



Effective November 2, 2023, Hochheim Prairie Farm Mutual Insurance Association and Hochheim Prairie Casualty Insurance Company (“Hochheim”) are currently not rated by Demotech, Inc.

We understand your concern that this does not meet the underwriting requirements of your loan with our policyholder. However, if you have discretion in this decision we ask that you consider allowing your customer to continue having Hochheim as his or her insurer of choice. This is not the first time that Hochheim has been challenged in its existence. However, we have always met those challenges and come back even stronger. Please review the following about Hochheim:

- Hochheim was founded in 1892 and has been serving the needs of Texas policyholders for over 131 years;
- Before Hochheim received its first premium payments from policyholders in 1893, an insured house burned down, but Hochheim and its members paid that loss and endured;
- Hochheim continued to serve the insurance needs of many Texans during the Great Depression and Hochheim stood by its members and its members stood by us and endured;
- Hochheim insured Texans during the Spanish American War, World War I, World War II, the Korean War, the Vietnam War, the Persian Gulf War, and Hochheim endured;
- Hochheim insured Texans during some of the most severe hurricanes to ever strike Texas including the 1900 Galveston Storm, Hurricanes Carla (1961), Harvey (2017), Beulah (1967), Celia (1970), Allen (1980), Alicia (1983), Rita (2005), Ike (2008), and many unnamed hurricanes in the first half of the 20th Century which impacted Texas and Hochheim endured;
- Hochheim has been there for our insureds during the Bastrop wildfires (2011), the West Explosion (2013), and Winter Storm Uri (2021) and Hochheim endured;
- Throughout the state, Hochheim has served Texans from various hailstorms, windstorms, wildfires, droughts, and ice storms, and Hochheim endured; and
- Even for the most personal of losses, when a family loses their home to a fire, Hochheim has been there to pay for the loss, provide additional living expense, and help find temporary housing, so the family would endure.

As for Hochheim, we are experiencing temporary financial stress solely due to the challenges we faced in the reinsurance market. The January 1, 2023 placement came with higher retentions and increased pricing which affected our ability to purchase reinsurance at traditional levels. This coupled with increased frequency and severity of convective storms during the 2nd quarter and continued claims development in the 3rd quarter produced the perfect storm.

Our focus has been on building surplus to return to a financially stable condition. We have implemented operational and underwriting initiatives as well as enhanced our relationships with reinsurance partners to ensure protection from natural catastrophes and/or other claims activity. We continue to maintain a healthy bond portfolio that can be utilized for claims payments, if the need should arise. Hochheim’s list of reinsurers and their ratings is included for your review.

We ask for you to consider Hochheim maintaining its coverage of the property you have provided financing for to your customer. We thank you for your support of our efforts to regain your trust.

