



CANADIAN LAWYERS LIABILITY ASSURANCE SOCIETY

Report on Reinsurance Security

Date: October 23, 2019



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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:

	AWAC	Colchester	Lloyd's	Swiss Re (incl. Westport)	AMA 1200 (Argo)	AML 2001 (MS Amlin)	Vibe 5678 (Vibe Syndicate)	Allianz Global Risks
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 exposure exceeds 0.1% of total assets	n/a	n/a					u/k*	
CLLAS exposure exceeds 0.5% of total capital & surplus	n/a	n/a			✓		u/k*	
Level II Monitoring Required	✓	✓			✓		u/k*	

* It was not possible to obtain consolidated financials for the Vibe Syndicate's parent companies; additional information is provided within this report

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.

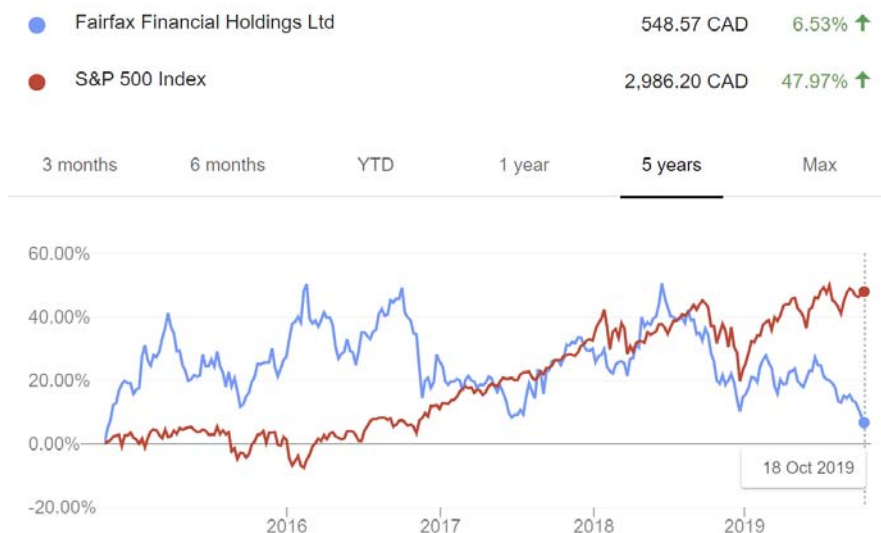
AWAC has been a participant in the CLLAS Program since 2002. Currently, AWAC participates in the highest levels of the CLLAS Program – the Optional Excess and Umbrella layers.

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 18, 2019 for Fairfax Financial Holdings (ticker: FFH, Toronto Stock Exchange) 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 G.

- Current financial strength rating is A (Excellent) Stable from A.M. Best
- Following a sizable decline in 2017, the group's equity position improved in 2018 benefiting from the capital received for debt repayment. Additionally, loss reserve development returned to a favorable level and accident year underwriting performance improved through year-end 2018, following larger than average catastrophe-related underwriting losses incurred in 2017.
- A.M. Best report was updated on February 15, 2019

