



BEST'S COMPANY REPORT



OBSIDIAN

OBSIDIAN INSURANCE GROUP

AMB #: 018956

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

Obsidian Insurance Company	A-
Obsidian Pacific Insurance Co	A-
Obsidian Specialty Ins Co	A-



Best's Credit Rating Effective Date

April 30, 2026

Analytical Contacts

Yizhou Hong
Senior Financial Analyst
Yizhou.Hong@ambest.com
+1(908) 439-2200 Ext. 908-882-1692

Jacqalene Lentz, CPA
Senior Director
Jacqalene.Lentz@ambest.com
+1(908) 439-2200 Ext. 908-882-2011

Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Obsidian Insurance Group

AMB #: 018956

Associated Ultimate Parent: AMB # 044571 - Obsidian Insurance Holdings, Inc.

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

<p>A- u</p> <p>Excellent</p>
<p>Implication: Positive</p> <p>Action: Under Review</p>

Issuer Credit Rating (ICR)

<p>a- u</p> <p>Excellent</p>
<p>Implication: Positive</p> <p>Action: Under Review</p>

u Denotes Under Review Best's Credit Rating

Assessment Descriptors

Balance Sheet Strength	Very Strong
Operating Performance	Adequate
Business Profile	Limited
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: Obsidian Insurance Group | AMB #: 018956

AMB # Rating Unit Members
020624 Obsidian Insurance Company
021080 Obsidian Pacific Insurance Co

AMB # Rating Unit Members
020917 Obsidian Specialty Ins Co

Under Review Rationale

The ratings of the members of Obsidian Insurance Group (Obsidian) have been placed under review with positive implications following the announcement that the principal subsidiary of Protective Life Corporation (Protective), Protective Life Insurance Company, has entered into an agreement with Genstar Capital to acquire Obsidian Insurance Holdings, Inc., and its affiliates.

The parties characterize this transaction as establishing a new business line for Protective and an important step in the company's long-term strategy to diversify earnings and broaden product offerings in complementary markets.

The transaction is expected to close in the fourth quarter of 2026 or the first quarter of 2027, subject to regulatory approvals and customary closing conditions.

The rating action reflects AM Best's view that, upon closing, Obsidian is expected to be strategically important to Protective's business expansion plans, serving as a specialty property and casualty insurance platform with anticipated group support.

The following report commentary and financial exhibits contained in the Best's Credit Report pertain to the previous rating event and have not been updated with this Under Review rating event. To view the most current financial information available, please refer to the [Best's Financial Report](#).

Rating Rationale

Balance Sheet Strength: **Very Strong**

- Risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) returned to the strongest level from the very strong level, supported by additional equity contribution and debt refinancing in 2025.
- Organic capital growth is expected to accelerate, supported by stronger profitability.
- Credit risk related to reinsurance recoverables is partially mitigated through a growing number of quality reinsurance partners and the use of collateral where appropriate.
- Financial leverage at the holding company is within AM Best's tolerance for the rating level.
- Conservative investment portfolio dominated by high-quality fixed-income instruments with no equity exposure.

Operating Performance: **Adequate**

- Obsidian achieved its first full year of profitability in fiscal year 2024 and continued to generate positive underwriting results through 2025, supported by the growing scale of operations, expansion of programs, and targeted actions to enhance profitability.
- Direct premium grew substantially over the last year, while net premium grew slower due to a lower retention level.
- Fronting fees continue to be stable despite growing competition in the fronting market.
- Investment income has been enhanced due to a growing asset base; however, the group remains focused on underwriting discipline as a basis of profitability.

Business Profile: **Limited**

- The group posted significant growth in direct premiums in 2025, achieved through expansion of programs and lines of business.
- Obsidian operates as a fronting carrier in an increasingly competitive space with a growing number of incumbents and new entrants. However, fronting fees have remained stable despite competition.
- Strategy is based on a service-oriented, agile approach to building and maintaining efficient working relationships with managing general agents and reinsurers.
- Seasoned management team with extensive industry experience.
- Very low premium retention level and high dependence on reinsurance partners limit the opportunities to expand market share.

Enterprise Risk Management: **Appropriate**

- Executive team oversees continuous enhancements of risk controls to better manage and reduce exposures.
- Defined risk appetite and tolerance levels incorporated into underwriting capacity and credit risk management.

- Tailored reinsurance coverage is obtained on a per program basis including analysis of tail events.
- Established a process of independent letters of credit (LOC) verification in response to prior industry developments with LOC fraud.

