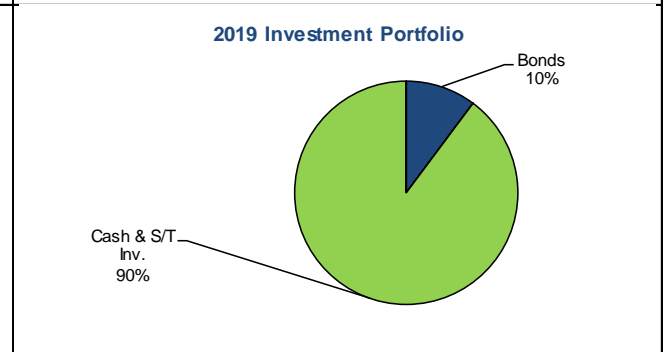
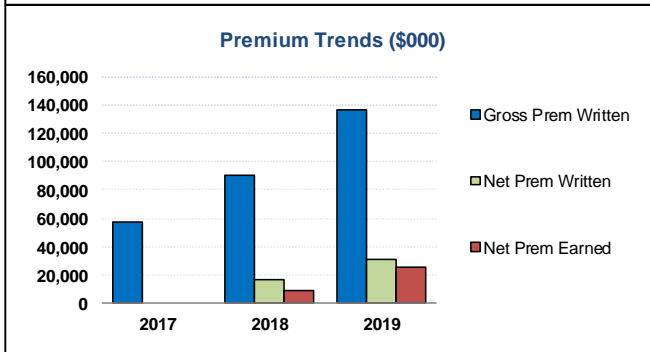
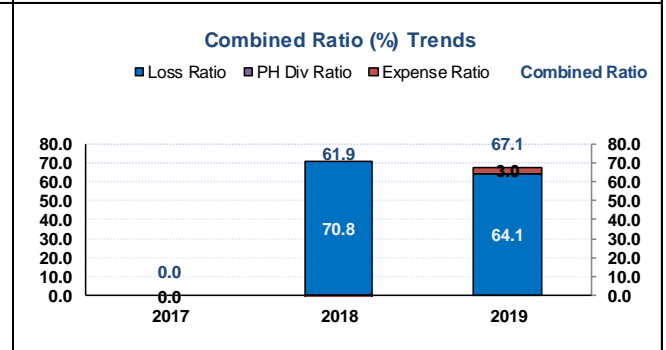
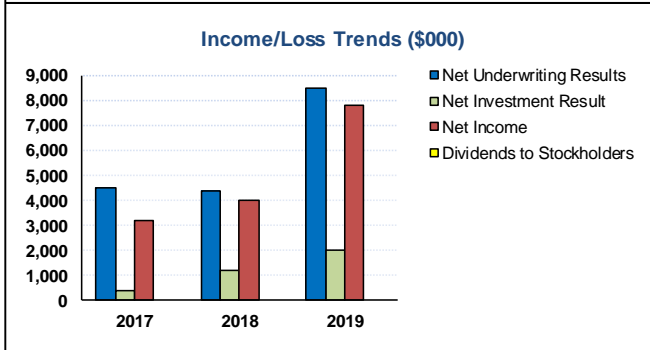




**HUDSON EXCESS INSURANCE COMPANY, NAIC #14484  
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	76,664	100,265	155,110	RBC Ratio (%)	6,611.6	3,836.6	1,640.5
Total Liabilities	17,585	37,258	87,800	2yr Res Development	0	0	0
Policyholder Surplus	59,080	63,007	67,310	2yr Dev / Surplus	0.0%	0.0%	0.0%
Cash & Invested Assets	69,864	85,647	124,388	Affiliated Common Stck	0	0	0
Cash & Invested Assets/ Total Asse	91.1%	85.4%	80.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	8,803	17,059	40,924	Net Reins Recoverable	72,881	113,358	158,417
Loss & LAE Reserves	1,613	8,461	23,934	Net Reins Rec / Surplus	123.4%	179.9%	235.4%
Loss & LAE Reserves/Surplus	2.7%	13.4%	35.6%	AMB / S&P Ratings	A / NR	A / NR	A / NR



**Top 5 Reinsurers for Hudson Excess Insurance Co. by Gross Recoverables  
Period: 2019Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Odyssey Reinsurance Company	US Affiliated Non-captive Non-pooling	Authorized	141,857	0
2 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	10,777	0
3 - General Reinsurance Corporation	US Unaffiliated	Authorized	5,314	0
4 - Lloyd's Syndicate - 2987 (Brit Syndicates Limited)	Non-US Affiliated Non-captive	Authorized	4,200	0
5 - United States Fire Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	3,527	0

#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

Hudson Excess Insurance Company (Hudson Excess) was incorporated in the State of Delaware in May 2012, as a subsidiary of the Odyssey Reinsurance Group (Odyssey Re), itself ultimately owned by Fairfax Financial Holdings Limited (Fairfax). Financial and operations control of the company remains with Fairfax. The company has been eligible to write surplus lines business in New York since April 29, 2013. As of December 31, 2019, Hudson Excess is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty nine (49) states, the District of Columbia, Puerto Rico and the U.S Virgin Islands.

## REINSURANCE

Hudson Excess maintains a 70% quota share agreement with its upstream parent, Odyssey Re. As such, the financial strength of the company is heavily dependent on the credit risk of Odyssey Re/Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. For the years 2017 through 2019, respectively, Hudson Excess net reinsurance recoverable totaled \$73m and \$113m, and \$158m, representing 124%, 180% and 235% of company 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 Hudson Excess 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:	<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="#">NA</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

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