



BEST'S COMPANY REPORT

Tokio Marine & Nichido Fire Insurance Co., Ltd.

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AMB #: 090909

NAIC #: N/A

AIIN #: AA-1580100

Phone:

Fax:

Website: www.tokiomarine-nichido.co.jp

TM Specialty Insurance Company

A++

Domiciliary Address: 8601 North Scottsdale Road, Suite 300, Scottsdale, Arizona 85253 United States

Administrative Office: 499 Washington Boulevard, Suite 1500, Jersey City, New Jersey 07310 United States

Mailing Address: 499 Washington Boulevard, Suite 1500, Jersey City, New Jersey 07310 United States

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NAIC #: 10738

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Website: www.tmamerica.com

TNUS Insurance Company

A++

Domiciliary Address: 590 Madison Avenue, 29th Floor, New York, New York 10022 United States

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Tokio Marine America Insurance Company

A++

Domiciliary Address: 590 Madison Aveune, 29th Floor, New York, New York 10022 United States

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Website: www.tmamerica.com

Trans Pacific Insurance Company

A++

Domiciliary Address: 590 Madison Avenue, 29th Floor, New York, New York 10022 United States

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Best's Credit Rating Effective Date

September 27, 2023

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Information

[Best's Credit Rating Methodology](#)

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

[Market Segment Outlooks](#)

Financial Data Presented

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](#).

Tokio Marine & Nichido Fire Insurance Co., Ltd.

AMB #: 090909 | **AIIN #:** AA-1580100

Associated Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

<p>A++</p> <p>Superior</p> <p>Outlook: Stable</p> <p>Action: Affirmed</p>

Issuer Credit Rating (ICR)

<p>aa+</p> <p>Superior</p> <p>Outlook: Stable</p> <p>Action: Affirmed</p>

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Strong
Business Profile	Very Favorable
Enterprise Risk Management	Very Strong

Rating Unit - Members

Rating Unit: Tokio Marine & Nichido Fire | AMB #: 090909

AMB #	Rating Unit Members
012295	TM Specialty Insurance Co
003643	TNUS Insurance Company
085100	Tokio Marine & Nichido Fire

AMB #	Rating Unit Members
012340	Tokio Marine America Ins Co
002882	Trans Pacific Insurance Co

Rating Rationale

Balance Sheet Strength: **Strongest**

- The balance sheet strength of Tokio Marine & Nichido Fire Insurance Company, Limited (TMNF), is well supported by its risk-adjusted capitalisation, which is assessed at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR).
- The company's financial leverage remains very conservative, with adjusted debt leverage ratios well below 25%.
- The company is potentially exposed to considerable equity risk from its sizeable domestic stock investments and underwriting risk from its growing overseas insurance business although it appears to have a significant amount of available capital to absorb such risks.
- As the core operating entity of its ultimate parent, Tokio Marine Holdings, Inc. (TMH), which is one of the largest listed insurance groups on the Tokyo Stock Exchange, TMNF is a well-known insurance company both in Japan and overseas, which allows it to raise funds from the equity and debt markets in a timely and cost-effective manner.

Operating Performance: **Strong**

- TMNF has a track record of consistent premium growth and robust bottom line, supported by its diversified business portfolios. Its five-year average return on equity is 5.4% for fiscal years 2018 to 2022 (FY2018 - FY2022) on a consolidated basis, as calculated by AM Best.
- Despite some volatility derived from natural catastrophe events in Japan, TMNF's underwriting performance in the domestic non-life business has been consistently profitable over the past five years. Its domestic fire line performance is expected to benefit from ongoing rate hike initiatives over the coming years.
- Excluding one-off COVID-19-related claim losses in Taiwan, TMNF's international businesses continued to show notable improvement in FY2022. Its North American operations sustained strong momentum with double-digit growth in net premium written (NPW) and profits in local currency terms, driven by an improved pricing environment and underwriting expansion.
- AM Best expects TMNF's consolidated investment profits will continue to be supported by strong investment capabilities and a favourable interest rate environment of its US operations over the coming years.

Business Profile: **Very Favorable**

- TMNF's business profile is diversified with operations spanning across various markets and lines of business on a global scale.
- The company maintains strong leadership in all business lines of the non-life segment in Japan, boasting a total market share of over 25% in terms of NPW.
- Over the past decade, TMNF has successfully expanded its presence overseas, strategically pursuing disciplined M&A strategies to establish a portfolio of high-quality overseas insurance business. These overseas operations now account for approximately 44% of its NPW.
- AM Best believes that TMNF's leading position in the domestic market and sizeable international business profile will continue to help it navigate challenging market conditions while enhancing earnings over the medium to long term.

Enterprise Risk Management: **Very Strong**

- TMH has a sophisticated enterprise risk management (ERM) framework to identify risks and formulate countermeasures to control their impacts on the group's financial soundness.
- The group continues to have a well-established risk appetite framework as a guide to formulate its mid-term business plan.
- Under the group's ERM framework, the group runs stress tests under various hypothetical, historical, and reverse stress scenarios at both the group and company levels to verify its capital adequacy and identify potential vulnerabilities.
- Risk management capabilities are superior and broadly in line with the group's highly complex and diverse risk exposures.

Outlook

- The stable outlooks reflect the expectation that TMNF will maintain its overall balance sheet assessment, supported by risk-adjusted capitalisation at the strongest level, as measured by BCAR, while maintaining the strong performance in its domestic non-life business and developing its overseas insurance business in a prudent manner over the intermediate term.

Rating Drivers

- Negative rating actions could occur if there is material deterioration in risk-adjusted capitalisation such as substantial investment losses caused by investment volatility or large-scale natural catastrophes.

- Negative rating actions could occur if there is persistent and significant deterioration in operating performance stemming from weak underwriting and investment results.
- Negative rating actions could occur if there is significant deterioration in Tokio Marine Holdings, Inc.'s credit profile, including its risk-adjusted capitalisation, financial leverage or interest coverage levels.
- Positive rating actions could occur if the company demonstrates exceptionally strong and consistent operating performance metrics. However, it is important to acknowledge that the likelihood of such actions remains limited at this time.

Key Financial Indicators

AM Best may reclassify company-reported data to reflect broader international reporting standards and increase global comparability.

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

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	65.0	50.0	43.0	40.8

Source: Best's Capital Adequacy Ratio Model - Global

Key Financial Indicators	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)	2018 JPY (000,000)
Net Premiums Written:					
Non-Life	4,295,259	3,708,819	3,425,846	3,418,098	3,413,576
Composite	4,295,259	3,708,819	3,425,846	3,418,098	3,413,576
Net Income	308,217	444,705	160,762	148,305	105,446
Total Assets	18,620,750	17,357,791	15,834,081	15,643,891	14,588,190
Total Capital and Surplus	4,551,297	4,734,414	4,268,810	3,926,885	4,029,170

Source: BestLink® - Best's Financial Suite

Key Financial Indicators & Ratios	2022	2021	2020	2019	2018	Weighted 5-Year Average
Profitability:						
Balance on Non-Life Technical Account	-55,608	-15,054	-231,999	-275,535	-220,651	...
Net Income Return on Revenue (%)	5.7	9.5	3.8	3.5	2.5	5.1
Net Income Return on Capital and Surplus (%)	6.6	9.9	3.9	3.7	2.5	5.4
Non-Life Combined Ratio (%)	102.1	100.9	103.7	104.7	106.9	103.5
Net Investment Yield (%)	3.2	3.1	2.7	3.0	2.5	2.9
Leverage:						
Net Premiums Written to Capital and Surplus (%)	98.3	81.6	83.7	90.9	85.3	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

As of 31 March 2023, the consolidated capital of Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF), was JPY 3,467 billion (USD 26 billion), which was 5% lower compared to 12 months earlier. The deterioration was mainly attributed to decrease net unrealised gains on securities of JPY 760 billion, partially offset by foreign currency translation adjustments of JPY 414 billion recorded in the fiscal year ended March 2023.

Capitalisation

TMNF has maintained the strongest level of risk-adjusted capitalisation as shown by its Best's Capital Adequacy Ratio (BCAR) score, which is well above 25% at the 99.6% VaR confidence level as of 31 March 2023. This result reflects the company's very large amount of adjusted capital to support its underwriting, asset, and catastrophe risk exposures.

Overall, the major risks that TMNF faces are exposures to equity securities risk and underwriting risk. Nevertheless, the BCAR suggests that the company maintains a significant amount of adjusted capital to cushion against these risks. Therefore, the BCAR assessment is at the strongest level and considered to be robust relative to such risks.

Balance Sheet Strength (Continued...)

The BCAR score is considered to be stable relative to its most material risks at the 99.6% VaR confidence level, and the most significant impact is expected to arise from changes in the market value of its securities investments.

Tokio Marine Holdings, Inc. (TMH), evaluates its risk-taking activities and capital based on an Economic Solvency Ratio (ESR) at the 99.95% VaR. The ESR target level of 100% - 140% is incorporated into the group's business strategy and disclosed to the public. TMH's ESR was 124% as of 31 March 2023, which is within the group's target range and indicated a strong capital buffer against unpredictable risks.

Adjusted debt leverage as of March 2023 was well below 25%, which suggested that the company does not operate on excess debt issuance. In addition, its interest coverage ratio of over seven times is also considered to be strong, which implies that its interest expense is not a significant burden on its operating earnings.

TMNF mainly underwrites short-tailed personal lines business and does not have material exposure to life insurance or savings-type products. The uncertainty of its capital in relation to liabilities or interest rate fluctuations is considered low. While the company has one outstanding subordinated debt as of 31 March 2023, which accounted for only 6% of its net assets, its capital has more sizeable exposure to intangible assets (i.e., goodwill and software) compared to its domestic peers as a result of its acquisitions in the past.

