

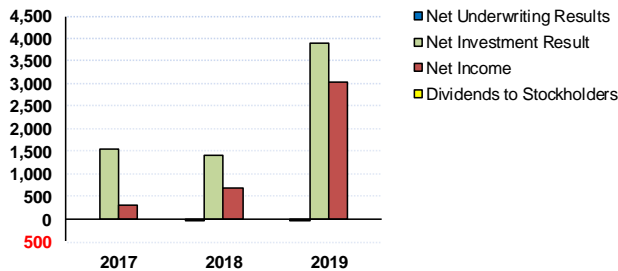


**PELEUS INSURANCE COMPANY, NAIC #34118
ARGO GROUP INTERNATIONAL HOLDINGS**

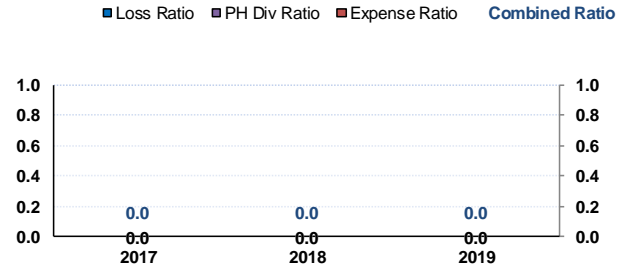
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	92,110	107,611	141,291	RBC Ratio (%)	729.3	1,468.4	1,380.8
Total Liabilities	38,522	55,328	86,291	2yr Res Development	0	0	0
Policyholder Surplus	53,588	52,284	55,000	2yr Dev / Surplus	0.0%	0.0%	0.0%
Cash & Invested Assets	48,619	52,718	91,104	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	52.8%	49.0%	64.5%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	-14,013	-8,529	29,897	Net Reins Recoverable	150,945	205,234	255,376
Loss & LAE Reserves	0	0	0	Net Reins Rec / Surplus	281.7%	392.5%	464.3%
Loss & LAE Reserves/Surplus	0.0%	0.0%	0.0%	AMB / S&P Ratings	A / A+	A / A+	Au / A+

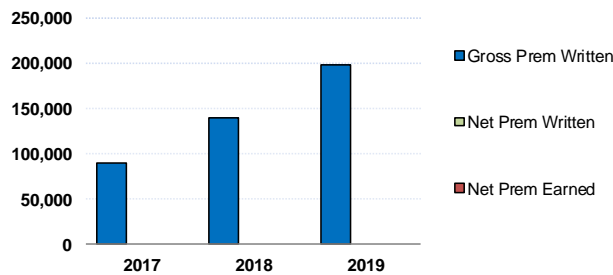
Income/Loss Trends (\$000)



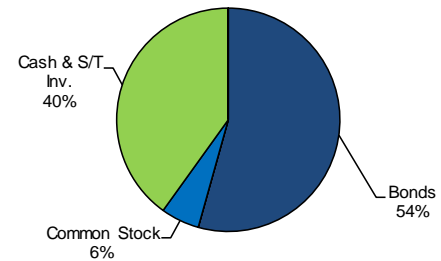
Combined Ratio (%) Trends



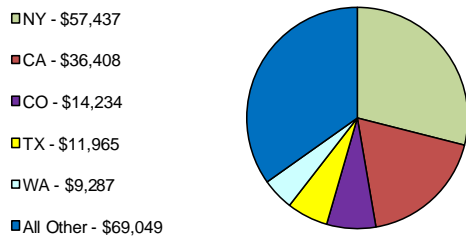
Premium Trends (\$000)



2019 Investment Portfolio

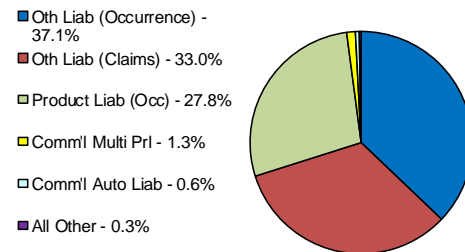


2019 Top 5 Geographies (DPW - \$000)



Total NY State DPW \$57,437
Total US ex Terr DPW \$198,380

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



Total All Lines \$198,380

Top 5 Reinsurers for Peleus Insurance Co. by Gross Recoverables

Period: 2019Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Colony Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	148,426	0
2 - Swiss Reinsurance America Corporation	US Unaffiliated	Authorized	19,477	139
3 - Argo Re, Ltd.	Non-US Affiliated Non-captive	Unauthorized	14,731	0
4 - SCOR Reinsurance Company	US Unaffiliated	Authorized	13,192	0
5 - State National Insurance Company, Inc.	US Unaffiliated	Authorized	10,280	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