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

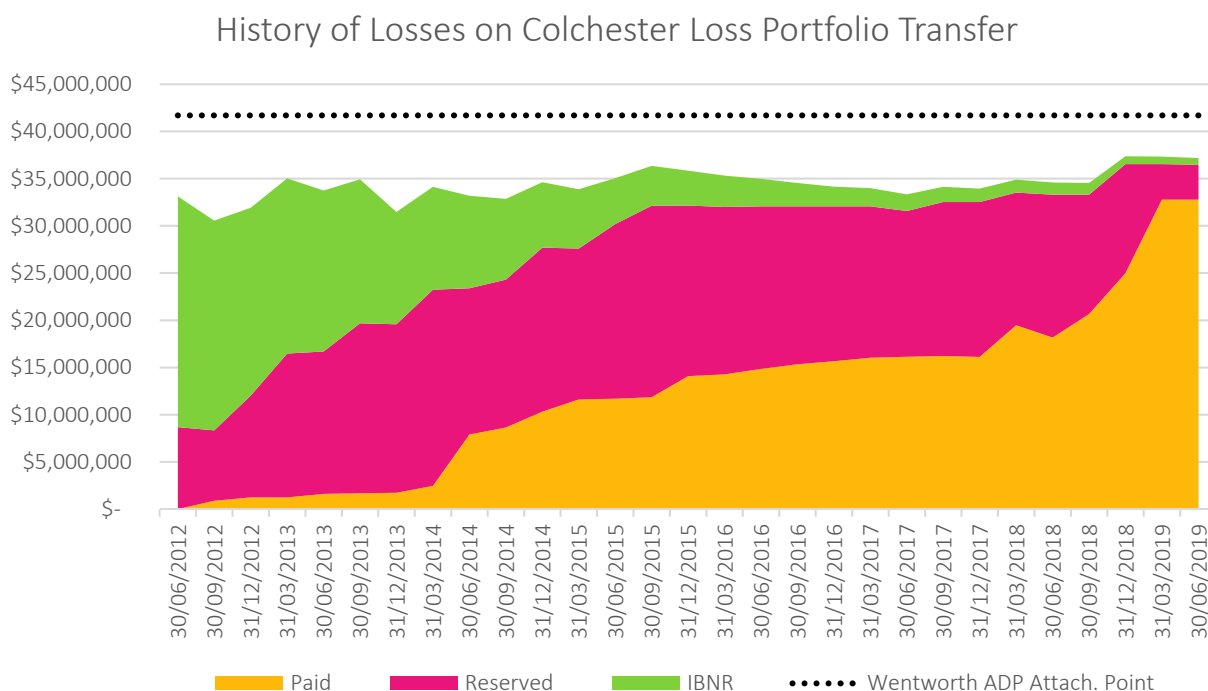
Colchester is not rated by any ratings agencies.

Financial Highlights

Please see Appendix H for a copy of the most recent financial draft statements (as of June 30, 2019). The following are some of the highlights from these financials:

- Retained earnings decreased from \$31,647,641 in 2018 to \$25,732,920 in 2019
- Income for the year, after taxation, decreased from \$6,463,974 in 2018 to \$5,258,378 in 2019
 - Reinsurance premiums written and earned increased from \$209,798 in 2018 to \$428,717 in 2019
 - Retrocession premiums increased modestly from \$1,039,022 in 2017 to \$1,069,010
- Colchester has been deliberately distributing surplus via premium reductions (as seen above in the level of premiums written), 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.

General

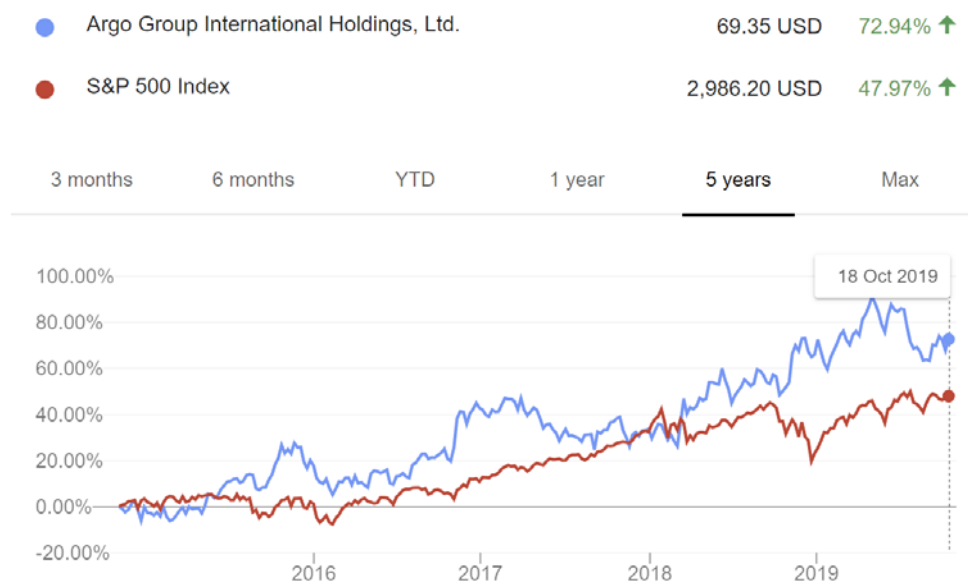
Argo Group's operating companies provide primary and excess insurance, reinsurance products and tailored risk solutions for the managing general agency market. Argo Group underwrites on an international platform.