For the fiscal year ended 31 March 2023, TMNF recorded an operating cash flow of JPY 777 billion (USD 5.7 billion). Furthermore, the company has consistently generated positive operating cash flow in the last five years with a five-year average of JPY 655 billion for fiscal years 2018 to 2022 (FY2018 - FY2022). On the other hand, the company continues to maintain a favourable balance sheet liquidity with an average five-year liquid assets to policy liabilities ratio of 110% (FY2018 - FY2022), which also suggests the company has minimal risk of having insufficient liquid assets to cover its insurance liabilities.

In addition to its domestic insurance business, TMNF also operates its overseas insurance business through a number of subsidiaries and affiliates, including Tokio Marine Houston Casualty Group (TMHCC) and Philadelphia Insurance Group (PHLY) in the US. TMNF may therefore be exposed to fungibility risk from its overseas operations due to different insurance regulatory regimes across jurisdictions. However, the company has a proper capital allocation plan to ensure that each subsidiary has sufficient capital and sound liquidity.

TMNF is one of the largest non-life insurance companies in Japan. Although TMNF itself is not a listed company, its holding company, TMH, is one of the largest listed insurance groups on the Tokyo Stock Exchange. Being the core operating entity of TMH, TMNF is a well-known insurance company in both Japan and overseas. These factors should allow TMNF to raise funds from the equity and debt markets in a timely and cost-effective manner.

Capital Generation Analysis	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)	2018 JPY (000,000)
Beginning Capital and Surplus	4,734,415	4,268,810	3,926,885	4,029,170	4,448,635
Net Income	308,217	444,705	160,762	148,305	105,446
Net Unrealized Capital Gains (Losses)	-761,435	-22,448	480,911	-217,765	-226,647
Currency Exchange Gains (Losses)	413,892	255,839	-149,650	-17,544	-51,944
Change in Equalisation and Other Reserves	...	...	4	1,812	...
Stockholder Dividends	-159,323	-230,222	-159,494	-156,596	-253,622
Other Changes in Capital and Surplus	15,531	17,731	9,392	139,503	7,302
Net Change in Capital and Surplus	-183,118	465,605	341,925	-102,285	-419,465
Ending Capital and Surplus	4,551,297	4,734,415	4,268,810	3,926,885	4,029,170
Net Change in Capital and Surplus (%)	-3.9	10.9	8.7	-2.5	-9.4

Source: BestLink® - Best's Financial Suite

Liquidity Analysis (%)	2022	2021	2020	2019	2018
Liquid Assets to Total Liabilities	89.2	97.2	98.3	92.3	106.7
Total Investments to Total Liabilities	109.1	114.5	113.8	106.6	116.8

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

As a non-life insurance company, TMNF's liabilities tend to be short-tailed in nature. The company primarily relies on its strong operating cash flow to meet liabilities. In addition, the company also has a high-quality investment portfolio with ample liquid assets, including cash and deposits of JPY 648 billion to support it to meet its short-term liabilities (such as outstanding claims of JPY 4.1

Balance Sheet Strength (Continued...)

trillion). Therefore, AM Best expects the company to have a strong capability to meet urgent cash needs without having to dispose of long-duration assets on short notice.

TMNF's assets consist of mainly liquid assets including cash and deposits (3%), securities (54%), loans (13%), and monetary claims bought (10%). Besides its investments and liquid assets, most other assets are intangible assets (6%) and tangible assets (2%). The company's securities investment portfolio consists of bonds (approximately 30%), domestic stocks (approximately 30%), and foreign securities excluding bonds (approximately 35%). While Japanese government bonds still make up a majority of its bond portfolio, TMNF has been gradually increasing the proportion of investment-grade foreign bonds in recent years for higher returns. Its investment portfolio continues to have sizeable exposure to domestic stocks despite its efforts to gradually reduce domestic stock holdings in recent years.

Composition of Cash and Invested Assets	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)	2018 JPY (000,000)
Total Cash and Invested Assets	15,353,386	14,456,170	13,160,427	12,487,487	12,331,150
Cash (%)	16.4	15.3	14.7	15.4	16.1
Bonds (%)	49.9	52.4	53.0	53.4	53.4
Equity Securities (%)	15.4	17.2	18.6	17.8	21.9
Real Estate, Mortgages and Loans (%)	18.2	15.1	13.6	13.4	8.6
Total Cash and Unaffiliated Invested Assets (%)	100.0	100.0	100.0	100.0	100.0
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

As of 31 March 2023, TMNF held reserves of JPY 12.5 trillion (USD 94 billion), of which JPY 4.1 trillion (USD 31.1 billion) were designated as outstanding claims and JPY 8.4 trillion (USD 63 billion) as underwriting reserves, which include mandatory catastrophe loss reserves of JPY 1.1 trillion. TMNF's business is largely composed of short-tailed risks. For its domestic business, over half of its outstanding claims and ordinary reserves are from its voluntary automobile and fire insurance businesses, which involve less uncertainty and reserving risks due to the homogeneous nature of auto and fire lines in Japan. For the voluntary automobile business, the policy limits are generally low with standardised actuarial pricing that generally comes with less uncertainty in its reserves. While there is higher uncertainty due to the potential exposure to natural catastrophe events for its fire business, the company has also made use of reinsurance to limit large losses and mitigate reserving risks from catastrophe events. For its increasingly sizeable overseas business, although TMNF's exposure to specialty lines might bring higher uncertainty to its reserves compared to its domestic business, the group's main subsidiaries in the US, including TMHCC, PHLI, and Delphi Financial Group (DFG), have historically reported favourable loss reserve development in recent years. Overall, AM Best considers TMNF's current reserves to be adequate.

Holding Company Assessment

TMNF's ultimate parent, TMH, is a very large listed Japanese non-life insurance group. Like TMNF, TMH has a BCAR assessment of "Strongest" on a consolidated basis. The group's consolidated balance sheet also demonstrates the following strengths: a) good quality of capital (e.g., high level of available capital that is mostly made up of equity and some exposure to illiquid assets or intangibles, albeit immaterial); b) sound asset-liability management practices; c) a high quality and appropriate reinsurance panel consistent with its risk appetite; and d) other analytical factors taken into consideration, such as stability as demonstrated by a comprehensive stress test programme, large and stable positive cash flow, and conservative levels of financial and operating leverage.

Financial Leverage Summary - Holding Company

Financial Leverage Ratio (%)	5.70
Adjusted Financial Leverage Ratio (%)	3.40
Interest Coverage (x)	29.50

Operating Performance

TMNF has a track record of consistent premium growth and a robust bottom line, supported by its diversified business portfolios. Over the last five fiscal years, TMNF's premium income has been increasing steadily from JPY 3.4 trillion to JPY 4.3 trillion with an average

Operating Performance (Continued...)

five-year growth rate of around 5.9% (FY2018 - FY2022). On a consolidated basis, its adjusted return on equity (ROE) remained positive with five-year averages of 5.4% (FY2018 - FY2022), respectively, excluding changes in catastrophe and contingency reserves.

Similar to other major insurers in Japan, TMNF's investment portfolio is made up of sizeable securities investments. Their market values tend to be relatively volatile in the short term, which in turn also brings sizeable unrealised gains/losses to its other comprehensive income and capital base. In addition, the sizeable foreign operations of TMNF also give rise to foreign currency translation gains/losses, which in turn affect its other comprehensive income and capital. Therefore, in addition to ROE based on net income, which tends to be relatively stable from year to year, AM Best also considers the ROE based on comprehensive income to better reflect TMNF's overall income over the years. In FY2022, TMNF's ROE based on comprehensive income was -0.6%, mainly driven by material unrealised losses on available-for-sales securities amid higher interest rates. However, it was partially mitigated by steady underwriting incomes and foreign currency translation gains from its foreign operations resulting from Japanese yen depreciation during the year. Nevertheless, over the last five fiscal years (FY2018 - FY2022), TMNF's ROE based on comprehensive income has been consistently strong with a five-year average of 5.5% despite some fluctuations in times of financial market volatility in FY2018, FY2019, and FY2022.

Like other major non-life insurers in Japan, TMNF underwrites compulsory auto liability (CALI) business in Japan, which accounted for 6-9% of TMNF's non-consolidated net premium written (NPW). The Automobile Liability Security Act in Japan stipulates the standard full rates for the CALI line of business must be priced based on the principle of "no loss and no profit". Therefore, the loss ratio for CALI in the domestic market is consistently high at around 80%. Excluding the premiums and losses from CALI, TMNF's underlying underwriting performance has been consistently strong with an adjusted consolidated loss ratio of around 62.7% between FY2018 and FY2022, which allowed the company to generate an underwriting profit when the expense ratio was below 37.3%.

Japan's non-life insurance business continues to be TMNF's main business, which generates close to 60% of the company's net premium income. For the fiscal year ended 31 March 2023 and on a non-consolidated basis, the company recorded 4.2% increase in NPW from JPY 2,288 billion last year to JPY 2,385 billion (USD 17.6 billion) in FY2022. Excluding CALI business, the company's underlying NPW also increased by 5% to JPY 2,172 billion (USD 16 billion) in FY2022. The company recorded improvements across most of its business lines with the exception of CALI and voluntary automobile insurance, which recorded 3% and less than 1% decline in NPW, respectively.

Its fire line of business continued to benefit from the recent trend of premium rate hikes and recorded a 14.8% increase in NPW. Its marine business also benefited from the better-than-expected logistics results and Japanese yen depreciation with a 15.6% increase in NPW in FY2022.

In terms of profit, its ordinary profit increased from JPY 319 billion to JPY 362 billion in FY2022. Its overall underwriting profits remained relatively stable at JPY 116 billion in FY2022, compared to JPY 117 billion last year. In spite of higher premium income compared to last year, the company recorded higher incurred losses from natural catastrophes such as Typhoon Nanmadol and a hailstorm in June 2022 in FY2022. The incurred losses relating to natural catastrophes increased from JPY 32 billion to approximately JPY 73 billion during the period. As a result, its E/I loss ratio (excluding CALI) and combined ratio (excluding CALI) also deteriorated from 58.1% and 90.6% to 63.8% and 95.8%, respectively, in FY2022. Nevertheless, the deterioration in underwriting profits was offset by higher investment income, which enhanced financial performance by JPY 46 billion to JPY 244 billion as a result of higher foreign interest rates.

