

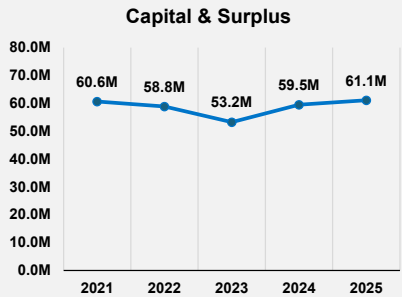
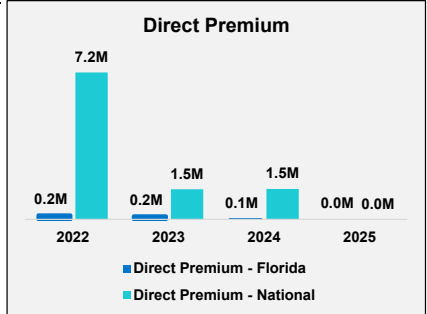


Watford Specialty Insurance Company

Insurer Financial Report
2025 | Annual

FEIN: 47-5113164
NAIC: 15824
A.M.Best: A-
State of Domicile: New Jersey
Main Office: Jersey City, NJ
Parent: Watford Holdings U.S.
Incorporation Date: 9/8/2015
Website: www.watfordus.com

| Financial Highlights | 2025 | 2024 | % Change | 2023 | 2022 | 2021 |
|--|-------------|-------------|----------|-------------|--------------|-------------|
| Total Admitted Assets | 70,160,958 | 73,347,936 | -4.3% | 65,268,031 | 73,385,062 | 89,372,913 |
| Total Liabilities | 9,057,811 | 13,842,669 | -34.6% | 12,025,891 | 14,538,906 | 28,741,142 |
| Capital & Surplus | 61,103,148 | 59,505,267 | 2.7% | 53,242,140 | 58,846,156 | 60,631,771 |
| Premiums and Agent's Balances | 0 | 0 | N/A | 247,106 | 116,129 | 403,627 |
| Losses | 4,684,338 | 6,648,668 | -29.5% | 8,998,545 | 10,156,515 | 12,185,618 |
| Loss Adjustment Expenses | 759,423 | 1,053,756 | -27.9% | 1,516,658 | 1,815,446 | 2,031,065 |
| Underwriting Gain/Loss | (1,495,323) | (2,145,954) | 30.3% | (2,654,604) | (905,942) | 986,540 |
| Net Income (Loss) After Tax | 174,643 | (8,062,329) | 102.2% | (2,214,195) | (1,352,085) | 1,511,965 |
| Cash Flow from Operations | (3,783,475) | 1,881,925 | -301.0% | 1,409,545 | (10,389,885) | (3,685,586) |
| Unrealized Capital Gains (Losses) | 0 | 15,587,225 | -100.0% | (3,460,765) | (1,282,114) | (1,198,406) |
| Gross Premium | 0 | 1,490,735 | -100.0% | 1,472,588 | 7,214,843 | 55,380,476 |
| Net Premium | 0 | 28,210 | -100.0% | 41,195 | 731,312 | 6,246,853 |
| Direct Premium - National | 0 | 1,490,735 | -100.0% | 1,472,588 | 7,214,843 | 55,380,476 |
| Direct Premium - Florida | 0 | 52,398 | -100.0% | 152,989 | 204,795 | 957,071 |
| PAB: % of Policyholders Surplus | 0.0% | 0.0% | N/A | 0.5% | 0.2% | 0.7% |
| Gross Premium to Surplus Ratio (IRIS #1) | 0.0% | 2.5% | -100.0% | 2.8% | 12.3% | 91.3% |
| Net Premium to Surplus Ratio (IRIS #2) | 0.0% | 0.0% | -100.0% | 0.1% | 1.2% | 10.3% |
| % of Direct Premium in Florida | 0 | 3.5% | -100.0% | 10.4% | 2.8% | 1.7% |
| Liabilities to Assets Ratio | 12.9% | 18.9% | -31.6% | 18.4% | 19.8% | 32.2% |
| Debt to Equity Ratio | 14.8% | 23.3% | -36.3% | 22.6% | 24.7% | 47.4% |
| Combined Ratio | NM | NM | 0.0% | NM | 143% | 88% |
| Losses Incurred Ratio | NM | NM | 0.0% | NM | 83% | 71% |
| Loss Expenses Incurred Ratio | NM | 71% | 0.0% | 100% | 22% | 16% |
| Other U/W Exp. Incurred Ratio | NM | NM | 0.0% | NM | 38% | 1% |
| # of IRIS Ratios Outside Usual Range | | 1 | | | | |



Major Lines of Business in FL - 2025

Comments / Notes

- Co. is party to a quota share reinsurance agreement.
- No premium written in FL; a 100% decrease YoY..
- As of 12/31/2025, all of the Company's programs were in runoff.

| Reinsurers (Top 5) | A.M. Best Rating | Reinsurance Class | Reins. Authorization | Gross Recovery* | Over 120 Days Overdue |
|-------------------------|------------------|-------------------------------|----------------------|-----------------|-----------------------|
| Somers Re Ltd. | A- | Non-US Affiliated Non-captive | Certified | 23,475 | 0 |
| Somers Re Ltd. | A- | Non-US Affiliated Non-captive | Unauthorized | 7,318 | 0 |
| Arch Reinsurance Co. | A+ | US Affil Non-captive Non-pool | Authorized | 6,691 | 0 |
| Somers Re Ltd. | A- | Non-US Affiliated Non-captive | Recip Jurisdict | 957 | 0 |
| Everest Reinsurance Co. | A+ | US Unaffiliated | Authorized | 342 | 0 |

Top States - 2025

* Data displayed in \$000
NM: The value is outside of the meaningful range for this item.