

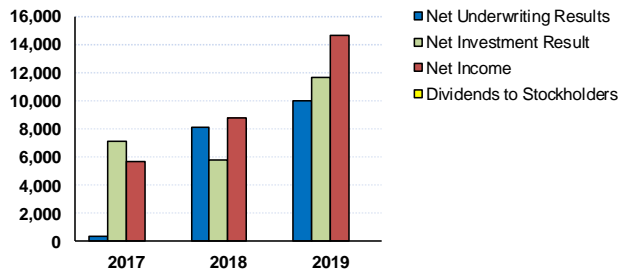


ARCH SPECIALTY INSURANCE COMPANY, NAIC #21199
ARCH CAPITAL GROUP

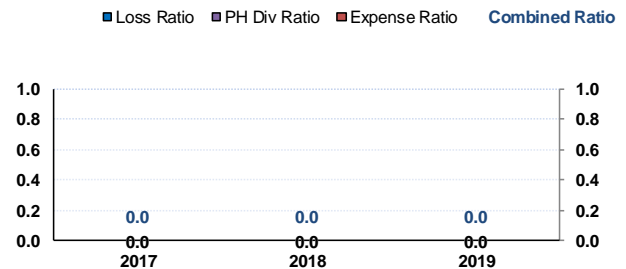
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	483,406	507,672	558,568	RBC Ratio (%)	1,402.4	2,399.2	2,473.1
Total Liabilities	182,660	207,881	241,021	2yr Res Development	354	529	-93
Policyholder Surplus	300,746	299,791	317,547	2yr Dev / Surplus	0.1%	0.2%	0.0%
Cash & Invested Assets	326,867	361,497	398,230	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	67.6%	71.2%	71.3%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	-27,764	29,363	20,052	Net Reins Recoverable	1,592,077	1,536,026	1,493,701
Loss & LAE Reserves	44,944	42,696	40,256	Net Reins Rec / Surplus	529.4%	512.4%	470.4%
Loss & LAE Reserves/Surplus	14.9%	14.2%	12.7%	AMB / S&P Ratings	A+ / A+	A+ / A+	A+ / A+

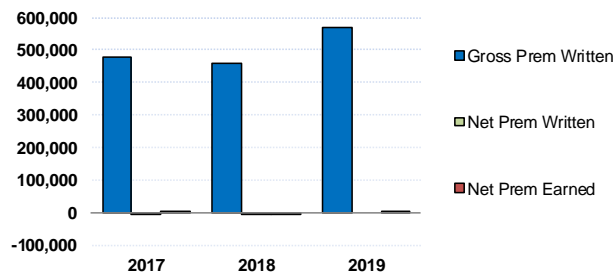
Income/Loss Trends (\$000)



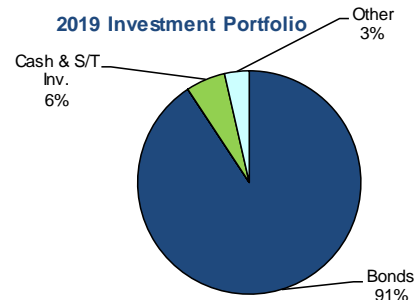
Combined Ratio (%) Trends



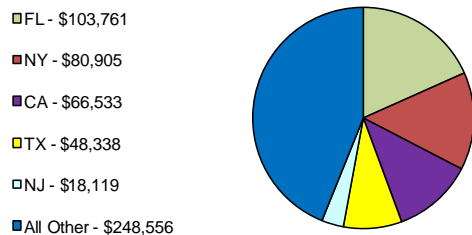
Premium Trends (\$000)



2019 Investment Portfolio

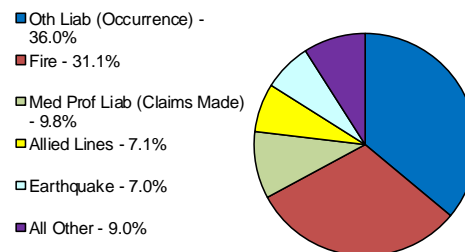


2019 Top 5 Geographies (DPW - \$000)



Total NY State DPW \$80,905
 Total US ex Terr DPW \$566,213

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



Total All Lines \$568,800

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

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Arch Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	1,191,622	0
2 - Hannover Rück SE	Non-US Unaffiliated	Mixed Filing	69,230	0
3 - Munich Reinsurance America, Inc.	US Unaffiliated	Authorized	50,516	0
4 - XL Reinsurance America Inc.	US Unaffiliated	Authorized	42,220	0
5 - Partner Reinsurance Company of the U.S.	US Unaffiliated	Authorized	37,567	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

