



Demotech, Inc.

Florida Property Insurers – Financial Stability Ratings® Update

Columbus, Ohio, February 9, 2018 – Hurricane Irma and severe weather were the natural catastrophes that hammered the Sunshine State during 2017. The Judiciary created a procedural onslaught by issuing decisions that revised established claims procedures, processes, and protocols that had been in place in Florida and countrywide for decades. *Landers v. State Farm Florida Ins. Co.* was the first such decision of 2018. Although insurers can purchase catastrophe reinsurance to protect them from natural disasters, when dislocations of existing claims procedures, processes, and protocols occur, internal administrative revisions must be implemented. Similarly, regulatory and/or legislative responses should be thoughtfully considered to restore the previous status quo or facilitate the orderly revision of the new standards established by the Judiciary. Concurrently, rate revisions of sufficient magnitude to fund the differential in claim costs created by the judicial changes should be implemented, when actuarially justified.

Despite the damage inflicted by Mother Nature and the Florida Judiciary, the overall financial stability of Florida-focused property insurers reviewed and rated by Demotech remains intact. Our on-going review and analysis process permits us to immediately affirm the Financial Stability Ratings® based upon our analysis of financial information at year-to-date September 30, 2017, anticipated year-end financial results provided to us by management, and other information made available to us over the past several weeks:

Company	Financial Stability Rating® Affirmed
American Coastal Insurance Company	A'
American Platinum Property & Casualty Insurance Company	A
American Strategic Insurance Corp.	A"
ASI Assurance Corporation	A"
ASI Home Insurance Corporation	A"
ASI Preferred Insurance Corp.	A"
Auto Club Insurance Company of Florida	A
Avatar Property & Casualty Insurance Company	A
Bankers Insurance Company	A
Capitol Preferred Insurance Company	A
Castle Key Indemnity Company	A'
Castle Key Insurance Company	A'
Edison Insurance Company	A
Federated National Insurance Company	A
First Community Insurance Company	A
First Protective Insurance Company	A
Florida Family Insurance Company	A'
Florida Peninsula Insurance Company	A
Frontline Insurance Unlimited Company	A



Gulfstream Property and Casualty Insurance Company	A
Heritage Property & Casualty Insurance Company	A
Homeowners Choice Property & Casualty Insurance Co	A
Lakeview Insurance Company	A'
Monarch National Insurance Company	A
Olympus Insurance Company	A
Progressive Property Insurance Company	A"
Safe Harbor Insurance Company	A'
Southern Fidelity Insurance Company	A
Southern Fidelity Property & Casualty, Inc.	A
Southern Oak Insurance Company	A
St. Johns Insurance Company, Inc.	A
TypTap Insurance Company	A
United Property & Casualty Insurance Company	A
Universal Property & Casualty Insurance Company	A
US Coastal Property & Casualty Insurance Company	A
Weston Insurance Company	A
White Pine Insurance Company	A

Similarly, at this date, the Financial Stability Ratings[®] applicable to the following insurers remain in place. These insurers have provided the additional financial information that we have requested; however, they are in the process of finalizing their year-end 2017 financial statements and revising business plans and operating agreements for 2018:

Company	Financial Stability Rating[®] Currently In Place
American Integrity Insurance Company of Florida, Inc.	A
American Traditions Insurance Company	A
Anchor Property and Casualty Insurance Company	A
Cypress Property & Casualty Insurance Company	A
Florida Specialty Insurance Company	A
Modern USA Insurance Company	A
Omega Insurance Company	A
People's Trust Insurance Company	A
Prepared Insurance Company	A
Safepoint Insurance Company	A
Security First Insurance Company	A
Tower Hill Preferred Insurance Company	A
Tower Hill Prime Insurance Company	A
Tower Hill Select Insurance Company	A



Tower Hill Signature Insurance Company	A
Universal Insurance Company of North America	A

Prior to the 2018 storm season, each carrier reviewed and rated by Demotech will have at least the following items submitted, reviewed, and addressed by Demotech:

- 2017 statement of actuarial opinion as regards loss and loss adjustment expense reserves
- 2017 independent audit
- 2017 information related to a holding company or significant affiliates, if applicable
- Preliminary vertical and horizontal catastrophe reinsurance program for 2018
- Final vertical and horizontal catastrophe reinsurance program for 2018
- The financial stability of the reinsurers providing reinsurance protection.