TMNF's overseas businesses continued to record significant improvement in both top-line and bottom-line results across most markets in FY2022. While TMNF recorded growth in NPW across different regions including North America, Europe, South America, and Asia Pacific, North America also continues to represent close to 70% of TMNF's international business in terms of NPW. Its North America business continued to record remarkable growth, achieving a 27% increase in NPW to reach a total of JPY 1,754 billion in FY2022. Excluding the factor of Japanese yen depreciation, its NPW also grew by over 10% in North America in FY2022. On a local currency basis, TMHCC, DFG, and PHLI recorded growth rates of 9%, 14%, and 8%, respectively, due to favourable premium rate development (TMHCC and PHLI) and strong performance of excess workers' compensation (DFG). Besides North America, TMNF's businesses in Europe, Asia Pacific, and South America also recorded improvements in both Japanese yen and local currency terms. Overall, its whole international business recorded a 14% increase in NPW on a local currency basis and is above the company's earlier projection.

In terms of profit, TMNF's international business recorded improvements across most major markets in FY2022. On a local currency basis, the overall profit from its North American operations increased by 14% due to strong underwriting profits supported by an improved pricing environment and underwriting expansion, coupled with enhanced investment income. Nevertheless, the company recorded one-off COVID-19-related losses in Taiwan, which brought JPY 105 billion in losses. Disregarding the one-off impacts of COVID-19, its operations in Europe, South America, and Asia Pacific remained profitable, albeit on a relatively smaller scale compared to its North American operations. Overall, TMNF's international business recorded a 14% decline in profit, amounting to JPY 219 billion, compared to JPY 252 billion last year.

Operating Performance (Continued...)

AM Best expects TMNF's consolidated investment profits will continue to be supported by strong investment capabilities and the favourable interest rate environment of its US operations over the coming years.

Financial Performance Summary	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)	2018 JPY (000,000)
Pre-Tax Income	469,978	563,519	217,798	225,381	202,138
Net Income after Non-Controlling Interests	328,128	449,983	157,128	142,885	104,215

Source: BestLink® - Best's Financial Suite

Operating and Performance Ratios (%)	2022	2021	2020	2019	2018
Overall Performance:					
Return on Assets	1.7	2.7	1.0	1.0	0.7
Return on Capital and Surplus	6.6	9.9	3.9	3.7	2.5
Non-Life Performance:					
Loss and LAE Ratio	61.4	59.9	63.3	64.9	67.3
Expense Ratio	40.6	41.1	40.5	39.9	39.6
Non-Life Combined Ratio	102.1	100.9	103.7	104.7	106.9

Source: BestLink® - Best's Financial Suite

Business Profile

TMNF is the core member of TMH, which is one of the largest insurance groups headquartered in Japan with a global network spanning 46 countries and regions. In addition, TMH is listed on the Tokyo Stock Exchange. As of 31 March 2023, TMH reported consolidated net assets of JPY 3.7 trillion (USD 27.5 billion), along with consolidated NPW of JPY 4.5 trillion (USD 33 billion) and a consolidated net profit of JPY 350 billion (USD 2.6 billion). In the domestic market in Japan, TMNF continues to maintain its consistently strong business trend and benefits from its strong brand name, considerable scale, and strong market position by being one of the top four non-life insurers in a highly mature market. In the overseas market, TMNF also holds a strong market position, especially in North America, through its overseas subsidiaries including TMHCC, DFG, and PHLI. For the fiscal year ended 31 March 2023, 56% of TMNF's NPW was generated from its domestic non-life business, followed by 44% from its overseas business.

The domestic non-life insurance business continues to be the largest composition of TMNF's portfolio. TMNF continues to maintain a strong position in Japan with a market share of over 25% in terms of NPW. In FY2022, the company continued to top its domestic peers in all major lines of business in terms of NPW volume. TMNF's domestic portfolio mainly consists of short-tailed business lines, with about 51% of its NPW generated from voluntary automobile insurance, 19% from fire insurance, 9% from personal accident, and 4% from marine insurance when the CALI line of business is excluded. AM Best notes that TMNF's domestic non-life business has remained stable over time, and it continues to maintain its strong edge and market position in the auto and fire insurance segments.

TMNF is aware of the limit of its domestic market, which is characterised by a slow-growing economy, aging population, low investment yield, and large exposure to natural catastrophes; it has been expanding its business beyond Japan by executing a disciplined M&A strategy over time. Its M&A strategy and international business expansion are incorporated into TMH's mid-term business plan. The company's business in North America, including TMHCC, DFG, and PHLI, continued to achieve steady growth in NPW and net income on a local currency basis in FY2022. AM Best expects the company's overseas portfolio will continue to achieve steady organic growth across different markets, create values by leveraging its global network and expertise, and achieve synergistic effects among its subsidiaries. Its strong presence in North America will also continue to function as a good source of risk diversification from its domestic non-life insurance business.

Enterprise Risk Management

TMH defines risks that could have significant impact on its financial soundness, business continuity as material risks, and it identifies these risks annually. The group relies on the business development units of the local insurance companies and the head office to clarify emerging risks, as well as identify and report material risks. The head office is responsible for finalising the group's list of material risks and formulating group-level countermeasures after evaluating frequency, probability and the scale of damage on the group.

Material risks are first discussed and evaluated at the group's enterprise risk management (ERM) committee and management meeting before being reported to the board of directors. For the identified material risks, in addition to confirming the capital adequacy and liquidity by capital and liquidity stress testing, necessary actions are taken in perspectives of control measures before and after the emergence of risks and contingency plans. Group CRO and TMH Risk Management Department regularly monitor the recent trends of

Enterprise Risk Management (Continued...)

emerging risks and material risks focusing on geopolitical risks and their impact on the business of the group and publish reports in order to share them among TMH management team, including the Group CEO.

At the company level, TMNF also clarifies and identifies risks that the company faces based on the results of identified emerging risks. In line with the group-wide procedures, material risks are identified after the assessment concerning frequency, probability, and the scale of damage to the company. For each material risk identified, TMNF formulates a risk management plan on specific measures at the beginning of the year, and the progress is confirmed on a semi-annual basis. The results of identified material risks and the control measures are first considered by TMNF's risk management committee, proposed at a TMNF management meeting and reported to TMNF's board of directors.

In FY2022, the material risks TMNF identified include a global economic/ financial crisis, Japanese government bond crisis, large-scale natural catastrophes including earthquakes, windstorms, floods, and pandemic. These risks also form the basis of its stress test scenarios used to confirm the company's capital adequacy.

Although there is no explicit process to categorise risks that are difficult to quantify, in principle the group tries to quantify all risks, and with respect to risks that are difficult to quantify easily, the group makes certain presumptions and measures the risk with a simple and conservative approach.

The group has a well-established risk appetite framework, which takes into consideration the group's risk appetite, to what extent the group undertakes the risks. The risk appetite framework consists of the group-wide qualitative risk-taking policy, group-wide quantitative risk-taking policy, and risk appetite by risk category. To achieve risk appetite, each business unit formulates its business plan based on the group's risk appetite framework and assessment from an overall group perspective.

The group and the insurance company subsidiaries within the group carry out an integrated stress test for the purpose of complementing the verification of capital adequacy. The limitations and weaknesses of risk models used in the integrated risk management process have also been taken into consideration when determining the stress scenarios.

Stress testing is conducted once a year at both the company and group levels. Nevertheless, tests are also performed when it is determined that the market environment and associated risks have significantly changed. The results of each stress test are reported at the management meeting and to the board of directors of each corresponding company. If the company/group determines there is an issue with the capital adequacy, i.e., the estimated loss exceeds the allocated capital for each company or net asset value for the group, based on the results of the stress tests, the company/group will discuss the countermeasures, present the results at the management meeting, and report to the board of directors.

The group also performs reverse stress tests to specifically identify scenarios where losses exceed capital and have a significant impact on the financial soundness of the group and its major subsidiaries, and to determine the probability of occurrence to verify the capital adequacy.

The ERM committee is the group's designated advisory body to the group's management meeting to hold substantial discussions on group ERM strategies and policies. The ERM committee includes directors and senior executives from the head office and major subsidiaries like the group CEO, group CFO, group CRO, TMNF president, and head of international business.

The determination of ERM implementation policies, stress scenarios, and measures based on stress test results is done at the management meeting in consultation with the ERM committee before submission to the board of directors for final resolution and confirmation.

In addition, as the group's major domestic insurance operation, TMNF also has its own risk management committee to hold discussions on company-wide risk management policies and management meeting to determine ERM-related matters and confirm action plans for risk management.

The group has established a sound and transparent corporate governance system and recognised the importance of appropriate control over its subsidiaries. Major initiatives taken in corporate governance include an independent audit and supervisory board to monitor and verify the appropriateness of the group's ERM system. The responsibilities of the board of directors, and the audit and supervisory board members, as well as the compensation system for directors and executive officers are also set forth in "Tokio Marine Holdings Fundamental Corporate Governance Policy" and are reported annually in its corporate governance report.

In terms of risk governance, the group has implemented uniform rules on risk model governance through a development department, measurement department and a confirmation/validation department. These departments are responsible for the implementation of necessary rules and preparation of relevant documents in the assessment of the company's risk models.

Enterprise Risk Management (Continued...)

In addition, a risk culture that constitutes part of the corporate culture is embedded throughout the organisation and supports the ERM framework.

Reinsurance Summary

TMNF continues to have a diversified reinsurance programme, which consists of various reputable and highly rated domestic and overseas reinsurers.

