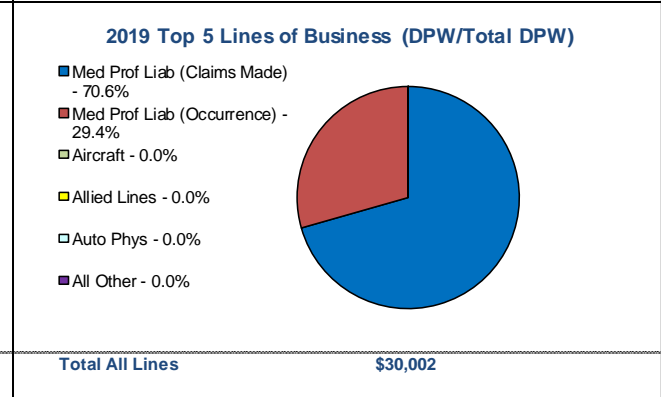
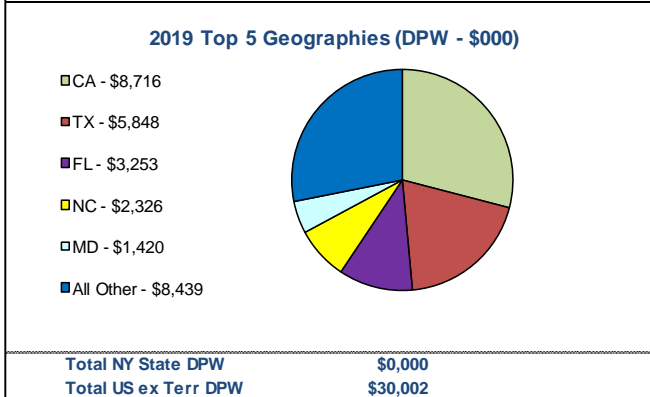
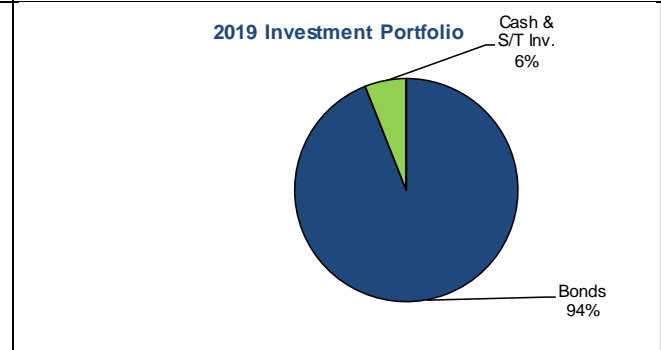
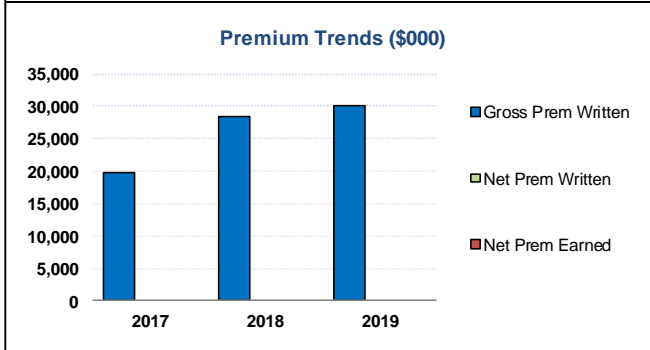
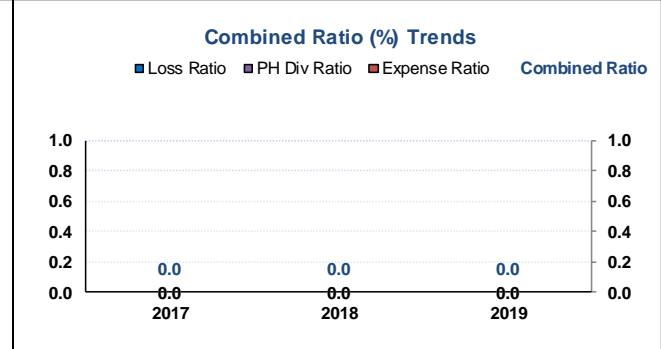
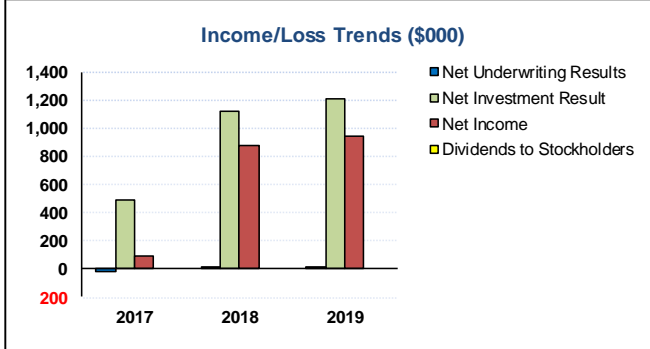




