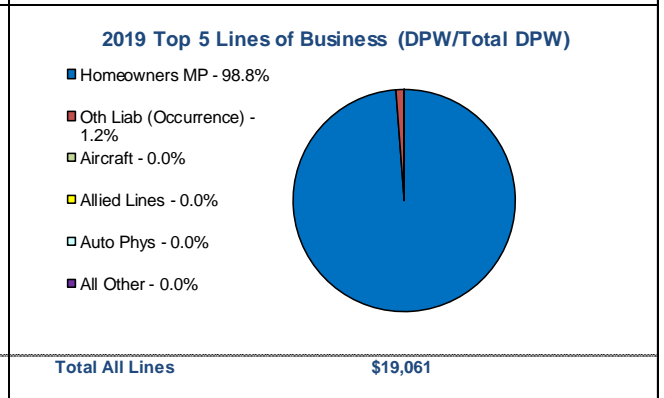
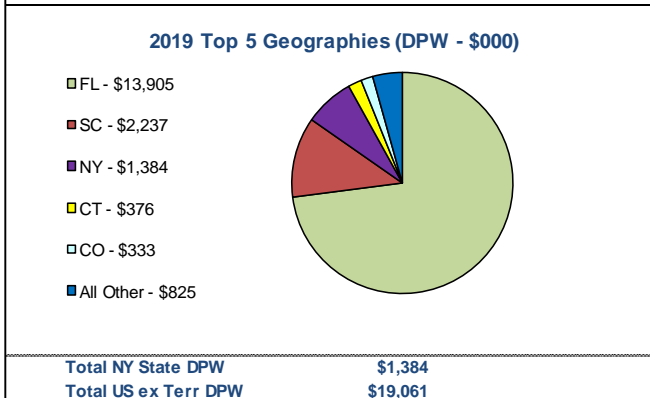
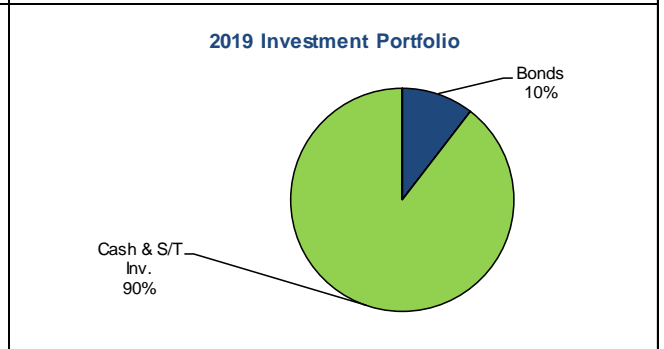
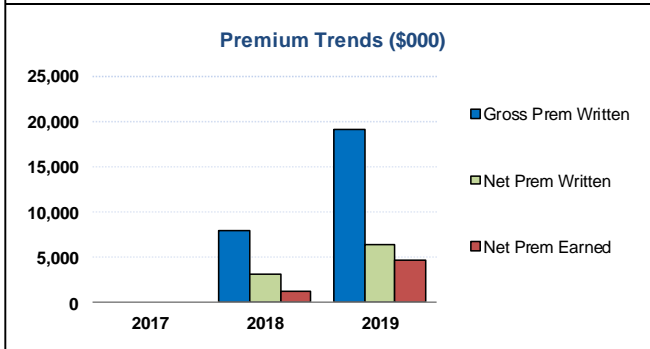
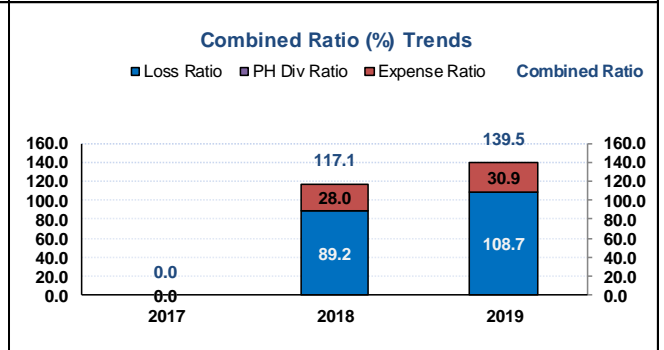
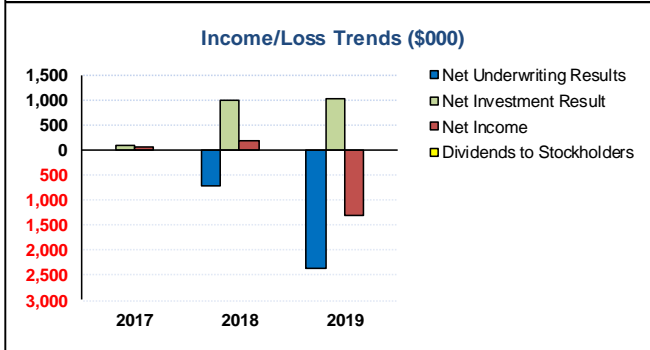




