



Financial and Business Highlights

Navigators is a global specialty insurance company. We provide customized insurance solutions designed to protect businesses from the complex risks they face. For more than 40 years, Navigators has provided value to policyholders—both in underwriting and in claims—through the depth and quality of our technical and industry expertise.



FINANCIAL HIGHLIGHTS

3Q 2018

\$455.9 M

Gross written premium, an increase of 13.4% from 3Q 2017

105.3%

Combined ratio, down 16.6% from 3Q 2017

\$25.7 M

Net investment income, up 13.5% from 3Q 2017

\$4.6 M

Net income, up \$32.6M from 3Q 2017

\$0.15

Diluted earnings per share, compared with (\$0.95) per diluted share in 3Q 2017

\$41.38

Book value per share, down 0.1% compared to 3Q 2017

Year to date 2018

\$1.4 B

Gross written premium, an increase of 11.0% from 3Q YTD 2017

98.6%

Combined ratio, down 6.9% from 3Q YTD 2017

\$74.0 M

Net investment income, up 11.5% from 3Q YTD 2017

\$67.6 M

Net income, up \$54.0M from 3Q YTD 2017

\$2.24

Diluted earnings per share, compared with \$0.45 per diluted share in 3Q YTD 2017

\$41.38

Book value per share, down 0.1% compared to 3Q YTD 2017

BUSINESS HIGHLIGHTS

Navigators Signs Agreement to Be Acquired by The Hartford

Navigators has signed an agreement to be acquired by The Hartford Financial Services Group, Inc. (NYSE: HIG), in an all-cash transaction that values Navigators at approximately \$2.1 billion. The Hartford is a leader in property and casualty insurance (commercial and personal lines), group benefits and mutual funds. Under the terms of the agreement, when the transaction closes, Navigators stockholders will receive \$70.00 per share, which represents a multiple of 1.78 times Navigators' fully diluted tangible book value per share, as of June 30, 2018, and an 18.6% premium to the 90-trading-day average stock price.

As part of a larger, well-known and well-respected organization, Navigators will be able to deliver value to brokers and policyholders in new and exciting ways. We anticipate, for example that Navigators will be able to offer additional product capabilities, such as workers' compensation coverage and commercial multi-peril insurance. The Hartford is the second-largest provider of workers' compensation to small businesses in the United States and the sixth-largest provider of commercial multi-peril insurance to the U.S. small business market.

The transaction, subject to regulatory and stockholder approvals and other customary closing conditions, is expected to close in the first half of 2019.

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BUSINESS HIGHLIGHTS (CONTINUED)

Serving our European Clients and Business Partners after Brexit

Work is progressing on Navigators' plans for ensuring certainty and continuity of service and coverage for our clients located, or with risk exposures, in the European Economic Area (EEA) following Brexit, the United Kingdom's exit from the European Union.

Navigators' European brokers and clients will be on our ASCO platform. ASCO—Assurances Continentales – Continenatale Verzekeringeno NV—has been granted the necessary regulatory licenses to provide coverage for our existing clients throughout the European Union, and it has been assigned an A- (Stable) rating by Standard & Poor's. ASCO is a specialty insurer located in Antwerp, Belgium, which Navigators acquired earlier this year. Founded in 1929, ASCO is a Belgium-domiciled insurance company with deep experience in specialty underwriting for the marine and property and casualty lines of business.

ASCO will become Navigators' main platform for underwriting European Union risks at the beginning of 2019. For any policies that are underwritten by UK-domiciled Navigators International Insurance Company Ltd., we will work with our European business partners to renew these policies with ASCO.

This transition will be seamless for our business partners and clients. You will continue to work with the same Navigators partners you now work with, and you will continue to enjoy the same high-quality service and coverage.

With offices located in Antwerp, Milan, Madrid, Paris and Rotterdam, we are deeply committed to continuing to grow our presence in Europe and deliver the technical excellence and specialty insurance products for which we are known.

Navigators Forms Customer Advisory Council

October marked the inaugural meeting of the U.S. Customer Advisory Council, a select group of policyholders who will serve as a sounding board for Navigators' U.S. senior leadership. The group will provide feedback and guidance supporting Navigators' strategic objective to differentiate itself by delivering exceptional customer service. After collecting feedback from clients, for example, Navigators added a loss-run report for each policyholder account in the renewal solicitation package we send to brokers, an enhancement based on the council's feedback.

Introducing the NextGen Artist Report

Navigators is pleased to be one of the partnering sponsors for the NextGen Artists Global Report 2018. The report, developed by JLT Specialty and specialist art market analysts, ArtTactic, delves into the contemporary art market and examines facets of twenty-first century artistic practice, such as the evolution of the traditional artist/gallery relationship, and the role of social media. The research identifies the next generation of international artists under the age of 40 and explores the social, political and economic influences that impact their career. Please contact [Dr. Abigail Price](#), Fine Art Underwriter for more information, or download the report [here](#).

