



Palomar

PALOMAR HOLDINGS, INC.

Domiciliary Address: 1209 Orange Street, Wilmington, Delaware 19801 United States

Administrative Office: 7979 Ivanhoe Avenue, Suite 500, La Jolla, California 92037 United States

AMB #: 033566

NAIC #: N/A

FEIN #: 83-3972551

Phone: +1-619-567-5290

Fax: +1-619-567-6954

Website: www.plmr.com

PALOMAR SPECIALTY INSURANCE COMPANY

A

Domiciliary Address: 1050 S.W. 6Th Avenue, Suite 1100, Portland, Oregon 97204 United States

Administrative Office: 7979 Ivanhoe Avenue, Suite 500, La Jolla, California 92037 United States

Mailing Address: 7979 Ivanhoe Avenue, Suite 500, La Jolla, California 92037 United States

AMB #: 022031

NAIC #: 20338

FEIN#: 95-2379438

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Best's Credit Rating Effective Date
September 11, 2025

Analytical Contacts

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Information

[Best's Credit Rating Methodology](#)
[Guide to Best's Credit Ratings](#)
[Market Segment Outlooks](#)

Financial Data Presented

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Palomar Holdings, Inc.

AMB #: 033566 | **FEIN #:** 83-3972551
Ultimate Parent: AMB # 033566 - Palomar Holdings, Inc.

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A
Excellent
Outlook: **Stable**
Action: **Affirmed**

Issuer Credit Rating (ICR)

a
Excellent
Outlook: **Stable**
Action: **Affirmed**

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Strong
Business Profile	Limited
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: Palomar Holdings, Inc. | **AMB #:** 033566

AMB # **Rating Unit Members**
020907 Palomar Excess and Surplus Ins
022031 Palomar Specialty Insurance Co

AMB # **Rating Unit Members**
094465 Palomar Specialty Re Co BM Ltd

Best's Credit Rating - for the Holding Company

Issuer Credit Rating (ICR)

bbb
Good
Outlook: **Stable**
Action: **Affirmed**

Rating Rationale - for the Rating Unit Members

The Issuer Credit Ratings and Financial Strength Ratings of the member operating companies of the rating unit are determined in accordance with Best's building block rating methodology as applied to the consolidated group's financial statements, and the supporting analytics and results are described in the following sections of this report.

Balance Sheet Strength: **Very Strong**

- Palomar Holdings, Inc. (Palomar), maintains the strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) at the 99.6% VaR level.
- The group maintains sound balance sheet liquidity supported by generally positive cash flow activity.
- More recent periods have reported favorable loss reserve development, following a few years of unfavorable development primarily driven by storm loss activity. Furthermore, reserve leverage remains lower than its industry composite average.
- Materially dependent on reinsurance coverage for surplus protection.

Operating Performance: **Strong**

- Palomar reported solid operating earnings in recent years despite ramping up business. Gross written premium continues to materially increase, primarily a result of growth in casualty, crop and earthquake business.
- Performance is influenced by extensive use of quota share reinsurance contracts and other forms of reinsurance to moderate volatility. These arrangements have influenced net written premium growth as compared to the trajectory of gross written premium.
- On average, the group produced a five-year combined ratio that compares favorably to the composite average. The result is marked by low loss experience paired with an elevated expense ratio. As the group grows, the larger premium base is expected to improve the expense position.
- Consistently positive return on revenue and equity results over the most recent five-year period that outpace the composite.

Business Profile: **Limited**

- Palomar strategically targets five functional segments: earthquake, casualty, crop, fronting and inland marine / other property. Offering products on both an admitted and non-admitted basis. The profile exposes Palomar to catastrophic loss accumulation, as well as regulatory and legislative changes and judicial decisions, particularly in California.
- Positioned as one of the largest earthquake coverage providers with local market expertise in the California earthquake space.
- Extensive distribution channels that leverage retail agents, wholesale brokers, program administrators and other insurance carriers.

Enterprise Risk Management: **Appropriate**

- Palomar utilizes a conservative risk management philosophy. Risk management capabilities are appropriately matched to its risk profile and the complexity of the organization.
- The group has a formalized ERM framework that includes risk identification and reporting, risk appetite and tolerances, risk management and controls, stress testing and corporate governance.
- The group utilizes probabilistic modeling and deterministic modeling of historical events to determine the appropriateness of its reinsurance coverage.
- Catastrophe and quota share reinsurance contracts help mitigate Palomar's risks; however, tail risk remains as reflected in the BCAR at the 99.8% VaR level. While the score is negative, it has materially improved since year-end 2019 as management continues to refine exposure management initiatives.