Peleus Insurance Company (“Peleus” or “company”) was incorporated in the State of Florida in September 1988 under the name Preferred National Insurance Company. In July 1998, the Company was acquired by PNIC Holdings, Inc., which was an indirect subsidiary of Front Royal, Inc. On December 11, 2000, the Company re-domesticated to Virginia. On August 23, 2001, the company was acquired by the Argonaut Group, Inc. Effective April 1, 2002, the company’s name was changed to Colony National Insurance Company. The Company is a wholly-owned subsidiary of Colony Insurance Company (CIC). In 2007, the Argonaut Group merged with the PXRE Group Ltd. and the holding company name was changed to Argo Group International, Ltd, a Bermuda corporation. On March 4, 2015, the Company adopted its current name. Financial and operations control of the company remains with Argo. The company has been eligible to write surplus lines business in New York since August 14, 2017. As of December 31, 2019, the company is licensed in Virginia and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

REINSURANCE

The company along with its parent (CIC), and Colony Specialty Ins. Co. comprise the Colony Group. The company cedes 20% quota share to Argo Re, an affiliate, the remaining balance being ceded 100% quota share to CIC, affecting a 100% transfer through Argo. As a result of the 100% transfer, no values are reported for net premiums written, net premiums earned, underwriting income, and the combined ratio trends. As such, the financial strength of the company is heavily dependent on the credit risk of Argo, as well as investment risk of its own investment portfolio, managed in common by Argo. For the years 2017 through 2019, respectively, Peleus net reinsurance recoverable totaled \$151m, \$205m and \$255m, reflecting 282%, 393% and 464% of company surplus.

HOLDING COMPANY

Founded in 1948, as the Argonaut Insurance Exchange, in California, with a focus on Workers Compensation, the company was acquired by Teledyne Technologies in 1969, which spun off the company group in 1986. In 2007 the group merged with Bermuda based reinsurer PXRE, changed its name to Argo Group International Holdings, Ltd, (ARGO) and moved its headquarters to Bermuda. Argo is an international underwriter of property, casualty, marine and energy, professional liability and specialty lines of business and a global reinsurer. AM Best collectively rates ten (10) insurance subsidiaries with Argo, including Peleus Insurance Company. For the years 2017 and 2018, Argo was rated by AM Best and S&P as ‘A/A-’. In 2019 AM Best placed the rating of the group under review.

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.

In February 2020, Argo was downgraded to ‘A-’, and its S&P rating remain unchanged.

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 – Argo Group International Holdings, Ltd

Corporate Profile		Financial Strength Ratings	
Address:	Argo Group International Holdings, Ltd. Argo House Pembroke, -, -	S&P Global:	-
Website:	https://www.argolimited.com/	Moody's:	-
President :	Kevin James Rehnberg	Fitch:	-
Ticker Symbol:	NYSE: ARGO	AM Best - P&C:	-
2019 Form 10-K:	https://www.sec.gov/ix?doc=/Archives/edgar/data/1091748/000162828020002567/argo10k12312019.htm		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	7,205,000	8,764,000	9,558,200	10,514,500
Total Policy Reserves	4,320,800	5,408,700	5,955,500	6,568,500
Total Debt	367,600	580,700	580,200	684,400
Total Other Liabilities	156,100	146,900	261,900	226,800
Sep Account Liabilities	0	0	0	0
Total Liabilities	5,412,300	6,944,300	7,811,500	8,733,400
Total Equity	1,792,700	1,819,700	1,746,700	1,781,100
Total Liab & Equity	7,205,000	8,764,000	9,558,200	10,514,500
Book Value / Share (\$)	51.94	53.46	51.43	51.80
Reserves / Investments & Cash (x)	0.98	1.10	1.21	1.25
Reserves / Liabilities (x)	0.80	0.78	0.76	0.75
Reserves / Equity (x)	2.41	2.97	3.41	3.69
Debt / Equity (x)	0.21	0.32	0.33	0.38
Dec. 31 Closing Price (\$)	57.30	53.61	67.25	65.75
Net Income (\$)	146,700	50,300	63,600	-8,400
Basic EPS (\$)	4.23	1.46	1.87	-0.25
Investment Yield (%)	3.27	3.72	1.23	4.52
Ratios (%)				
Loss Ratio	57.40	66.80	60.10	70.60
Expense Ratio	38.80	40.40	37.80	38.50
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	96.20	107.20	97.90	109.10

Company Description and Notes

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

Geography: The Americas and Caribbean, Britain, European Union, South East Asia.

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