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 October 18, 2019 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
- The group's five-year average combined ratio is in line with the commercial casualty composite while a few points higher than the global re/insurers composite. The 2018 and 2019 (year-to-date second quarter) loss and combined ratios are much improved from 2017 even while encountering catastrophe events of similar magnitudes.

- 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. Argo is taking multiple approaches to lower its expense ratio including optimizing business mix and potentially lowering acquisition costs, improving operational efficiency and effective use of third-party capital.
- Overall favorable prior year reserve development in past years although the group had some adverse reserve development in the first half of 2019 from its international segment.
- A.M. Best report was updated on October 9, 2019

2.5 Vibe 5678 (Vibe Syndicate)

Vibe began as a the RITC Syndicate Management Ltd, formed by Soros Fund Management LLC and the private equity house, Pine Brook Partners. Combined with Syndicate 5678, they were established to meet a growing demand for capital efficient run-off solutions

In May 2014, RITC Syndicate Management Limited changed its name to Vibe Syndicate Management Limited, and in July 2014, Vibe received permission from Lloyd's to begin underwriting live business as the Group plans to replicate the success of its legacy business by diversifying into new insurance and reinsurance markets.

A.M. Best Reports and financial statements are not available for Vibe's parent companies, and we are therefore unable to evaluate whether CLLAS' current claims liabilities are significant to Vibe's parent companies. However, Vibe does benefit, as all Syndicates do, from Lloyd's' "Chain of Security" which provides additional layers of funds to service policy holders in the event of a syndicate's failure. The "Chain of Security" mitigates the risk associated with syndicate default.

Lloyd's Chain of Security

Several assets		
First Link	Syndicate level assets £53,451m	
Second Link	Members funds at Lloyd's £26,483m	
Mutual assets		
Third Link	Central Fund £2,185m	Callable layer £927m
	Corporation £232m	
	Subordinated Debt £794m	

However, we do encourage CLLAS to consider the lack of additional financial strength information when setting reinsurance placement objectives for upcoming years.



Actuaries and Insurance Management Advisors

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,

A handwritten signature in black ink, appearing to read "J. Tontini".

Joseph D. Tontini
Consultant



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Nicholas J. Leblovic
Chairman
Canadian Lawyers Liability Assurance Society
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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 Popple".

Mark Popple
Director – Professional Risks

Encl.

CLLAS Reinsurance

A.M Best Ratings

October 2019

Appendix C

Reinsurers	Registered Status		2012	2013	2014	2015	2016	2017	2018	2019
Lloyd's	Registered	Rating	A	A	A	A	A	A	A	A
		Outlook	Stable	Stable	Positive	Stable	Stable	Stable	Stable	Stable
Aspen Re	Registered	Rating	A	A	A	A	A	A	A	A
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Hannover Rueck	Registered	Rating	A	A+	A+	A+	A+	A+	A+	A+
		Outlook	Positive	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (UK)	Registered	Rating	A	A	A	A	A+	A+	A+	A+
		Outlook	Stable	Stable	Positive	Positive	Positive	Stable	Stable	Stable
Arch Insurance Company (Canada Branch)	Registered	Rating	A+	A+	A+	A+	A+	A+	A+	A+
		Outlook	Stable	Stable	Stable	Stable	Stable	Negative	Negative	Stable
Allied World Assurance Company Ltd.	Unregistered	Rating	A	A	A	A	A	A	A	A
		Outlook	Positive	Stable	Stable	Stable	Stable	Negative	Stable	Stable
CRC (Bermuda) Reinsurance Ltd.	Unregistered	Rating	A	A-	N/A	N/A	N/A	N/A	N/A	N/A
		Outlook	Stable	Stable	N/A	N/A	N/A	N/A	N/A	N/A
RSA Insurance Group(formerly GCAN Insurance Company)	Registered	Rating	A	A	N/A	N/A	N/A	N/A	N/A	N/A
		Outlook	Stable	Stable	N/A	N/A	N/A	N/A	N/A	N/A
SCOR Canada Reinsurance Company	Registered	Rating	A	A	A	A	A	A+	A+	A+
		Outlook	Stable	Stable	Stable	Positive	Positive	Positive	Stable	Stable
Swiss Reinsurance Company Ltd. (Canada Branch)	Registered	Rating	A+	A+	A+	A+	A+	A+	A+	A+
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Toa Reinsurance Company of America	Registered	Rating	A+	A+	A+	A+	A+	A	A	A
		Outlook	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Alleghany Corporation (formerly Transatlantic Reinsurance Company) (Parent)	Registered	Rating	N/A	bbb+	bbb+	bbb+	A-	A-	A-	A-
		Outlook	N/A	N/A	N/A	Positive	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (Canada)	Registered	Rating	A	A	A	A	A+	A+	A+	A+
		Outlook	Stable	Stable	Positive	Positive	Stable	Stable	Stable	Stable
Colchester Reinsurance Ltd.	Unregistered	Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Outlook	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Munich Re	Registered	Rating	A+	A+	A+	A+	A+	A+	A+	A+
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Argo Group Operating Subsidiaries (AMA 1200 Parent)	Registered	Rating	A	A	A	A	A	A	A	A
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Axis Reinsurance Company	Registered	Rating	A	A	A+	A+	A+	A+	A+	A+
		Outlook	Positive	Positive	Stable	Stable	Stable	Stable	Negative	Negative
Continental Casualty Company (CNA)	Registered	Rating	A	A	A	A	A	A	A	A
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Allianz Global Risks	Registered	Rating	A+	A+	A+	A+	A+	A+	A+	A+
		Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
CNA Canada	Registered	Rating	N/A	N/A	N/A	A*	A*	A*	A*	A*
		Outlook	N/A	N/A	N/A	Stable*	Stable*	Stable*	Stable*	Stable*