Our preliminary thoughts on the reinsurance carriers that provided protection in 2017 and the status of our analysis of the financial stability of these reinsurers in 2018 are as follows:

Reinsurers Participating in 2017	Preliminary 2018 Perspective	Domicile
ACE Property & Casualty	Secure - 1	PA
Allianz Risk Transfer AG	Secure - 1	Liechtenstein
Allied World Assurance Company Inc.	Secure - 1	DE
Allied World Assurance Company Ltd.	Secure - 1	Bermuda
American Agricultural Insurance Company	Secure - 1	IN
American International Reinsurance Company Ltd.	Secure - 1	Bermuda
American Standard Insurance Company of WI	Secure - 1	WI
Amlin AG	Secure - 1	Switzerland
Aquilo CatCo (Hannover Ruck SE)	Secure - 1	Germany
Arch Reinsurance Ltd.	Secure - 1	Bermuda
Argo Re Ltd.	Secure - 1	Bermuda
Ascot Underwriting (BDA) Ltd.	Secure - 1	Bermuda
Aspen Bermuda Ltd.	Secure - 1	Bermuda
Axis Specialty Ltd.	Secure - 1	Bermuda
Beazley Furlonge	Secure - 1	United Kingdom
Berkley Re America/Berkley Insurance Company	Secure - 1	DE
Berkshire Hathaway Specialty Insurance Company	Secure - 1	NE
Cathay Century Ins Co Ltd.	Secure - 1	Taiwan
Catlin Insurance Company Ltd.	Secure - 1	Bermuda
China Property & Casualty Reinsurance Company Ltd.	Secure - 1	China
Chubb Tempest Reinsurance Ltd.	Secure - 1	Bermuda



Cincinnati Insurance Company (The)	Secure - 1	OH
Credit Suisse obo Hannover Ruck SE	Secure - 1	Germany
Credit Suisse obo Tokio Millennium Re AG	Secure - 1	Switzerland
DaVinci Reinsurance Ltd.	Secure - 1	Bermuda
DUAL Commercial LLC t/a Tamesis obo National Union Fire Ins Co	Secure - 1	PA
Elementum obo Tokio Millennium Re	Secure - 1	Bermuda
Employers Mutual Casualty Company	Secure - 1	IA
Endurance Specialty Insurance Ltd.	Secure - 1	Bermuda
Everest Reinsurance Company	Secure - 1	DE
Farm Mutual Reinsurance Plan	Secure - 1	Canada
Fidelis Insurance Bermuda Ltd.	Secure - 1	Bermuda
Florida Hurricane Catastrophe Fund	Secure - 1	FL
Fubon Insurance Company Ltd.	Secure - 1	Taiwan
General Insurance Corporation of India	Secure - 1	India
General Reinsurance Corporation	Secure - 1	CT
Greenlight Reinsurance Ltd.	Secure - 1	Cayman Islands
Hamilton Re, Ltd.	Secure - 1	Bermuda
Hannover Re Ltd.	Secure - 1	Bermuda
Hannover Reinsurance DAC	Secure - 1	Ireland
Hannover Ruck SE	Secure - 1	Germany
Harco National Insurance Company	Secure - 1	IL
Hiscox Insurance Co Ltd. (Bermuda)	Secure - 1	Bermuda
Houston Casualty Company	Secure - 1	TX
Humboldt Re	Secure - 1	Guernsey
Kelvin Re Ltd.	Secure - 1	Guernsey
Korean Reinsurance Company	Secure - 1	South Korea
Lancashire Insurance Company Ltd.	Secure - 1	Bermuda
Lansforsakringar Sak Forsakrings AB	Secure - 1	Sweden
Liberty Mutual Insurance Company	Secure - 1	MA
Lloyd's of London (& Syndicates)	Secure - 1	United Kingdom
Maiden Reinsurance Ltd.	Secure - 1	Bermuda
Mapfre Re, Compania de Reasegueros, S.A.	Secure - 1	Spain
Markel Bermuda Ltd.	Secure - 1	Bermuda
MS Frontier Reinsurance Ltd. 2	Secure - 1	Switzerland
Munich Reinsurance	Secure - 1	DE
National Liability & Fire Insurance Company	Secure - 1	CT
Navigators Insurance Company	Secure - 1	NY
New India Assurance Company	Secure - 1	India