Outlook

- The stable outlooks reflect the expectation that the group will maintain its overall balance sheet assessment of very strong, supported by risk-adjusted capitalization at the strongest level, while continuing to produce strong operating results influenced by a comprehensive distribution network and strict adherence to underwriting guidelines, despite material growth expectations and exposure to shock events.

Rating Drivers

- Positive rating action could occur if Palomar continues to effectively develop the portfolio of risks, leading to a more stable footprint and refined overall business profile that supports strategic goals.

- Negative rating action could occur if risk-adjusted capitalization as measured by BCAR or key balance sheet metrics were to materially decline, whether through equity erosion or changes to the reinsurance program.
- Negative rating action could occur following sustained erosion in operating performance metrics that no longer align with the strong assessment.

Rating Rationale - for the Holding Company

The rating of the holding company is determined by reference to the Issuer Credit Rating (ICR) of the operating insurance company members. It reflects consideration of holding company sources and uses of cash, the competing demands placed upon holding company resources and normal subordination of holding company creditors to claims of the policyholders of the operating insurance companies. In general, therefore, the holding company's Issuer Credit Rating is notched from those assigned to the operating companies of the rating unit.

Credit Analysis

Balance Sheet Strength

Palomar Holdings, Inc. has a balance sheet assessment categorized as very strong, supported by its strongest level of risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) at the 99.6 VaR, which is driven by moderate underwriting leverage and a conservative investment risk profile. The primary offsetting factors are material dependence on reinsurance and elevated modeled risk, as a writer of catastrophe-exposed business. The latter is partially offset by a comprehensive reinsurance program intended to protect the balance sheet from shock losses.

Capitalization

Palomar Holdings, Inc. maintains the strongest level of risk-adjusted capitalization as measured by its Best Capital Adequacy Ratio (BCAR). The company's capital position reflects its moderate net underwriting leverage and conservative investment risk profile, partially offset by significant reinsurance dependence and off balance sheet catastrophe exposure. GAAP equity increased considerably over the last five years. The group's main driver of surplus appreciation were proceeds from equity issuances completed in 2020 and 2024 with improvement in retained earnings derived from net income bolstering the position.

The group maintains sound balance sheet liquidity as measured by current and overall liquidity ratios that do not materially deviate from industry composite averages. Operating cash flows have been solid over the past five years, driven by a significant increase in premiums collected. Underwriting leverage has remained moderate as the group ramps up business. The gross, ceded and net underwriting leverage remain higher than the composite averages, more profoundly in regards to the ceded and gross leverage influenced by elevated reinsurance dependency.

Based on the company's business concentration in catastrophe-exposed lines of business and geographic locations, overall capitalization is susceptible to aggregate losses, primarily resulting from earthquake occurrences. The group effectively manages this exposure through its sophisticated catastrophe modeling techniques and a comprehensive catastrophe reinsurance program. The net probable maximum loss from an All Peril event is contemplated within the BCAR calculation.

Asset Liability Management - Investments

The group maintains a conservative investment risk profile primarily comprised of long-term bonds with the remainder held in cash and short-term investments and equity positions. The investment risk profile is modest as non-affiliated investment leverage is below the composite average. Non-affiliated investment leverage is comprised of common stock leverage and non-investment grade bond leverage. Common stock leverage declined over the past 5 years as GAAP equity growth outpaced growth in the equity portfolio. Annual proceeds have generally been invested in fixed income. Management is slowing increasing investments in private equity.

Reserve Adequacy

Palomar reported mixed loss reserve development over the past five years, with favorable one-year development recorded in three of the last five, most recently in 2024 due to a lower than anticipated level of severity related to Inland Marine and other property claims. Unfavorable development was recorded in 2022 and 2023, with 2022 influenced by development of 2020 catastrophes and 2023 influenced by Winter Storm Elliot development, as well as 3 assumed programs which have since been discontinued. Loss and LAE reserves are primarily allocated to the other liability, inland marine and allied lines of business. The group's primary lines of business are residential and commercial earthquake coverage, which is a low frequency and high severity segment. Loss reserve leverage is lower than the industry composite average.