The company's reinsurance programme is considered appropriate relative to its risk appetite and underwriting risks. Similar to other non-life insurers in Japan, the company has considerably high natural catastrophe exposure. It has entered into reinsurance contracts with diversified and highly rated reinsurers to mitigate the potential losses from natural catastrophes in Japan and abroad. Its use of the reinsurance programme has helped reduce the fluctuations of TMNF's loss ratio over the last five years to a range between 60% and 67%.

Environmental, Social & Governance

The concept of ESG has been rapidly gaining traction in Japan in recent years. The adoption of ESG is facilitated by a number of market developments in Japan. Examples include the launch of the Japanese stewardship code in 2014 to promote sustainable investments and to encourage institutional investors like insurance companies to get more involved with the companies in which they invest. The Government Pension Investment Fund (GPIF), one of the world's largest public pension funds, also became a signatory of Principles for Responsible Investment (PRI) in 2016 and took steps to integrate ESG factors into its investments. This has also encouraged domestic financial institutions to address ESG issues in recent years. The latest development is the Japanese government's commitment to achieving carbon neutrality by 2050, which puts further pressure on the domestic companies to formulate their own roadmap to zero carbon emissions.

Japan is a natural catastrophe-prone country, and it is expected that climate change will increase both the frequency and intensity of extreme weather events, such as typhoons and heavy rainfalls. As one of the largest non-life insurance companies in Japan, TMNF is exposed to moderate climate change risk, which could have a potential impact on its claim expenses in the long run. In response to the risks from ESG issues, the company has established the position of group chief sustainability officer (CSUO) and the sustainability committee, chaired by the CSUO, in April 2021 to consider the company's sustainability strategies and oversee the management's execution of such strategies.

Based on the discussions of the sustainability committee, the company has identified eight material ESG issues to address. The company has also specified four of them as its priority issues, i.e., combat climate change, improve disaster resilience, support people's healthy and enrich lives, and promote and support diversity and inclusion. ESG issues are now addressed through both the company's insurance underwriting and investment activities.

In underwriting, the company has incorporated ESG factors into underwriting decisions. It has now suspended in principle the underwriting of new insurance policies for coal-fired power plants and thermal coal mining, regardless of whether they are new or already existing. In line with the company's commitment to the transition to a decarbonised society, the company has also stopped providing new underwriting capacities to oil sands mining and oil and gas extraction in the Arctic Circle since September 2022. At the same time, the company has strengthened the provision of insurance for renewable energy projects including offshore wind power generation and solar power. It has also lately acquired GCube, a leading insurance underwriter in the renewable energy industry, and established the Green Transformation Office to accelerate the development of insurance products related to decarbonisation technologies to advance its insurance business in the renewable energy sector.

The company is also a signatory of PRI, and it has established an investment policy by incorporating climate-related elements into its investment processes. Like its insurance underwriting, the company has suspended new financing to coal-fired power plants, thermal coal mining, oil sands mining and oil and gas extraction in the Arctic Circle. The company has also engaged in dialogues with its investee companies on ESG topics such as climate change and corporate governance on a continuous basis to encourage investee companies to take ESG factors into account in their business operations.

The company has also set a number of medium- and long-term targets in addressing ESG issues. These include achieving carbon neutrality every year, reducing carbon dioxide emission by 60% compared to the FY2015 level by FY2030. A number of initiatives have been taken to achieve these long-term targets. These include the use of 100% renewable energy for electricity consumed at all major workplaces and switching all vehicles the company owns to electric vehicles by FY2030. In addition, the company has newly set interim

Enterprise Risk Management (Continued...)

target for 2030 on customer engagement to further promote ongoing initiatives to address climate change in insurance underwriting, investment, and financing.

Overall, although TMNF has moderate exposure to ESG-related risks, the organisation has established an appropriate ESG policy on both underwriting insurance and investments to address ESG issues. AM Best believes there is low risk to the company's credit quality in the short to intermediate term.

Financial Statements

Balance Sheet	03/31/2023		03/31/2023
	JPY (000,000)	%	USD (000,000)
Cash and Short Term Investments	2,518,891	13.5	18,993
Bonds	7,666,248	41.2	57,807
Equity Securities	2,369,719	12.7	17,869
Other Invested Assets	2,798,528	15.0	21,102
Total Cash and Invested Assets	15,353,386	82.5	115,771
Other Assets	3,267,364	17.5	24,637
Total Assets	18,620,750	100.0	140,408
Unearned Premiums	6,182,378	33.2	46,618
Non-Life - Outstanding Claims	4,138,783	22.2	31,208
Other Technical Reserves	1,087,383	5.8	8,199
Total Gross Technical Reserves	11,408,544	61.3	86,025
Debt / Borrowings	222,811	1.2	1,680
Other Liabilities	2,438,098	13.1	18,384
Total Liabilities	14,069,453	75.6	106,089
Capital Stock	101,994	0.5	769
Retained Earnings	1,568,498	8.4	11,827
Other Capital and Surplus	2,696,972	14.5	20,336
Non-Controlling Interests	183,833	1.0	1,386
Total Capital and Surplus	4,551,297	24.4	34,319
Total Liabilities and Surplus	18,620,750	100.0	140,408

Source: BestLink® - Best's Financial Suite
 US \$ per Local Currency Unit .0075404 = 1 Japanese Yen (JPY)

	Non-Life JPY (000,000)	Life JPY (000,000)	Other JPY (000,000)	03/31/2023	03/31/2023
				Total JPY (000,000)	Total USD (000,000)
Income Statement					
Gross Premiums Written	4,502,663	...	...	4,502,663	33,952
Net Premiums Earned	4,295,259	...	...	4,295,259	32,388
Net Investment Income	...	...	475,922	475,922	3,589
Realized capital gains / (losses)	...	...	90,886	90,886	685
Unrealized capital gains / (losses)	...	...	-14,707	-14,707	-111
Other Income	644,200	...	...	644,200	4,858
Total Revenue	4,939,459	...	552,101	5,491,560	41,409
Benefits and Claims	2,638,618	...	...	2,638,618	19,896
Net Operating and Other Expense	2,356,449	...	26,515	2,382,964	17,969
Total Benefits, Claims and Expenses	4,995,067	...	26,515	5,021,582	37,865
Pre-Tax Income	-55,608	...	525,586	469,978	3,544
Income Taxes Incurred	...	...	...	161,761	1,220
Net Income before Non-Controlling Interests	...	...	...	308,217	2,324
Non-Controlling Interests	...	...	...	-19,911	-150
Net Income/(loss)	...	...	...	328,128	2,474

Source: BestLink® - Best's Financial Suite

US \$ per Local Currency Unit .0075404 = 1 Japanese Yen (JPY)

Tokio Marine & Nichido Fire Insurance Co., Ltd.

Last Update

October 18, 2023

Identifiers

AMB #: 090909

AIIN #: AA-1580100

Contact Information

Domiciliary Address:
2-6-4 Otemachi, Chiyoda-ku,
Tokyo 100-8050,
Japan

Web: www.tokiomarine-nichido.co.jp

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Operations

Date Incorporated: August 01, 1879

Domiciled: Japan

Business Type: Property/Casualty
Organization Type: Stock
Marketing Type: Independent Agency
Publicly Traded Corp: Tokio Marine Holdings, Inc.
Stock Exchange: TSE: 8766

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [090909 - Tokio Marine & Nichido Fire Ins Co Ltd](#)

Refer to the [Best's Credit Report for AMB# 090909 - Tokio Marine & Nichido Fire Insurance Co., Ltd.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
012295	TM Specialty Insurance Co	A++	aa+
003643	TNUS Insurance Company	A++	aa+
085100	Tokio Marine & Nichido Fire	A++	aa+
012340	Tokio Marine America Ins Co	A++	aa+
002882	Trans Pacific Insurance Co	A++	aa+

Corporate Structure

Associated Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Based on AM Best's analysis, AMB# 058633 Tokio Marine Holdings, Inc. is the AMB Associated Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Officers

President and CEO: Shinichi Hirose

Directors

Satoru Komiya (Chairman)
Akira Harashima (Vice President)

History

TMNF is the result of the merger between The Tokio Marine & Fire Insurance Co., Ltd., and The Nichido Fire and Marine Insurance Co., Ltd., on October 1, 2004. The company is wholly owned by Tokio Marine Holdings, Inc., a holding company established in 2002 that combines both life and non-life insurance businesses.

Financial Results

Financial exhibits presented in this report provide calculated ratios using the most recent consolidated financial statements available in BestLink - Best's Statement File – Global.

