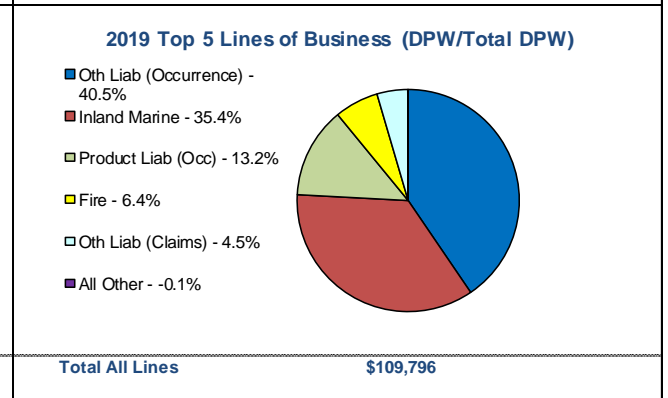
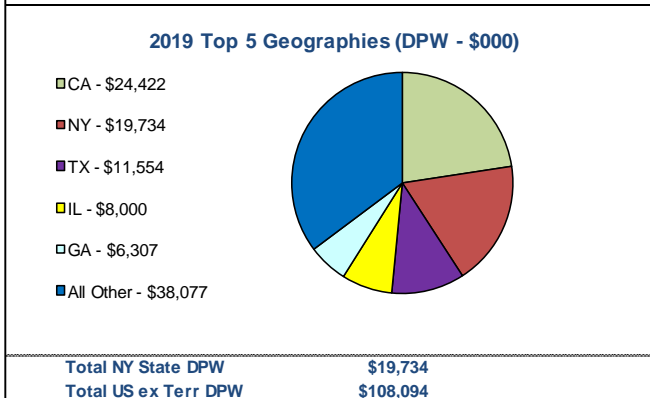
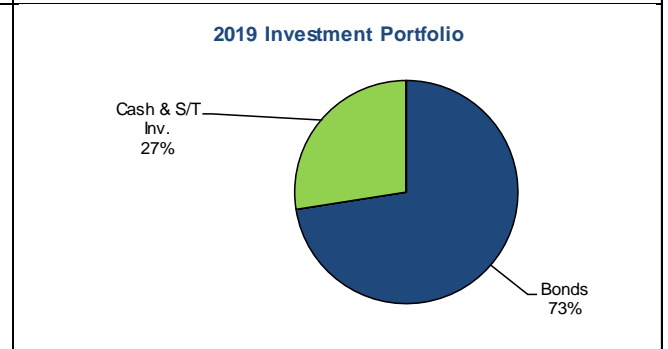
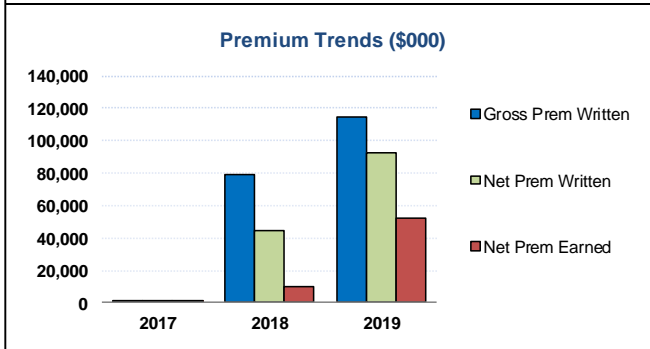
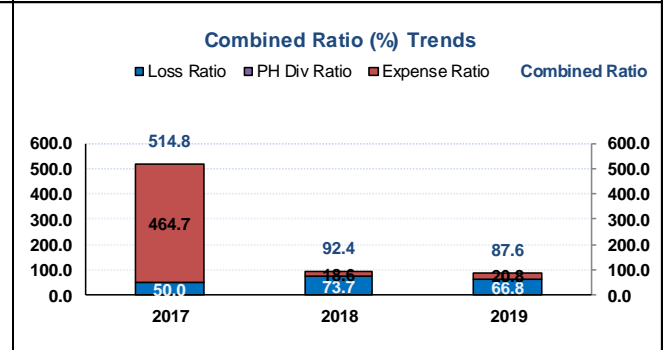
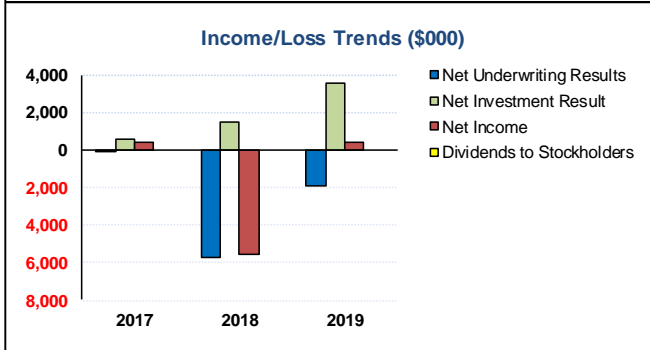




**HDI SPECIALTY INSURANCE COMPANY, NAIC #16131  
HAFTPFLICHTVERBAND DER DEUTSCHEN INDUSTRIE VVAG**

Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	48,493	129,433	172,007	RBC Ratio (%)	14,620.7	1,752.7	1,041.0
Total Liabilities	1,089	82,055	121,433	2yr Res Development	0	0	-1
Policyholder Surplus	47,405	47,378	50,574	2yr Dev / Surplus	NA	NA	0.0%
Cash & Invested Assets	47,633	100,045	138,857	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	98.2%	77.3%	80.7%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	179	48,283	34,596	Net Reins Recoverable	559	6,056	28,331
Loss & LAE Reserves	1	6,511	33,279	Net Reins Rec / Surplus	1.2%	12.8%	56.0%
Loss & LAE Reserves/Surplus	0.0%	13.7%	65.8%	AMB / S&P Ratings	A / NR	A / NR	A / NR