Balance Sheet Strength (Continued...)**Holding Company Assessment**

Palomar Holdings, Inc. is the ultimate parent and holding company of Palomar Specialty Insurance Company, Palomar Specialty Reinsurance Company Bermuda Ltd. and Palomar Excess and Surplus Insurance Company. Publicly traded under NASDAQ ticker PLMR. The holding company provides a level of financial flexibility as evidenced by the IPO.

In 2021, the Board approved a share repurchase program of \$40M, Palomar repurchased \$15.9M under this program. In 2022, the board approved a new share repurchase program up to \$100M through Q1 2024 and repurchased \$56.5M under this program. Excess of repurchase price over par value is entirely charged to retained earnings. In 2024, a stock offering generated \$115.7M in capital.

Operating Performance

Palomar Holdings Inc.'s operating strategy is premised around limited fixed cost investment through the use of third-party outsourced vendors. Management has developed a business plan that incorporates controlled growth and significant reinsurance to endure catastrophic events and capitalize on opportunities post-event.

On a GAAP basis, Palomar reported net income in each of the last five years, with the most on an absolute basis reported in 2024, driven by more robust underwriting income. As Palomar continued to expand its premium base, revenue has consistently increased year over year. From a weather perspective, elevated frequency in 2020 generated considerable catastrophe losses via Hurricanes Hanna, Laura, Sally, Delta and Zeta. Results continue to be impacted by storms, more recently by Hurricane Beryl, Helene and Milton in 2024. Nonetheless, Palomar has averaged a five-year combined ratio that outperforms the commercial property composite average, inclusive of the storms. The position benefits from better-than-average loss experience paired against an elevated expense position (influenced by commissions).

Management continues to refine the underlying portfolio to optimize returns while leveraging extensive reinsurance programs to reduce net exposure to both catastrophes and attritional losses. The organization has grown considerably over the last five years with Palomar on-boarding over \$1B of additional gross written premium since YE 2019. Growth over the five-year period driven by increases in all key strategic segments (earthquake, inland marine/other property, fronting, casualty and crop). Palomar continues to geographically diversify with a material amount of the on-boarded premium coming from states outside California, though this state remains its top exposure as quake business continues to anchor the book. Expansion has benefited from the establishment of the E&S company in 2020. While new lines of business have been added, such as non-admitted builders risk and excess liability, management also made the decision to exit admitted specialty homeowners and transition the Hawaii hurricane book to a newly established reciprocal exchange in order to moderate exposure to the organization.

Net return on revenue and equity have been positive in each of the last five years, comparing favorably to composite averages. Underwriting income became more robust and consistent in recent years as the group reached a favorable scale with revenue outpacing acquisition costs. Net income has been consistent and continually supported by net investment earnings.

Business Profile

The group writes about half of its direct business in California - primarily earthquake coverage. The concentration exposes it to catastrophic loss accumulation, as well as regulatory and legislative changes, and judicial decisions. The remainder of business is primarily written in Texas, Hawaii, Florida and Washington; however, the geographic diversification has been improving with the introduction of the non-admitted insurance entity in 2020 and continued expansion of the admitted products. Aside from earthquake, other primary lines of business include inland marine, other property, casualty and crop. The group also acts as a fronting carrier as a way to generate fee income and leverage program relationships.

The group is comprised of Palomar Specialty Insurance Company (PSIC), Palomar Specialty Reinsurance Company Bermuda Ltd. (Palomar Re) and Palomar Excess and Surplus Insurance Company (PESIC). The primary operating subsidiary, PSIC, is an insurance company domiciled in the state of Oregon that was formed in February 2014. Palomar Re is a Bermuda-based reinsurance subsidiary that was incorporated in August 2014 and provides reinsurance support exclusively to PSIC. PESIC is domiciled in the state of Arizona to write surplus lines business on a nationwide basis across all of the group's existing lines of business. PESIC received regulatory approval in 2020 and was capitalized with approximately \$100 million in initial surplus. PSIC, PESIC and Palomar Re have an intercompany pooling agreement, whereby all premiums, losses and expenses are ceded to the lead member of the pool, PSIC, and redistributed to PSIC, PESIC and Palomar Re.

Palomar Re was originally formed to cede a pro rata share of PSIC's catastrophe retention. The cession was focused on specified lines of business to build capital in a more tax efficient manner. The core role of Palomar Re was modified, with the domestication of the parent company to the U.S. to facilitate the IPO, and it became a full U.S. tax paying entity. Consequently, it was decided to freeze

Business Profile (Continued...)

earthquake and Hawaii hurricane cessions effective July 1, 2019. However, Palomar Re remains a risk transfer affiliate of the group with its ability to spread risk and provide surplus relief for PSIC and PESIC.