Rating Drivers

- Negative rating actions could occur if there is a significant decline in risk-adjusted capitalization as measured by BCAR.
- Negative rating action could occur if there is material and sustained deterioration of operating performance.
- While unlikely, positive rating action can occur if there is consistent profitable growth while maintaining a very strong balance sheet strength assessment.

Key Financial Indicators

Best's Capital Adequacy Ratio (BCAR) Scores (%)

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	56.5	47.1	41.7	38.5

Source: Best's Capital Adequacy Ratio Model - P/C, US

Year End - December 31

Key Financial Indicators USD (000)

	2025	2024	2023	2022	2021
Premiums Written:					
Direct	956,375	597,128	397,167	258,607	119,324
Assumed	100,718	47,264	29,264	16,637	109
Ceded	1,011,984	612,676	394,049	252,195	109,840
Net	45,110	31,716	32,382	23,048	9,593
Net Operating Income	12,951	6,243	-140	-4,198	1,807
Net Income	12,951	6,199	-688	-4,199	4,959
Total Admitted Assets	550,673	412,889	291,273	211,169	131,353
Policyholders' Surplus	127,916	81,015	70,074	76,292	79,745

Source: BestLink® - Best's Financial Suite

Year End - December 31

Key Financial Ratios (%)

	2025	2024	2023	2022	2021	Weighted Average
Profitability:						
Combined Ratio	75.8	103.2	103.7	123.8	128.1	97.0
Reserve Development Combined Ratio Impact	15.1	9.6	4.8	-9.1	50.1	13.8
Net Investment Yield	3.8	3.9	3.2	1.6	2.7	3.2
Pre-Tax Operating Return on Net Earned Premiums	42.2	24.2	14.8	-18.5	11.1	21.0
Net Income Return on Policyholders' Surplus	12.4	8.2	-0.9	-5.4	7.3	4.8
Total Return on Policyholders' Surplus	9.3	2.7	-14.8	-5.0	7.3	0.5
Leverage:						
Net	3.6	4.5	3.5	2.0	0.8	...
Gross	20.0	21.1	16.0	8.8	3.6	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

Risk-adjusted capitalization for Obsidian Insurance Group (Obsidian), as measured by Best's Capital Adequacy Ratio (BCAR), returned to the strongest level from the very strong level in the prior period. The improvement in BCAR is driven by additional equity contribution and debt refinancing in 2025. Organic capital growth is expected to accelerate, supported by stronger profitability. The balance sheet strength is supported by a risk averse investment portfolio and solid liquidity metrics.

Balance Sheet Strength (Continued...)

Capitalization

Initial capitalization of the enterprise was completed in the form of equity. Obsidian achieved its first year of organic surplus growth in fiscal year 2024, driven by stronger earnings and profitability. Surplus grew further through 2025, supported by additional capital contribution as well as continued organic growth.

Obsidian has established relationships with over 200 (up from 101 and 71 a year and two years ago respectively) reinsurance partners to date. Top 10 reinsurance comprise 55% of ceded premium. Obsidian strategically partners with unauthorized and unrated reinsurers while ensuring prudent and transparent collateral management. All parties rated below A are fully collateralized, total collateral is 62% higher than Net Expected Recoverable for A- or lower rated parties.

Growth in reinsurance recoverables, which are inherent to the fronting business model, has put pressure on Obsidian's BCAR. The growth in unrated recoverables, which contributes to an increasing proportion of Obsidian's total reinsurance recoverables, further increases credit risk exposure as measured by BCAR. There are currently no recoverables in dispute.

Underwriting leverage metrics on a gross and ceded basis, both current and planned, are in line with peers of similar business profiles, despite the difference to an industry wide composite result. This is acceptable given that the company relies heavily on ceding business to reinsurance partners and generating revenues from fronting fees.

	Year End - December 31				
Capital Generation Analysis USD (000)	2025	2024	2023	2022	2021
Beginning Policyholders' Surplus	81,015	70,074	76,292	79,745	97,994
Net Operating Income	12,951	6,243	-140	-4,198	1,807
Net Realized Capital Gains (Losses)	...	-44	-548	-1	3,152
Net Unrealized Capital Gains (Losses)	-3,265	-4,130	-10,162	263	...
Net Change in Paid-In Capital and Surplus	40,000	...	32,154	...	15,880
Stockholder Dividends	...	...	...	...	-37,453
Other Changes in Capital and Surplus	-2,785	8,871	-27,522	482	-1,635
Net Change in Policyholders' Surplus	46,901	10,940	-6,218	-3,453	-18,249
Ending Policyholders' Surplus	127,916	81,015	70,074	76,292	79,745
Net Change in Policyholders' Surplus (%)	57.9	15.6	-8.1	-4.3	42.8
Net Change in Policyholders' Surplus (5 yr CAGR)	18.0	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
Liquidity Analysis	2025	2024	2023	2022	2021
Net Operating Cash Flow USD (000)	31,956	22,731	179	30,622	-23,916
Current Liquidity (%)	61.5	48.7	62.3	81.5	173.2