CLLAS Reinsurance

S&P Ratings
October 2019

Appendix C

Reinsurers		2012	2013	2014	2015	2016	2017	2018	2019
Lloyd's	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Negative	Negative
Aspen Re	Rating	A	A	A	A	A	A	A	A
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Negative	Negative
Hannover Rueck	Rating	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (UK)	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Arch Insurance Company (Canada Branch)	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Negative	Negative	Stable	Stable
Allied World Assurance Company Ltd.	Rating	A	A	A	A	A	A-	A-	A-
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Positive
CRC (Bermuda) Reinsurance Ltd.	Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Outlook	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RSA Insurance Group(formerly GCAN Insurance Company)	Rating	A+	A	A	A	A	A	A	A
	Outlook	Negative	Negative	Stable	Stable	Stable	Stable	Stable	Stable
SCOR Canada Reinsurance Company	Rating	A+	A+	A+	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Positive	Stable	Stable	Stable	Stable	Stable
Swiss Reinsurance Company Ltd. (Canada Branch)	Rating	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Toa Reinsurance Company of America	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Alleghany Corporation (formerly Transatlantic Reinsurance Company) (Parent)	Rating	BBB	BBB	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Transatlantic Reinsurance Company (Canada)	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Colchester Reinsurance Ltd.	Rating	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Outlook	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Munich Re	Rating	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Argo Group Operating Subsidiaries (AMA 1200 Parent)	Rating	A-	A-	A-	A-	A-	A-	A-	A-
	Outlook	Stable	Negative	Stable	Stable	Stable	Stable	Stable	Stable
Axis Reinsurance Company	Rating	A+	A+	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Negative	Negative	Stable
Continental Casualty Company (CNA)	Rating	A-	A	A	A	A	A	A	A
	Outlook	Positive	Positive	Stable	Stable	Stable	Stable	Stable	Positive
Allianz Global Risks	Rating	AA	AA	AA	AA	AA	AA	AA	AA
	Outlook	Negative	Stable	Stable	Stable	Stable	Stable	Stable	Stable
CNA Canada	Rating	N/A	N/A	N/A	A	A	A	A	A
	Outlook	N/A	N/A	N/A	Stable	Stable	Stable	Stable	Positive

Insurer Financial Ratings

CLLAS Canadian Excess Program

INSURANCE COMPANY		COUNTRY	BEST'S RATING	S&P RATING
LIBERTY INTERNATIONAL UNDERWRITERS CANADA, A DIVISION OF LIBERTY MUTUAL INSURANCE COMPANY		U.S.A.	A	A
TRAVELERS COMMERCIAL INSURANCE COMPANY OF CANADA		Canada	A++	AA
SOVEREIGN GENERAL INSURANCE COMPANY		Canada	A-	
NORTHBRIDGE COMMERCIAL INSURANCE CORP.		Canada	A	A-
ROYAL & SUN ALLIANCE INS CO OF CANADA		Canada	NR	A
QBE INSURANCE (INTERNATIONAL) LTD.		U.S.A.	A	A+
AXIS Reinsurance Company		Canada	A+	A+
XL Specialty Insurance Company		U.S.A.	A+	AA-
ENCON GROUP INC. - Participants				
1	Continental Casualty Company	U.S.A.	A	A
2.	XL/Catlin Reinsurance America Inc.	U.S.A.	A+	AA-
3.	Temple Insurance Company	Canada	A+	A+
4.	Aviva Insurance Company of Canada	Canada	A	A+