The strategic rationale for the creation of PESIC was the logical progression of the group's property franchise and opportunity to selectively extend into other specialty segments. The primary lines of business are non-admitted commercial earthquake, commercial all risk and inland marine. PESIC is actively writing in-house business as well as through select program administrators.

The group distributes its products through a multi-channel, open architecture distribution model which includes retail agents, wholesale brokers, program administrators and carrier partnerships. They have a well-defined underwriting criteria and have designed their distribution model to access their targeted risks through what they believe to be the most efficient channels.

Enterprise Risk Management

Palomar Holdings, Inc.'s enterprise risk management is appropriate for its risk profile and the complexity of the organization. An ERM sub-committee meets with senior management and reports to the Audit Committee to keep practices consistent. The sub-committee consists of 3 board members who meet at least bi-annually. The ERM committee, along with senior management, are responsible for: setting general ERM strategy, assisting in overseeing internal and external communications, evaluating current/emerging risks and suggesting how to address such risks, assessing and monitoring risk framework. Filed first ORSA report in 2025, includes established benchmarks and KPIs to manage/monitor potential outcomes.

Management is aware of its tail risk exposure and monitors tail events and limits exposure accumulations in areas designated as high risk in terms of vulnerability. A conservative reinsurance strategy is imposed to preserve capital and purchase to a minimum of the 1/250-year total all perils gross PML. Catastrophe and quota share reinsurance contracts help to mitigate Palomar Holdings, Inc.'s risk; however, there is tail risk as reflected in the BCAR at the 99.8% VaR level. Nonetheless, deterministic testing models known events within the current tower coverage, namely the 1906 San Francisco Earthquake and the 1994 Northridge Earthquake. Furthermore, the value at the tail VaR has improved consistently in recent years.

Additionally, Palomar Holdings, Inc. intends to underwrite and manage its portfolio beyond the results of the model and hedge against "model miss" through quarterly multi-model portfolio processing, geographic diversification, conservative limit management and risk accumulation management.

Reinsurance Summary

The group utilizes catastrophe excess of loss reinsurance coverage to protect against large shock losses. Access to reinsurance is through multi-channels such as brokers, direct access and insurance-linked securities (Torrey Pines Re). Management employs value-added features including dynamic coverage to match growth; multi-year purchasing strategies; inuring, underlying and cascading coverages; as well as the complimentary utilization of quota shares, excess of loss and facultative coverage. Management maintains a large diversified panel of reinsurers with year-round planning and execution.

The Core Cat XOL tower provides ground up earthquake limit of \$3.5B, ground up Hawaii hurricane limit of \$735M and ground up Continental US hurricane limit of \$100M. The effective per occurrence retention for earthquake events is \$20M, while the effective per occurrence retention for a Hawaii hurricane is \$1.5M and for a Continental US hurricane is \$11M. A number of other quota shares are strategically used for program and internally managed business to mitigate volatility.

Environmental, Social & Governance

AM Best views the main ESG risk to Palomar as climate and earthquake risk. More recent weather patterns have given way to a greater number of severe storms. The company has a concentrated property portfolio in California, Texas and Hawaii, the former susceptible to earthquake patterns and the latter (among other geographic territories) subject to weather events. Amid recent activity, risks have been mitigated with the company reporting modest hurricane-related losses occurring in the last five years. These hurricanes were capped at the initial retention of the catastrophe reinsurance programs. Management continues to refine the underwriting process to include more granular data and enhance rate adequacy. Management has also implemented strict guidelines to manage exposure and worked to refine the admitted property portfolio.

