



NYPIUA

APRIL 1, 2018

PROPERTY AGGREGATE CATASTROPHE RENEWAL

*PLACEMENT SUMMARY*

CONFIDENTIAL

# RETURN PERIOD ESTIMATES

## AGGREGATE EXCEEDANCE PROBABILITY



Hurricane Return Period	AIR			RMS		
	2016	2017	±%	2016	2017	±%
10	438,321	403,753	-7.9%	539,522	252,689	-53.2%
50	52,340,916	48,257,456	-7.8%	94,097,690	71,779,210	-23.7%
100	124,174,234	114,842,015	-7.5%	191,276,279	152,285,279	-20.4%
250	283,884,564	264,528,388	-6.8%	394,000,989	329,679,637	-16.3%
500	476,690,956	442,966,010	-7.1%	595,907,121	512,199,080	-14.0%
1,000	746,912,234	693,811,219	-7.1%	814,482,058	702,160,077	-13.8%
<b>AAL</b>	<b>5,170,536</b>	<b>4,784,744</b>	<b>-7.5%</b>	<b>7,352,270</b>	<b>5,865,543</b>	<b>-20.2%</b>
Severe Storm Return Period	AIR			RMS		
	2016	2017	±%	2016	2017	±%
10	1,780,788	1,644,705	-7.6%	1,821,096	1,625,366	-10.7%
50	6,280,842	5,782,842	-7.9%	5,276,699	4,727,938	-10.4%
100	13,132,787	12,105,449	-7.8%	8,073,469	7,224,982	-10.5%
250	28,024,991	26,264,247	-6.3%	14,137,435	12,627,753	-10.7%
500	53,810,718	50,149,994	-6.8%	20,548,030	18,285,377	-11.0%
1,000	73,587,723	68,867,870	-6.4%	27,338,354	24,352,411	-10.9%
<b>AAL</b>	<b>1,114,331</b>	<b>1,041,539</b>	<b>-6.5%</b>	<b>759,208</b>	<b>675,631</b>	<b>-11.0%</b>
All Perils Return Period	AIR			RMS		
	2016	2017	±%	2016	2017	±%
10	3,953,585	3,644,096	-7.8%	4,209,772	3,396,368	-19.3%
50	61,290,231	56,635,633	-7.6%	94,759,031	72,539,005	-23.4%
100	128,688,781	119,778,819	-6.9%	191,336,301	152,561,447	-20.3%
250	285,712,695	266,185,423	-6.8%	393,360,084	329,335,031	-16.3%
500	476,757,718	443,039,889	-7.1%	595,059,168	511,706,322	-14.0%
1,000	747,131,907	694,013,763	-7.1%	813,515,320	701,530,010	-13.8%
<b>AAL</b>	<b>6,284,867</b>	<b>5,826,283</b>	<b>-7.3%</b>	<b>8,111,478</b>	<b>6,541,174</b>	<b>-19.4%</b>

Both AIR & RMS hurricane estimates show significant reductions. Drastic reduction in RMS is due to both model change and exposure reduction.

Severe convective storm more closely tracks with the overall reductions in modeled values – although AIR remains higher than RMS.

- Notes:
1. Data as of 10/31/2016 and 10/31/2017.
  2. AIR results v4.0 for 2016 & v5.0 for 2017. Hurricane: Warm SST event set w/ Demand Surge. Severe Storm excludes winter storm.
  3. RMS v16.0 for 2016 and v17.0 for 2017. Severe convective storm run with Low frequency event set. Near term event with Loss Amplification on all Coverage parts for hurricane.
  4. All return period estimates exclude storm surge.