Balance Sheet Highlights

Capital Generation Analysis

	2023 JPY (000,000)	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)
Beginning Capital and Surplus	4,734,415	4,268,810	3,926,885	4,029,170	4,448,635
Net Income	308,217	444,705	160,762	148,305	105,446
Net Unrealized Capital Gains (Losses)	-761,435	-22,448	480,911	-217,765	-226,647
Currency Exchange Gains (Losses)	413,892	255,839	-149,650	-17,544	-51,944
Change in Equalisation and Other Reserves	...	...	4	1,812	...
Stockholder Dividends	-159,323	-230,222	-159,494	-156,596	-253,622
Other Changes in Capital and Surplus	15,531	17,731	9,392	139,503	7,302
Net Change in Capital and Surplus	-183,118	465,605	341,925	-102,285	-419,465
Ending Capital and Surplus	4,551,297	4,734,415	4,268,810	3,926,885	4,029,170
Net Change in Capital and Surplus (%)	-3.9	10.9	8.7	-2.5	-9.4

Source: BestLink® - Best's Financial Suite

Liquidity Analysis

	2023	2022	2021	2020	2019
Liquid Assets to Total Liabilities	89.2	97.2	98.3	92.3	106.7
Total Investments to Total Liabilities	109.1	114.5	113.8	106.6	116.8

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

	2023 JPY (000,000)	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)
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Composition of Cash and Invested Assets

Total Cash and Invested Assets	15,353,386	14,456,170	13,160,427	12,487,487	12,331,150
Cash (%)	16.4	15.3	14.7	15.4	16.1
Bonds (%)	49.9	52.4	53.0	53.4	53.4
Equity Securities (%)	15.4	17.2	18.6	17.8	21.9
Real Estate, Mortgages and Loans (%)	18.2	15.1	13.6	13.4	8.6
Total Cash and Unaffiliated Invested Assets (%)	100.0	100.0	100.0	100.0	100.0
Total Cash and Invested Assets (%)	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	2023 JPY (000,000)	2022 JPY (000,000)	2021 JPY (000,000)	2020 JPY (000,000)	2019 JPY (000,000)
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Financial Performance Summary

Pre-Tax Income	469,978	563,519	217,798	225,381	202,138
Net Income after Non-Controlling Interests	328,128	449,983	157,128	142,885	104,215

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	2023	2022	2021	2020	2019
Operating and Financial Performance Ratios (%)					
Overall Performance:					
Return on Assets	1.7	2.7	1.0	1.0	0.7
Return on Capital and Surplus	6.6	9.9	3.9	3.7	2.5
Non-Life Performance:					
Loss and LAE Ratio	61.4	59.9	63.3	64.9	67.3
Expense Ratio	40.6	41.1	40.5	39.9	39.6
Non-Life Combined Ratio	102.1	100.9	103.7	104.7	106.9

Source: BestLink® - Best's Financial Suite

TM Specialty Insurance Company

Operations

Date Incorporated: October 22, 1998 | **Date Commenced:** January 01, 1999

Domiciled: Arizona, United States

Licensed: (Current since 05/24/2022). The company is licensed in Arizona.

Business Type: Property/Casualty
Organization Type: Stock
Marketing Type: Broker
Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Last Update

September 27, 2023

Identifiers

AMB #: 012295

NAIC #: 10738

FEIN #: 91-1932966

Contact Information

Administrative Office:
 499 Washington Boulevard,
 Suite 1500, Jersey City,
 New Jersey 07310
 United States

Domiciliary Address:
 8601 North Scottsdale Road,
 Suite 300, Scottsdale, Arizona
 85253
 United States

Web: www.tmamerica.com

Phone: +1-212-297-6600

Fax: +1-212-297-6062

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [090909 - Tokio Marine & Nichido Fire Ins Co Ltd](#)

TM Specialty Insurance Company is a member of the Tokio Marine & Nichido Fire Insurance Co., Ltd. (AMB# 090909) and the rating reflects its reinsurance agreement with Tokio Marine America Insurance Company (AMB# 012340). Refer to the [Best's Credit Report for AMB# 090909 - Tokio Marine & Nichido Fire Insurance Co., Ltd.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 2000. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Sep 27, 2023	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 9, 2022	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 3, 2021	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 14, 2020	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 16, 2019	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed

Corporate Structure

Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Based on AM Best's analysis, AMB# 058633 Tokio Marine Holdings, Inc. is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Day-to-day operations of the company are under the direction of a U.S. based management team that receives support from Tokio Marine Management, Inc., a wholly owned subsidiary of Tokio Marine America Insurance Company.

Officers

CEO, President: Daisuke Ugaeri

CFO: Karen A. Gilmer-Pauciello

Secretary: Edward Sayago

Treasurer: Michael Kelly

Directors

David Brooks

Tatsuya Fujimoto

Ann Ginn

B. Steven Goldstein

Daisuke Ugaeri

History

The company was incorporated on October 22, 1998, under the laws of the State of Arizona as an excess and surplus lines carrier and commenced business on January 1, 1999. Effective September 30, 2012, the common stock of the company was transferred by Tokio Marine & Nichido Fire Insurance Co., Ltd. (United States Branch) (TMNF-US) to Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF). Subsequently on November 30, 2012, TMNF contributed the company to Tokio Marine North America, Inc. (TMNA), an insurance holding company domiciled in the State of Delaware and a wholly owned direct subsidiary of TMNF. Effective December 31, 2015, the common stock of TM Specialty Insurance Company was transferred by TMNA to Tokio Marine America Insurance Company.

Paid-in capital of \$30,600,000 is comprised of 35,000 shares of common stock at a par value of \$100 per share and \$27,100,000 of contributed surplus. All authorized shares are issued and outstanding.

Regulatory

Auditor: PricewaterhouseCoopers, LLP

Actuary: Joseph Kilroy, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2015, by the insurance departments of Arizona and Pennsylvania. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

Currency: JPY

Company's local Currency: Japanese Yen

	6-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	859	11.6	870	11.8	3,186	43.8
Bonds	6,508	87.7	6,442	87.5	4,058	55.7
Total Cash and Invested Assets	7,367	99.3	7,312	99.4	7,243	99.5
Other Assets	51	0.7	46	0.6	37	0.5
Total Assets	7,418	100.0	7,358	100.0	7,280	100.0
Loss and Loss Adjustment Expense Reserves:						
Other Liabilities	488	6.6	494	6.7	527	7.2
Total Liabilities	488	6.6	494	6.7	527	7.2
Capital Stock	3,500	47.2	3,500	47.6	3,500	48.1
Paid-In and Contributed Surplus	1,435	19.3	1,435	19.5	1,435	19.7
Unassigned Surplus	1,995	26.9	1,929	26.2	1,818	25.0
Total Policyholders' Surplus	6,930	93.4	6,864	93.3	6,753	92.8
Total Liabilities and Surplus	7,418	100.0	7,358	100.0	7,280	100.0

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Losses and LAE Incurred:				
Net Investment Income	81	59	133	82
Pre-Tax Operating Income	81	59	133	82
Income Taxes Incurred	14	10	23	25
Net Operating Income	67	49	109	57
Net Realized Capital Gains (Losses)	...	...	...	...
Net Income	67	49	110	57

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Statement of Operating Cash Flows USD (000)				
Net Premiums Collected	-7	-6	3	4
Net Losses Paid	...	...	...	...
Expenses Paid	...	...	...	16
Net Underwriting Cash Flow	-7	-6	3	-12
Net Investment Income	81	48	125	92
Income Taxes Paid (Recovered)	15	8	21	9
Net Operating Cash Flow	58	34	107	71

Source: BestLink® - Best's Financial Suite

Financial Results

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

Key Financial Indicators

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	...	...	...	...	...	76	76
Ceded	...	...	...	...	...	76	76
Net Operating Income	67	49	109	57	826	961	910
Net Income	67	49	110	57	2,548	962	768
Total Admitted Assets	7,418	7,295	7,358	7,280	7,210	42,205	41,240
Policyholders' Surplus	6,930	6,804	6,864	6,753	6,676	42,129	41,154

Source: BestLink® - Best's Financial Suite

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019		
Profitability:								
Net Investment Yield	2.2	1.6	1.8	1.1	4.0	2.8	2.7	
Net Income Return on Policyholders' Surplus	1.9	1.5	1.6	0.8	10.4	2.3	1.9	
Total Return on Policyholders' Surplus	1.9	1.5	1.6	0.8	10.4	2.3	1.9	
Leverage:								
Net	0.1	0.1	0.1	0.1	0.1	...	...
Gross	...	...	0.1	0.1	0.1	...	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Beginning Policyholders' Surplus	6,864	6,753	6,753	6,676	42,129	41,154	40,382
Net Operating Income	67	49	109	57	826	961	910
Net Realized Capital Gains (Losses)	...	...	...	...	1,722	1	-142
Net Change in Paid-In Capital and Surplus	...	...	...	...	-25,665	...	...
Stockholder Dividends	...	...	...	...	-12,335	...	...
Other Changes in Capital and Surplus	-1	2	1	20	-2	13	4
Net Change in Policyholders' Surplus	66	51	111	77	-35,453	975	773
Ending Policyholders' Surplus	6,930	6,804	6,864	6,753	6,676	42,129	41,154
Net Change in Policyholders' Surplus (%)	1.0	0.8	1.6	1.2	-84.2	2.4	1.9
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	-29.8	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Net Operating Cash Flow USD (000)	58	34	107	71	1,424	1,466	1,444
Current Liquidity (%)	999.9	999.9	999.9	999.9	999.9	999.9	999.9

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Year End - December 31

Ceded Reinsurance Analysis

	2022	2021	2020	2019	2018
TM Specialty Insurance Company					
Ceded Reinsurance USD (000)	...	...	71	151	139
Reinsurance Recoverables to PHS (%)	...	...	1.1	0.3	0.3
Ceded Reinsurance to PHS (%)	...	...	1.1	0.4	0.3
Surplus Lines Composite					
Business Retention (%)	27.7	31.2	30.0	33.0	33.4
Reinsurance Recoverables to PHS (%)	68.9	68.2	67.0	58.0	62.4
Ceded Reinsurance to PHS (%)	105.4	104.8	100.8	86.5	88.6

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

6-Months
2023 2022

Year End - December 31
2021 2020 2019 2018

Composition of Cash and Invested Assets

	2023	2022	2022	2021	2020	2019	2018
Total Cash and Invested Assets USD (000)	7,367	7,251	7,312	7,243	7,115	41,838	40,617
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	11.7	14.7	11.9	44.0	18.3	3.1	2.7
Bonds	88.3	85.3	88.1	56.0	60.6	96.9	97.3
Other Invested Assets	...	...	...	...	21.1	...	...
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	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 (%)						
Government Bonds	18.1	7.7	1.2	0.8	0.2	2.1
Government Agencies and Municipal Bonds	5.5	13.0	13.8	10.8	6.8	9.6
Industrial and Miscellaneous Bonds	...	3.9	16.5	1.5	...	7.2
Total Bonds	23.7	24.6	31.5	13.2	7.0	7.0