Hochheim Prairie Insurance Group Reinsurer List

Manager / Reinsurers	Domicile	A.M. Best Rating	A.M. Best Outlook	S&P Rating	S&P Outlook	Surplus (USDMM)	As of Date
UNITED STATES							
Allied World Reinsurance Management Company/Allied World Insurance Company	NH	A g (03-May-2023)	Stable	A (27-May-2022)	Stable	2,221.5	30-Jun-2023
American Family Connect Property and Casualty Insurance Company	WI	A r (30-Sep-2022)	Stable	NR (03-Jul-2003)		555.7	30-Jun-2023
General Reinsurance	CT	A++ (31-Dec-2022)	Stable	AA+ (31-Dec-2022)	Stable	12,739.1	31-Dec-2022
Houston Casualty Company (UK Branch)	TX	A++ g (14-Dec-2022)	Stable	A+ (24-Apr-2020)	Stable	2,077.1	30-Jun-2023
Insurance Company of the West	CA	A p (23-Nov-2022)	Stable	NR (18-Mar-2003)		1,407.4	30-Jun-2023
Munich Reinsurance America, Inc.	DE	A+ g (13-Jul-2023)	Stable	AA- (16-Aug-2023)	Positive	4,978.0	30-Jun-2023
Reaseguradora Patia, S.A./Trisura Ins Co	OK	A- g (17-Mar-2023)	Negative			203.0	30-Jun-2023
SCOR Reinsurance Company	NY	A g (09-Mar-2023)	Stable	A+ (17-Nov-2022)	Stable	1,297.0	30-Jun-2023
Sheller Mutual Insurance Company	MO	A (16-Sep-2022)	Stable	NR (03-Nov-2014)		2,171.8	30-Jun-2023
Swiss Reinsurance America Corporation	NY	A+ g (18-Aug-2022)	Stable	AA- (16-Aug-2023)	Stable	3,786.0	30-Jun-2023
Transatlantic Reinsurance Company	NY	A++ (10-Jan-2023)	Stable	AA+ (19-Oct-2022)	Stable	4,482.2	30-Jun-2023
BERMUDA							
Aspen Bermuda Limited	BERMUDA	A g (16-Jun-2023)	Stable	A- (26-Mar-2020)	Stable	877.1	31-Dec-2022
Conduit Reinsurance Limited	BERMUDA	A- (15-Dec-2022)	Stable			831.2	31-Dec-2022
Convex Re Limited	BERMUDA	A g (31-May-2023)	Stable	A- (11-Dec-2019)	Stable	2,063.5	31-Dec-2022
Davinci Reinsurance Ltd.	BERMUDA	A g (21-Jul-2022)	Stable	A+ (25-Mar-2019)	Stable	2,668.1	31-Dec-2022
Endurance Specialty Insurance Ltd.	BERMUDA	A+ g (16-Sep-2022)	Stable	A+ (26-Apr-2018)	Stable	7,268.3	31-Dec-2022
Hamilton Re, Ltd.	BERMUDA	A- g (26-May-2023)	Positive			1,579.8	31-Dec-2022
Partner Reinsurance Company Limited (Manila Distribution Platform)	BERMUDA	A+ g (27-Apr-2023)	Stable	A+ (29-Oct-2021)	Stable	3,991.7	31-Dec-2022
Renaissance Reinsurance Ltd.	BERMUDA	A+ (21-Jul-2022)	Stable	A+ (25-Mar-2019)	Stable	2,250.0	31-Dec-2022
Validus Reinsurance, Ltd.	BERMUDA	A g (25-May-2023)	Developing	A+ (24-May-2023)	Watch Neg	3,307.5	31-Dec-2022
EUROPE							
Alliantz Risk Transfer AG (Bermuda Branch)	LIECHTENSTEIN	A+ g (08-Mar-2023)	Stable	AA- (20-Mar-2013)	Stable	797.4	31-Dec-2022
Hannover Rueck SE (obo Chard Re)	GERMANY	A+ (22-Dec-2022)	Stable	AA- (21-May-2010)	Stable	8,342.2	31-Dec-2022
Hannover Rueck SE (obo Eskatos Capital Management)	GERMANY	A+ (22-Dec-2022)	Stable	AA- (21-May-2010)	Stable	8,342.2	31-Dec-2022
Hannover Rueck SE	GERMANY	A+ (22-Dec-2022)	Stable	AA- (21-May-2010)	Stable	8,342.2	31-Dec-2022
MAPFRE RE, Compania de Reaseguros, S.A.	SPAIN	A g (19-Oct-2022)	Stable	A+ (18-Nov-2019)	Stable	1,938.6	31-Dec-2022
UNITED KINGDOM							
Ariel Re Bda Limited/Lloyd's Syndicate 1910	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	787.6	31-Dec-2022
Liberty Specialty Markets Europe Two S.a.r.l (Paris)/Lloyd's Syndicate 4472	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	1,929.9	31-Dec-2022
Lloyd's Syndicate 0435 (FDY)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	723.7	31-Dec-2022
Lloyd's Syndicate 0566 (STN)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable		
Lloyd's Syndicate 0609 (AUM)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	1,052.3	31-Dec-2022

Hochheim Prairie Insurance Group Reinsurer List

Lloyd's Syndicate 1729 (DUW)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	337.7	31-Dec-2022
Lloyd's Syndicate 1856 (IQU)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	679.4	31-Dec-2022
Lloyd's Syndicate 2010 (MMX)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	480.0	31-Dec-2022
Lloyd's Syndicate 2121 (ARG)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	964.9	31-Dec-2022
Lloyd's Syndicate 2791 (MAP)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	572.8	31-Dec-2022
Lloyd's Syndicate 2791 (MAP)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	572.8	31-Dec-2022
Lloyd's Syndicate 4444 (CNP)	UNITED KINGDOM	A (27-Jul-2023)	Positive	A+ (14-Jun-2019)	Stable	2,171.1	31-Dec-2022
Lloyd's Syndicate 5886 (WBC)	UNITED KINGDOM	A (15-Jul-2022)	Positive	A+ (14-Jun-2019)	Stable	485.7	31-Dec-2021
ASIA/PACIFIC RIM							
General Insurance Corporation of India	INDIA	B++ (06-Oct-2022)	Stable	NR (17-Jul-2006)		7,820.7	31-Mar-2023
Korean Reinsurance Company	KOREA, REPUBLIC OF	A (09-Dec-2022)	Stable	A (24-Oct-2014)	Stable	2,279.6	01-Jan-2023
Topsail Reinsurance SPC, Ltd.							