Ratings reflect the most recent issue, update or change communicated by the rating agency. Effective dates on S&P interactive ratings above do not reflect affirmations. Ratings do not necessarily correspond to a specific data year. "Secure" scales are described below. Refer to A.M. Best's (Best's) and Standard and Poor's (S&P) definitions for details. Conversions to U.S. Dollars are subject to exchange rate differences. Sources of financial data (company accounts or regulatory returns) for non-US companies are indicated on the individual company reports

Best's Ratings		S&P Ratings	
A++, A+ Superior	Best's rating modifiers may be assigned based on group affiliation: (r=Reinsured, p=Pooled, or g=Group) FPR ratings range from 1-9, where 1=Poor and 9=Very Strong	AAA Extremely Strong	S & P Financial Strength ratings may be modified by the use of a "+" or "-" sign to show relative standing within a category. The "pi" indicates a "public information" rating. A "pos", "neg", or "dev" indicates a positive, negative, or developing CreditWatch implication
A, A- Excellent		AA Very Strong	
B++, B+ Very Good		A Strong	
U Under review		BBB Good	

Insurer Financial Ratings

CLLAS International Program

INSURANCE COMPANY	COUNTRY	BEST'S RATING	S&P RATING
CONTINENTAL CASUALTY COMPANY	U.S.A.	A	A
AXA XL	U.S.A.	A+	AA-
BERKSHIRE	U.S.A.	A++	AA+
ASPEN RE	U.S.A.	A	A
LLOYDS - IRONSHORE	UNITED KINGDOM	A	A