Arch Specialty Insurance Company (Arch Specialty) was incorporated in the State of Illinois in December 1964 as Rock River Insurance Company, a subsidiary of Sierra General Life Insurance Company (25%) and Deere & Company (75%). In 1995, full ownership of the company was assumed by John Deere Insurance Group. In September 1999, the company was purchased by Sentry Insurance Group and re-domesticated to Wisconsin. The company was acquired by Arch Capital Group, Ltd (Arch), Bermuda, in February 2002 and subsequently adopted its current name. In December 2006, the company re-domesticated from Wisconsin to Nebraska. The company re-domesticated to Missouri in September 2015. Financial and operations control of the company remains with Arch. The company has been eligible to write surplus lines business in New York since July 9, 1993. As of December 31, 2019, Arch Specialty is a Missouri 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

Arch Specialty maintains a 100% quota share agreement with an affiliate, Arch Insurance Company, for all business written on or after January 1 2007 other than business produced by the Alternative Markets division. As a result of the 100% quota share agreement, no values are reported for net premiums written, net premiums earned, underwriting income, and the various combined ratios trends. As such, the financial strength of the company is heavily dependent upon the credit risk of Arch, as well as investment risk of its own investment portfolio, managed in common by Arch. For the years 2017 through 2019, Arch Specialty net reinsurance recoverable was shown as \$1.59bn, \$1.54bn and \$1.49bn, representing 529%, 512% and 470% of company surplus.

HOLDING COMPANY

Founded in 1995 as Risk Capital Holdings, Inc. and made a public company that same year in an IPO, the company changed its name to Arch Capital Group, Ltd (Arch) in 2000 and moved its headquarters to Bermuda. With approximately \$13.23 billion in capital at December 31, 2019, Arch provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries. AM Best collectively rates eight (8) subsidiaries of Arch, including Arch Specialty Insurance Company. For the years 2017 through 2019, Arch 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 –Arch Capital Group Ltd.

Corporate Profile		Financial Strength Ratings	
Address:	Arch Capital Group Ltd. Waterloo House, Ground Floor Pembroke, -, -	S&P Global:	-
Website:	http://www.archcapgroup.com	Moody's:	-
President :	Marc Grandisson	Fitch:	-
Ticker Symbol:	NASDAQ: ACGL	AM Best - P&C:	-
2019 Form 10-K:	https://www.sec.gov/ix?doc=/Archives/edgar/data/947484/000094748420000012/a201910-k.htm		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	29,372,109	32,051,658	32,218,329	37,885,361
Total Policy Reserves	13,607,830	15,006,106	15,606,933	18,231,391
Total Debt	2,488,908	2,549,016	2,189,210	2,506,432
Total Other Liabilities	3,663,839	3,927,105	3,591,400	4,218,397
Sep Account Liabilities	0	0	0	0
Total Liabilities	20,060,984	21,805,723	21,780,650	25,569,809
Total Equity	9,105,572	10,040,013	10,231,387	12,260,148
Total Liab & Equity	29,166,556	31,845,736	32,012,037	37,829,957
Book Value / Share (\$)	20.31	21.18	21.52	26.42
Reserves / Investments & Cash (x)	0.64	0.65	0.69	0.71
Reserves / Liabilities (x)	0.68	0.69	0.72	0.71
Reserves / Equity (x)	1.49	1.49	1.53	1.49
Debt / Equity (x)	0.27	0.25	0.21	0.20
Dec. 31 Closing Price (\$)	28.76	30.26	26.72	42.89
Net Income (\$)	824,178	629,709	727,821	1,693,300
Basic EPS (\$)	1.83	1.40	1.76	3.97
Investment Yield (%)	2.87	3.38	0.90	4.63
Ratios (%)				
Loss Ratio	56.30	61.30	55.20	54.20
Expense Ratio	33.00	30.10	28.40	28.30
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	89.30	91.40	83.60	82.50

Company Description and Notes

Industries: Property and Casualty Insurance, Reinsurance, Mortgage Insurance, Insurance Services, Claims Management and Associated Asset Management

Geography: World Wide

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.