



CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Report on Reinsurance Security

Date: November 2021



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1. REINSURANCE SECURITY CONSIDERATIONS

1.1 Status Update

The purpose of this report is to provide the CLLAS Audit Committee with a status review of the current CLLAS reinsurance security consistent with CLLAS' Reinsurance Security Policy.

1.2 Reinsurance Security

One of the responsibilities of the Audit Committee is to monitor CLLAS' reinsurers and to recommend changes to the Board based on any number of factors including, but not limited to:

- Downgrading of the security rating;
- A rating agency placing a reinsurer on a "watch" list;
- Exposure to any one reinsurer exceeding an agreed percentage;
- Difficulties collecting reinsurance proceeds after a claim is settled;
- Use of unregistered (in Canada) security; and
- Any other matters that may threaten the security of a reinsurer.

The Committee acknowledges that reinsurance intermediaries cannot guarantee the solvency of any reinsurer and that they rely on the rating agencies to evaluate reinsurers' financial strength. The Audit Committee is not meant to substitute the expert advice provided by CLLAS' intermediaries. Its purpose is to use this advice to assist the Advisory Board in its due diligence process. Included in Appendices A and B are letters from Axxima (including Alternative Risk Services) and Miller Insurance Services LLP, respectively, which provide information on the reinsurance security practices of these firms.

1.3 Level I Monitoring

Level I monitoring of CLLAS reinsurance consists of the following:

- Current A.M. Best and S&P 5-year rating chart comparison – see Appendix C;
- Current claims liability exposure (i.e. case reserves and IBNR) to each reinsurer from all policy years combined – see Appendix D;
- Current claims liability exposure to each reinsurer for the prior policy year– see Appendix E; and
- Single claim limit exposure to each reinsurer for the current year – see Appendix F.

CLLAS reinsurers should be rated A- or better by A.M. Best and S&P, except for special circumstances agreed to by the Board.

For the committee's convenience we have also included the A.M. Best and S&P ratings for insurers participating on the commercial excess program placed by Pro-Form for CLLAS' subscribers, including the ratings for the "CLLAS International" program, as provided by Pro-Form, under Appendix C-PF. For completeness, the commercial excess and CLLAS International insurers have also been included in the analysis of claim limit exposure to each reinsurer for the current year, which is found under Appendix F-PF.

1.4 Level II Monitoring Triggers

Should any of the following events occur, a Level II monitoring would take place:

- Downgrading of the financial strength rating;
- A rating agency placing a reinsurer on a "watch" list;
- Difficulties collecting reinsurance proceeds after a claim is settled;
- Use of a reinsurer that is unregistered in Canada; and
- Any other events deemed material by the Audit Committee or its advisors.

Additionally, for a particular reinsurer, Level II monitoring will be triggered in the event the following takes place and the reinsurer's exposure to CLLAS is significant relative to the its total assets and/or capital and surplus:

- Current claims liability exposure (i.e. case reserves and IBNR) for all policy years combined exceeds 10% of the total;
- Current claims liability exposure for the prior policy year exceeds 10% of the total; and
- Claim limit exposure to each reinsurer for the current year exceeds 10% of the total limits provided by CLLAS.

CLLAS' exposure is considered significant to the reinsurer if its share of CLLAS' total current liabilities or claim limit exposure exceeds 0.1% of the reinsurer's assets or 0.5% of the reinsurer's capital and surplus.

1.5 Level II Monitoring

The following Level II monitoring should take place for any reinsurer that requires it due to events identified above:

- Additional information should be reviewed by the Audit Committee, including a review of:
 - Stock performance relative to the remainder of the market;
 - Early warning signals/ratios (as provided by A.M. Best or equivalent agency);

- Balance sheet and income statement highlights (as provided by A.M. Best or equivalent agency);
- Meetings or direct correspondence with such reinsurers as necessary to discuss the financial health of the reinsurer.

The Audit Committee should make recommendations to the Board based on such reviews.

2. LEVEL II MONITORING

2.1 Reinsurers Requiring Level II Monitoring

As the first step in our reinsurance security monitoring process, Level I tests were performed on all CLLAS reinsurers. The following identifies the reinsurers subject to Level II monitoring and which Level II monitoring criteria was triggered:

Level II Monitoring Triggers

	AWAC	Colchester	Lloyd's	AMA 1200 (Argo)	Swiss Re	AML 2001 (MS Amlin)	Aspen Re*
Unregistered in Canada	✓	✓					
Difficulty collecting reinsurance proceeds after claim settlement							
Rating downgrade / "watch" list				✓			✓
Current claims liability exposure (all years) exceeds 10%		✓	✓	✓		✓	
Current claims liability exposure (prior year) exceeds 10%		✓	✓	✓		✓	
Claim limit exposure (current year) exceeds 10%		✓	✓		✓		

* CLLAS has no ongoing exposure to Aspen Re, and the claim liability exposure is immaterial to CLLAS.

Level II Monitoring Required?

	AWAC	Colchester	Lloyd's	AMA 1200 (Argo)	Swiss Re	AML 2001 (MS Amlin)	Aspen Re
CLLAS exposure exceeds 0.1% of total assets	n/a	n/a		✓			
CLLAS exposure exceeds 0.5% of total capital & surplus	n/a	n/a		✓			
Level II Monitoring Required	✓	✓		✓			

Although exposure to Lloyd's does not exceed the Level II Monitoring requirement thresholds as a percent of assets and capital, we are including the AM Best Rating Report under Appendix J as an information item due to the size of the liabilities placed with Lloyd's.

Note: MS Amlin's ultimate parent company is MS&AD Insurance Group Holdings, Inc.

2.2 Allied World Assurance Company Limited (“AWAC”)

General

Allied World Assurance Company Limited is a global specialty insurance and reinsurance company with offices in Bermuda, Europe and the United States. Launched in 2001, AWAC originally consisted of four employees located in a small office in Bermuda. Today, AWAC has offices in Atlanta, Bermuda, Boston, Chicago, Dublin, Farmington (CT), London, New York, San Francisco and Zug.