PERSONNEL HIGHLIGHTS

U.S. Marine Team Announces Promotions and New Hires

Rob Ryan has been promoted to New York Marine Branch Manager. Rob has been an integral part of Navigators' New York management team, demonstrating the leadership and portfolio management skills required for his new role. In addition to the branch manager responsibilities, Rob will continue to underwrite a cargo portfolio to profitably grow this key product line for the U.S. Marine business.

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PERSONNEL HIGHLIGHTS (CONTINUED)

Paul Boulos has been promoted to the new position of National Cargo Product Leader, a move designed to strengthen Navigators' national cargo strategy. Together with the branch managers, Paul will direct the U.S. cargo book for product distribution, portfolio composition and coverage offerings, as well as identify and monetize broker targets to drive national marketing efforts.

Matt Sternenberg has been promoted to Houston Marine Branch Manager. Matt has more than 25 years of industry experience and, since joining Navigators, has played a key role in the underwriting success and development of the Houston branch office.

Joe Abruzzo has joined the team as New York Liability/Craft Manager and National Liability Product Coordinator. Joe brings significant marine liability and craft expertise to the group, as well as a high profile in the market across Navigators' distribution base. In his previous experience with IMU and XL, Joe co-participated in a large number of our existing accounts, so he is very familiar with our core customers and business.

Jennifer Bruce has joined the Houston branch office as Assistant Vice President. Jennifer brings 12 years of underwriting experience from her varied background and will handle a variety of marine risks in her new role.

Tony LaVelle Wins Harold Jackson Scholarship

Senior Cargo Underwriter **Tony LaVelle** has been awarded the 2018 Harold Jackson Scholarship in recognition of his achievements in Marine insurance. The scholarship is presented by the American Institute of Marine Underwriters and the St. John's School of Risk Management and includes a trip to London to attend insurance courses free of charge.

Charlotte Sellen Wins Young Achiever Award

London Marine and Energy Liability Underwriter **Charlotte Sellen** received the Insurance Institute of London's "Worshipful Company of Insurers' Young Achiever" award in October. Charlotte was awarded the prize for being the highest achiever of all IIL candidates in the "advanced-diploma qualification by a candidate under 30."

Media, Arts and Entertainment Group Expands Los Angeles Team

Navigators has expanded its Media, Arts and Entertainment group, adding an underwriting team of three highly experienced Los Angeles-based professionals to serve the media and entertainment markets of the Western states. **Anita Mirzaian** is now serving as Vice President and West Coast Regional Manager, and is joined by Assistant Vice Presidents **Luke Pals** and **Ginny Little** who have joined Navigators as well. Ms. Mirzaian will report to Paul Ciarca, head of the Media, Arts and Entertainment practice.

The new team is responsible for advancing the company's efforts to meet the specialized needs of media, arts and entertainment companies using Navigators' admitted, multi-peril policy, which was created specifically to cover some of the unique risks faced by these industries. The skill set the team brings to Navigators' Media, Arts and Entertainment group advances the company's business strategy to serve specific industries with unique holistic products, tailored to provide comprehensive coverage that is simple to procure.

Primary Casualty Announces Promotions

Josh Koppel has been promoted to Branch Manager of the San Francisco office. Josh has more than 12 years of underwriting experience and has been a key member of the West Coast underwriting team since he joined Navigators in 2011. Josh has been one of the team's lead underwriters with expertise in the very successful wrap-up construction segment. **Jerry O'Neill** has been promoted to Branch Manager of the New York, New Jersey and Chicago branch offices. Jerry has more than 40 years of underwriting and management expertise.

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PERSONNEL HIGHLIGHTS (CONTINUED)

Retail Excess Announces New Hire in the Midwest Region

Dana Wooldridge has joined Navigators Retail Excess division as a Senior Underwriter. Dana, who brings a wealth of knowledge to Navigators, was most recently a primary broker for Aon Chicago/New York handling large, complex national primary accounts.

Sherbahn Joins Asia-Pacific Team as NavPro Manager

Ralph Sherbahn has joined Navigators as NavPro Manager, Asia-Pacific. Ralph has extensive experience in professional lines across Europe, the UK and Asia. Ralph possesses additive distribution, cedant and customer contacts, which are expected to bring cross-selling opportunities to Navigators' casualty and marine initiatives.

Pesce Delivers Presentations, Teaches Case Studies in Chicago and Des Moines

David Pesce, Senior Vice President, Surety, presented "Anatomy of a Surety Claim – The Underwriting Story" at the Construction Industry CPAs and Consultants annual meeting in Chicago, IL. He also taught two case studies at the National Association of Independent Sureties surety school in Des Moines, IA.

Brian Bragg Participates in Panel Discussion at Conference in Atlantic City

Brian Bragg, Navigators head of Surety Claims, was a member of a panel discussion in September at the Northeast Surety and Fidelity Claims Conference in Atlantic City, NJ.