



Xchange Re

Xchange Re Underwriting Agency, LLC
Presentation

2023

Xchange Re Underwriting Agency

Xchange Re Underwriting Agency LLC (XRe) is a US reinsurance underwriter. Operating as a Managing General Underwriting agency focusing on specific classes in Accident & Health reinsurance. The entity is licensed and regulated under the State of New York, United States with its head offices located in Armonk, New York.

The Agency underwrites business on behalf of reinsurance companies, building facilities predominately (but not exclusively) with US domiciled reinsurance capacity. Capacity for this portfolio has been agreed between XRe and United States Fire Insurance Company, part of Crum and Forster, a Fairfax company based in New York.

XRe is a subsidiary of the Xchange Benefits. Founded in 2010, Xchange Benefits LLC® is a diverse group of business units focused on the global insurance and reinsurance industry.

Led by a team who have industry-leading experience, Xchange Benefits underwrites, consults, creates products, creates retail distribution, structures risk, transacts reinsurance and advises on capital deployment.

Xchange Benefits was acquired by Ambac Financial Group Inc. (NYSE: AMBAC) on December 31, 2020. With the launch of XRe, the group sees an opportunity to grow internationally.

For more information on Xchange Benefits, LLC® please go to www.xblc.com

For more information on AMBAC Financial Group Inc. please go to www.ambac.com



XRe Capacity Provider: United States Fire Insurance Company

Ambac Press Release 1/17/23

“New MGU signs agreement with United States Fire Insurance Company to underwrite global accident and health reinsurance coverage.”

- United States Fire Insurance Company, a Crum & Forster Company
- C&F established in 1822 is rated “A” (excellent) by AM Best
- C&F is part of Fairfax Financial Holdings, a global organization with \$26.5 billion in revenue as of 2021
- For more information on United States Fire Insurance Company and Crum & Forster Company please go to www.cfins.com
- For more information on Fairfax Financial Holdings, please go to www.fairfax.ca



XRe Capacity Provider: AM Best

OLDWICK - JULY 14, 2022, 09:13 AM (EDT)

“AM Best has affirmed the Financial Strength Rating (FSR) of A (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICRs) of “a” (Excellent) of the members of Crum & Forster Insurance Group (C&F).

The ratings of C&F reflect its balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM). The ratings also reflect the benefits the group derives from its role within the larger Fairfax Financial Holdings Limited (Fairfax) enterprise.”

STANDARD & POORS

June 2022. S&P Global Ratings raised the financial strength ratings on the core insurance and reinsurance subsidiaries of Fairfax Financial Holdings Ltd. to “A” from “A-” with a stable outlook.



Crum & Forster Insurance Group

AMB #: 018245

Associated Ultimate Parent: AMB # 058364 - Fairfax Financial Holdings Limited

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating Issuer Credit Rating (FSR) (ICR)

Outlook: **Stable** Outlook: **Stable**

Action: **Affirmed** Action: **Affirmed**

Assessment Descriptors

Balance Sheet Strength **Very Strong**

Operating Performance **Adequate**

Business Profile **Neutral**

Enterprise Risk Management **Appropriate**

Rating Unit - Members

Rating Unit: Crum & Forster Insurance Group | AMB #: 018245

AMB # Rating Unit Members

000163 American Underwriters Ins Co

001944 Crum & Forster Indemnity Co

071352 Crum & Forster SPC

011123 Crum & Forster Specialty Ins

001886 Crum and Forster Ins Co

AMB # Rating Unit Members

011883 First Mercury Insurance Co

002135 North River Insurance Company

000324 Seneca Insurance Company, Inc.

012258 Seneca Specialty Ins Co

002136 United States Fire Ins Co



XRe Underlying Classes of Business

XRe is authorized to underwrite proportional and non-proportional treaty business, and facultative non-proportional business.

Treaty business is defined as the reinsurance of predominantly proportional insurance and reinsurance portfolios. These portfolios ultimately cover multiple individuals and/or groups in multiple locations.

- Personnel Accident

- Accidental Death
- Accidental Death and Dismemberment
- Disability Insurance
- Occupational Accident
- Workers Compensation

(excluding occupational disease and liability)

- Medical

- Travel



XRe Methods of Acceptance

- Business Source: Open market, prior-approval line slips
 - Period Basis: Losses occurring and risks attaching
 - Policy Period: 12 Months (normal) 24 Months (maximum)
 - Policy Basis: Event with limited reinstatements
Annual aggregate limit
Sum insured any one person
-
- Reinsurance Structure: Catastrophe XOL
Catastrophe & Risk XOL
Risk XOL
Aggregate XOL
Quota Share
(QS requires event limit and/or annual aggregate limit)
-
- Geographic Scope: XRe can accept risks from all territories where the capacity provider is authorized to operate and subject to any trading sanctions imposed by the USA, the EU or the UN.



XRe Line Size

Non-Proportional

Catastrophe XOL:

- Limit per Company (or Program) USD 30,000,000

Risk XOL:

- Limit per person USD 5,000,000
- Limit per Company (or Program) USD 25,000,000

Proportional

USD 30,000,000 including event and/or annual aggregate limits

Limits apply to Personal Accident/Medical Expenses/Travel

Any one individual USD 5,000,000

50% Line Size maximum per program (non-prop & prop)



XRe War & Terrorism Cover

Each risk is assessed on a standalone basis. Cover can be offered as follows:

Passive war: i) Full exclusion
ii) Excluding NBCR
iii) Including NBCR

Active war: No cover given

Terrorism: i) Full exclusion
ii) Excluding NBCR
iii) Including NBCR



Xchange Re & United States Fire Insurance Company Information

Available on request:

USF & XRe MGU Agreement

New York State Department of Financial Services MGA Appointment

2022 USF NAIC Annual Statement - Solvency Ratio / Loss Reserve certification

2021 Examination of USF/C&F/Fairfax by the Delaware Insurance Commissioner

2022 Fairfax Financial Annual Report

XRe Errors & Omissions / Professional Indemnity Insurance cover

XRe Internal Revenue Service Employer Identification Number

2022 Xchange Benefits Financial Report