AWAC has been a participant in the CLLAS Program since 2002. Currently, AWAC participates in the highest levels of the CLLAS Program – the Optional Excess and Umbrella layers.

The CLLAS/AWAC reinsurance agreement includes a provision for outstanding claims advances by AWAC in favour of CLLAS.

On July 5, 2017 AWAC was acquired by Fairfax Financial Holdings. Stock information is no longer available for AWAC, so we have included the stock performance of their ultimate parent company, Fairfax Financial Holdings Ltd., which is outlined below.

Stock Performance

The following is the 5-year stock performance as of October 07, 2021 for Fairfax Financial Holdings (ticker: FFH, Toronto Stock Exchange) with the S&P 500 Index for comparison.





AM Best Report Highlights

The complete A.M. Best report is set forth in Appendix G.

- Current financial strength rating is A (Excellent) Stable from A.M. Best.

The balance sheet performance for AWAC is categorized as “strongest” which means that Allied World Assurance Company Holdings Limited (Allied World) has a strong balance sheet strength which is mainly due to a diversified investment portfolio, favorable reserve development and controlled growth

AWAC is backed by a Fairfax Financial Holdings (Fairfax) which has a financially stable balance sheet. AWAC can benefit from Fairfax's supportive financial leverage and favorable liquidity, with cash and short-term investments readily available to support its insurance operations.

Financial Highlights

- Retained earnings increased from (\$324,800,000) in 2019 to (\$45,000,000) in 2020.
- Income for the year, after taxation, decreased from \$363,500,000 in 2019 to \$275,100,000 in 2020.
- The Company actively manages its reinsurance exposures by generally selecting reinsurers having a credit rating of “A-” or higher and monitoring the overall credit quality of its reinsurers to ensure that recoverables will be collected.
- Approximately 94.3% and 94.0% ceded reserves were recoverable from reinsurers who had an A.M. Best rating of “A” or higher as of December 31, 2020 and December 31, 2019, respectively.

Outlook

The stable rating outlooks reflect AM Best's expectation that the group's strongest level of balance sheet strength will continue to be supported by adequate operating performance; diverse business profile, both geographically and by line of business; and well defined enterprise risk management guidelines and controls.

- Combined ratios remained ranged from 85% to 126.4% in the past 5 years. With 2018 combined ratio at 98.2%.
- A.M. Best report was updated on March 26, 2021.

2.3 Colchester Reinsurance Limited (“Colchester”)

General

Colchester is a captive reinsurer for CLLAS and is wholly owned by the current and past subscriber firms of CLLAS, or their affiliates. Colchester is domiciled in Barbados.

Stock Performance

Colchester is not publicly traded.

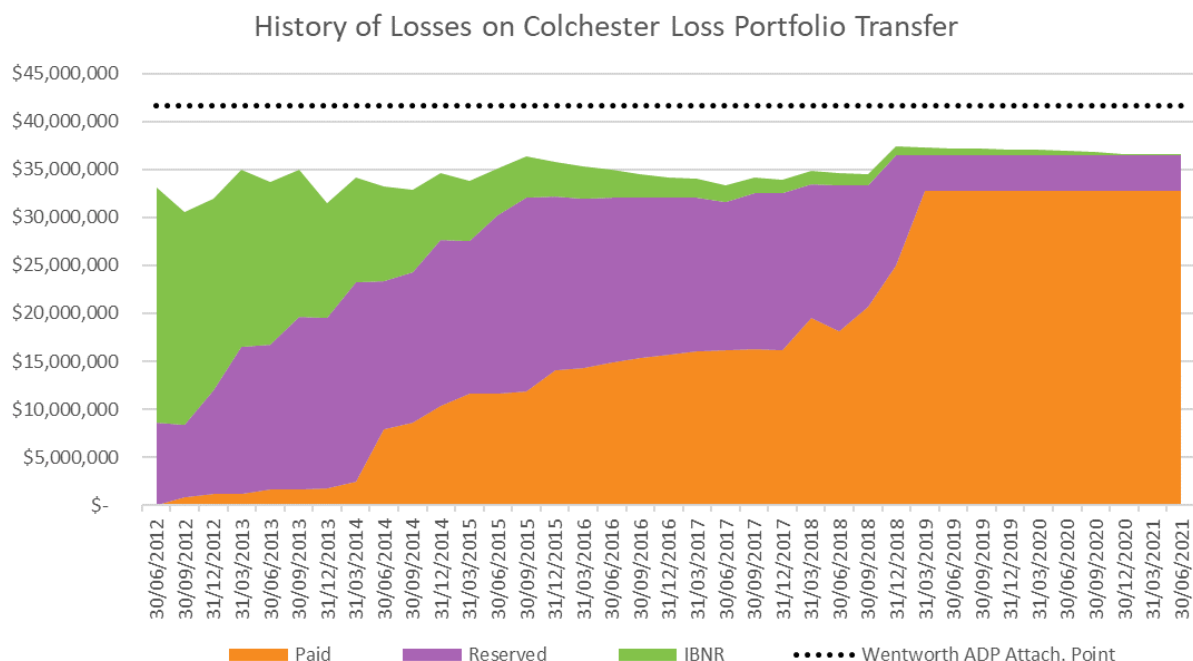
Highlights of A.M. Best Report

Colchester is not rated by any ratings agencies.

