

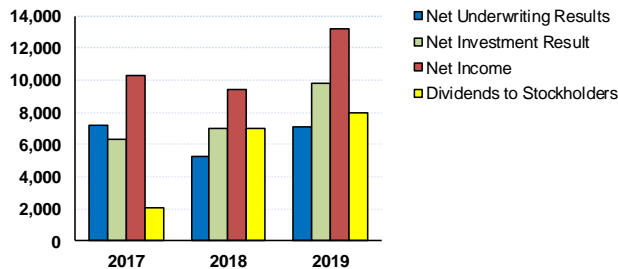


**MESA UNDERWRITERS SPECIALTY INSURANCE COMPANY, NAIC #36838  
SELECTIVE INSURANCE GROUP, INC.**

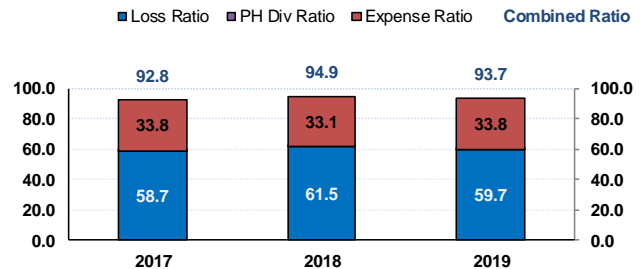
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	339,996	368,231	387,165	RBC Ratio (%)	449.6	503.2	464.7
Total Liabilities	250,103	276,688	291,566	2yr Res Development	-5,348	-3,979	-4,330
Policyholder Surplus	89,893	91,543	95,599	2yr Dev / Surplus	-7.1%	-4.7%	-4.8%
Cash & Invested Assets	273,917	299,118	314,542	Affiliated Common Stock	0	0	0
Cash & Invested Assets/ Total Assets	80.6%	81.2%	81.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	10,905	26,267	25,625	Net Reins Recoverable	440,122	490,685	512,307
Loss & LAE Reserves	158,373	166,803	174,927	Net Reins Rec / Surplus	489.6%	536.0%	535.9%
Loss & LAE Reserves/Surplus	176.2%	182.2%	183.0%	AMB / S&P Ratings	A / NR	A / NR	A / NR

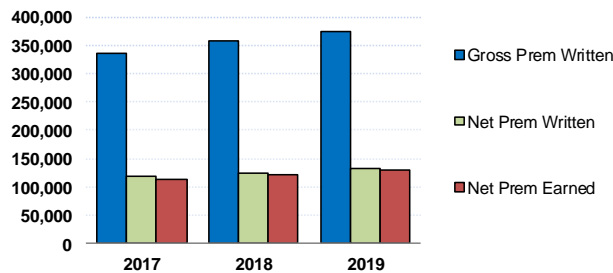
**Income/Loss Trends (\$000)**



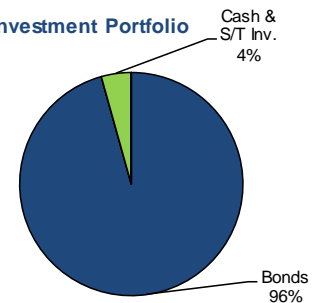
**Combined Ratio (%) Trends**



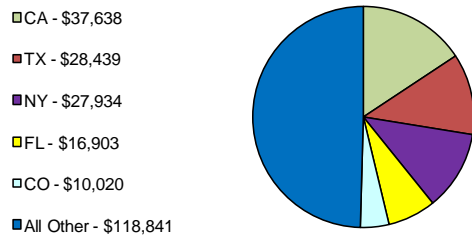
**Premium Trends (\$000)**



**2019 Investment Portfolio**

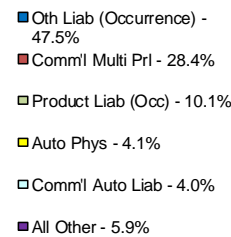


**2019 Top 5 Geographies (DPW - \$000)**



Total NY State DPW \$27,934  
Total US ex Terr DPW \$239,776

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



Total All Lines \$239,776

**Top 5 Reinsurers for MESA Underwriters Spclty Ins by Gross Recoverables**

Period: 2019Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Selective Insurance Company of America	US Affiliated Pooling	Authorized	511,447	0
2 - Endurance Specialty Insurance Ltd.	Non-US Unaffiliated	Mixed Filing	12,851	0
3 - Hannover Rück SE	Non-US Unaffiliated	Mixed Filing	857	0
4 - QBE Reinsurance (Europe) Limited	Non-US Unaffiliated	Unauthorized	664	553
5 - AXIS Reinsurance Company	US Unaffiliated	Authorized	646	0

