



**SCOTTSDALE INSURANCE COMPANY, NAIC #41297
NATIONWIDE MUTUAL INSURANCE COMPANY**

<i>Dollars in 000</i>				<i>Dollars in 000</i>			
	2017	2018	2019		2017	2018	2019
Total Assets	2,536,867	2,294,860	2,457,048	RBC Ratio (%)	741.3	570.2	601.3
Total Liabilities	1,799,077	1,768,618	1,903,140	2yr Res Development	15,126	9,348	15,982
Policyholder Surplus	737,790	526,243	553,908	2yr Dev / Surplus	2.0%	1.2%	2.2%
Cash & Invested Assets	1,493,402	1,258,083	1,275,287	Affiliated Common Stck	288,805	55,662	61,342
Cash & Invested Assets/ Total Asse	58.9%	54.8%	51.9%	Affiliated CS / Surplus	39.1%	10.6%	11.1%
Net Cash from Operations	1,454	5,537	-25,896	Net Reins Recoverable	5,583,103	6,141,295	6,830,154
Loss & LAE Reserves	610,574	590,793	567,571	Net Reins Rec / Surplus	756.7%	1167.0%	1233.1%
Loss & LAE Reserves/Surplus	82.8%	112.3%	102.5%	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)				2019 Top 5 Lines of Business (DPW/Total DPW)			
<ul style="list-style-type: none"> CA - \$422,558 FL - \$239,064 TX - \$220,024 NY - \$120,705 LA - \$102,725 All Other - \$873,906 				<ul style="list-style-type: none"> Oth Liab (Occurrence) - 28.5% Comm'l Multi Pri - 20.7% Oth Liab (Claims) - 20.4% Allied Lines - 8.0% Homeowners MP - 7.1% All Other - 15.3% 			
Total NY State DPW		\$120,705		Total All Lines		\$1,981,241	
Total US ex Terr DPW		\$1,978,981					

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

<i>Dollars in 000</i>				
Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Nationwide Mutual Insurance Company	US Affiliated Pooling	Authorized	6,464,632	0
2 - Markel Global Reinsurance Company	US Unaffiliated	Authorized	112,224	91
3 - Munich Reinsurance America, Inc.	US Unaffiliated	Authorized	105,473	190
4 - Transatlantic Reinsurance Company	US Unaffiliated	Authorized	104,510	473
5 - Endurance Assurance Corporation	US Unaffiliated	Authorized	103,484	131

HISTORY

Scottsdale Insurance Company (Scottsdale Insurance) was incorporated in the State of Delaware in January 1982, as a subsidiary of Nationwide Mutual Insurance Company (Nationwide). In March 1988 the company re-domesticated to Ohio. Effective October 1, 2018, Western Heritage Insurance Company was merged into the company, with Scottsdale Insurance continuing as the surviving company. Financial and operations control of the company remains under Nationwide. The company has been eligible to write surplus lines business in New York at least since ELANY's inception in 1989. As of December 31, 2019, Scottsdale Insurance is licensed in Ohio, Arizona and Delaware and operated on a non-admitted basis in forty-six (46) states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

REINSURANCE

Scottsdale Insurance is a participant in an intercompany pooling agreement including ten (10) affiliates, with its parent, Nationwide, pool lead, retaining 72%, Nationwide Mutual Fire Insurance Company (23%) and Farmland Mutual Insurance Company (1%), and six (6) additional companies as net 0 participants. The company cedes 100% of its premiums to Nationwide and receives a 4.0% share of the pool's combined results, which includes lines of business not directly written by the company, such as private passenger auto liability and workers' compensation. As such, the financial strength of Scottsdale Insurance is heavily dependent upon the underwriting performance of its fellow pool members, the credit risk of Nationwide, as well as investment risk of its own investment portfolio, managed in common by Nationwide. For the years 2017 through 2019, respectively, Scottsdale Insurance net reinsurance recoverable was shown as \$5.58bn, \$5.14bn and \$6.83bn, reflecting 757%, 1,167% and 1,233% of company surplus. It is noted that of the company's net recoverable from its top five reinsurers, approximately \$426m were over 120 past due from four U.S. non-affiliates, representing approximately 77% of company surplus.

HOLDING COMPANY

Founded in 1925 as the Farm Bureau Mutual Automobile Insurance Company in Columbus, Ohio, the company now known as Nationwide Mutual Ins. Group (Nationwide) is a Fortune 100 company and one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide provides a full range of insurance and financial services, including auto, commercial, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; banking and mortgages; excess & surplus, specialty and surety; pet, motorcycle and boat insurance. AM Best collectively rates forty two (42) insurance subsidiaries of the Nationwide Ins. group, including Scottsdale 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 – Nationwide Mutual Group

Corporate Profile		Financial Strength Ratings	
Address:	Nationwide Mutual Group One Nationwide Plaza Columbus, OH, 43215	S&P Global:	-
Website:	https://www.nationwide.com/	Moody's:	-
President :	-	Fitch:	-
Ticker Symbol:	-: -	AM Best - P&C:	-
2019 Form 10-K:	NA		

Highlights (\$000)	2016	2017	2018	2019
Total Assets	209,777,000	236,092,000	0	0
Total Policy Reserves	80,537,000	88,887,000	0	0
Total Debt	5,871,000	5,896,000	0	0
Total Other Liabilities	12,337,000	13,028,000	0	0
Sep Account Liabilities	88,400,000	104,866,000	0	0
Total Liabilities	187,145,000	212,677,000	0	0
Total Equity	22,632,000	23,415,000	0	0
Total Liab & Equity	209,777,000	236,092,000	0	0
Book Value / Share (\$)	0.00	0.00	0.00	0.00
Reserves / Investments & Cash (x)	0.83	0.85	NA	NA
Reserves / Liabilities (x)	0.43	0.42	NA	NA
Reserves / Equity (x)	3.56	3.80	0.00	0.00
Debt / Equity (x)	0.26	0.25	0.00	0.00
Dec. 31 Closing Price (\$)	0.00	0.00	0.00	0.00
Net Income (\$)	707,000	272,000	0	0
Basic EPS (\$)	0.00	0.00	0.00	0.00
Investment Yield (%)	3.69	4.07	0.00	0.00
Ratios (%)				
Loss Ratio	75.76	81.83	0.00	0.00
Expense Ratio	0.00	0.00	0.00	0.00
PH Dividend Ratio	<u>-75.76</u>	<u>-81.83</u>	<u>0.00</u>	<u>0.00</u>
Combined Ratio	0.00	0.00	0.00	0.00

Company Description and Notes

Industries: Personal, Commercial, Specialty Lines Insurance, Retirement and Investment, Banking, Insurance Services, Claims Management and Associated Investment Management

Geography: United States

Nationwide 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 \$26 billion.

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