Financial Highlights

Please see Appendix H for a copy of the most recent financial draft statements (as of June 30, 2020). The following are some of the highlights from these financials:

- Total Equity decreased from \$25,597,365 in 2020 to \$24,869,126 in 2021
- Income for the year, after taxation, increased from (\$1,287,566) in 2020 to \$121,171 in 2021
 - Reinsurance premiums written and earned increased from \$1,330,072 in 2020 to 1,713,252 in 2021
 - Retrocession premiums increased from \$1,261,726 in 2020 to \$1,539,731 in 2021
- Colchester has been deliberately distributing surplus via premium reductions (as seen above in the level of premiums written relative to the retrocession premiums), and losses are expected to emerge over time as a result
- All the assets supporting the claims liabilities of Colchester are held in trust in a custodial account in favour of CLLAS, subject to a reinsurance security agreement as outlined by the Office of the Superintendent of Financial Institutions (Canadian federal regulator) and approved by the Alberta Superintendent of Insurance (the regulator in CLLAS’ home jurisdiction)
- On June 30, 2012 Colchester and CLLAS affected a Loss Portfolio Transfer, which transferred approximately \$33.1 million of CLLAS’ liabilities to Colchester for all prior years of account. Since that time, those liabilities have remained relatively stable, as can be seen in the chart below. Colchester also purchased 10% quota share adverse development retrocession protection on the Loss Portfolio, which attaches at \$41.7 million, also shown below as a dotted line for reference.



2.4 Argo Group International Holdings Ltd. (“Argo Group”)

General

Argo Group’s operating companies provide primary and excess insurance, reinsurance products and tailored risk solutions for the managing general agency market. Argo Group underwrites on an international platform.

The segment’s business platform, Argo International Holdings Ltd. (Argo International) based in London, is comprised of four principal components:

- Argo Managing Agency, which underwrites insurance risks on behalf of the syndicate for the providers of capital;
- Syndicate 1200, which bears the insurance risk;
- Argo Underwriting Agency, which participates with other capital providers on the syndicate via its subsidiary corporate member companies; and,
- Argo Direct Limited, a wholly owned service company, which enters into insurance contracts on behalf of Syndicate 1200 from both the U.K. and a branch based in Paris (Argo Assurances, Argo International’s worldwide property division).

Stock Performance

The following is a 5-year stock performance as of November 3, 2021 for Argo Group International Holdings (ticker: AGII) with the S&P 500 Index for comparison.



Highlights of A.M. Best Report

The complete A.M. Best report is set forth in Appendix I.

- Current financial strength rating is A- (Excellent) Stable from A.M. Best
- Historical average combined ratio is in line with the commercial casualty composite. In 2019, however, Argo incurred \$157 million in net underwriting losses (at a 109.1% combined ratio) driven by adverse prior year loss development and higher current year loss picks in the fourth quarter. Argo's 2020 underwriting results improved to \$109.6 million of underwriting losses (at a 106.2% combined ratio) driven by much improved ex-CAT current accident year losses (three points on the loss ratio), no significant prior year adverse reserve development (eight points of improvement), partially offset by higher losses due to COVID-19 and higher non-COVID natural catastrophe losses.
- Being a large U.S. wholesale insurer and an active participant in the Lloyd's market, Argo's expense ratio is high compared to its peers. The new executive management team is taking steps to lower its expense ratio by simplifying organizational structure, shrinking non-core business and eliminating wasteful spending that does not support strategic goals.

- Historically favorable prior year reserve development. While the group posted material adverse prior year reserve development in the third and fourth quarter of 2019, there was no significant loss reserve development in 2020.

A.M. Best report was updated on March 12, 2021

Financial Highlights

- Retained earnings decreased from \$793,700,000 in 2019 to \$684,100,000 in 2020.
- Net Income for the year, after taxation, decreased from (\$14,100,000) in 2019 to (\$54,100,000) in 2020.
- Total Capital and Surplus increased from \$1,763,700,000 in 2019 to \$1,857,800,000 in 2020.
- ROEs over the most recent five-year period were lower than its historical average due to higher-than-average catastrophe losses, stock market volatility and, more recently, prior year reserve development in 2019.

September 23, 2014

Mr. Nick Leblovic
Chairman, CLLAS
c/o Davies Ward Phillips & Vineberg LLP
40th Floor, 155 Wellington Street West
Toronto, Ontario M5V 3J7

Dear Nick,

This is in response to a previous request to provide a letter regarding the reinsurance that is placed on behalf of CLLAS. We are reissuing this letter under Axxima cover to confirm that the previous letter, dated June 9, 2009 under Dion, Durrell + Associates Inc. cover, remains accurate under Axxima's management.

As you know, we work closely with Miller Insurance Services Ltd. (Miller) on all CLLAS reinsurance matters, with Miller being responsible for the London placement (including Lloyd's and certain European companies) and the Colchester retrocession placement. Axxima, via its subsidiary, Alternative Risk Services, a division of 3303128 Canada Inc. ("AR Services"), prepares the reinsurance submission that goes out to all markets and specifically places the domestic and Bermuda reinsurance as well as the aggregate stop-loss reinsurance placed through Colchester.

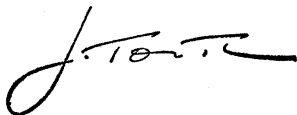
In the past, a minimum reinsurance security rating standard of no less than A-, as determined by A.M. Best and Standard & Poor's, had been established with CLLAS. Any deviation from such standard is to be referred to the CLLAS Advisory Board. Thoughtful and deliberate monitoring preserves the important relationships that CLLAS has developed over the years with its reinsurers.

Please be advised that neither Axxima, nor AR Services, carries out its own assessment of the solvency of any insurer or reinsurer and do not guarantee the solvency or continuing solvency of any insurer or reinsurer. You should note that the financial solvency of any insurer or reinsurer could change after the reinsurance protection has been placed. We are committed to providing CLLAS with up-to-date information on any material changes in the financial status or the security ratings of CLLAS reinsurers. To this end, we carry out CLLAS' adopted reinsurance security process.