## HISTORY

Mesa Underwriters Specialty Insurance Company (Mesa Underwriters) was incorporated in the State of Oklahoma in November 1978 as General Agents Insurance Company of America, a subsidiary of GAINSCO, Inc. The company was acquired by Montpelier Re Holdings Ltd. in August 2007 and subsequently changed its name to Montpelier U.S. Insurance Company in December 2007. Financial control has been under the Selective Insurance Group, Inc. (Selective) since December 2011, and the direct parent of the company is Selective Insurance Company of America (Selective Insurance) (New Jersey). The company re-domesticated to New Jersey and adopted its current name in January 2012. The company has been eligible to write surplus lines business in New York since August 24, 2009. As of December 31, 2019, Mesa Underwriters Specialty is a New Jersey domestic surplus lines insurer and operated on a non-admitted basis in forty-nine (49) states and the District of Columbia.

## REINSURANCE

Mesa Underwriters is a participant in an intercompany pooling agreement including ten (10) affiliates, with its parent, Selective Insurance, pool lead retaining 32%. The company cedes 100% of its premiums to Selective Insurance and receives a 5.0% share of the pool's combined results, which includes lines of business not directly written by the company, such as workers' compensation, homeowners multiple peril and private passenger auto liability. As such, the financial strength of the Co. is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of Selective, as well as investment risk of its own investment portfolio, managed in common by Selective. For the years 2017 through 2019, respectively, Mesa Underwriters net reinsurance recoverable was shown as \$440m, \$491m and \$512m, reflecting 490%, 536% and 536% of company surplus.

## HOLDING COMPANY

Founded in 1926 by a local grocer in Branchville, New Jersey, as the Selected Risks Insurance Company to offer better and timelier service than the large metropolitan carriers, the company, now Selective Risk Insurance Group, is a holding company for 10 property and casualty insurance companies. Operating through independent agents and brokers, the insurance companies offer standard and specialty insurance for commercial and personal lines risks, and flood insurance through the National Flood Insurance Program. AM Best collectively rates all ten (10) insurance subsidiaries of Selective, including Mesa Underwriters. For the years 2017 through 2019 the group was rated 'A' and assigned the financial size of XIV (\$\$1.5bn - \$2.0bn).

## 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 – Selective Insurance Group, Inc.

Corporate Profile		Financial Strength Ratings	
Address:	Selective Insurance Group, Inc. 40 Wantage Avenue Branchville, NJ, 07890	S&P Global:	-
Website:	<a href="https://www.selective.com/">https://www.selective.com/</a>	Moody's:	-
President :	John Joseph Marchioni	Fitch:	-
Ticker Symbol:	NASDAQ: SIGI	AM Best - P&C:	-
2019 Form 10-K:	<a href="https://www.sec.gov/ix?doc=/Archives/edgar/data/30557/000023055720000005/sigi-12312019x10k.htm">https://www.sec.gov/ix?doc=/Archives/edgar/data/30557/000023055720000005/sigi-12312019x10k.htm</a>		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	7,355,848	7,686,431	7,952,729	8,797,150
Total Policy Reserves	4,954,538	5,120,884	5,325,800	5,590,330
Total Debt	438,667	441,516	440,431	578,840
Total Other Liabilities	431,273	411,074	394,696	433,044
Sep Account Liabilities	0	0	0	0
Total Liabilities	5,824,478	5,973,474	6,160,927	6,602,214
<b>Total Equity</b>	<b>1,531,370</b>	<b>1,712,957</b>	<b>1,791,802</b>	<b>2,194,936</b>
Total Liab & Equity	7,355,848	7,686,431	7,952,729	8,797,150
Book Value / Share (\$)	26.42	29.28	30.40	36.91
Reserves / Investments & Cash (x)	0.92	0.89	0.89	0.83
Reserves / Liabilities (x)	0.85	0.86	0.86	0.85
Reserves / Equity (x)	3.24	2.99	2.97	2.55
Debt / Equity (x)	0.29	0.26	0.25	0.26
Dec. 31 Closing Price (\$)	43.05	58.70	60.94	65.19
Net Income (\$)	158,495	168,826	178,939	271,623
Basic EPS (\$)	2.74	2.89	3.04	4.57
Investment Yield (%)	2.39	3.03	2.43	3.71
Ratios (%)				
Loss Ratio	57.40	58.70	61.50	59.70
Expense Ratio	35.50	34.60	33.50	34.00
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	92.90	93.30	95.00	93.70

### Company Description and Notes

Industries: Personal and Commercial Lines Property and Casualty Insurance, Specialty Lines Insurance, Insurance Services, Claims Management and Associated Investment Management

Geography: United States

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