

September 28, 2022

TOWER HILL SPECIALTY MARKET UPDATE

As we approach the fourth quarter, Tower Hill Specialty remains committed to continued growth through our range of products and coverage options available in 16 states. However, Tower Hill Insurance has made the difficult business decision to withdraw the A.M. Best Financial Strength Rating® for Tower Hill Prime Insurance Company at this time due to the continued deterioration of the Florida personal lines portfolio. The decision was based on the potential of further negative action from A.M. Best.

Tower Hill Prime Insurance Company has a strong balance sheet and remains very well capitalized with surplus of \$69.5 million as of June 30, 2022. In June 2022, reinsurance coverage beyond the 270-year Probable Maximum Loss (PML) for multiple events was secured. Tower Hill Prime holds a Demotech, Inc. Financial Stability Rating® of A (Exceptional) which was reaffirmed in August and a KBRA Insurance Financial Strength Rating® of A- which was reaffirmed in June. These ratings meet or exceed the requirements of Fannie Mae and/or Freddie Mac for mortgaged business.

Although we are disappointed this business decision was necessary, Tower Hill continues to execute strategies to improve Tower Hill Prime's overall results with the ultimate goal of returning to an A.M. Best Financial Strength Rating of A- (Excellent) or better.

CUSTOMER-FOCUSED APPROACH

Tower Hill actively conducts customer outreach when a geographical area is threatened — text messages, emails, social media updates. Outreach text messages and emails include a personalized link customers can use to report storm damage and initiate a claim, directly from their mobile device. Using our secure Customer Portal, customers have the option to upload photos of damage and supporting documentation online. *We also have the option to offer virtual home inspections for Tower Hill customers, as needed.*

DIGITAL CLAIMS PAYMENTS

Just in time for Hurricane Ian, we launched ClaimsPay® to provide claim payments digitally for convenience. With ClaimsPay, we can close claims faster and customers can access their claim payment sooner. Now most policyholders can opt to receive their claim payment by direct deposit (ACH bank transfer), push to debit, PayPal or Venmo, within one to two days of selecting a payment method.

CASTLECARE EMERGENCY REPAIRS

Available at no cost and exclusively for Tower Hill customers, **CastleCare** is a credentialed contractor network program for assisting customers when emergency services (i.e., water extraction, tarping roofs, window board-up), repairs or rebuilding are necessary. Customers can contact CastleCare 24/7 at **844.TOWER.11** (844.869.3711) for emergency repairs and assistance with mitigating further damage.

Please contact your Sales Representative with any questions.