Source: BestLink® - Best's Financial Suite

6-Months
2023 2022

Year End - December 31
2021 2020 2019 2018

Bond Portfolio

	2023	2022	2022	2021	2020	2019	2018
Bonds & Short Term Investments USD(000)	6,508	6,183	6,442	4,058	4,312	40,551	39,530
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	28.0	36.7	37.7	10.9	11.0
Foreign - All other	...	...	...	...	...	1.3	2.6
State, Municipal & Special Revenue	...	...	50.0	58.2	60.4	56.6	50.1
Industrial and Misc, Hybrid and SVO Identified	...	...	22.0	5.1	1.8	31.2	36.3
Bonds and Short Term Investments By Private vs Public (%)							
Public issues	...	...	100.0	100.0	100.0	100.0	100.0
Bonds and Short Term Investments By Quality (%)							
Class 1	97.0	96.8	96.9	100.0	100.0	93.6	91.7
Class 2	3.0	3.2	3.1	...	...	6.4	8.3

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	6-Months		Year End - December 31					Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019		
TM Specialty Insurance Company								
Net Investment Yield	2.2	1.6	1.8	1.1	4.0	2.8	2.7	2.8
Net Income Return on Policyholders' Surplus	1.9	1.5	1.6	0.8	10.4	2.3	1.9	3.7
Total Return on Policyholders' Surplus	1.9	1.5	1.6	0.8	10.4	2.3	1.9	3.7

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%)	6-Months		Year End - December 31					Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019		
Surplus Lines Composite								
Calendar Year Loss and LAE Ratio	57.3	59.6	64.4	69.4	70.6	67.8	68.5	67.9
Expense and Policyholder Dividend Ratio	28.8	27.6	27.6	23.8	26.0	27.6	28.5	26.5
Combined Ratio	86.1	87.2	92.1	93.2	96.5	95.4	97.0	94.4
Reserve Development Ratio Impact	-14.5	-0.2	-1.9	1.1	-1.2	-1.0	-3.9	-1.2
Net Investment Yield	3.6	2.4	2.4	1.9	2.2	2.8	2.8	2.4
Pre-Tax Operating Return on Net Earned Premiums	27.6	21.6	16.6	11.6	11.5	15.0	14.6	13.9
Net Income Return on Policyholders' Surplus	9.8	14.9	9.0	5.2	4.2	6.6	5.3	6.2
Total Return on Policyholders' Surplus	22.6	-12.0	-4.0	15.8	7.4	17.2	-0.3	7.1

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
All Other	-36.5	0.8	14.6
Total	-36.5	0.8	14.6

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Premium Composition and Growth	Year End - December 31					5 Year CAGR
	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	76	76	...
% Change	-99.9	...	...	...
Reinsurance Premiums Assumed USD (000)
% Change
Reinsurance Premiums Ceded USD (000)	76	76	...
% Change	-99.9	...	...	...
Net Premiums Written USD (000)
% Change

Source: BestLink® - Best's Financial Suite

Historical Market Presence

By Geographic Breakdown - DPW USD (000)	Year End - December 31				
	2022	2021	2020	2019	2018
All Other	76	76
Total	76	76

Source: BestLink® - Best's Financial Suite

TNUS Insurance Company

Operations

Date Incorporated: September 04, 1975 | **Date Commenced:** July 01, 2004

Domiciled: New York, United States

Licensed: (Current since 03/27/2019). Credit is allowed for reinsurance as a licensed reinsurer in Wyoming. The company is licensed in the District of Columbia, AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV and WI.

Business Type: Property/Casualty
Organization Type: Stock
Marketing Type: Independent Agency
Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Last Update

September 27, 2023

Identifiers

AMB #: 003643
NAIC #: 32301
FEIN #: 20-0940754

Contact Information

Administrative Office:
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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [090909 - Tokio Marine & Nichido Fire Ins Co Ltd](#)

TNUS Insurance Company is a member of the Tokio Marine & Nichido Fire Insurance Co., Ltd. (AMB# 090909) and the rating reflects its reinsurance agreement with Tokio Marine America Insurance Company (AMB# 012340). Refer to the [Best's Credit Report for AMB# 090909 - Tokio Marine & Nichido Fire Insurance Co., Ltd.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 1982. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Best's Financial Strength Ratings					Best's Long-Term Issuer Credit Ratings		
Effective Date	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Sep 27, 2023	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 9, 2022	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 3, 2021	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 14, 2020	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 16, 2019	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed

Corporate Structure

Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Based on AM Best's analysis, AMB# 058633 Tokio Marine Holdings, Inc. is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Day-to-day operations of the company are under the direction of a U.S based management team that receives support from Tokio Marine Management, Inc., a wholly owned subsidiary of Tokio Marine America Insurance Company.

Officers

CEO, President: Daisuke Ugaeri

CFO: Karen A. Gilmer-Pauciello

Secretary: Edward Sayago

Treasurer: Michael Kelly

Directors

David Brooks

Tatsuya Fujimoto

Ann Ginn

B. Steven Goldstein

David Gottschall

Yoshitaka Saito

Daisuke Ugaeri

History

On February 11, 2004, TNUS Insurance Company was formed under the laws of the State of New York as the vehicle for the domestication of the United States Branch of The Nichido Fire and Marine Insurance Company, Limited of Tokyo, Japan (Nichido Japan-USB). The domestication was finalized on July 1, 2004 as all assets and liabilities of Nichido Japan USB were transferred to TNUS through a Domestication Agreement and Transfer and Assumption Agreement.

Up to November 30, 2012 TNUS was a wholly owned subsidiary of Tokio Marine & Nichido Fire Insurance Co., Ltd. (United States Branch) (TMNF-US). Effective that date, the common stock was transferred by TMNF to Tokio Marine North America, Inc. (TMNA). Effective December 31, 2015, the common stock of the company was transferred by TMNA to Tokio Marine America Insurance Company.

Paid in capital of \$9,900,000 is comprised of 500,000 shares of common stock at a par value of \$10 per share and \$4,900,000 of contributed surplus. All authorized shares are issued and outstanding.

Corporate Changes

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
07/01/2004	Merged	Nichido Fire and Marine Insurance Company, Limited (U.S. Branch)	TNUS Insurance Company	On July 1, 2004, all assets and liabilities of the Branch were transferred to the newly licensed company, TNUS Insurance Company, through a domestication agreement and a transfer and assumption agreement .
07/01/2004	Name Change	Nichido Fire and Marine Insurance Company	TNUS Insurance Company	This company changed its name to TNUS Insurance Company on July 1, 2004.

Search for this company in [Corporate Changes](#) in BestLink to review previous changes.

Regulatory

Auditor: PricewaterhouseCoopers, LLP

Actuary: Joseph Kilroy, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2015, by the insurance department of New York. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File - P/C, US.

Currency: JPY

Company's local Currency: Japanese Yen

	6-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	4,615	6.6	6,266	9.3	6,187	9.2
Bonds	60,699	86.7	58,358	86.8	55,323	82.2
Total Cash and Invested Assets	65,314	93.3	64,624	96.1	61,510	91.4
Premium Balances	2,221	3.2	1,424	2.1	2,948	4.4
Net Deferred Tax Asset	13	...	41	0.1	29	...
Other Assets	2,454	3.5	1,140	1.7	2,793	4.2
Total Assets	70,002	100.0	67,228	100.0	67,280	100.0
Loss and Loss Adjustment Expense Reserves:						
Net IBNR Loss Reserves*	283	0.4	...	...	...	...
Net LAE Reserves	...	...	284	0.4	309	0.5
Total Net Loss and LAE Reserves	283	0.4	284	0.4	309	0.5
Other Liabilities	4,398	6.3	2,458	3.7	5,132	7.6
Total Liabilities	4,682	6.7	2,742	4.1	5,440	8.1
Capital Stock	5,000	7.1	5,000	7.4	5,000	7.4
Paid-In and Contributed Surplus	4,900	7.0	4,900	7.3	4,900	7.3
Unassigned Surplus	55,421	79.2	54,586	81.2	51,940	77.2
Total Policyholders' Surplus	65,321	93.3	64,486	95.9	61,840	91.9
Total Liabilities and Surplus	70,002	100.0	67,228	100.0	67,280	100.0

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Losses and LAE Incurred:				
Prior Accident Years	...	-20	-22	-5
Underwriting Expenses Incurred	1	2	4	4
Net Underwriting Income	-1	18	19	...
Net Investment Income	912	711	1,513	1,390
Other Income (Expense)	-4	...	-3	-4
Pre-Tax Operating Income	907	728	1,529	1,387
Income Taxes Incurred	157	106	232	201
Net Operating Income	750	622	1,297	1,186
Net Realized Capital Gains (Losses)	12	...	...	-6
Net Income	762	622	1,298	1,180

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	387	-1,054	703	884
Net Losses Paid	1,412	-1,630	-1,825	1,371
Expenses Paid	-6	-108	39	58
Net Underwriting Cash Flow	-1,019	684	2,489	-544
Net Investment Income	985	849	1,761	1,735
Other Income (Expense)	-4	...	-3	-4
Income Taxes Paid (Recovered)	160	110	236	189
Net Operating Cash Flow	-198	1,421	4,012	998

Source: BestLink® - Best's Financial Suite

Financial Results

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

Key Financial Indicators

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Key Financial Indicators USD (000)							
Premiums Written:							
Direct	3,465	4,597	6,160	8,417	9,555	12,596	12,974
Assumed*	13	46	89	64	95	49	157
Ceded*	3,478	4,643	6,249	8,480	9,650	12,645	13,131
Net Operating Income	750	622	1,297	1,186	1,239	1,402	1,370
Net Income	762	622	1,298	1,180	1,317	1,450	1,252
Total Admitted Assets	70,002	68,220	67,228	67,280	65,839	65,260	64,435
Policyholders' Surplus	65,321	62,405	64,486	61,840	61,759	60,189	59,182

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31				Weighted 5- 2018 Year Average
	2023	2022	2022	2021	2020	2019	
Key Financial Ratios (%)							
Profitability:							
Combined Ratio	-99.9	...	...	...	...	...	...
Net Investment Yield	2.8	2.3	2.4	2.2	2.3	2.8	2.7
Pre-Tax Operating Return on Net Earned Premiums	-99.9	...	...	...	...	...	...
Net Income Return on Policyholders' Surplus	2.3	2.0	2.1	1.9	2.2	2.4	2.2
Total Return on Policyholders' Surplus	2.3	2.0	2.1	1.9	2.2	2.4	2.2
Leverage:							
Net	0.1	0.1	...	0.1	0.1	0.1	0.1
Gross	...	...	0.2	0.3	0.2	0.2	0.2
Non-affiliated Investment	...	...	...	...	...	...	0.2

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Capital Generation Analysis							
USD (000)							
Beginning Policyholders' Surplus	64,486	61,840	61,840	61,759	60,189	59,182	57,103
Net Operating Income	750	622	1,297	1,186	1,239	1,402	1,370
Net Realized Capital Gains (Losses)	12	...	...	-6	79	47	-119
Other Changes in Capital and Surplus	73	-57	1,349	-1,099	252	-443	826
Net Change in Policyholders' Surplus	834	565	2,647	81	1,570	1,008	2,078
Ending Policyholders' Surplus	65,321	62,405	64,486	61,840	61,759	60,189	59,182
Net Change in Policyholders' Surplus (%)	1.3	0.9	4.3	0.1	2.6	1.7	3.6
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	2.5	...	...	...	...