# SUMMARY OF TERMS



<u>BUSINESS COVERED:</u>	All business classified by NYPIUA as Property. In addition, Extra Contractual Obligations (ECO) and Excess of Policy Limits (XPL) are covered up to 90% of the Ultimate Net Loss. Losses from Terrorism are covered for Personal Lines and Commercial Lines with Total Insured Values less than \$5Mn, excluding Nuclear, Chemical, Biological and Radioactive
<u>TERM:</u>	April 1, 2018 - March 31, 2019
<u>LIMITS:</u>	<p>Underlying Aggregate: \$7.5 million in excess of \$67.5 million (aggregate coverage)</p> <p>1<sup>st</sup> Aggregate Layer:      Section A) 100% of \$50 million in excess of \$75 million (aggregate coverage)</p> <p>   Section B) 100% of \$28 million in excess of \$2 million (fire-only, non-named storms coverage)</p> <p>2<sup>nd</sup> Aggregate Layer:      \$100% of \$115 million in excess of \$125 million</p> <p>Underlying, 1<sup>st</sup> Layer Section A, and 2<sup>nd</sup> Layer subject to \$10 million Franchise</p>
<u>REINSTATEMENT:</u>	One free reinstatement of Limit for 1 <sup>st</sup> Layer Section B
<u>ULTIMATE NET LOSS:</u>	Includes Allocated Loss Adjustment Expenses
<u>DEFINITION OF LOSS OCCURRENCE:</u>	<p>-120 Hours for Wind</p> <p>-Water damage resulting from ice damming, regardless of the duration of the event, from the same proximate cause</p> <p>-168 Hours for Riot, Civil Commotion and All Other Perils</p>
<u>EXCLUSIONS:</u>	Liability, War Risks, Earthquake, Flood as per the Association's Policies, Financial Guarantee & Insolvency, Nuclear Incident, Insolvency Funds, Seepage & Pollution, Transmission & Distribution Lines
<u>REINSURERS:</u>	All reinsurers are rated "A-" or better by A.M. Best or Standard & Poor's



# 2018 PROGRAM SUMMARY

## FIRM ORDER TERMS



Contract / Coverage	Limit and Retention	% Placed	2018 Firm Order Terms		
			ROL	100% Deposit	Placed Deposit
Optional Layer 1 - Aggregate XOL	\$35Mn xs \$40Mn		6.50%	\$2,275,000	
Underlying Layer - Aggregate XOL	\$7.5Mn xs \$67.5Mn	100%	5.75%	\$431,250	\$431,250
First Layer					
Section A - Aggregate XOL	\$50Mn xs \$75Mn	100%	5.50%	\$2,750,000	\$2,750,000
Section B - Ex-Named Storm / Fire-Only Per Occ.	\$28Mn xs \$2Mn				
Second Layer - Aggregate XOL	\$115Mn xs \$125Mn	100%	3.15%	\$3,622,500	\$3,622,500
Optional Layer 2 - Aggregate XOL	\$60Mn xs \$240Mn		2.50%	\$1,500,000	
<b>Total</b>				<b>\$10,578,750</b>	<b>\$6,803,750</b>

### Notes:

1. 2018 Original GNEPI Estimate: \$34,360,000.
2. All contracts subject to adjustment on a rate applied to the subject premium income.
3. Reinstatements: Ex-Named Storm, Fire-Only (Underlying Section B), subject to 1 Free reinstatement.
4. Minimum premium at 80% of deposit premium; deposit premium subject to quarterly installments.
5. Loss definition to include 120 hours for wind.
6. Aggregate coverages subject to a \$10Mn franchise.
7. The Association has the option to collect on losses to each layer once the paid loss exceeds half the retention of that layer.