Odyssey Reinsurance Company	Secure - 1	CT
Partner Reinsurance Co Ltd.	Secure - 1	Bermuda
Partner Reinsurance Company of the U.S.	Secure - 1	NY
Peak Reinsurance Company Ltd.	Secure - 1	Hong Kong
Pilar Capital obo Hannover Ruck SE	Secure - 1	Germany
Qatar Re	Secure - 1	Qatar
QBE Reinsurance Corporation	Secure - 1	PA
Renaissance Reinsurance Ltd.	Secure - 1	Bermuda
Renaissance Reinsurance U.S., Inc.	Secure - 1	MD
Satec srl (New Reinsurance Company Ltd.)	Secure - 1	Switzerland
SCOR Global P&C SE	Secure - 1	France
SCOR Reinsurance Company	Secure - 1	NY
Shelter Reinsurance Company	Secure - 1	MO
Sirius International Insurance Corporation (Branch)	Secure - 1	Bermuda
Sompo Japan Canopus Reinsurance AG (Branch)	Secure - 1	Bermuda
Swiss Reinsurance America Corporation	Secure - 1	NY
Taiping Reinsurance Company Ltd.	Secure - 1	Hong Kong
Tokio Millennium Re AG (Bermuda Branch)	Secure - 1	Bermuda
Transatlantic Reinsurance Company	Secure - 1	NY
Validus Reinsurance Ltd.	Secure - 1	Bermuda
XL Bermuda Ltd.	Secure - 1	Bermuda
Artex SAC Ltd.	Pending review	Bermuda
Avatar Re, LLC	Pending review	DE
Blue Water Re, Ltd.	Pending review	Bermuda
Citrus Re	Pending review	Bermuda
Claddaugh Casualty Insurance Company Ltd.	Pending review	Bermuda
Horseshoe Re Ltd.	Pending review	Bermuda
Indigo Re	Pending review	Cayman Islands
Manatee Re Ltd.	Pending review	Bermuda
Market Re Ltd.	Pending review	Bermuda
New Ocean Capital	Pending review	Bermuda
Orange Grove Re Ltd.	Pending review	Bermuda
Oxbridge Reinsurance Ltd.	Pending review	Cayman Islands
PICC Property and Casualty Company Ltd.	Pending review	China
Poseidon Re Ltd.	Pending review	Bermuda
Promissum Re SPC Ltd.	Pending review	Cayman Islands
Prospero Re Ltd.	Pending review	Bermuda
R+V Versicherung AG	Pending review	Germany
Radiant Ltd.	Pending review	Bermuda



Resilience Re	Pending review	Bermuda
Rubik Reinsurance Ltd.	Pending review	Bermuda
Secquaero Re Amaral IC Ltd.	Pending review	Guernsey
Secquaero Re Arvine IC Ltd.	Pending review	Switzerland
Secquaero Re Rivaner IC Ltd.	Pending review	Switzerland
Tokio Millennium Re AG (USA Branch of C0128)	Pending review	NY
Tower Hill Re	Pending review	Cayman Islands
Y-Bridge Insurance SPC	Pending review	Cayman Islands
Aeolus Re Ltd.	Pending review	Bermuda
AlphaCat Reinsurance Ltd.	Pending review	Bermuda
ILS Capital obo Prospero Re Ltd.	Pending review	Bermuda
LGT Capital Management Ltd. obo Collateralized Re	Pending review	Switzerland
Oak Leaf Re Ltd.	Pending review	Bermuda
Securis Re I Ltd. obo SRB 119	Pending review	Bermuda

We will also review new entrants participating in the 2018 catastrophe reinsurance marketplace.

Consistent with our analysis of the quality (financial stability of reinsurers) and the quantity (dollar amounts) of the vertical and horizontal catastrophe program purchased, Demotech will be publishing its opinion as to the financial security of reinsurers participating in the 2018 reinsurance programs of the carriers that we review and rate. Reference FL Rule 69O-144.007 Credit for Reinsurance from Certified Reinsurers for additional information.

Refer any questions on this information to Barry J. Koestler, II, CFA, Chief Ratings Officer, Robert M. Warren, CPA, CPCU, Client Services Manager, or Joseph L. Petrelli, ACAS, ASA, MAAA, FCA, at 1 614 761 8602.

About Demotech, Inc.

Demotech, Inc. is a financial analysis firm specializing in evaluating the financial stability of regional and specialty insurers. Since 1985, Demotech has served the insurance industry by assigning accurate, reliable and proven Financial Stability Ratings® (FSRs) for Property & Casualty insurers and Title underwriters. FSRs are a leading indicator of financial stability, providing an objective baseline of the future solvency of an insurer. Demotech's philosophy is to review and evaluate insurers based on their area of focus and execution of their business model rather than solely on financial size. Visit www.demotech.com for more information.