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Liquidity Analysis							
Net Operating Cash Flow USD (000)	-198	1,421	4,012	998	5,139	1,723	-426
Current Liquidity (%)	999.9	999.9	999.9	999.9	999.9	999.9	999.9

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
Ceded Reinsurance Analysis					
TNUS Insurance Company					
Ceded Reinsurance USD (000)	8,800	12,534	7,886	7,975	7,088
Reinsurance Recoverables to PHS (%)	10.3	15.9	7.8	7.8	9.0
Ceded Reinsurance to PHS (%)	13.6	20.3	12.8	13.2	12.0
Workers' Compensation Composite					
Business Retention (%)	62.9	65.6	67.8	68.7	70.2
Reinsurance Recoverables to PHS (%)	22.7	21.9	24.5	26.2	28.5
Ceded Reinsurance to PHS (%)	33.5	31.6	34.2	36.1	39.5

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2022 Reinsurance Recoverables USD (000)					
US Affiliates	5,931	19,673	1,580	...	27,183
Foreign Affiliates	984	180	197	...	1,360
US Insurers	384	3,820	351	-1,025	3,530
Other Non-US	...	1,645	...	...	1,644
Total (excluding US Affiliates)	1,368	5,645	548	-1,025	6,534
Grand Total	7,299	25,426	2,127	-1,025	33,826

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	65,314	61,149	64,624	61,510	61,282	56,310	55,024
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	7.1	6.2	9.7	10.1	13.2	12.2	7.4
Bonds	92.9	93.8	90.3	89.9	86.3	87.8	92.6
Other Invested Assets	...	...	...	...	0.5	...	...
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Bonds and Short Term Investments						
Distribution by Maturity (%)						
Government Bonds	0.8	8.0	0.5	0.3	0.1	3.6
Government Agencies and Municipal Bonds	7.1	21.2	13.7	16.8	4.2	8.4
Industrial and Miscellaneous Bonds	6.6	16.1	4.6	...	...	3.1
Total Bonds	14.5	45.3	18.8	17.2	4.3	6.5

Source: BestLink® - Best's Financial Suite

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Bond Portfolio							
Bonds & Short Term Investments USD(000)	60,699	57,348	58,358	55,323	52,890	49,426	50,972
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	9.7	9.0	10.9	13.4	14.8
Foreign - All other	...	...	0.9	0.9	0.9	1.0	1.0
State, Municipal & Special Revenue	...	...	63.0	67.6	65.6	60.7	53.8
Industrial and Misc, Hybrid and SVO Identified	...	...	26.5	22.5	22.5	24.8	30.4
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	...	...	...	...	0.5
Public issues	...	...	100.0	100.0	100.0	100.0	99.5
Bonds and Short Term Investments By Quality (%)							
Class 1	97.8	94.8	94.9	93.7	91.7	93.2	91.9
Class 2	2.2	5.2	5.1	6.3	8.3	6.8	7.9
Class 3	...	...	...	...	...	...	0.2
Below Investment Grade (NAIC 3-6)	...	...	...	...	...	...	0.2
Below Investment Grade - % of Policyholders' Surplus	...	...	...	...	...	...	0.2

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Calendar Year:							
Loss and ALAE* Reserves USD (000)	283	288	...	...	...	...	...
Loss and ALAE* Reserves Development USD (000)	...	-20	...	...	...	...	...
Development to:							
Original Reserves (%)	...	...	...	...	...	...	...
Prior Year End Reserves(%)	...	-6.5	...	...	...	...	...
Prior Year End Surplus (%)	...	...	...	...	...	...	...

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	6-Months		Year End - December 31				Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019	
TNUS Insurance Company							
Calendar Year Loss and LAE Ratio	272.9	...	...	...	...	...	...
Expense and Policyholder Dividend Ratio	-99.9	...	...	...	...	...	...
Combined Ratio	-99.9	...	...	...	...	...	...
Net Investment Yield	2.8	2.3	2.4	2.2	2.3	2.8	2.7
Pre-Tax Operating Return on Net Earned Premiums	-99.9	...	...	...	...	...	...
Net Income Return on Policyholders' Surplus	2.3	2.0	2.1	1.9	2.2	2.4	2.2
Total Return on Policyholders' Surplus	2.3	2.0	2.1	1.9	2.2	2.4	2.2

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%)	6-Months		Year End - December 31				Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019	
Workers' Compensation Composite							
Calendar Year Loss and LAE Ratio	70.3	67.7	67.2	67.2	67.8	65.5	66.6
Expense and Policyholder Dividend Ratio	34.0	34.5	34.2	35.2	33.8	34.1	29.7
Combined Ratio	104.2	102.2	101.5	102.4	101.6	99.6	96.4
Reserve Development Ratio Impact	-4.5	-6.9	-9.9	-12.2	-13.6	-13.5	-9.5
Net Investment Yield	3.4	2.5	2.7	2.5	2.7	3.1	3.0
Pre-Tax Operating Return on Net Earned Premiums	11.9	11.0	13.3	11.7	11.6	16.6	18.0
Net Income Return on Policyholders' Surplus	4.1	3.5	4.5	6.2	5.6	8.7	8.8
Total Return on Policyholders' Surplus	7.0	-6.7	-0.8	9.8	6.7	12.7	5.0

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Year End - December 31

Geographic - Direct Loss Ratio (%)

	2022	2021	2020	2019	2018
California	46.9	29.0	92.0	-44.2	3.0
Alabama	139.0	-75.6	116.8	82.7	-2.0
Georgia	-99.9	159.2	47.2	-24.3	230.1
New Jersey	-53.8	81.5	88.2	119.7	-99.9
Arkansas	35.6	264.4	...	...	...
Illinois	-99.9	48.8	25.1	101.9	63.8
Arizona	-99.9	184.6	-99.9	99.6	72.2
New York	-99.9	-66.3	9.1	102.8	118.2
Texas	-76.5	700.3	-99.9	-72.6	53.0
New Hampshire	597.1	284.3	-99.9	-70.7	999.9
All Other	-99.9	54.3	46.0	179.1	-5.4
Total	-24.6	85.7	52.0	62.4	26.6

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

6-Months

Year End - December 31

Premium Composition and Growth

	2023	2022	2022	2021	2020	2019	2018	5 Year CAGR
Direct Premiums Written USD (000)	3,465	4,597	6,160	8,417	9,555	12,596	12,974	...
% Change	-24.6	-12.1	-26.8	-11.9	-24.1	-2.9	-15.6	-16.7
Reinsurance Premiums Assumed USD (000)*	13	46	89	64	95	49	157	...
% Change	-71.8	35.8	40.0	-33.0	95.6	-68.9	-31.8	-17.2
Reinsurance Premiums Ceded USD (000)*	3,478	4,643	6,249	8,480	9,650	12,645	13,131	...
% Change	-25.1	-11.8	-26.3	-12.1	-23.7	-3.7	-15.9	-16.7
Net Premiums Written USD (000)	...	...	...	...	...	...	...	...
% Change	...	...	...	...	...	...	...	...

Source: BestLink® - Best's Financial Suite

Historical Market Presence

By Geographic Breakdown - DPW USD (000)

	2022	2021	2020	2019	2018
California	3,779	3,171	4,203	4,197	4,790
Alabama	476	255	484	289	235
Georgia	370	909	568	575	549
New Jersey	313	481	402	481	433
Arkansas	260	250	...	...	...
Illinois	201	359	350	482	392
Arizona	169	536	290	425	339
New York	150	722	957	1,998	1,648
Texas	132	381	-4	504	878
New Hampshire	128	-120	...	5	4
All Other	183	1,473	2,304	3,641	3,706
Total	6,160	8,417	9,555	12,596	12,974
Geographic Concentration Index	0.40	...	...	...	...

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Reserves USD (000)					
Workers Comp	239	266	272	...	...
Other Liab	45	42	43	...	...
Product Liab	...	1	...	...	...
Comm M.P.	...	...	5	...	...
Total	284	309	320	...	...

Source: BestLink® - Best's Financial Suite

Tokio Marine America Insurance Company

Last Update

September 27, 2023

Identifiers

AMB #: 012340

NAIC #: 10945

FEIN #: 13-4032666

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Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Operations

Date Incorporated: August 13, 1998 | **Date Commenced:** September 23, 1999

Domiciled: New York, United States

Licensed: (Current since 09/17/2021). The company is licensed in the District of Columbia, Puerto Rico and all states.