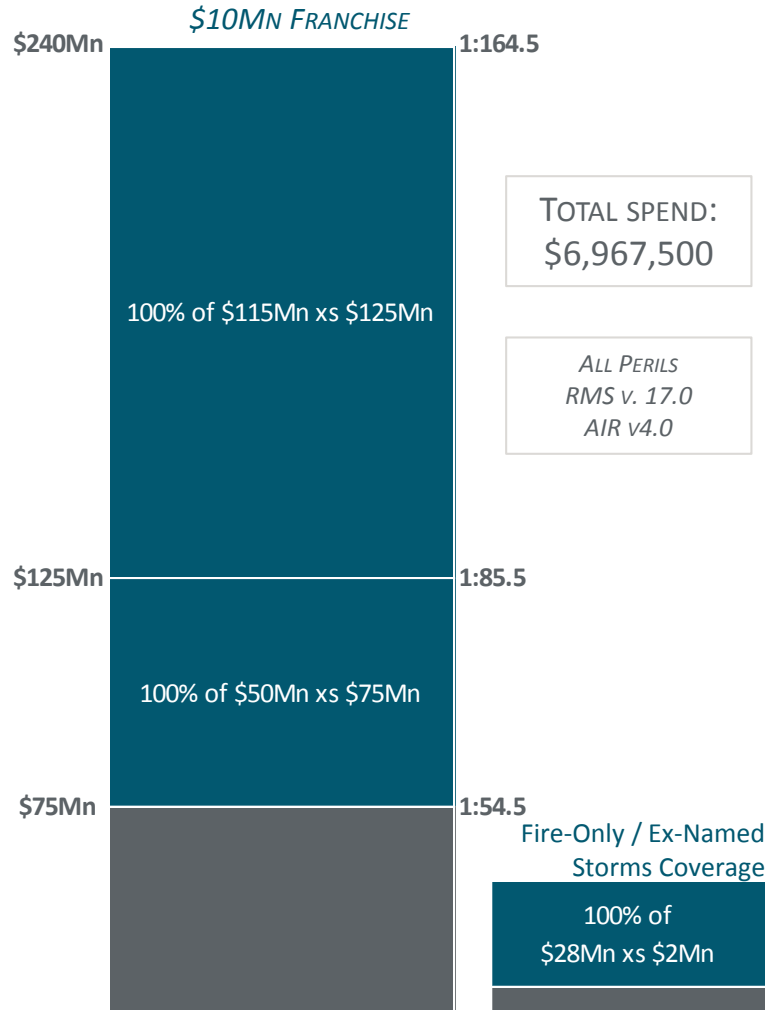


# 2017 vs. 2018 PROGRAM STRUCTURE

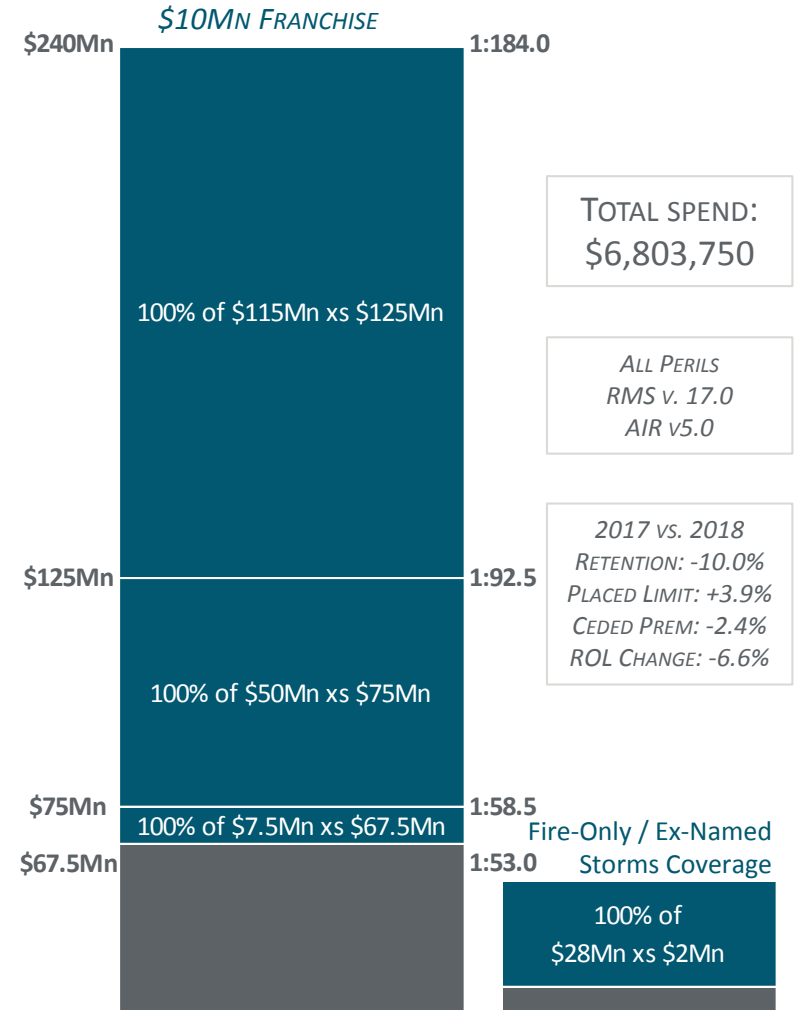
## RETURN PERIODS 50/50 BLEND



### 2017: \$165Mn OF AGGREGATE COVER



### 2018: \$172.5Mn OF AGGREGATE COVER



# 2018 AGGREGATE PROGRAM REINSURER AUTHORIZATIONS



Reinsurer			\$7.5Mn xs \$67.5Mn		\$50Mn xs \$75Mn		\$115Mn xs \$125Mn		Total Dollars	
	AM Best	S&P								
	Rating	Rating	2018 Auth	2017 Signed	2018 Auth	2017 Signed	2018 Auth	2017 Signed	2018 Auth	2017 Signed
Bermuda										
DaVinci Reinsurance Ltd.	A	A+					2.50%	3.50%	\$2,875,000	\$4,025,000
Fidelis Insurance Bermuda Limited	A-	NR		2.50%	4.00%		2.00%	4.00%	\$3,550,000	\$6,600,000
Hiscox Insurance Company (Bermuda) Ltd.	A	A		4.00%	4.50%		4.00%	4.50%	\$6,600,000	\$7,425,000
Renaissance Reinsurance Ltd.	A+	A+					2.50%	3.50%	\$2,875,000	\$4,025,000
XL Bermuda Ltd	A	A+		6.00%	6.00%		4.00%	4.00%	\$7,600,000	\$7,600,000
Domestic										
American Standard Insurance Company of Wisconsin	A	NR		1.00%	1.00%		0.75%	1.50%	\$1,362,500	\$2,225,000
Employers Mutual Casualty Company	A	NR					0.85%	0.85%	\$977,500	\$977,500
Everest Reinsurance Company	A+	A+		3.00%	5.00%		3.50%	5.00%	\$5,525,000	\$8,250,000
Munich Reinsurance America, Inc.	A+	AA-		2.50%	2.50%		3.00%	3.00%	\$4,700,000	\$4,700,000
Mutual Reinsurance Bureau <sup>1</sup>	NR	NR		1.50%	1.50%		1.25%	1.25%	\$2,187,500	\$2,187,500
Odyssey Reinsurance Company	A	A-		1.00%	1.00%		3.50%	3.50%	\$4,525,000	\$4,525,000