In general, we are prepared to provide CLLAS with updates from A.M. Best and S&P based on our monitoring of the security ratings of each of the participating reinsurers. We will advise CLLAS on any adverse developments which may require CLLAS to replace a certain reinsurer mid-term or to decide to monitor and continue to use a certain reinsurer for a prescribed period of time.

We hope that the foregoing is satisfactory, however, should you have any questions, please do not hesitate to contact the undersigned.

Yours sincerely,



Joseph D. Tontini
Consultant



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Chairman
Canadian Lawyers Liability Assurance Society
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250 Yonge Street
Toronto
Ontario M5B 2L7
Canada

5th June 2009

Dear Nick

**CLLAS Reinsurance Programme
Renewal effective 1st July 2009**

In accordance with your request and in conjunction with Dion, Durrell + Associates, Inc., we have compiled various material relating to the reinsurers we use who participate on the CLLAS reinsurance programme. We have collated this information with the underwriters' responses given during our meetings to the set of questions posed during your recent visit to London. A copy of the matrix with reinsurers' feedback is enclosed.

You have asked us to comment on the appropriateness of the reinsurers who are involved as well as give our views on possible new markets. Miller does not assess or guarantee the solvency of any (re)insurer, however we check the financial strength ratings provided by specialist agencies (such as Standard & Poor's and A.M. Best) for each participating market and each must be authorised internally at Miller for us to use. Any markets which do not meet a minimum criteria may still be used but only with specific client approval. In practice the current specialist agency financial strength ratings of all the reinsurers used by us on your programme are in excess of our minimum criteria for authorisation.

On an ongoing basis we monitor these ratings as well as developments in the market and will advise you in the event there are circumstances which lead a market to fall out of our authorised classification. Taking into consideration reinsurers' feedback from our meetings, the Miller authorisations of each of the markets we use on the CLLAS programme are unaffected.

For 2009 we will be approaching the current participants for their support and many of these have had long term relationships with CLLAS. As outlined in London, we and Dion, Durrell work closely together to strategically manage the size and layering of participations offered by each reinsurer to ensure that the most optimal result is achieved for CLLAS, in line with its objectives for renewal. At present there are no new reinsurance companies which we wish to approach with your programme this year, but there are several new Lloyd's syndicates which may be interested in supporting your account and we will be approaching them for their views in due course. The current Lloyd's rating by Standard & Poor's is A+ (strong) with a stable outlook.

Please don't hesitate to let me know if you have any questions or comments.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark Pople".

Mark Pople
Director – Professional Risks

Encl.

CLLAS Reinsurance

S&P Ratings over a 5 year period

October 2021

Appendix C

Reinsurers		2017	2018	2019	2020	2021
Lloyd's	Rating	A+	A+	A+	A+	A+
	Outlook	Stable	Negative	Negative	Stable	Stable
Aspen Re	Rating	A	A	A	A	BBB
	Outlook	Stable	Negative	Negative	Negative	Stable
Hannover Rueck	Rating	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (UK)	Rating	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable
Arch Insurance Company (Canada Branch)	Rating	A+	A+	A+	A+	A+
	Outlook	Negative	Stable	Stable	Negative	Negative
Allied World Assurance Company Ltd.	Rating	A-	A-	A-	A-	A-
	Outlook	Stable	Positive	Positive	Stable	Positive
CRC (Bermuda) Reinsurance Ltd.	Rating	N/A	N/A	N/A	N/A	N/A
	Outlook	N/A	N/A	N/A	N/A	N/A
RSA Insurance Group(formerly GCAN Insurance Company)	Rating	A	A	A	A	N/A
	Outlook	Stable	Stable	Stable	Stable	N/A
SCOR Canada Reinsurance Company	Rating	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable
Swiss Reinsurance Company Ltd. (Canada Branch)	Rating	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Negative	Negative
Toa Reinsurance Company of America	Rating	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable
Alleghany Corporation (formerly Transatlantic Reinsurance Company) (Parent)	Rating	BBB+	BBB+	BBB+	BBB+	BBB+
	Outlook	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (Canada)	Rating	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable
Colchester Reinsurance Ltd.	Rating	N/A	N/A	N/A	N/A	N/A
	Outlook	N/A	N/A	N/A	N/A	N/A
Munich Re	Rating	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable
Argo Group Operating Subsidiaries (AMA 1200 Parent)	Rating	A-	A-	A-	A-	A-
	Outlook	Stable	Stable	Stable	Stable	Negative
Axis Reinsurance Company	Rating	A+	A+	A+	A+	A+
	Outlook	Negative	Negative	Stable	Negative	Negative
Continental Casualty Company (CNA)	Rating	A	A	A	A+	A+
	Outlook	Stable	Stable	Positive	Stable	Stable
Allianz Global Risks	Rating	AA	AA	AA	AA	AA
	Outlook	Stable	Stable	Stable	Negative	Negative
CNA Canada	Rating	A	A	A	A+	A+
	Outlook	Stable	Stable	Positive	Stable	Stable