**VAULT E&S INSURANCE COMPANY, NAIC #16237
FAIRFAX FINANCIAL HOLDINGS LIMITED**

Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	50,102	56,283	63,666	RBC Ratio (%)	NM	18,472.5	1,026.9
Total Liabilities	38	6,028	14,512	2yr Res Development	0	0	0
Policyholder Surplus	50,064	50,255	49,154	2yr Dev / Surplus	NA	NA	0.0%
Cash & Invested Assets	50,100	51,700	53,036	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	100.0%	91.9%	83.3%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	98	2,165	4,641	Net Reins Recoverable	0	1,469	4,917
Loss & LAE Reserves	0	417	1,996	Net Reins Rec / Surplus	0.0%	2.9%	10.0%
Loss & LAE Reserves/Surplus	0.0%	0.8%	4.1%	AMB / S&P Ratings	A / NR	A / NR	A / NR



**Top 5 Reinsurers for Vault E&S Insurance Co. by Gross Recoverables
Period: 2019Y**

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Allied World Insurance Company	US Affiliated Pooling	Authorized	11,307	0
2 - Everest Reinsurance Company	US Unaffiliated	Authorized	259	0
3 - Lloyd's Syndicate - 2468 (Neon Underwriting Limited)	Non-US Unaffiliated	Authorized	158	0
4 - General Reinsurance Corporation	US Unaffiliated	Authorized	157	0
5 - Lloyd's Syndicate - 1910 (Argo Managing Agency Limited)	Non-US Unaffiliated	Authorized	126	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

Vault E&S Insurance Company (“Vault E&S” or “Company”) was incorporated in the state of Arkansas on October 23, 2017 as a direct subsidiary of Allied World Insurance Company (“AWIC”), which is owned by Allied World Assurance Company (AWAC), itself ultimate owned by Fairfax Financial Holdings Limited (Fairfax), Toronto, Canada. Vault E&S has been eligible to write surplus lines business in New York since May 15, 2018. As of December 31, 2019, Vault E&S is licensed as an Arkansas domestic surplus lines insurer and is eligible to write surplus lines insurance in forty-two (42) states and the District of Columbia.

REINSURANCE

Vault E&S cedes 50% net of its premiums to AWIC under a quota share reinsurance agreement, after 3rd party insurance coverage. The company maintains various 1st reinsurance layers, quota share and excess of loss programs with Lloyd’s syndicates. As such, the financial strength of the company is heavily dependent on the credit risk of the Lloyd’s syndicates / Allied World / Fairfax, as well as investment risk of its own investment portfolio, managed in common by Fairfax. As of year-end 2019, Vault E&S net reinsurance recoverable was shown as \$4.9m, representing 10% of company surplus.

HOLDING COMPANY

Founded in 1951 as Markel Service Company of Canada, specializing in Canadian trucking insurance, the company 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 Vault E&S Insurance Company, 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 & Forster / 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:	https://www.fairfax.ca/	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	TSX: FFH	AM Best - P&C:	-
2019 Form 10-K:	N/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
Total Equity	11,820,100	18,412,000	17,365,200	17,907,200
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

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