Transatlantic Reinsurance Company	A+	A+					3.50%	3.50%	\$4,025,000	\$4,025,000
General Re through Trans Re	A++	AA+					1.00%	1.75%	\$1,150,000	\$2,012,500
Europe										
Ariel Re Bermuda Ltd. on behalf of: Ariel Re Syndicate 1910	A	A+	50.00%	12.00%	14.00%		6.00%	6.50%	\$12,900,000	\$18,225,000
BGS Specialty Limited on behalf of: Brit Syndicate 2987	A	A+			2.50%			2.50%	\$0	\$4,125,000
Lansforsakringar Sak Forsakrings AB (LF Group)	NR	A		0.50%	0.75%		0.50%	0.75%	\$825,000	\$1,237,500
MS AMLIN BERMUDA									\$9,200,000	\$9,900,000
A Branch of MS AMLIN AG – ZURICH, SWITZERLAND	A	A		5.75%	6.00%		5.50%	6.00%		
Nephila Capital	A	A+		2.00%	10.00%		2.00%	8.70%	\$3,300,000	\$15,000,000
Lloyd's Syndicate 2357										
SCOR Switzerland AG	A+	AA-	15.00%	14.25%	15.00%				\$7,125,000	\$8,625,000
Sirius International Insurance Company through Group Walbaum, Managers of Program of Reinsurance For American Mutuals	A	A-					4.00%	5.00%	\$4,600,000	\$5,750,000
Tokio Millennium Re AG	A++	A+					5.00%	5.00%	\$5,750,000	\$5,750,000
Lloyd's										
AHL, Ltd. (Lloyd's; SCOR; MS Amlin Bda)			50.00%	64.00%	66.00%		50.15%	54.85%	\$89,672,500	\$99,827,500
Lloyd's - 0033 HIS	A	A+		7.00%	7.50%		6.50%	7.50%	\$10,975,000	\$12,375,000
Lloyd's - 0609 AUW	A	A+					0.32%	0.50%	\$368,000	\$575,000
Lloyd's - 0623 AFB	A	A+		0.54%	0.54%		0.51%	0.54%	\$853,740	\$891,000
Lloyd's - 0727 SAM	A	A+		1.50%	1.00%		0.94%	1.00%	\$1,831,000	\$1,650,000