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

The investment portfolio is maintained as outlined in the initial business plan. New England Assets Management has served as investment manager since the beginning of operations. Portfolio (at 9/30/2025) is comprised of investment grade bonds with AA+ average quality, 4.25% book yield, and 3.20 year duration. There are no equities or alternative assets in the portfolio. Cash is a fair portion of the assets on the balance sheet each quarter as the assets are acquired in increments.

Balance Sheet Strength (Continued...)

Year End - December 31

Composition of Cash and Invested Assets	2025	2024	2023	2022	2021
Total Cash and Invested Assets USD (000)	255,510	159,240	135,582	109,414	88,938
Composition Percentages (%)					
Unaffiliated:					
Cash and Short Term Investments	29.7	25.7	24.8	14.2	20.9
Bonds	70.3	74.3	75.2	85.8	79.1
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Year End - December 31

Composition of Bond Quality (%)	2025	2024	2023	2022	2021
Investment Grades					
Class 1 (Highest Quality)	93.9	94.1	95.7	96.0	93.6
Class 2 (High Quality)	6.1	5.9	4.3	4.0	6.4
Total Investment Grade	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Years

Bonds and Short Term Investments	0-1	1-5	5-10	10-20	20+	Average (Years)
Distribution by Maturity (%)						
Total Publicly Traded Bonds	6.5	41.3	18.5	7.5	1.5	4.2
Total Privately Placed Bonds	2.3	15.7	4.4	1.9	0.3	1.2
Total Bonds	8.8	57.0	22.9	9.5	1.8	5.4

Source: BestLink® - Best's Financial Suite

Year End -
December 31

Bonds by Issuer (%)	2025
U.S. Govt & Municipalities - Issuer Credit Obligations	18.8
All other Issuer Credit Obligations - U.S. - Unaffiliated	21.4
All other Issuer Credit Obligations - Foreign - Unaffiliated	2.8
Asset-Backed Securities - U.S. - Unaffiliated	57.1

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Reserves are established by in-house actuaries and validated by an external actuarial firm. With the abbreviated experience and prescribed risk retention appetite of the organization, reserve levels had been moderate for the first two years of operations. In 2023, there was a material reserves strengthening related to poor performance on commercial auto business. Commercial auto has been the largest driver of Obsidian's adverse reserve development since inception. Obsidian does not expect similar negative impacts in the future following mitigation actions including consecutive rate increases, program exits, as well as other underwriting actions. Reserve development through 2024 and 2025 has been modest.

Balance Sheet Strength (Continued...)
Year End - December 31
Loss and Loss Adjustment Expense Reserves and Development - Calendar Year

	2025	2024	2023	2022	2021
Loss and ALAE* Reserves USD (000)	46,781	39,574	30,713	16,061	3,390
Loss and ALAE* Reserves Development USD (000)	...	1,090	4,934	3,835	1,189
Development to:					
Original Reserves (%)	...	2.8	19.1	31.4	54.0
Prior Year End Reserves(%)	...	...	...	...	...
Prior Year End Surplus (%)	...	1.3	7.0	5.0	1.5

Source: BestLink® - Best's Financial Suite

* Interim LAE reserves balances displayed include Adjusting and Other Unpaid as well as Defense and Cost Containment Unpaid. Year End LAE balances include Defense and Cost Containment Unpaid only.

Year End - December 31
Loss and Loss Adjustment Expense Reserves and Development - Accident Year

	2025	2024	2023	2022	2021
Original Loss and ALAE Reserves USD (000)	18,324	16,352	14,934	10,312	2,200
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	18,324	16,209	17,782	13,171	3,334
Development to Original Reserves (%)	...	-0.9	19.1	27.7	51.5
Accident Year Loss and LAE Ratio (%)	73.5	108.7	112.7	138.3	148.0
Accident Year Combined Ratio (%)	60.6	84.8	109.5	168.3	205.8

Source: BestLink® - Best's Financial Suite

Holding Company Assessment

The U.S. domiciled holding company was formed as a capital conduit and provides flexibility to the organizational structure. Capital raised via the holding company has been an efficient combination of equity and debt. Currently, the debt balance consists of \$40 million senior notes maturing in 2030, at which time the holding company plans to refinance the debt. Financial leverage and coverage metrics are within AM Best tolerance.