CLLAS Reinsurance

Appendix D

Top 25 Reinsurers by % of Current Liability

ALL YEARS

Watch	Name	Jurisdiction	Reg'd?	LAYERS									TOTAL	All-time Percent of Total	Prev. Year Percent of Total	Move- ment?
				\$.975MM XS	\$4/\$49MM XS	\$7.5MM XS	\$12.5MM XS	\$10MM XS	\$30/60MM XS	\$20MM XS	\$10-60MM XS	\$15- 110MM XS				
➔	Underwriters at Lloyd's	London	Yes	0	30,509,991	142,390	93,970	166,379	69,851	570	102,733	0	31,085,884	52.5%	41.6%	Up
➔	AMA 1200	Lloyd's	Yes	0	11,615,549	0	0	0	70	0	0	0	11,615,619	19.6%	12.7%	Up
➔	Colchester	Barbados	No	0	10,490,741	0	0	0	0	0	17,725	0	10,508,465	17.7%	11.1%	Up
	PPI 9969	Lloyd's	Yes	0	5,692,544	0	0	0	0	0	5,628	0	5,698,172	9.6%	5.7%	Up
➔	AML 2001	Lloyd's	Yes	0	4,883,332	0	12,135	17,839	0	44	0	0	4,913,350	8.3%	5.6%	Up
➔	Allianz Global Risks	London	Yes	0	3,495,592	0	0	0	0	0	0	0	3,495,592	5.9%	3.2%	Up
	AUL 1274	Lloyd's	Yes	0	3,355,037	0	0	0	0	0	0	0	3,355,037	5.7%	3.1%	Up
➔	Vibe 5678	Lloyd's	Yes	0	2,485,156	0	0	0	0	0	0	0	2,485,156	4.2%	1.4%	Up
	AXIS Re	Canada	Yes	0	2,282,950	0	0	0	0	0	14,666	0	2,297,617	3.9%	2.2%	Up
	CNA (Combined)	Combined	Mixed	0	1,829,202	0	0	0	0	0	0	0	1,829,202	3.1%	2.3%	Up
	CNA (Canada)	Canada	Yes	0	1,788,141	0	0	0	0	0	0	0	1,788,141	3.0%	2.3%	Up
	AGD 2526	Lloyd's	Yes	0	1,094,719	1,565	0	0	88	0	557	0	1,096,928	1.9%	1.9%	Down
	Hamilton 3334	Lloyd's	Yes	0	923,001	0	0	0	1,534	0	3,952	0	928,487	1.6%	0.7%	Up
➔	Swiss Re (Combined)	Combined	Mixed	0	0	0	0	104,036	47,018	1,296	82,357	204,498	439,205	0.7%	2.9%	Down
➔	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	0	0	0	43,183	0	81,382	204,498	329,063	0.6%	0.3%	Up
	Transatlantic Reinsurance Company (Combined)	Combined	Yes	0	68,435	51,738	60,227	0	0	0	0	0	180,400	0.3%	2.5%	Down
	Acappella 2014	Lloyd's	Yes	0	152,840	0	0	0	5,450	0	18,439	0	176,729	0.3%	0.2%	Up
	Liberty (Combined)	Combined	Yes	0	111,303	0	14,872	0	4,594	289	9,755	0	140,813	0.2%	1.1%	Down
	PEM 4000	Lloyd's	Yes	0	111,303	0	14,872	0	4,169	55	9,644	0	140,044	0.2%	1.1%	Down
	Aspen Re	London	Yes	0	0	53,670	39,536	34,035	0	0	0	0	127,241	0.2%	3.0%	Down
	AFB 623/2623	Lloyd's	Yes	0	0	122,620	0	0	4,364	0	0	0	126,984	0.2%	2.6%	Down
	Transatlantic Reinsurance Company (Canada)	Canada	Yes	0	68,435	14,294	35,351	0	0	0	0	0	118,081	0.2%	2.4%	Down
	MKL 3000	Lloyd's	Yes	0	0	0	25,527	61,712	7,726	0	22,011	0	116,977	0.2%	2.5%	Down
	AmTrust 1206	Lloyd's	Yes	0	98,597	0	0	0	4,318	0	7,397	0	110,311	0.2%	0.2%	Up
➔	Swiss Re (Canada)	Canada	Yes	0	0	0	0	104,036	3,835	1,296	976	0	110,143	0.2%	2.6%	Down
	Barbican 1955	Lloyd's	Yes	0	97,913	0	0	0	148	0	332	0	98,392	0.2%	0.1%	Up
	Scor Re.	Canada	Yes	0	0	12,740	36,612	47,343	1,333	0	0	0	98,027	0.2%	3.2%	Down
	MFM 2468	Lloyd's	Yes	0	0	0	33,937	62,224	0	0	404	0	96,565	0.2%	2.4%	Down
	Hannover Ruck	London	Yes	0	0	0	69,189	0	0	0	0	0	69,189	0.1%	2.6%	Down

Total Current Liabilities	1,835,674	55,346,260	561,054	432,967	427,534	134,338	5,183	297,055	204,498	59,244,564
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Proportional Reinsurance:

London	0	34,005,583	233,503	227,571	200,414	69,851	570	102,733	0	34,840,225	58.8%	50.5%	Up
Canada	0	4,180,588	97,088	83,754	151,379	54,358	1,296	154,643	204,498	4,927,603	8.3%	15.1%	Down
Bermuda	0	0	22,438	17,762	0	10,129	3,317	21,955	0	75,601	0.1%	1.0%	Down
Barbados	0	10,490,741	0	0	0	0	0	17,725	0	10,508,465	17.7%	11.1%	Up
Total	0	48,676,912	353,029	329,087	351,793	134,338	5,183	297,055	204,498	50,351,895	85.0%	77.6%	Up
CLLAS Proportional Retention	1,835,674	6,669,349	208,025	103,880	75,742	0	0	0	0	8,892,670	15.0%	22.4%	Down
➔ Colchester Loss Portfolio Transfer & Stop Loss	86,757	6,669,349	208,025	103,880	75,742	0	0	0	0	7,143,753	12.1%	20.3%	Down
CLLAS Net Retention										1,748,917	3.0%	2.0%	Up

CLLAS Reinsurance

Appendix E

Reinsurers by % of Current Liability

CURRENT YEAR (2019/2020)