Lloyd's - 1084 CSL	A	A+					1.50%	1.60%	\$1,725,000	\$1,840,000
Lloyd's - 1225 AES	A	A+					0.75%	2.00%	\$862,500	\$2,300,000
Lloyd's - 1274 AUL	A	A+		1.75%	2.00%		1.75%	2.00%	\$2,887,500	\$3,300,000
Lloyd's - 1729 DUW	A	A+	5.00%	1.50%	1.75%		2.22%	2.75%	\$3,303,000	\$4,412,500
Lloyd's - 2001 AML	A	A+		3.25%	3.25%		3.25%	3.25%	\$5,362,500	\$5,362,500
Lloyd's - 2003 SJC	A	A+		3.25%	3.50%		2.00%	2.25%	\$3,925,000	\$4,337,500
Lloyd's - 2007 NVA	A	A+	10.00%	3.00%	3.00%		3.00%	3.00%	\$4,950,000	\$5,700,000
Lloyd's - 2010 MMX	A	A+		2.50%	2.50%		2.35%	2.50%	\$3,952,500	\$4,125,000
Lloyd's - 2014 ACA	A	A+		1.50%	1.50%		1.50%	1.50%	\$2,475,000	\$2,475,000
Lloyd's - 2623 AFB	A	A+		2.46%	2.46%		2.31%	2.46%	\$3,889,260	\$4,059,000
Lloyd's - 2791 MAP	A	A+	20.00%	7.25%	7.50%		7.25%	7.50%	\$11,962,500	\$13,875,000
Lloyd's - 3000 MKL	A	A+		3.00%	3.00%		3.00%	3.00%	\$4,950,000	\$4,950,000
Lloyd's - 4020 ARK	A	A+		3.00%	3.00%		3.00%	3.00%	\$4,950,000	\$4,950,000
Lloyd's - 5886 WBC	A	A+		2.50%	2.50%		2.50%	2.50%	\$4,125,000	\$4,125,000
TOTALS			100.00%	100.00%	118.75%		100.00%	123.15%	\$165,000,000	\$208,492,500

## Notes:

\* \$50Mn xs \$75Mn Layer includes \$28Mn xs \$2Mn Fire-only, ex-named storm occurrence layer with 1 prepaid reinstatement.

\*\* All aggregate layers have a \$10Mn franchise and are 1 limit only.

1) Joint and several reinsurance written 1/3 each by: Church Mutual, EMC, and Motorists Mutual.