**NORCAL SPECIALTY INSURANCE COMPANY, NAIC #35114  
NORCAL MUTUAL INSURANCE COMPANY**

	2017	2018	2019		2017	2018	2019
Total Assets	61,257	54,572	56,866	RBC Ratio (%)	11,256.4	13,254.7	10,679.0
Total Liabilities	12,430	5,067	5,890	2yr Res Development	0	0	0
Policyholder Surplus	48,827	49,505	50,977	2yr Dev / Surplus	0.0%	0.0%	0.0%
Cash & Invested Assets	58,132	49,806	51,302	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	94.9%	91.3%	90.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	1,061	-8,296	1,257	Net Reins Recoverable	42,141	60,809	100,217
Loss & LAE Reserves	4,938	3,799	5,942	Net Reins Rec / Surplus	86.3%	122.8%	196.6%
Loss & LAE Reserves/Surplus	10.1%	7.7%	11.7%	AMB / S&P Ratings	A/ NR	A/ NR	A-u/ NR



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

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - NORCAL Mutual Insurance Company	US Affiliated Non-captive Non-pooling	Authorized	98,071	0
2 - Lloyd's Syndicate - 1880 (Tokio Marine Kiln Syndicates Limited)	Non-US Unaffiliated	Authorized	79	0
3 - Lloyd's Syndicate - 510 (Tokio Marine Kiln Syndicates Limited)	Non-US Unaffiliated	Authorized	39	0
4 - Lloyd's Syndicate - 4020 (Ark Syndicate Management Limited)	Non-US Unaffiliated	Authorized	15	0
5 - Lloyd's Syndicate - 1729 (Asta Managing Agency Limited)	Non-US Unaffiliated	Authorized	14	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**

NORCAL Specialty Insurance Company (NORCAL Specialty) was incorporated in the State of Pennsylvania in June 1976 as the Pennsylvania Medical Society Liability Insurance Company. Financial control has been under NORCAL Mutual Insurance Company (NORCAL Mutual) since December 2000. The company adopted the name PMLSIC Insurance Company in January 2005. The company re-domesticated to the state of Texas as a domestic surplus lines insurer and changed its name to NORCAL Specialty Insurance Company in December 2016. The company has been eligible to write surplus lines business in New York since November 8, 2013. As of December 31, 2017, NORCAL Specialty Insurance Company is licensed in Texas as a domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

## **REINSURANCE**

NORCAL Specialty cedes 100% quota share to its parent, NORCAL Mutual. As a result of this agreement, no values are reported for net premiums written or earned, underwriting income and the various combined ratio trends. As such, the company is heavily dependent on the credit risk of NORCAL Mutual as well as investment risk of its own investment portfolio, managed in common by NORCAL Mutual. For the years 2017 through 2019, respectively, NORCAL Specialty net reinsurance recoverable was shown as \$42m, \$61m and \$100m, representing 86%, 123% and 197% of company surplus.

## **HOLDING COMPANY**

Founded in 1975 with roots in northern California (NORCAL) with headquarters in San Francisco, CA, the NORCAL Mutual Insurance Company provides medical professional liability insurance to healthcare professionals, healthcare practices, hospitals, clinics, medical groups, staffing agencies, and specialty coverage for complex needs and special accounts. AM Best collectively rates six (6) companies of the NORCAL group, including NORCAL Specialty Insurance Company. For the years 2017 through 2019 the group was rated 'A' and assigned the financial size of X (\$500m - \$750m).

## **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.

On February 20, 2020, AM Best downgraded the group to 'A-' following company announced material adverse reserve development, a continuing decline in profitability, its recently announced demutualization and its acquisition by ProAssurance Corp., a leading Medical Professional Liability provider. The acquisition is expected to close in the 4<sup>th</sup> Qt. 2020.

### **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 – NORCAL Mutual Insurance Company

Corporate Profile		Financial Strength Ratings	
Address:	NORCAL Mutual Insurance Company 575 Market Street, Suite 1000 San Francisco, CA 94105	S&P Global:	-
Website:	<a href="https://www.norcal-group.com/">https://www.norcal-group.com/</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	0	0	0	0
Total Policy Reserves	0	0	0	0
Total Debt	0	0	0	0
Total Other Liabilities	0	0	0	0
Sep Account Liabilities	0	0	0	0
Total Liabilities	0	0	0	0
<b>Total Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Liab & Equity	0	0	0	0
Book Value / Share (\$)	0.00	0.00	0.00	0.00
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	NA	NA	NA	NA
Reserves / Equity (x)	0.00	0.00	0.00	0.00
Debt / Equity (x)	0.00	0.00	0.00	0.00
Dec. 31 Closing Price (\$)	0.00	0.00	0.00	0.00
Net Income (\$)	0	0	0	0
Basic EPS (\$)	0.00	0.00	0.00	0.00
Investment Yield (%)	0.00	0.00	0.00	0.00
Ratios (%)				
Loss Ratio	0.00	0.00	0.00	0.00
Expense Ratio	0.00	0.00	0.00	0.00
PH Dividend Ratio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	0.00	0.00	0.00	0.00

### Company Description and Notes

Industries: Medical Professional Liability Insurance to Healthcare Professionals, Healthcare Practices, Hospitals, Clinics, Medical Groups, Staffing Agencies, and Specialty Coverage for Complex Needs and Special accounts

Geography: United States

**NORCAL Mutual Insurance Company does not file publically available financial data. A review of its required annual Policyholders Report showed it to possess Policyholder Equity of \$575,700,000.**

### 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".

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