Clear Blue Specialty Insurance Company  Issue Date: 11/18/2019

Insurer #: 11449873  NAIC #: 37745  AMB #: 022328

U.S. Insurer - 2019 EVALUATION

### Key Dates
- TDI Initial Date: 1-Sep-03
- Incorporation Date: 7-Mar-90
- Commenced Business: 20-Aug-90

### Location
- Domicile: North Carolina
- Main Administrative Office: B-7 Taborouco Street, Suite 912 Guaynabo, PR 00968

### A.M. Best Rating
- Rating: A-
- Outlook: Feb-19

### Group Information
- Insurance Group: Clear Blue Insurance Group
- Parent Company: Pine Brook Capital Partners II AV, LP
- Parent Domicile: Puerto Rico

### Consolidated Financial Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital &amp; Surplus</th>
<th>Net Income After Tax</th>
<th>Underwriting Gain (Loss)</th>
<th>Net Income After Tax</th>
<th>Underwriting Gain (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/30/2019</td>
<td>110,322,171</td>
<td></td>
<td>833,520</td>
<td>1,357,839</td>
<td>(99,499)</td>
</tr>
<tr>
<td>2018</td>
<td>107,933,904</td>
<td>80,687,466</td>
<td>7,499,498</td>
<td>6,685,666</td>
<td>(8,685,666)</td>
</tr>
<tr>
<td>2017</td>
<td>104,183,615</td>
<td>80,687,466</td>
<td>7,499,498</td>
<td>6,685,666</td>
<td>(8,685,666)</td>
</tr>
<tr>
<td>2016</td>
<td>63,691,036</td>
<td>8,519,429</td>
<td>4,583,529</td>
<td>332,493</td>
<td>(3,554,039)</td>
</tr>
</tbody>
</table>

### Key Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Gross Premium to Surplus (%)</td>
<td>79.91%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2- Net Premium to Surplus (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3- Change in Net Premium Written (%)</td>
<td>14.01%</td>
<td>0.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>4- Surplus Aid Ratio</td>
<td>3.60%</td>
<td>4.00%</td>
<td>7.68%</td>
</tr>
<tr>
<td>5- Two Year Operating Ratio</td>
<td>5.7%</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>6- Net Change in Surplus (%)</td>
<td>0.74%</td>
<td>2.15%</td>
<td>16.72%</td>
</tr>
<tr>
<td>7- Gross Change in Surplus (%)</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>8- Liabilities to Liquid Assets</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Key Metrics

- **Capital & Surplus:**
  - 9/30/2019: $110,322,171
  - 2018: $107,933,904
  - 2017: $104,183,615
  - 2016: $63,691,036
- **Net Income After Tax:**
  - 9/30/2019: $80,687,466
  - 2018: $80,687,466
  - 2017: $80,687,466
  - 2016: $8,519,429
- **Underwriting Gain (Loss):**
  - 9/30/2019: $833,520
  - 2018: $1,357,839
  - 2017: $7,499,498
  - 2016: $4,583,529

### Other Key Statistics

- **Gross Premium:** $332,493
- **Net Income:** $80,687,466
- **Underwriting Gain:** $833,520
- **Net Losses:** $1,793,817
- **Change in Net Premium:** $14.01%
- **Combined Ratio:** 53%
- **Investment Yield:** 7%
- **Net Premium:** $2,508,418
- **Underwriting Gain:** $37,920
- **Operating Ratio:** 4,111,126.00
- **Investment Income:** $4,925,265

### Coverage Breakdown

- **Top 3 SLTX Coverage Codes Reported for Company in 2018**
  - GEN LIAB - PREMISES LIAB COMM PROPERTY - FIRE/ALLIED LINES EXCESS/UMBRELLA
  - 2018: $4,111,126.00
  - 2017: $3,937,446.00
  - 2016: $3,792,040.00

### Additional Notes

- **2018 Losses Incurred by Line of Business (LOB):**
  - Other Liability: $2,509,418.00
  - Commercial Multi-Peril (Non-Liability): $1,921,384.00
  - Commercial Auto Physical Damage: $359,141.00
  - Inland Marine: $194,393.00
  - Commercial Multi-Peril (Liability): $116,854.00

- **IRIS Ratios Outside Usual Range:**
  - Combined Ratio: 21%
  - Underwriting Gain (Loss): 33%
  - Net Change in Surplus (%): 181799%
  - Liabilities to Liquid Assets: 181799%

- **Texas’ Rank in Writings (Schedule T):**
  - 2018: 5
  - 2017: 3
  - 2016: 3

- **Top 3 SLTX Coverage Codes:**
  - GEN LIAB - PREMISES LIAB COMM PROPERTY - FIRE/ALLIED LINES EXCESS/UMBRELLA

- **Texas’ Rank in Premiums Written (Schedule T):**
  - 2018: 0
  - 2017: 10,000,000
  - 2016: 20,000,000

- **Parent Domicile:**
  - Pine Brook Capital Partners II AV, LP
  - Puerto Rico

- **Main Administrative Office:**
  - B-7 Taborouco Street, Suite 912
  - Guaynabo, PR 00968