**Top 5 Reinsurers for HDI Specialty Insurance Co. by Gross Recoverables  
Period: 2019Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	9,031	0
2 - Haftpflichtverband der Deutschen Industrie V.a.G	Non-US Affiliated Non-captive	Unauthorized	5,280	0
3 - Swiss Reinsurance Company Ltd.	Non-US Unaffiliated	Unauthorized	2,494	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	2,165	0
5 - Samsung Fire & Marine Insurance Co., Ltd.	Non-US Unaffiliated	Unauthorized	1,214	0

## HISTORY

HDI Specialty Insurance Company (“HDI Specialty” or “Company”) was incorporated on February 3, 2017, as a Illinois domestic surplus lines insurer, and wholly-owned subsidiary of HDI Global Insurance Company (HDI Global). HDI Global is owned by HDI Global Network AG, which in turn is owned by HDI Global SE, which is owned by Talanx AG. Also, Talanx AG is a 50.22% owner of Hannover Ruck SE. The ultimate parent is Haftpflichtverband der Deutschen Industrie V.a.G (“HDI”). HDI Specialty has been eligible in New York since November 3, 2017. As of December 31, 2019, HDI Specialty is an Illinois domestic surplus lines insurer and operates as a non-admitted insurer in forty-six (46) states, the District of Columbia, American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands and the Northern Marianas Islands.

## REINSURANCE

HDI Specialty cedes 95% to 100% of its business to HDI Global Network and HDI Global SE on both a quota share and facultative basis. The business is then retroceded into the HDI Group’s global reinsurance framework. As such, the financial strength of the company is heavily dependent on the credit risk of HDI Global, as well as investment risk of its own investment portfolio, managed in common by HDI Global. A review of financials for the year 2017 and related loss/expense/combined ratios were not considered an adequate illustration of the company. For the years 2018 and 2019, respectively, HDI Specialty net reinsurance recoverable was shown as \$6m and \$28m, representing 13% and 56% of company surplus.

## HOLDING COMPANY

Founded in 1903 in Hanover, Germany as Haftpflichtverband der Deutschen Industrie V.a.G (HDI), operating as a liability association insurer for the German iron and steel industry, the group has gone through numerous changes in branding and names over the succeeding generations. The HDI group was known as Hanover Re in 1966. With the acquisition of Gerling Konzern Allgemeine Versicherungs AG (Gerling Global) in 2006 the group was renamed HDI-Gerling. In 2016, it was renamed HDI Global Insurance Company. The HDI group manages the industrial lines division of the Talanx Group and has expanded operations to writing personal and commercial lines property and casualty, surplus lines, life, health and disability insurance, legal liability and retirement insurance products in over 150 countries. AM Best collectively rates twelve (12) insurance subsidiaries of the HDI group, including HDI Specialty Insurance Company. For the years 2017 through 2019 the group was rated ‘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 – Haftpflichtverband der Deutschen Industrie V.a.G

Corporate Profile		Financial Strength Ratings	
Address:	Haftpflichtverband der Deutschen Industrie V.a.G HDI-Platz 1 Hanover, -, -	S&P Global:	A+
Website:	<a href="https://www.hdi.de/privatkunden">https://www.hdi.de/privatkunden</a>	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	-: -	AM Best - P&C:	-
2019 Form 10-K:	<a href="#">NA</a>		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	157,679,000	159,723,000	164,438,000	0
Total Policy Reserves	121,173,000	123,143,000	127,091,000	0
Total Debt	3,488,000	4,168,000	4,983,000	0
Total Other Liabilities	6,257,000	5,980,000	6,285,000	0
Sep Account Liabilities	10,583,000	11,133,000	9,990,000	0
Total Liabilities	142,050,000	144,224,000	148,665,000	0
<b>Total Equity</b>	<b>15,629,000</b>	<b>15,499,000</b>	<b>15,773,000</b>	<b>0</b>
Total Liab & Equity	157,679,000	159,723,000	164,438,000	0
Book Value / Share (\$)	0.00	0.00	0.00	0.00
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	0.85	0.85	0.85	NA
Reserves / Equity (x)	7.75	7.95	8.06	0.00
Debt / Equity (x)	0.22	0.27	0.32	0.00
Dec. 31 Closing Price (\$)	0.00	0.00	0.00	0.00
Net Income (\$)	1,544,000	1,293,000	1,325,000	0
Basic EPS (\$)	0.00	0.00	0.00	0.00
Investment Yield (%)	0.00	0.00	0.00	0.00
Ratios (%)				
Loss Ratio	67.90	71.90	69.50	0.00
Expense Ratio	27.80	28.50	28.70	0.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	95.70	100.40	98.20	0.00

### Company Description and Notes

Industries: Personal and Commercial Lines Property and Casualty Insurance, Surplus Lines, Life, Health and Disability Insurance, Legal Liability and Retirement Insurance Products, Reinsurance, Lloyds, Insurance Services, Claims Management and Associated Investment Management

Geography: Worldwide

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