CLLAS Reinsurance

A.M Best Ratings over a 5 year period
October 2021

Appendix C

Reinsurers	Registered Status	AMB#		2017	2018	2019	2020	2021
Lloyd's	Registered	85202	Rating	A	A	A	A	A
			Outlook	Stable	Stable	Stable	Stable	Stable
Aspen Re	Registered	14149	Rating	A	A	A	A	A
			Outlook	Stable	Stable	Stable	Stable	Stable
Hannover Rueck	Registered	85070	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (UK)	Registered	03126	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
Arch Insurance Company (Canada Branch)	Registered	66513	Rating	A+	A+	A+	A+	A+
			Outlook	Negative	Negative	Stable	Stable	Stable
Allied World Assurance Company Ltd.	Unregistered	84808	Rating	A	A	A	A	A
			Outlook	Negative	Stable	Stable	Stable	Stable
CRC (Bermuda) Reinsurance Ltd.	Unregistered		Rating	N/A	N/A	N/A	N/A	N/A
			Outlook	N/A	N/A	N/A	N/A	N/A
RSA Insurance Group(formerly GCAN Insurance Company)	Registered		Rating	N/A	N/A	N/A	N/A	N/A
			Outlook	N/A	N/A	N/A	N/A	N/A
SCOR Canada Reinsurance Company	Registered	55362	Rating	A+	A+	A+	A+	A+
			Outlook	Positive	Stable	Stable	Stable	Stable
Swiss Reinsurance Company Ltd. (Canada Branch)	Registered	91982	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
Toa Reinsurance Company of America	Registered	85179	Rating	A	A	A	A	A
			Outlook	Stable	Stable	Stable	Stable	Stable
Alleghany Corporation (formerly Transatlantic Reinsurance Company) (Parent)	Registered		Rating	N/A	N/A	N/A	N/A	N/A
			Outlook	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (Canada)	Registered	03126	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
Colchester Reinsurance Ltd.	Unregistered		Rating	N/A	N/A	N/A	N/A	N/A
			Outlook	N/A	N/A	N/A	N/A	N/A
Munich Re	Registered	85011	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
Argo Group Operating Subsidiaries (AMA 1200 Parent)	Registered	91791	Rating	A	A	A	A	A-
			Outlook	Stable	Stable	Stable	Stable	Stable
Axis Reinsurance Company	Registered	12557	Rating	A+	A+	A+	A	A
			Outlook	Stable	Negative	Negative	Stable	Stable
Continental Casualty Company (CNA)	Registered	02128	Rating	A	A	A	A	A
			Outlook	Stable	Stable	Stable	Stable	Stable
Allianz Global Risks	Registered	00407	Rating	A+	A+	A+	A+	A+
			Outlook	Stable	Stable	Stable	Stable	Stable
CNA Canada	Registered	86301	Rating	N/A	N/A	N/A	N/A	N/A
			Outlook	N/A	N/A	N/A	N/A	N/A

* As of March 31, 2012

Renewal Quotations

CLLAS Canadian Excess Program

	Liberty Lead	Encon Lead
	\$50x50 (\$474)	\$60x\$100 (\$411)
Liberty International Canada	20%	9.5%
Victor Insurance (formally Encon)	10%	25%
Travelers Insurance Company of Canada	10%	16.5%
Royal & Sun Alliance Insurance Company of Canada	20%	9.5%
AXA XL	10%	
Axis Reinsurance Company	10%	
Northbridge Insurance Company	5% (10% on Associate)	10%
The Sovereign General Insurance Company		16.5%
QBE Services Inc.	10%	8%
CLLAS	5% (0% on Associate)	5%
Total	100%	100%

1. One CLLAS member purchases \$30,000,000 xs \$50,000,000. The new rate per lawyer is \$328 per lawyer and the new \$50,000,000 xs \$50,000,000 Insurer group will provide this layer.
2. We do have one Associate Member of CLLAS and they will purchase \$45,000,000 xs \$50,000,000 and the renewal rate is \$601 per lawyer.

Note: The new rate on the layer of \$110,000,000 excess of \$50,000,000 is \$885 per lawyer vs. the expiring rate of \$805 per lawyer, which is an overall increase of 10%

Renewal Quotations

CLLAS International

Insurer	Layer	Proposed Renewal
		2021 - 2022
CNA (25%)	US\$30,000,000 each claim and aggregate	15% Rate increase or increased retention options with a lesser rate increase
AXA XL (16.50%)		
Berkshire (25%)		
Aspen Re (16.5%)		
Lloyds (17.00%)		

Note: Each Participating firm will receive a renewal notice confirming their renewal terms.