Financial Statements

	12/31/2024		12/31/2023
Balance Sheet	USD (000)	%	USD (000)
Cash and Short Term Investments	80,539	3.6	51,852
Bonds	939,046	41.5	643,799
Equity Securities	40,529	1.8	43,160
Other Invested Assets	8,140	0.4	2,617
Total Cash and Invested Assets	1,068,254	47.2	741,428
Reinsurers' Share of Reserves	624,320	27.6	510,430
Debtors / Amounts Receivable	352,800	15.6	294,144
Other Assets	216,846	9.6	162,020
Total Assets	2,262,220	100.0	1,708,022
Gross Technical Reserves:			
Unearned Premiums	741,692	32.8	597,103
Non-Life Reserves	503,382	22.2	342,275
Total Gross Technical Reserves	1,245,074	55.0	939,378
Debt / Borrowings	...	...	52,600
Other Liabilities	288,116	12.7	244,792
Total Liabilities	1,533,190	67.8	1,236,770
Capital Stock	3	...	3
Paid-in Capital	493,656	21.8	350,597
Retained Earnings	262,216	11.6	144,643
Other Capital and Surplus	-26,845	-1.2	-23,991
Total Capital and Surplus	729,030	32.2	471,252
Total Liabilities, Mezzanine Items and Surplus	2,262,220	100.0	1,708,022

Source: BestLink® - Best's Financial Suite
US \$ per Local Currency Unit 1 = 1 (USD)

Last Update

September 11, 2025

Identifiers

AMB #: 033566

FEIN #: 83-3972551

LEI #: 549300DOI1MUW11BLX74

Contact Information

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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Filing Date History

August 07, 2025 (Annual)
March 03, 2025 (Annual)
November 26, 2024 (Annual)

Palomar Holdings, Inc.

Operations

Domiciled: Delaware, United States

Business Type: Property/Casualty
Publicly Traded Corp: Palomar Holdings, Inc.
Stock Exchange: NASDAQ: PLMR

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [033566 - Palomar Holdings, Inc.](#)

Best's Credit Rating Effective Date: September 11, 2025

Refer to the [Best's Credit Report for AMB# 033566 - Palomar Holdings, Inc.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
020907	Palomar Excess and Surplus Ins	A	a
022031	Palomar Specialty Insurance Co	A	a
094465	Palomar Specialty Re Co BM Ltd	A	a

Best's Credit Rating History

AM Best has assigned ratings on this company since 2019. In our opinion, the company has a Good ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Credit Rating History (Continued...)

Best's Long-Term Issuer Credit Ratings			
Effective Date	Rating	Outlook	Action
Current -			
Sep 11, 2025	bbb	Stable	Affirmed
Jul 30, 2024	bbb	Stable	Upgraded
Jul 14, 2023	bbb-	Positive	Affirmed
Jun 16, 2022	bbb-	Stable	Affirmed
May 20, 2021	bbb-	Stable	Affirmed

Last Update
September 12, 2025

Identifiers
AMB #: 022031
NAIC #: 20338
FEIN #: 95-2379438

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Financial Data Presented
The financial data in this report reflects the most current data available at the time the report was printed.

Filing Date History
August 08, 2025 (6-Month)
May 14, 2025 (3-Month)
March 27, 2025 (April Annual)
February 28, 2025 (March Annual)
November 13, 2024 (9-Month)

Palomar Specialty Insurance Company

Operations

Date Incorporated: February 14, 1963 | **Date Commenced:** March 01, 1963
Domiciled: Oregon, United States

Licensed: (Current since 06/07/2021). The company is licensed in AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, IL, IN, KS, KY, LA, MD, MS, MO, NV, NJ, NC, OK, OR, PA, RI, SC, TN, TX, UT, VA and WA.

Business Type:	Property/Casualty
Organization Type:	Stock
Marketing Type:	Broker
Best's Financial Size Category:	X (USD 500 Million to Less than 750 Million)

Best's Credit Ratings

Rating Relationship
AM Best Rating Unit: [033566 - Palomar Holdings, Inc.](#)

Best's Credit Rating Effective Date: September 11, 2025
Palomar Specialty Insurance Company is a member of Palomar Holdings, Inc. (AMB# 033566) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 033566 - Palomar Holdings, Inc.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History
AM Best has assigned ratings on this company since 2014. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.
The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Credit Rating History (Continued...)

Best's Financial Strength Ratings					Best's Long-Term Issuer Credit Ratings		
Effective Date	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Sep 11, 2025	A	p (Pooled Rating)	Stable	Affirmed	a	Stable	Affirmed
Jul 30, 2024	A	p (Pooled Rating)	Stable	Upgraded	a	Stable	Upgraded
Jul 14, 2023	A-	p (Pooled Rating)	Positive	Affirmed	a-	Positive	Affirmed
Jun 16, 2022	A-	p (Pooled Rating)	Stable	Affirmed	a-	Stable	Affirmed
May 20, 2021	A-	p (Pooled Rating)	Stable	Affirmed	a-	Stable	Affirmed

Management

Palomar Insurance Holdings, Inc. (PIH) (formerly known as Cottage Insurance Holdings, Inc.) owns 100% of Palomar Specialty Insurance Company through common stock.