Financial Leverage Summary - Holding Company

Financial Leverage Ratio (%)	25.10
Adjusted Financial Leverage Ratio (%)	25.10
Interest Coverage (x)	13.50

Operating Performance

Operating performance has continued to improve in recent years as the group expands operations and develops its written premium base.

Net results fluctuated for the first three years of operation (2020-2022) driven by large startup and underwriting costs offsetting underwriting, fee, and investment income. In 2023, net income was positive and improved compared to 2022; however, underwriting results were significantly below projections due to weak results in commercial auto segment. The group increased rate requirements and moved away from the most challenged classes. In 2024, the group achieved its first full year of profitability, posting materially improved underwriting gains while net income was enhanced through higher investment returns. Underwriting results continued to improve through 2025, supported by the growing scale of operations, expansion of programs, and targeted actions to enhance profitability.

Gross premium written grew substantially over the last year while net premium grew slower due to a lower retention level. Premium growth has exceeded initial projections, with gross premium reaching over \$1 billion in 2025, around 63% increase over 2024, while net premium grew to \$45 million in 2025 compared to \$32 million in 2024. Premium was generated through 38 programs in 2025, with an average retention of 5%. The amount of ceded premiums raises concerns related to reinsurance credit and dependency risks. These risks are reflected in the BCAR and the balance sheet assessment.

Operating Performance (Continued...)

Investment income has enhanced due to a growing asset base; however, management does not expect reliance on investment income to drive profitability in the long-term. The group remains focused on underwriting discipline as a basis of profitability. Fronting fees continue to be stable despite growing competition in the fronting market.

Year End - December 31

Operating and Financial Performance Ratios (%) - Company	2025	2024	2023	2022	2021	Weighted Average
Calendar Year Loss and LAE Ratio	88.7	127.0	107.0	93.8	70.4	98.4
Expense and Policyholder Dividend Ratio	-12.9	-23.8	-3.2	30.0	57.7	-1.4
Combined Ratio	75.8	103.2	103.7	123.8	128.1	97.0
Reserve Development Ratio Impact	15.1	9.6	4.8	-9.1	50.1	13.8
Net Investment Yield	3.8	3.9	3.2	1.6	2.7	3.2
Pre-Tax Operating Return on Net Earned Premiums	42.2	24.2	14.8	-18.5	11.1	21.0
Net Income Return on Policyholders' Surplus	12.4	8.2	-0.9	-5.4	7.3	4.8
Total Return on Policyholders' Surplus	9.3	2.7	-14.8	-5.0	7.3	0.5

Source: BestLink® - Best's Financial Suite

Year End - December 31

Operating and Financial Performance Ratios (%) - Composite	2025	2024	2023	2022	2021	Weighted Average
Calendar Year Loss and LAE Ratio	...	62.9	58.5	64.6	69.1	64.4
Expense and Policyholder Dividend Ratio	...	26.5	27.5	27.1	23.6	26.1
Combined Ratio	...	89.4	86.0	91.6	92.7	90.5
Reserve Development Ratio Impact	...	1.1	-6.2	-2.2	-0.1	-1.7
Net Investment Yield	...	3.7	3.2	2.0	1.5	2.6
Pre-Tax Operating Return on Net Earned Premiums	...	26.0	27.0	15.4	10.7	19.4
Net Income Return on Policyholders' Surplus	...	20.9	9.5	8.2	4.7	10.5
Total Return on Policyholders' Surplus	...	15.0	16.8	-5.1	15.4	10.3

Source: BestLink® - Best's Financial Suite

Industry Composite: Surplus Lines Composite - BestLink® - Best's Financial Suite

Business Profile

Within the group, Obsidian Specialty Insurance Company functions as a surplus lines company, while Obsidian Insurance Company and Obsidian Pacific Insurance Company operate as admitted carriers. Beyond licensing and regulatory differences, the business profile is similar for all entities. The group writes multiple lines of business with risks distributed across the country. The profile continues to diversify as new programs are brought on board. The group works closely with reputable MGAs – many of which management has lasting business relationships with – to provide coverage for programs that meet select requirements. Obsidian is targeting risk retention of around five percent on average, with reinsurance provided by a diverse portfolio of recognizable and financially strong reinsurance companies as well as collateralized reinsurance.