Watch	Name	Jurisdiction	Reg'd?	LAYERS					TOTAL	Percent of Total	Prev. Year Percent of Total	Movement?
				\$0.025MM XS	\$0.025MM XS	\$0.025MM XS	\$0.025MM XS	\$0.025MM XS				
				\$0.025MM	\$0.025MM	\$0.025MM	\$0.025MM	\$0.025MM				
➡	Underwriters at Lloyd's	London	Yes	0	1,995,952	4,972	13,744	0	2,014,667	50.4%	64.3%	Down
➡	Colchester	Barbados	No	0	798,381	0	2,499	0	800,880	20.1%	19.1%	Up
➡	AMA 1200	Lloyd's	Yes	0	694,244	0	0	0	694,244	17.4%	19.1%	Down
➡	Vibe 5678	Lloyd's	Yes	0	520,683	0	0	0	520,683	13.0%	9.0%	Up
➡	Allianz Global Risks	London	Yes	0	433,903	0	0	0	433,903	10.9%	7.5%	Up
➡	AML 2001	Lloyd's	Yes	0	433,903	0	0	0	433,903	10.9%	10.3%	Up
	AUL 1274	Lloyd's	Yes	0	347,122	0	0	0	347,122	8.7%	7.5%	Up
	AXIS Re	Canada	Yes	0	242,985	0	1,249	0	244,235	6.1%	4.8%	Up
➡	Swiss Re (Combined)	Combined	Mixed	0	0	3,164	1,249	29,192	33,606	0.8%	1.0%	Down
➡	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	3,164	1,249	29,192	33,606	0.8%	1.0%	Down
	MKL 3000	Lloyd's	Yes	0	0	776	3,496	0	4,272	0.1%	0.1%	Up
	BRT 2987	Lloyd's	Yes	0	0	2,079	935	0	3,014	0.1%	0.1%	Up
	Gerling Global Re	Canada	Yes	0	0	362	2,499	0	2,860	0.1%	0.1%	Up
	AmTrust 1206	Lloyd's	Yes	0	0	597	2,232	0	2,828	0.1%	0.0%	Up
➡	AWAC	Bermuda	No	0	0	542	1,749	0	2,292	0.1%	0.1%	Up
	RSA (Combined)	Combined	Yes	0	0	0	1,999	0	1,999	0.1%	0.0%	Up
	Royal & Sun Alliance Co. of Canada	Canada	Yes	0	0	0	1,999	0	1,999	0.1%	0.0%	Up
	Endurance 5151	Lloyd's	Yes	0	0	0	1,874	0	1,874	0.0%	0.0%	Up
	Liberty (Combined)	Combined	Yes	0	0	447	1,387	0	1,834	0.0%	0.0%	Up
	PEM 4000	Lloyd's	Yes	0	0	447	1,387	0	1,834	0.0%	0.0%	Up
	Acappella 2014	Lloyd's	Yes	0	0	0	1,797	0	1,797	0.0%	0.1%	Down
	FDY 435	Lloyd's	Yes	0	0	379	1,025	0	1,403	0.0%	0.0%	Up
	Probitas 1492	Lloyd's	Yes	0	0	0	1,000	0	1,000	0.0%	0.0%	Up
	AFB 623/2623	Lloyd's	Yes	0	0	360	0	0	360	0.0%	0.0%	Down
	Catlin (Combined)	Combined	Yes	0	0	334	0	0	334	0.0%	0.0%	Down
	SJC 2003	Lloyd's	Yes	0	0	334	0	0	334	0.0%	0.0%	Down

Total Current Liabilities	458,966	3,471,220	9,039	24,989	29,192	3,993,407			
Proportional Reinsurance:									
London	0	2,429,854	4,972	13,744	0	2,448,570	61.3%	71.8%	Down
Canada	0	242,985	3,525	6,997	29,192	282,700	7.1%	5.9%	Up
Bermuda	0	0	542	1,749	0	2,292	0.1%	0.1%	Up
Barbados	0	798,381	0	2,499	0	800,880	20.1%	19.1%	Up
Total	0	3,471,220	9,039	24,989	29,192	3,534,441	88.5%	96.8%	Down
CLLAS Proportional Retention	458,966	0	0	0	0	458,966	11.5%	3.2%	Up
➡ Colchester Aggregate						0	0.0%	0.0%	Zero
CLLAS Net Retention						458,966	11.5%	3.2%	Up

CLLAS Reinsurance

Appendix F

Reinsurers by % of Single Claim Exposure

CURRENT YEAR (2019/2020)