CLLAS Reinsurance

Appendix D

Top 25 Reinsurers by % of Current Liability

ALL YEARS

ALL YEARS				LAYERS										TOTAL	All-time Percent of Total	Prev. Year Percent of Total	Move- ment?
Watch	Name	Jurisdiction	Reg'd?	\$.975MM	\$4/\$49MM	\$7.5MM	\$12.5MM	\$10MM	\$30/60MM	\$20MM	\$10-60MM	\$15-110MM					
				XS \$.025MM	XS \$1MM	XS \$5MM	XS \$12.5MM	XS \$25MM	XS \$65MM	XS \$140MM	XS \$160MM	XS \$50MM					
➔	Underwriters at Lloyd's	London	Yes	0	35,260,907	35,977	28,139	22,033	69,837	154	149,787	0	35,566,834	51.7%	52.4%	Down	
	Colchester	Barbados	No	0	13,551,324	0	0	0	0	0	27,707	7,864	13,586,894	19.7%	18.7%	Up	
	AMA 1200	Lloyd's	Yes	0	13,078,554	0	0	0	38	0	0	0	13,078,592	19.0%	19.3%	Down	
	AML 2001	Lloyd's	Yes	0	6,574,285	0	3,470	2,332	0	11	0	0	6,580,098	9.6%	9.1%	Up	
	Allianz Global Risks	London	Yes	0	5,217,963	0	0	0	0	0	0	0	5,217,963	7.6%	7.4%	Up	
	Vibe 5678	Lloyd's	Yes	0	5,087,625	0	0	0	0	0	0	0	5,087,625	7.4%	5.9%	Up	
	AUL 1274	Lloyd's	Yes	0	4,852,014	0	0	0	0	0	0	0	4,852,014	7.1%	6.6%	Up	
	PPI 9969	Lloyd's	Yes	0	3,477,262	0	0	0	0	0	3,021	0	3,480,284	5.1%	7.1%	Down	
	AXIS Re	Canada	Yes	0	3,331,956	0	0	0	0	0	16,253	0	3,348,209	4.9%	4.5%	Up	
	CNA (Combined)	Combined	Mixed	0	1,076,687	0	0	0	0	0	0	0	1,076,687	1.6%	2.3%	Down	
	CNA Canada	Canada	Yes	0	1,045,343	0	0	0	0	0	0	0	1,045,343	1.5%	0.0%	Up	
	AGD 2526	Lloyd's	Yes	0	827,556	1,101	0	0	62	0	247	0	828,966	1.2%	1.3%	Down	
	Hamilton (Combined)	Combined	Yes	0	594,642	0	7,324	0	6,257	22	16,955	0	625,200	0.9%	1.3%	Down	
	Hannover (Combined)	Combined	Yes	0	533,513	0	20,630	0	0	0	0	0	554,143	0.8%	0.9%	Down	
	Argenta 2121	Lloyd's	Yes	0	533,513	0	0	0	0	0	0	0	533,513	0.8%	0.8%	Down	
	Hamilton 3334	Lloyd's	Yes	0	500,331	0	0	0	826	0	2,142	0	503,300	0.7%	1.1%	Down	
	Swiss Re (Combined)	Combined	Mixed	0	0	0	0	13,847	45,186	350	49,599	280,740	389,722	0.6%	0.6%	Down	
	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	0	0	0	44,240	0	49,191	280,740	374,171	0.5%	0.6%	Down	
	Acappella 2014	Lloyd's	Yes	0	102,241	0	0	0	2,747	0	21,361	0	126,350	0.2%	0.2%	Down	
	PEM 4000	Lloyd's	Yes	0	94,311	0	7,324	0	5,430	22	14,812	0	121,901	0.2%	0.2%	Down	
	Barbican 1955	Lloyd's	Yes	0	94,960	0	0	0	42	0	100	0	95,102	0.1%	0.2%	Down	
	Transatlantic Reinsurance Company (Combined)	Combined	Yes	0	52,241	9,409	9,990	0	0	0	0	0	71,640	0.1%	0.2%	Down	
	Transatlantic Reinsurance Company	Canada	Yes	0	52,241	8,467	9,656	0	0	0	0	0	70,364	0.1%	0.0%	Up	
	AmTrust 1206	Lloyd's	Yes	0	38,255	0	0	0	6,097	0	18,338	0	62,689	0.1%	0.1%	Down	
	MKL 3000	Lloyd's	Yes	0	0	0	7,387	8,191	9,597	0	36,219	0	61,394	0.1%	0.1%	Down	
	Total Current Liabilities			2,653,390	65,055,829	164,175	128,097	56,720	129,103	1,399	326,589	288,603	68,803,905				
	Proportional Reinsurance:																
	London			0	40,478,870	48,429	58,760	26,467	69,837	154	149,787	0	40,832,304	59.3%	60.0%	Down	
	Canada			0	4,460,884	33,471	28,189	20,173	50,875	350	125,509	280,740	5,000,191	7.3%	7.8%	Down	
	Bermuda			0	0	4,656	4,060	0	8,391	895	23,586	0	41,587	0.1%	0.1%	Down	
	Barbados			0	13,551,324	0	0	0	0	0	27,707	7,864	13,586,894	19.7%	18.7%	Up	
	Total			0	58,491,077	86,556	91,009	46,640	129,103	1,399	326,589	288,603	59,460,976	86.4%	86.6%	Down	
	CLLAS Proportional Retention			2,653,390	6,564,751	77,620	37,088	10,080	0	0	0	0	9,342,929	13.6%	13.4%	Up	
➔	Colchester Loss Portfolio Transfer & Stop Loss			33,276	6,564,751	77,620	37,088	10,080	0	0	0	0	6,722,815	9.8%	11.1%	Down	
	CLLAS Net Retention												2,620,114	3.8%	2.3%	Up	

CLLAS Reinsurance

Reinsurers by % of Current Liability

CURRENT YEAR (2021/2022)

Appendix E

Watch	Name	Jurisdiction	Reg'd?	LAYERS					TOTAL	Percent of Total	Prev. Year Percent of Total	Move-ment?
				\$.975MM XS	\$49MM XS	\$30/60MM XS	\$10-60MM XS	\$15-110MM XS				
				\$.025MM	\$1MM	\$65MM	\$160MM	\$50MM				
	Underwriters at Lloyd's	London	Yes	0	2,134,052	4,309	7,624	0	2,145,985	58.1%	55.3%	Up
➔	Colchester	Barbados	No	0	1,173,728	0	1,485	7,864	1,183,077	32.0%	22.3%	Up
	AMA 1200	Lloyd's	Yes	0	764,702	0	0	0	764,702	20.7%	19.1%	Up
	Hannover (Combined)	Combined	Yes	0	533,513	0	0	0	533,513	14.4%	14.3%	Up
	Argenta 2121	Lloyd's	Yes	0	533,513	0	0	0	533,513	14.4%	14.3%	Up
	AML 2001	Lloyd's	Yes	0	480,162	0	0	0	480,162	13.0%	11.9%	Up
	AUL 1274	Lloyd's	Yes	0	355,675	0	0	0	355,675	9.6%	9.5%	Up
	AXIS Re	Canada	Yes	0	248,973	0	742	0	249,715	6.8%	6.7%	Up
	Swiss Re (Combined)	Combined	Mixed	0	0	2,742	1,360	9,436	13,539	0.4%	0.5%	Down
	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	2,742	1,360	9,436	13,539	0.4%	0.5%	Down
	MKL 3000	Lloyd's	Yes	0	0	779	2,043	0	2,822	0.1%	0.1%	Down
	BRT 2987	Lloyd's	Yes	0	0	1,802	891	0	2,693	0.1%	0.1%	Down
	Canopus 4444	Lloyd's	Yes	0	0	635	1,363	0	1,999	0.1%	0.0%	Up
	Gerling Global Re	Canada	Yes	0	0	313	1,485	0	1,798	0.0%	0.1%	Down
	AWAC	Bermuda	No	0	0	470	1,039	0	1,510	0.0%	0.1%	Down
	Hamilton (Combined)	Combined	Yes	0	0	388	824	0	1,212	0.0%	0.1%	Down
	PEM 4000	Lloyd's	Yes	0	0	388	824	0	1,212	0.0%	0.1%	Down
	Sampo (Fronted by Trisura)	Canada	Yes	0	0	0	1,114	0	1,114	0.0%	0.0%	Up
	FDY 435	Lloyd's	Yes	0	0	353	679	0	1,032	0.0%	0.0%	Down
	Mosaic	Lloyd's	Yes	0	0	0	933	0	933	0.0%	0.0%	Up
	Probitas 1492	Lloyd's	Yes	0	0	0	891	0	891	0.0%	0.0%	Down
	AFB 623/2623	Lloyd's	Yes	0	0	352	0	0	352	0.0%	0.0%	Down
	Catlin (Combined)	Combined	Yes	0	0	0	0	0	0	0.0%	0.1%	Zero
	CNA (Combined)	Combined	Mixed	0	0	0	0	0	0	0.0%	0.0%	Zero
	RSA (Combined)	Combined	Yes	0	0	0	0	0	0	0.0%	0.1%	Zero