Business mix is evolving as the business grows, with Property and General Liability comprising close to 60% of gross premiums in 2025. Overall, diversification by line of business, geographic footprint, and program source has improved over the last few years as operations matured.

The fronting carrier space continues to become more competitive with additional new entrants, along with a continued presence of well-capitalized incumbent carriers. Obsidian's fronting fees have remained stable despite competition. The management team includes members with experiences specific to the fronting and program management space.

Business Profile (Continued...)

Premium Composition and Growth	Year End - December 31					5 Year CAGR
	2025	2024	2023	2022	2021	
Direct Premiums Written USD (000)	956,375	597,128	397,167	258,607	119,324	...
% Change	60.2	50.3	53.6	116.7	999.9	263.3
Reinsurance Premiums Assumed USD (000)	100,718	47,264	29,264	16,637	109	...
% Change	113.1	61.5	75.9	999.9	...	...
Reinsurance Premiums Ceded USD (000)	1,011,984	612,676	394,049	252,195	109,840	...
% Change	65.2	55.5	56.2	129.6	999.9	274.4
Net Premiums Written USD (000)	45,110	31,716	32,382	23,048	9,593	...
% Change	42.2	-2.1	40.5	140.3	999.9	219.5

Source: BestLink® - Best's Financial Suite

2025 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Fire	298,128	31.2	1,195	1.2	295,444	29.2	3,879	8.6	1.3
Other Liab Occurrence	286,560	30.0	10,339	10.3	278,346	27.5	18,553	41.1	6.2
Comm Auto Liab	145,446	15.2	374	0.4	134,454	13.3	11,367	25.2	7.8
Other Liab Claims made	66,860	7.0	...	...	64,301	6.4	2,559	5.7	3.8
Homeowners	57,863	6.1	1,775	1.8	57,807	5.7	1,830	4.1	3.1
Top 5	854,857	89.4	13,683	13.6	830,351	82.1	38,188	84.7	4.4
All Other	101,518	10.6	87,036	86.4	181,633	17.9	6,921	15.3	3.7
Total	956,375	100.0	100,718	100.0	1,011,984	100.0	45,110	100.0	4.3

Source: BestLink® - Best's Financial Suite

Geographic Breakdown by Direct Premiums Written USD (000)	Year End - December 31				
	2025	2024	2023	2022	2021
Florida	186,207	97,886	68,906	39,968	15,341
Texas	127,411	72,514	55,131	32,772	12,953
California	113,366	67,725	56,500	49,285	31,228
New York	61,336	48,739	31,179	18,602	8,612
Georgia	30,628	19,974	16,754	8,363	3,837
Top 5 States	518,948	306,839	228,470	148,990	71,971
All Other	437,427	290,289	168,697	109,617	47,353
Total	956,375	597,128	397,167	258,607	119,324
Geographic Concentration Index	0.08	...	...	...	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

Obsidian has designed and implemented enterprise risk management practices that are appropriate for an entity of its complexity and scale. Broad risk standards were established at the Board level and are executed by members of the executive team and management.

Monthly reviews of underwriting performance and ongoing audits of managing general agents help maintain a minimum standard of underwriting risk management. Stress tests are performed on key risks identified by management, including credit risk and catastrophe risk.

As the organization matures, additional risk identification and mitigation processes have been implemented. In response to industry issues around Letters of Credit fraud, Obsidian implemented a process of independent verification for letters of credit used as collateral by its reinsurers partners.

Enterprise Risk Management (Continued...)

Reinsurance Summary

Reinsurance through quota-share treaties is tailored for each program. The company purchases coverage up to a 1-in-250 year catastrophe event such that net loss is limited to less than 10% of surplus. Obsidian has developed a portfolio of highly rated reinsurance partners as well as reinsurers that post high-quality collateral. Collateral is consistently managed and monitored. The use of collateralized, non-rated counterparties has increased proportionally over the last couple years. AM Best will continue to monitor the use of unrated reinsurers and any significant impact it has on the group's risk-adjusted capitalization.

Environmental, Social & Governance

Obsidian incorporates environmental, social and governance goals and objectives into its operations and metrics. The organization has implemented internal guidance within investments and underwriting to attain an optimal balance across serving insurance needs and functioning as a strong corporate citizen. The group has the ability to leverage stakeholders as a resource for meeting goals and objectives. An annual ESG and Carbon footprint assessment is conducted through an external vendor.