Watch	Name	Jurisdiction	Reg'd?	LAYERS					TOTAL	Percent of Total	Prev. Year	
				\$.975MM XS	\$49MM XS	\$30/60MM XS	\$10-60MM XS	\$110MM XS			Percent of Total	Move-ment?
➔	Underwriters at Lloyd's	London	Yes	0	28,175,000	16,500,000	33,000,000	0	77,675,000	53.4%	44.5%	Up
➔	Swiss Re (Combined)	Combined	Mixed	0	0	10,500,000	3,000,000	5,500,000	19,000,000	13.1%	23.4%	Down
➔	Westport Insurance Corp. (Swiss Re)	Canada	Yes	0	0	10,500,000	3,000,000	5,500,000	19,000,000	13.1%	23.4%	Down
➔	Colchester	Barbados	No	0	11,270,000	0	6,000,000	0	17,270,000	11.9%	9.8%	Up
	MKL 3000	Lloyd's	Yes	0	0	2,577,000	8,394,000	0	10,971,000	7.5%	4.0%	Up
➔	AMA 1200	Lloyd's	Yes	0	9,800,000	0	0	0	9,800,000	6.7%	6.7%	Unchanged
	BRT 2987	Lloyd's	Yes	0	0	6,900,000	2,244,000	0	9,144,000	6.3%	5.4%	Up
➔	Vibe 5678	Lloyd's	Yes	0	7,350,000	0	0	0	7,350,000	5.1%	2.0%	Up
	AmTrust 1206	Lloyd's	Yes	0	0	1,980,000	5,358,000	0	7,338,000	5.0%	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
	AXIS Re	Canada	Yes	0	3,430,000	0	3,000,000	0	6,430,000	4.4%	3.7%	Up
➔	Allianz Global Risks	London	Yes	0	6,125,000	0	0	0	6,125,000	4.2%	2.2%	Up
➔	AML 2001	Lloyd's	Yes	0	6,125,000	0	0	0	6,125,000	4.2%	3.3%	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
	Liberty (Combined)	Combined	Yes	0	0	1,485,000	3,330,000	0	4,815,000	3.3%	2.0%	Up
	PEM 4000	Lloyd's	Yes	0	0	1,485,000	3,330,000	0	4,815,000	3.3%	2.0%	Up
	RSA (Combined)	Combined	Yes	0	0	0	4,800,000	0	4,800,000	3.3%	3.3%	Unchanged
	Royal & Sun Alliance Co. of Canada	Canada	Yes	0	0	0	4,800,000	0	4,800,000	3.3%	3.3%	Unchanged
	Endurance 5151	Lloyd's	Yes	0	0	0	4,500,000	0	4,500,000	3.1%	1.3%	Up
	Acappella 2014	Lloyd's	Yes	0	0	0	4,314,000	0	4,314,000	3.0%	4.3%	Down
	FDY 435	Lloyd's	Yes	0	0	1,257,000	2,460,000	0	3,717,000	2.6%	2.0%	Up
	Probitas 1492	Lloyd's	Yes	0	0	0	2,400,000	0	2,400,000	1.6%	0.0%	Up
	AFB 623/2623	Lloyd's	Yes	0	0	1,194,000	0	0	1,194,000	0.8%	0.8%	Unchanged
	Catlin (Combined)	Combined	Yes	0	0	1,107,000	0	0	1,107,000	0.8%	0.7%	Up
	SJC 2003	Lloyd's	Yes	0	0	1,107,000	0	0	1,107,000	0.8%	0.7%	Up

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	6,125,000	0	0	0	6,125,000	4.2%	51.8%	Down
Canada	0	3,430,000	11,700,000	16,800,000	5,500,000	37,430,000	25.7%	34.9%	Down
Bermuda	0	0	1,800,000	4,200,000	0	6,000,000	4.1%	5.6%	Down
Barbados	0	11,270,000	0	6,000,000	0	17,270,000	11.9%	7.0%	Up
Total	0	20,825,000	13,500,000	27,000,000	5,500,000	66,825,000	45.9%	99.3%	Down

CLLAS Proportional Retention

975,000 28,175,000 16,500,000 33,000,000 0 78,650,000 54.1% 0.7% Up

➔ Colchester Aggregate

n/a n/a n/a

CLLAS Net Retention

78,650,000 54.1% 0.7% Up

Reinsurers by % of Single Claim Exposure
CURRENT YEAR (2019/2020)

[illegible]