NEWS RELEASE

AM Best Affirms Credit Ratings of Everspan Indemnity Insurance Company and Its Affiliates

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AM Best has affirmed the Financial Strength Rating (FSR) of A- (Excellent) and Long-Term Issuer Credit Rating (Long-Term ICR) of "a-" (Excellent) of Everspan Indemnity Insurance Company (Scottsdale, AZ) and its affiliates, collectively referred to as Everspan Group. The outlook of these Credit Ratings (ratings) is stable. See below for a listing of companies and ratings.

The ratings reflect Everspan Group's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management (ERM).

The balance sheet strength assessment recognizes risk-adjusted capital supportive of the group's current and future exposures over its initial five-year startup period. Capital was provided by Ambac Financial Group, Inc. [NYSE: AMBC]. AM Best assesses Everspan Group's operating performance as adequate based on execution and implementation of its business plan during its formative stages. The group began actively writing premium during the second quarter of 2021. AM Best views the group's business profile as limited. This encompasses the group's position as a specialty program writer with significant risk retention, framed within the competitive space for participating fronting type carriers. The group provides services for a diverse mix of managing general agents aligned with highly select reinsurance partners. The enterprise retains a strategic level of net premium of select programs. The group's ERM captures a clearly defined risk appetite structure; it addresses the heightened risks inherent in its business profile and was designed by its extensively experienced management team.

Negative rating actions could occur if risk-adjusted capital is short of needs, actual operating results fall adversely outside the initial projections, the enterprise is unable to gain traction within the parameters of its business profile,

or risk appetite and tolerance levels prove to be inadequate for the group's profile.

The FSR of A- (Excellent) and the Long-Term ICRs of "a-" (Excellent) have been affirmed with stable outlooks for the members of Everspan Group:

- Everspan Indemnity Insurance Company
- Everspan Insurance Company
- Consolidated National Insurance Company
- Greenwood Insurance Company
- 21st Century Auto Insurance Company of New Jersey
- Providence Washington Insurance Company

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's **Recent Rating Activity** web page. For additional information regarding the use and limitations of Credit Rating opinions, please view **Guide to Best's Credit Ratings**. For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view **Guide to Proper Use of Best's Ratings & Assessments**.

AM Best is a global credit rating agency, news publisher and data analytics provider specializing in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

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CONTACTS:

Robert Raber
Director
+1 908 882 2261
robert.raber@ambest.com

Greg Williams
Senior Director
+1 908 882 2434
greg.williams@ambest.com

Christopher Sharkey
Associate Director, Public Relations
+1 908 882 2310
christopher.sharkey@ambest.com

Al Slavin
Senior Public Relations Specialist
+1 908 882 2318
al.slavin@ambest.com