Financial Statements

	Year End - December 31			
	2025		2024	
Balance Sheet	USD (000)	%	USD (000)	%
Cash and Short Term Investments	75,838	13.8	40,917	9.9
Bonds	179,672	32.6	118,324	28.7
Total Cash and Invested Assets	255,510	46.4	159,240	38.6
Premium Balances	199,011	36.1	165,942	40.2
Net Deferred Tax Asset	75	...	67	...
Other Assets	96,076	17.4	87,639	21.2
Total Assets	550,673	100.0	412,889	100.0
Loss and Loss Adjustment Expense Reserves:				
Net Reported Loss Reserves	13,149	2.4	9,596	2.3
Net IBNR Loss Reserves	26,075	4.7	21,551	5.2
Net LAE Reserves	16,948	3.1	15,349	3.7
Total Net Loss and LAE Reserves	56,172	10.2	46,495	11.3
Net Unearned Premiums	22,264	4.0	21,482	5.2
Other Liabilities	344,321	62.5	263,896	63.9
Total Liabilities	422,757	76.8	331,874	80.4
Capital Stock	5,000	0.9	5,000	1.2
Paid-In and Contributed Surplus	124,584	22.6	84,584	20.5
Unassigned Surplus	-1,668	-0.3	-8,569	-2.1
Total Policyholders' Surplus	127,916	23.2	81,015	19.6
Total Liabilities and Surplus	550,673	100.0	412,889	100.0

Source: BestLink® - Best's Financial Suite

Income Statement USD (000)	Year End - December 31	
	2025	2024
Net Premiums Earned	44,328	29,023
Net Losses and LAE Incurred:		
Current Accident Year	32,602	34,071
Prior Accident Years	6,709	2,789
Underwriting Expenses Incurred	-5,832	-7,564
Net Underwriting Income	10,850	-272
Net Investment Income	7,842	5,836
Other Income (Expense)	26	1,473
Pre-Tax Operating Income	18,718	7,037
Income Taxes Incurred	5,767	794
Net Operating Income	12,951	6,243
Net Realized Capital Gains (Losses)	...	-44
Net Income	12,951	6,199

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	Year End - December 31	
	2025	2024
Net Premiums Collected	56,417	41,486
Net Losses Paid	31,840	16,795
Expenses Paid	3,697	-7,981
Net Underwriting Cash Flow	20,881	32,672
Net Investment Income	7,322	5,375
Other Income (Expense)	8,941	-7,497
Income Taxes Paid (Recovered)	5,188	7,819
Net Operating Cash Flow	31,956	22,731

Source: BestLink® - Best's Financial Suite

Obsidian Insurance Group

Operations

Last Update

April 30, 2026

Identifiers

AMB #: 018956

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Property/Casualty business of AMB#: [044571 Obsidian Insurance Holdings, Inc.](#).

AMB#: [020917 Obsidian Specialty Insurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

Domiciled: New York, United States

Business Type: Property/Casualty

Organization Type: Stock

Marketing Type: MGA

Best's Credit Ratings

Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: April 30, 2026

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 018956 - Obsidian Insurance Group](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
020624	Obsidian Insurance Company	A- u	a- u
021080	Obsidian Pacific Insurance Co	A- u	a- u
020917	Obsidian Specialty Ins Co	A- u	a- u

Corporate Structure

Associated Ultimate Parent: AMB # 044571 - Obsidian Insurance Holdings, Inc.

Based on AM Best's analysis, AMB# 044571 Obsidian Insurance Holdings, Inc. is the Associated Ultimate Parent to this group. Its current data structure is based on the corporate structure for the associated ultimate parent and the non-legal entities such as data records and AM Best Groups. Access current [Data Structure](#) in BestLink.

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 018956 - Obsidian Insurance Group](#)

Major Line	2026	2025	2024	2023	2022
Aviation	...	32	5	44	...
Commercial Auto	3	106	63	214	110
Commercial General Liability	8	21	109	77	91
Commercial Inland Marine	...	29	117	51	1
Commercial Interline	1	3	26	39	2
Commercial Multi-Peril	44	1	40	...	2
Crime	...	8	34	...	...
Fire And Allied Lines (Commercial Property)	2	49	39	...	...
Fire And Allied Lines (Personal Property)	3	81	25	34	35
Homeowners Multi-Peril	5	16	8	3	2
Personal General Liability	...	5	...	...	...
Personal Inland Marine	...	...	3	5	26
Personal Interline	1	6	3	5	1
Private Passenger Auto	1	1	...	...	1
Total	68	358	472	472	271

Source: Best's State Rate Filings

Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent AM Best consolidated statements available in BestLink - Best's Statement File P/C, US. Access [Quantitative Analytical Report \(QAR\) Annual](#) and [Quarterly](#) for additional details.