Total Current Liabilities

112,755 3,519,819 9,394 24,954 26,813 3,693,735

Proportional Reinsurance:

London	0	2,134,052	4,309	7,624	0	2,145,985	58.1%	67.2%	Down
Canada	0	248,973	3,056	4,701	9,436	266,166	7.2%	7.4%	Down
Bermuda	0	0	470	1,039	0	1,510	0.0%	0.1%	Down
Barbados	0	1,173,728	0	1,485	7,864	1,183,077	32.0%	22.3%	Up
Total	0	3,556,753	7,835	14,850	17,300	3,596,737	97.4%	96.9%	Up
CLLAS Proportional Retention	112,755	-36,934	1,559	10,105	9,513	96,997	2.6%	3.1%	Down
➔ Colchester Aggregate						0	0.0%	0.0%	Zero
CLLAS Net Retention						96,997	2.6%	3.1%	Down

CLLAS Reinsurance

Appendix F

Reinsurers by % of Single Claim Exposure

CURRENT YEAR (2021/2022)

Watch	Name	Jurisdiction	Reg'd?	LAYERS					TOTAL	Percent of Total	Prev. Year Percent of Total	Move-ment?
				\$.975MM XS	\$49MM XS	\$30/60MM XS	\$10-60MM XS	\$110MM XS				
				\$.025MM	\$1MM	\$65MM	\$160MM	\$50MM				
	Underwriters at Lloyd's	London	Yes	0	29,400,000	16,500,000	30,804,000	0	76,704,000	52.7%	44.5%	Up
➔	Colchester	Barbados	No	0	16,170,000	0	6,000,000	2,500,000	24,670,000	17.0%	9.8%	Up
	Swiss Re (Combined)	Combined	Mixed	0	0	10,500,000	5,496,000	3,000,000	18,996,000	13.1%	23.4%	Down
	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	10,500,000	5,496,000	3,000,000	18,996,000	13.1%	23.4%	Down
	MKL 3000	Lloyd's	Yes	0	0	2,982,000	8,256,000	0	11,238,000	7.7%	4.0%	Up
	AMA 1200	Lloyd's	Yes	0	10,535,000	0	0	0	10,535,000	7.2%	6.7%	Up
	BRT 2987	Lloyd's	Yes	0	0	6,900,000	3,600,000	0	10,500,000	7.2%	5.4%	Up
	Canopus 4444	Lloyd's	Yes	0	0	2,433,000	5,508,000	0	7,941,000	5.5%	0.0%	Up
	Hannover (Combined)	Combined	Yes	0	7,350,000	0	0	0	7,350,000	5.1%	0.0%	Up
	Argenta 2121	Lloyd's	Yes	0	7,350,000	0	0	0	7,350,000	5.1%	0.0%	Up
	Gerling Global Re	Canada	Yes	0	0	1,200,000	6,000,000	0	7,200,000	4.9%	4.9%	Unchanged
	AML 2001	Lloyd's	Yes	0	6,615,000	0	0	0	6,615,000	4.5%	3.3%	Up
	AXIS Re	Canada	Yes	0	3,430,000	0	3,000,000	0	6,430,000	4.4%	3.7%	Up
	AWAC	Bermuda	No	0	0	1,800,000	4,200,000	0	6,000,000	4.1%	4.1%	Unchanged
	AUL 1274	Lloyd's	Yes	0	4,900,000	0	0	0	4,900,000	3.4%	2.2%	Up
	Hamilton (Combined)	Combined	Yes	0	0	1,485,000	3,330,000	0	4,815,000	3.3%	0.0%	Up
	PEM 4000	Lloyd's	Yes	0	0	1,485,000	3,330,000	0	4,815,000	3.3%	2.0%	Up
	Sampo (Fronted by Trisura)	Canada	Yes	0	0	0	4,500,000	0	4,500,000	3.1%	0.0%	Up
	FDY 435	Lloyd's	Yes	0	0	1,353,000	2,742,000	0	4,095,000	2.8%	2.0%	Up
	Mosaic	Lloyd's	Yes	0	0	0	3,768,000	0	3,768,000	2.6%	0.0%	Up
	Probitas 1492	Lloyd's	Yes	0	0	0	3,600,000	0	3,600,000	2.5%	0.0%	Up
	AFB 623/2623	Lloyd's	Yes	0	0	1,347,000	0	0	1,347,000	0.9%	0.8%	Up
	Catlin (Combined)	Combined	Yes	0	0	0	0	0	0	0.0%	0.7%	Zero
	CNA (Combined)	Combined	Mixed	0	0	0	0	0	0	0.0%	3.4%	Zero
	RSA (Combined)	Combined	Yes	0	0	0	0	0	0	0.0%	3.3%	Zero