The principals of Palomar Specialty and Genstar Capital Management LLC committed \$75.0M of equity capital to the creation of Palomar Specialty.

Palomar Specialty is led by David "Mac" Armstrong, the former President and COO of Arrowhead General Insurance Agency, one of the largest program administrators in the P&C segment. Management and Genstar have developed a business plan that incorporates moderate growth and considerable reinsurance to endure catastrophic events and capitalize on opportunities post-event.

In early 2014, PIH acquired Northwestern Pacific Indemnity Company, an Oregon shell insurance company with active licenses in 7 states, from The Chubb Corporation.

Officers

President: D. McDonald Armstrong
Chief Underwriting Officer: Jon M. Christianson
EVP: Heath A. Fisher
SVP: Jeffery D. Lim
Secretary: Angela L. Grant
Treasurer: Elizabeth W. Seitz

Directors

D. McDonald Armstrong (Chairman)
 Heath A. Fisher
 Francis K. Lee
 Cameron K. Martin
 Toshio C. Uchida

History

Northwestern Pacific Indemnity Company is an Oregon corporation formed on February 14, 1963. Following its name change in January, the company commenced operations under its new ownership in February 2014.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- Conning, Inc. (Unaffiliated Firm)
- David McDonald Armstrong (Internal Employee)

Principal Law Firm: DLA Piper, LLP

Visit [Best's Insurance Professional Resources](#) to search for additional Attorneys, Adjusters, and Expert Service Providers with experience serving the insurance industry.

State Rate Filings

Director of State Rate Filings: Jon Christianson | Chief Underwriting Officer

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 022031 - Palomar Specialty Insurance Company](#)

Major Line	2025	2024	2023	2022	2021
Commercial Auto	5	...	...	2	...
Commercial General Liability	17	68	127	4	...
Commercial Inland Marine	12	17	39	8	5
Commercial Interline	2	2	...	...	...
Crop-Hail	24	30	7	...	...
Fidelity & Surety	2	...	...	...	...
Fire And Allied Lines (Commercial Property)	1	...	...	16	...
Fire And Allied Lines (Personal Property)	16	6	43	5	25
Homeowners Multi-Peril	1	5	5	4	15
Workers Compensation	...	...	...	1	...
Total	80	128	221	40	45

Source: Best's State Rate Filings

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

Currency: US Dollars

	6-Months		Year End - December 31			
	2025		2024		2023	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	31,788	1.9	45,143	3.6	33,299	3.1
Bonds	811,428	49.2	686,592	54.3	504,286	46.3
Preferred and Common Stock	151,391	9.2	146,343	11.6	139,626	12.8
Other Invested Assets	12,408	0.8	5,864	0.5	...	...
Total Cash and Invested Assets	1,007,014	61.0	883,941	69.9	677,211	62.2
Premium Balances	453,749	27.5	303,985	24.0	263,946	24.3
Net Deferred Tax Asset	29,356	1.8	26,245	2.1	19,481	1.8
Other Assets	159,594	9.7	50,417	4.0	127,662	11.7
Total Assets	1,649,713	100.0	1,264,588	100.0	1,088,300	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	43,331	2.6	35,285	2.8	34,556	3.2
Net IBNR Loss Reserves*	147,415	8.9	84,971	6.7	44,192	4.1
Net LAE Reserves	...	...	35,044	2.8	18,905	1.7
Total Net Loss and LAE Reserves	190,746	11.6	155,299	12.3	97,654	9.0
Net Unearned Premiums	537,220	32.6	465,455	36.8	331,228	30.4
Other Liabilities	386,653	23.4	192,115	15.2	220,154	20.2
Total Liabilities	1,114,619	67.6	812,869	64.3	649,036	59.6
Capital Stock	5,000	0.3	5,000	0.4	5,000	0.5
Paid-In and Contributed Surplus	232,553	14.1	232,553	18.4	233,589	21.5
Unassigned Surplus	297,541	18.0	214,166	16.9	200,675	18.4
Total Policyholders' Surplus	535,094	32.4	451,719	35.7	439,264	40.4
Total Liabilities and Surplus	1,649,713	100.0	1,264,588	100.0	1,088,300	100.0

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

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