Currency: US Dollars

Balance Sheet Highlights

Ceded Reinsurance Analysis	Year End - December 31				
	2025	2024	2023	2022	2021
Obsidian Insurance Group					
Ceded Reinsurance USD (000)	2,175,356	1,412,642	898,838	517,427	226,644
Business Retention (%)	4.3	4.9	7.6	8.4	8.0
Reinsurance Recoverables to PHS (%)	909.8	987.4	720.4	347.7	146.5
Ceded Reinsurance to PHS (%)	999.9	999.9	999.9	678.2	284.2
Surplus Lines Composite					
Business Retention (%)	23.0	25.3	24.1	25.9	29.7
Reinsurance Recoverables to PHS (%)	79.2	78.4	71.2	70.8	67.2
Ceded Reinsurance to PHS (%)	129.3	124.4	115.2	112.4	105.0

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2025 Reinsurance Recoverables USD (000)					
US Affiliates	7,036	8,485	8,546	-2,587	21,481
US Insurers	114,254	220,635	161,570	6,026	502,483
Other Non-US	115,009	217,413	279,479	7,797	619,695
Total (excluding US Affiliates)	229,263	438,048	441,049	13,823	1,122,178
Grand Total	241,261	466,702	463,722	13,168	1,184,853

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	Year End - December 31				
	2025	2024	2023	2022	2021
Composition of Bond Quality (%)					
Investment Grades					
Class 1 (Highest Quality)	93.9	94.1	95.7	96.0	93.6
Class 2 (High Quality)	6.1	5.9	4.3	4.0	6.4
Total Investment Grade	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Year End - December 31
	2025
Bonds by Issuer (%)	
U.S. Govt & Municipalities - Issuer Credit Obligations	18.8
All other Issuer Credit Obligations - U.S. - Unaffiliated	21.4
All other Issuer Credit Obligations - Foreign - Unaffiliated	2.8
Asset-Backed Securities - U.S. - Unaffiliated	57.1

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2025	2024	2023	2022	2021
Stock Portfolio					
By Type (%)					
Affiliated Common	100.0	...	...	...	...

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	Year End - December 31					Weighted Average
	2025	2024	2023	2022	2021	
Operating and Financial Performance Ratios (%)						
Surplus Lines Composite						
Calendar Year Loss and LAE Ratio	57.3	62.5	58.5	64.8	68.4	61.9
Expense and Policyholder Dividend Ratio	29.9	27.4	28.1	27.5	23.9	27.5
Combined Ratio	87.3	89.9	86.5	92.3	92.3	89.4
Reserve Development Ratio Impact	-4.1	1.0	-5.9	-1.6	-0.6	-2.3
Net Investment Yield	3.5	3.7	3.2	2.0	1.5	2.9
Pre-Tax Operating Return on Net Earned Premiums	29.1	24.9	25.4	14.8	10.7	21.9
Net Income Return on Policyholders' Surplus	10.0	20.3	9.0	7.9	4.7	10.9
Total Return on Policyholders' Surplus	11.8	14.8	16.3	-5.0	15.0	10.9

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	Year End - December 31				
	2025	2024	2023	2022	2021
By Line - Net Loss Ratio (%)					
Other Liab	36.5	39.4	49.6	45.3	28.8
Comm Auto Liab	77.9	93.6	90.7	81.3	11.3
Fire	30.5	118.4	65.8	17.1	6.8
Homeowners	24.5	-33.7	48.9	...	...
Aircraft	39.6	63.6	50.0	...	...
Comm M.P.	41.3	21.2	24.5	...	...
Auto Phys Dmg	20.4	31.7	52.8	50.3	1.0
Inland Marine-T	18.2	29.4	24.1	41.3	2.2
Allied Lines	18.4	30.2	0.1	...	...
Earthquake	0.3	18.3	12.3	...	...
All Other	-99.9	337.4	-21.9	3.8	179.9
Total	46.1	64.1	60.1	52.3	54.1

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2025	2024	2023	2022	2021
Geographic - Direct Loss Ratio (%)					
Florida	43.3	50.7	45.9	48.0	48.9
Texas	45.8	76.1	77.9	60.9	51.9
California	46.7	75.3	68.7	46.1	46.5
New York	42.3	62.3	34.6	51.4	45.5
Georgia	67.2	89.3	104.1	103.2	63.6
Illinois	46.6	47.8	80.4	35.9	44.2
Washington	45.7	54.3	36.9	48.0	52.3
Arizona	61.4	68.8	51.7	57.3	48.4
South Carolina	34.1	48.0	54.9	46.9	50.4
New Jersey	55.1	70.0	43.6	48.6	54.3
All Other	36.1	52.0	46.1	36.4	52.2
Total	43.2	61.1	56.4	48.1	49.8