Maximum Exposure Any One Claim

975,000 49,000,000 30,000,000 60,000,000 5,500,000 145,475,000

Proportional Reinsurance:

London	0	29,400,000	16,500,000	30,804,000	0	76,704,000	52.7%	51.8%	Up
Canada	0	3,430,000	11,700,000	18,996,000	3,000,000	37,126,000	25.5%	34.9%	Down
Bermuda	0	0	1,800,000	4,200,000	0	6,000,000	4.1%	5.6%	Down
Barbados	0	16,170,000	0	6,000,000	2,500,000	24,670,000	17.0%	7.0%	Up
Total	0	49,000,000	30,000,000	60,000,000	5,500,000	144,500,000	99.3%	99.3%	Up

CLLAS Proportional Retention

975,000 0 0 0 0 975,000 0.7% 0.7% Down

Colchester Aggregate

n/a n/a n/a

CLLAS Net Retention

975,000 0.7% 0.7% Down

CLLAS Reinsurance

Reinsurers by % of Single Claim Exposure

CURRENT YEAR (2021/2022)

Appendix F-PF

Watch	Name	Jurisdiction	Reg'd?	LAYERS						US\$30MM* (\$39MM)	TOTAL	Percent of Total
				\$.975MM XS	\$49MM XS	\$30/60MM XS	\$10-60MM XS	\$15-50MM XS	\$60MM XS			
				\$.025MM	\$1MM	\$65MM	\$160MM	\$50MM	\$100MM			
	Underwriters at Lloyd's	London	Yes	0	29,400,000	16,500,000	30,804,000	0	0	6,630,000	83,334,000	28.8%
➔	Colchester	Barbados	No	0	16,170,000	0	6,000,000	0	0	0	22,170,000	7.7%
	Victor Insurance (PF)	Canada	Yes	0	0	0	0	5,000,000	15,000,000	0	20,000,000	6.9%
	Westport Insurance Corp. (Swiss Re)	Canada	Yes		0	10,500,000	5,496,000	0	0	0	15,996,000	5.5%
	Swiss Re (Combined)	Combined	Mixed	0	0	10,500,000	5,496,000	0	0	0	15,996,000	5.5%
	Liberty International Canada (PF)	Canada	Yes	0	0	0	0	10,000,000	5,700,000	0	15,700,000	5.4%
	Royal & Sun Alliance Co. of Canada (PF)	Canada	Yes	0	0	0	0	10,000,000	5,700,000	0	15,700,000	5.4%
	Travelers Insurance Company of Canada (PF)	Canada	Yes	0	0	0	0	5,000,000	9,900,000	0	14,900,000	5.2%
	AXA XL (PF)	Canada	Yes	0	0	0	0	5,000,000	0	6,435,000	11,435,000	4.0%
	MKL 3000	Lloyd's	Yes		0	2,982,000	8,256,000	0	0	0	11,238,000	3.9%
	AMA 1200	Lloyd's	Yes	0	10,535,000	0	0	0	0	0	10,535,000	3.6%
	BRT 2987	Lloyd's	Yes	0	0	6,900,000	3,600,000	0	0	0	10,500,000	3.6%
	The Sovereign General Insurance Company (PF)	Canada	Yes	0	0	0	0	0	9,900,000	0	9,900,000	3.4%
	QBE Insurance Group (PF)	Canada	Yes	0	0	0	0	5,000,000	4,800,000	0	9,800,000	3.4%
	CNA (US)	US	Yes	0	0	0	0	0	0	9,750,000	9,750,000	3.4%
	Bershire (PF)	US	Yes	0	0	0	0	0	0	9,750,000	9,750,000	3.4%
	Northbridge Insurance Company (PF)	Canada	Yes	0	0	0	0	2,500,000	6,000,000	0	8,500,000	2.9%
	Canopus 4444	Lloyd's	Yes	0	0	2,433,000	5,508,000	0	0	0	7,941,000	2.7%
	Hannover (Combined)	Combined	Yes	0	7,350,000	0	0	0	0	0	7,350,000	2.5%
	Argenta 2121	Lloyd's	Yes	0	7,350,000	0	0	0	0	0	7,350,000	2.5%
	Gerling Global Re	Canada	Yes	0	0	1,200,000	6,000,000	0	0	0	7,200,000	2.5%
	AML 2001	Lloyd's	Yes	0	6,615,000	0	0	0	0	0	6,615,000	2.3%
	Aspen Re (PF)	Canada	Yes		0	0	0	0	0	6,435,000	6,435,000	2.2%
	AXIS Re	Canada	Yes	0	3,430,000	0	3,000,000	0	0	0	6,430,000	2.2%
	AWAC	Bermuda	No	0	0	1,800,000	4,200,000	0	0	0	6,000,000	2.1%

Maximum Exposure Any One Claim

975,000 49,000,000 30,000,000 60,000,000 50,000,000 60,000,000 39,000,000 288,975,000 28.8%

Proportional Reinsurance:

London 0 29,400,000 16,500,000 30,804,000 0 0 6,630,000 83,334,000 2.1%
Canada 0 3,430,000 11,700,000 14,496,000 50,000,000 60,000,000 12,870,000 152,496,000 7.7%
US 0 0 0 0 0 0 19,500,000 19,500,000 98.1%
Bermuda 0 0 1,800,000 4,200,000 0 0 0 6,000,000
Barbados 0 16,170,000 0 6,000,000 0 0 0 22,170,000 1.9%
Total 0 49,000,000 30,000,000 55,500,000 50,000,000 60,000,000 39,000,000 283,500,000

n/a

CLLAS Proportional Retention

975,000 0 0 4,500,000 0 0 0 5,475,000 1.9%

Colchester Aggregate

n/a

CLLAS Net Retention

5,475,000