

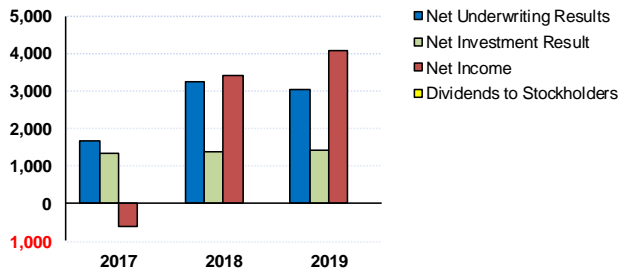


**INDEPENDENT SPECIALTY INSURANCE COMPANY, NAIC #39640
MARKEL CORPORATION**

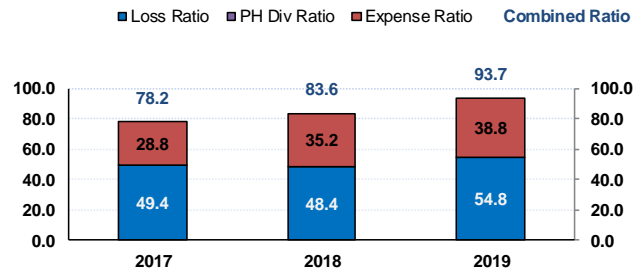
Dollars in 000

	2017	2018	2019		2017	2018	2019
Total Assets	69,455	81,096	76,017	RBC Ratio (%)	1,322.1	1,011.3	1,079.8
Total Liabilities	21,008	28,757	20,060	2yr Res Development	-50	66	-733
Policyholder Surplus	48,447	52,339	55,956	2yr Dev / Surplus	-0.1%	0.1%	-1.5%
Cash & Invested Assets	65,459	70,197	67,838	Affiliated Common Stck	0	0	0
Cash & Invested Assets/ Total Asse	94.2%	86.6%	89.2%	Affiliated CS / Surplus	0.0%	0.0%	0.0%
Net Cash from Operations	2,524	4,724	-2,174	Net Reins Recoverable	42,534	73,526	111,458
Loss & LAE Reserves	2,088	2,716	1,652	Net Reins Rec / Surplus	87.8%	140.5%	199.2%
Loss & LAE Reserves/Surplus	4.3%	5.2%	3.0%	AMB / S&P Ratings	A / NR	A / NR	A / NR

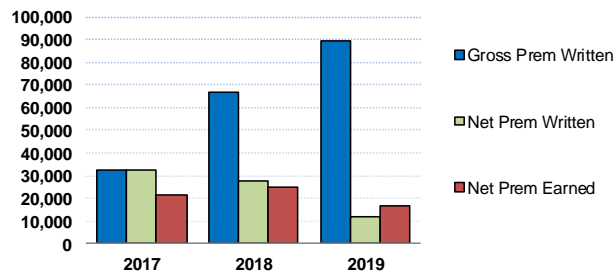
Income/Loss Trends (\$000)



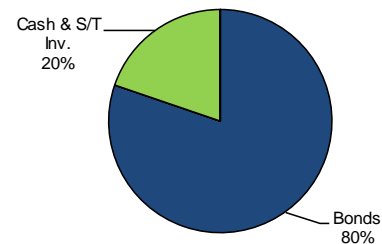
Combined Ratio (%) Trends



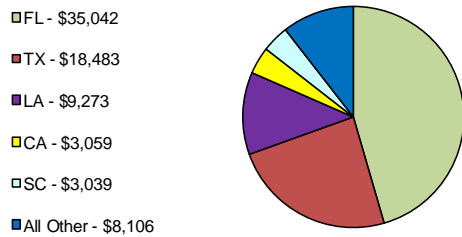
Premium Trends (\$000)



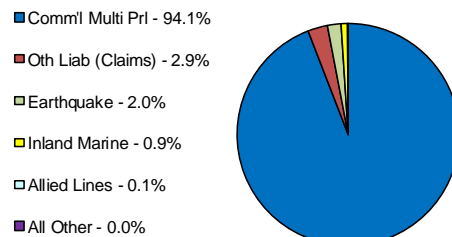
2019 Investment Portfolio



2019 Top 5 Geographies (DPW - \$000)



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



Total NY State DPW \$0,752
Total US ex Terr DPW \$77,002

Total All Lines \$77,002

Top 5 Reinsurers for Independent Specialty Ins Co. by Gross Recoverables

Period: 2019Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Lloyd's Syndicate - 2357 (Nephila Syndicate Management Limited)	Non-US Unaffiliated	Authorized	60,205	0
2 - Fireman's Fund Insurance Company	US Unaffiliated	Authorized	38,864	0
3 - Ananke Re, Ltd.	Non-US Unaffiliated	Unauthorized	10,346	0
4 - Markel Global Reinsurance Company	US Affiliated Non-captive Non-pooling	Authorized	1,292	0
5 - Lloyd's Syndicate - 1458 (RenaissanceRe Syndicate Management L	Non-US Unaffiliated	Authorized	667	0