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2025	2024	2023	2022	2021
By Line Breakdown - NPW USD (000)					
Other Liab	21,112	19,293	13,724	16,134	6,836
Comm Auto Liab	11,367	6,064	15,823	5,270	1,375
Fire	3,879	2,002	804	379	271
Homeowners	1,830	971	19	...	...
Allied Lines	1,607	448	23	...	...
Comm M.P.	1,270	541	189	...	...
Aircraft	1,264	1,045	332	...	...
Inland Marine-T	1,081	453	684	505	82
Auto Phys Dmg	969	680	708	619	686
Earthquake	774	2	1	...	...
All Other	-43	218	75	141	343
Total	45,110	31,716	32,382	23,048	9,593

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

	Year End - December 31		2023
	2025	2024	
By Line Reserves USD (000)			
Other Liab	30,272	26,748	19,356
Comm Auto Liab	22,389	16,874	8,552
Fire	1,083	608	270
Aircraft	571	541	10
Inland Marine-T	407	345	195
Comm M.P.	389	50	20
Auto Phys Dmg	387	349	487
Homeowners	320	103	3
Rein-NPA Liab	253	298	187
Rein-NPA Prop	56	157	89
All Other	45	422	74
Total	56,172	46,495	29,242

Source: BestLink® - Best's Financial Suite

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <https://www.ambest.com/ratings/index.html> for additional information or <https://web.ambest.com/about/terms-of-use> for details on the Terms of Use. For current ratings visit www.ambest.com/ratings

Copyright © 2026 A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED. No portion of the content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted, or uploaded into any external applications, algorithms, bots or websites, including those using artificial intelligence or machine learning technologies such as large language models (LLM) and generative artificial intelligence (Gen-AI) or retrieval-augmented generation (RAG) in any form or by any means without the prior written permission of AM Best. AM Best does not warrant the accuracy, completeness, or timeliness of the AM Best content. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. You specifically acknowledge that neither AM Best nor the content gives any investment, financial, tax, insurance, or legal advice. You are solely responsible for seeking competent professional advice before making any investment, financial, tax or insurance decision. For additional details, refer to our Terms of Use available at the AM Best website <https://web.ambest.com/about/terms-of-use>. All information contained herein was obtained by AM BEST from sources believed by it to be accurate and reliable. Notwithstanding the foregoing, AM BEST does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and all such information is provided on an "as is" and "as available" basis, without any warranties of any kind, either express or implied. Under no circumstances shall AM BEST have any liability to any person or entity for (a) any loss or damage of any kind, in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of AM BEST or any of its directors, officers, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory, punitive or incidental damages whatsoever (including without limitation, personal injury, pain and suffering, emotional distress, loss of revenue, loss of present or prospective profits, loss of business or anticipated savings, or loss of goodwill) resulting from the use of, or inability to use, any such information, in each case, regardless of (i) whether AM BEST was advised in advance of the possibility of such damages, (ii) whether such damages were foreseeable, and (iii) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based. The credit ratings, performance assessments, financial reporting analysis, projections, and any other observation, position or conclusion constituting part of the information contained herein are, and shall be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor do they individually or collectively address the suitability of any particular financial obligation for a specific purpose or purchaser. Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. Service performance risk is the risk that an entity may not meet its contractual service performance obligations on behalf of its insurance partners. Consequently, neither credit ratings nor performance assessments address any other risk, including but not limited to, liquidity risk, market value risk or price volatility of rated securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR ASSESSMENT OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY AM BEST IN ANY FORM OR MANNER WHATSOEVER. Each credit rating, performance assessment or other opinion must be weighed solely as one factor in any investment or purchasing decision made by or on behalf of any user of the information contained herein. Each such user will, with due care, make its own study and evaluation of each security or other financial obligation, and of each issuer and guarantor of, and each provider of credit support, and an independent view of service provider performance for, each security or other financial obligation that it may consider purchasing, holding, or selling or for each service contract that it may consider entering into. For additional detail on credit ratings or performance assessments, and their respective scales, usage, and limitations, refer to the Guide to Best's Credit Ratings (<http://www.ambest.com/ratings/index.html>) or the Guide to Best's Performance Assessments (<https://www.ambest.com/ratings/assessmentMethodology.html>).