HISTORY

Independent Specialty Insurance Company (Independent Specialty) was incorporated in the State of Ohio in April 1959 as Investment Life Insurance Company of America, Inc. As of September 1980, the Company's was owned by American Insurance Company, a wholly-owned subsidiary of Fireman's Fund Insurance Company ("FFIC"). The articles of incorporation were amended under a plan of reorganization and recapitalized, effective as of March 30, 1981, changing the Company's status from that of a life insurer to a property-casualty company with the name Fireman's Fund Insurance Company of Ohio. On January 2, 1991, FFIC and its subsidiaries were sold to Allianz SE. On January 1, 2017, the Company was acquired by United Specialty Insurance Company, a subsidiary of the State National Insurance Company (State National). On January 30, 2017, the Company re-domesticated to Delaware and adopted its current name. On July 26, 2017, the Markel Corporation (Markel) announced its acquisition of State National, completed on November 17, 2017. The company has been eligible to write surplus lines business in New York since December 13, 2017. As of December 31, 2019, Independent Specialty is a Delaware domestic surplus lines insurer and operated on a non-admitted basis in forty-eight (48) states and the District of Columbia.

REINSURANCE

Independent Specialty participates in an intercompany pooling agreement including seven (7) affiliates, with its upstream parent, State National, pool lead retaining 30%. The company cedes all business to the pool and receives 10% of the combined pool. As such, the financial strength of the company is heavily dependent on the underwriting performance of its fellow pool members, the credit risk of Markel, as well as investment risk of its own investment portfolio, managed in common by Markel. For the years 2017 and 2019, respectively, Independent Specialty net reinsurance recoverable was shown as \$43m, \$74m and \$111m, representing 88%, 141% and 199% of company surplus.

HOLDING COMPANY

Founded in 1930, in Norfolk, VA, as the Mutual Casualty Company, by Samuel A. Markel to focus on fleet trucking and bus insurance, the company now known Markel Corporation with headquarters in Richmond, VA is a diverse financial holding company serving a variety of niche specialty markets, insurance 'fronting' for other insurance providers through its State National Ins. Division, International insurance and reinsurance offering facultative, quota share and excess of loss coverages. Markel also offers investment management, weather derivatives and a variety of insurance securitization investment products. AM Best collectively rates twenty two (22) insurance subsidiaries of the Markel Corporation, including Independent Specialty Insurance Company. For the years 2017 through 2019 the group 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 – Markel Corporation

Corporate Profile		Financial Strength Ratings	
Address:	Markel Corporation 4521 Highw oods Parkw ay Glen Allen, VA, 23060	S&P Global:	-
Website:	https://w w w .markel.com/	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	NYSE: MKL	AM Best - P&C:	-
2019 Form 10-K:	https://w w w .sec.gov/ix?doc=/Archives/edgar/data/1096343/000109634320000039/mkl1231201910k.htm		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	25,875,299	32,805,016	33,306,263	37,473,815
Total Policy Reserves	13,429,154	17,965,172	18,888,960	19,772,132
Total Debt	2,574,529	3,099,230	3,009,577	3,796,322
Total Other Liabilities	1,000,042	1,567,185	1,687,317	1,788,663
Sep Account Liabilities	0	0	0	0
Total Liabilities	17,334,210	23,137,166	24,031,899	26,217,837
Total Equity	8,467,411	9,501,581	9,100,302	11,078,416
Total Liab & Equity	25,801,621	32,638,747	33,132,201	37,296,253
Book Value / Share (\$)	606.30	683.58	653.86	802.58
Reserves / Investments & Cash (x)	0.70	0.87	0.98	0.89
Reserves / Liabilities (x)	0.77	0.78	0.79	0.75
Reserves / Equity (x)	1.59	1.89	2.08	1.78
Debt / Equity (x)	0.30	0.33	0.33	0.34
Dec. 31 Closing Price (\$)	904.50	1,139.13	1,038.05	1,143.17
Net Income (\$)	460,443	400,758	-130,353	1,799,462
Basic EPS (\$)	31.41	25.89	-9.55	129.25
Investment Yield (%)	2.32	2.03	-0.02	9.79
Ratios (%)				
Loss Ratio	53.05	67.46	59.86	57.25
Expense Ratio	38.73	37.42	37.72	37.19
PH Dividend Ratio	<u>0.22</u>	<u>0.12</u>	<u>0.42</u>	<u>-0.44</u>
Combined Ratio	92.00	105.00	98.00	94.00

Company Description and Notes

Industries: Specialty Property and Casualty Insurance, Insurance Fronting, International Insurance and Reinsurance, Global Quota Share, Excess of Loss and Facultative Reinsurance, Lloyds, Insurance Services, Claims Management, Associated Investment Management, Insurance Securitization Investment Products and Weather Derivatives

Geography: United States, Canada, Latin America, Caribbean UK, EU and Asia Pacific

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