Business Type: Property/Casualty

Organization Type: Stock

Marketing Type: Independent Agency

Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [090909 - Tokio Marine & Nichido Fire Ins Co Ltd](#)

Tokio Marine America Insurance Company is a member of Tokio Marine & Nichido Fire Insurance Co., Ltd. (AMB# 090909). Tokio Marine America Insurance Company (TMA) is a member of the Tokio Marine & Nichido Fire Insurance Company, Limited (TMNF), rating unit due to its status as a highly integrated wholly owned subsidiary in the United States. It holds an important strategic role within the organization as the primary insurer in the United States that receives explicit support through internal reinsurance. Refer to the [Best's Credit Report for AMB# 090909 - Tokio Marine & Nichido Fire Insurance Co., Ltd.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 2000. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Sep 27, 2023	A++	g (Group Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 9, 2022	A++	g (Group Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 3, 2021	A++	g (Group Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 14, 2020	A++	g (Group Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 16, 2019	A++	g (Group Rating)	Stable	Affirmed	aa+	Stable	Affirmed

Corporate Structure

Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Based on AM Best's analysis, AMB# 058633 Tokio Marine Holdings, Inc. is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Day-to-day operations of the company is under the direction of a U.S. based management team that receives support from Tokio Marine Management, Inc., a wholly owned subsidiary of Tokio Marine America Insurance Company.

Officers

CEO, President: Daisuke Ugaeri

CFO: Karen A. Gilmer-Pauciello

Secretary: Edward Sayago

Treasurer: Michael Kelly

Directors

David Brooks

Tatsuya Fujimoto

Ann Ginn

B. Steven Goldstein

David Gottschall

Donald Pizer

Yoshitaka Saito

Daisuke Ugaeri

James Zrebiec

History

The company was incorporated on August 13, 1998, under the laws of the State of New York, as TM Casualty Insurance Company. It was licensed on September 23, 1999, to write workers' compensation and employers' liability insurance. Effective March 15, 2012, the company changed its name to Tokio Marine America Insurance Company. Paid-in capital of \$190,609,748 is comprised of 50,001 shares of common stock at a par value of \$100 per share and \$185,609,648 of contributed surplus. All authorized shares are issued and outstanding.

Tokio Marine & Nichido Fire Insurance Co., Ltd. (United States Branch) (TMNF-US) was established in 1955 with a New York port of entry to engage in business on behalf of The Tokio Marine and Fire Insurance Company, Limited, located in Tokyo, Japan. The parent was founded in 1879, and was active in the United States since 1911, although operations were suspended between 1941 and 1955.

The Tokio Marine and Fire Insurance Company, Limited, and The Nichido Fire and Marine Insurance Company Limited (Nichido Japan) integrated their management and business under a publicly traded Japanese holding company called Millea Holdings, Inc. (Millea). The companies became wholly owned subsidiaries of Millea on April 1, 2002, in a statutory share exchange under Japanese law. When the merger was finalized on October 1, 2004, the merged entity commenced operations as a new property and casualty insurance company, Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF), with Millea as its publicly traded holding company. Effective July 1, 2008, Millea changed its name to Tokio Marine Holdings, Inc.

Nichido Japan's U.S. Branch was domesticated on July 1, 2004, in order to comply with U.S. insurance regulations prohibiting an alien insurer from maintaining two U.S. branches. On February 11, 2004, TNUS Insurance Company (TNUS) was formed under the laws of the State of New York as the vehicle for the domestication of Nichido Japan's U.S. Branch. Upon domestication, TNUS became a wholly owned subsidiary of TMNF.

Effective September 30, 2012, the common stock of Tokio Marine Management, Inc. (TMM), TPI and TMS was transferred by TMNF-US to TMNF. Subsequently on November 30, 2012, TMNF contributed the common stock of TMM, TPI, TMS and TNUS to TMNA, an insurance holding company domiciled in the State of Delaware and a wholly owned direct subsidiary of TMNF. Effective November 30, 2013, the common stock of Tokio Marine America Insurance Company (TMAIC) was transferred by TMNF-US to TMNF.

Effective December 31, 2013, in conjunction with its domestication, TMNF-US merged with and into TMAIC, with TMAIC remaining as the surviving entity. All of the assets and liabilities of TMNF-US were transferred to, and assumed by TMAIC. Effective January 1, 2014, the common stock of TMAIC was transferred by TMNF to TMNA.

Effective December 31, 2015, the common stock of TMM, TPI, TMS and TNUS was transferred by TMNA to TMAIC.

TMAIC provides quota share reinsurance to TPI, TMS and TNUS, whereby 100% of all premiums, losses and loss adjustment expenses are ceded to TMAIC.

Corporate Changes

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
03/15/2012	Name Change	TM Casualty Insurance Company	Tokio Marine America Insurance Company	This company changed its name to Tokio Marine America Insurance Company on March 15, 2012.

Search for this company in [Corporate Changes](#) in BestLink to review previous changes.

Regulatory

Auditor: PricewaterhouseCoopers, LLP

Actuary: Joseph Kilroy, FCAS, MAAA

An examination of the financial condition was made as of December 31, 2015, by the insurance department of New York. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File - P/C, US.

Currency: JPY

Company's local Currency: Japanese Yen

	6-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	27,866	2.0	83,916	5.9	23,160	1.7
Bonds	975,341	70.1	958,065	67.5	993,477	72.0
Preferred and Common Stock	146,471	10.5	144,959	10.2	157,309	11.4
Other Invested Assets	7,121	0.5	7,103	0.5	...	...
Total Cash and Invested Assets	1,156,799	83.2	1,194,043	84.1	1,173,946	85.0
Premium Balances	143,960	10.4	134,396	9.5	140,459	10.2
Net Deferred Tax Asset	15,259	1.1	16,939	1.2	15,659	1.1
Other Assets	74,655	5.4	74,844	5.3	50,720	3.7
Total Assets	1,390,673	100.0	1,420,221	100.0	1,380,785	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	219,649	15.8	239,916	16.9	229,006	16.6
Net IBNR Loss Reserves*	455,943	32.8	316,011	22.3	317,167	23.0
Net LAE Reserves	...	...	133,260	9.4	131,416	9.5
Total Net Loss and LAE Reserves	675,592	48.6	689,187	48.5	677,590	49.1
Net Unearned Premiums	150,991	10.9	141,997	10.0	133,725	9.7
Other Liabilities	93,292	6.7	104,957	7.4	71,844	5.2
Total Liabilities	919,874	66.1	936,141	65.9	883,159	64.0
Capital Stock	5,000	0.4	5,000	0.4	5,000	0.4
Paid-In and Contributed Surplus	185,610	13.3	185,610	13.1	185,610	13.4
Unassigned Surplus	235,008	16.9	251,829	17.7	266,702	19.3
Other Surplus	45,181	3.2	41,641	2.9	40,314	2.9
Total Policyholders' Surplus	470,799	33.9	484,080	34.1	497,625	36.0
Total Liabilities and Surplus	1,390,673	100.0	1,420,221	100.0	1,380,785	100.0

Source: BestLink® - Best's Financial Suite

Income Statement USD (000)

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Earned	154,289	144,643	296,419	270,784
Net Losses and LAE Incurred:				
Current Accident Year	100,468	92,521	195,467	185,529
Prior Accident Years	-497	5,627	-732	-15,233
Underwriting Expenses Incurred	46,432	40,856	86,783	82,617
Dividends to Policyholders	...	...	4	714
Net Underwriting Income	7,886	5,640	14,896	17,157
Net Investment Income	20,964	18,116	36,823	35,244
Other Income (Expense)	3,079	-45	-2,209	1,883
Pre-Tax Operating Income	31,929	23,711	49,510	54,284
Income Taxes Incurred	6,621	4,677	10,048	10,017
Net Operating Income	25,309	19,034	39,462	44,267
Net Realized Capital Gains (Losses)	-1,304	1,393	1,350	1,784
Net Income	24,004	20,427	40,813	46,051

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	159,978	166,347	322,735	239,576
Net Losses Paid	89,054	107,341	174,309	142,248
Expenses Paid	62,621	57,743	119,665	121,988
Dividends to Policyholders	...	...	4	892
Net Underwriting Cash Flow	8,303	1,262	28,757	-25,552
Net Investment Income	21,721	19,913	39,027	38,294
Other Income (Expense)	380	506	-3,407	-1,540
Income Taxes Paid (Recovered)	4,216	-313	8,005	13,392
Net Operating Cash Flow	26,187	21,994	56,372	-2,190

Source: BestLink® - Best's Financial Suite

Financial Results

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

Key Financial Indicators

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Key Financial Indicators USD (000)							
Premiums Written:							
Direct	281,594	287,914	542,496	504,939	505,321	453,429	414,329
Assumed*	57,119	53,629	51,034	48,758	40,831	39,728	37,482
Ceded*	176,089	188,039	288,892	284,441	274,233	201,042	175,226
Net	162,624	153,504	304,638	269,256	271,920	292,115	276,584
Net Operating Income	25,309	19,034	39,462	44,267	79,721	16,969	25,885
Net Income	24,004	20,427	40,813	46,051	80,773	18,112	23,447
Total Admitted Assets	1,390,673	1,366,334	1,420,221	1,380,785	1,387,736	1,359,365	1,432,184
Policyholders' Surplus	470,799	483,204	484,080	497,625	430,442	460,078	510,246

Source: BestLink® - Best's Financial Suite

Key Financial Indicators

Key Financial Ratios (%)	6-Months		Year End - December 31				Weighted 5- 2018 Year Average	
	2023	2022	2022	2021	2020	2019		
Profitability:								
Combined Ratio	93.3	94.5	94.2	93.8	95.1	106.2	103.7	98.6
Reserve Development Combined Ratio Impact	-0.3	3.9	-0.2	-5.6	-2.4	-0.4	-9.3	-3.5
Net Investment Yield	3.5	3.1	3.1	2.9	6.2	3.3	2.9	3.7
Pre-Tax Operating Return on Net Earned Premiums	20.7	16.4	16.7	20.0	32.0	7.0	10.9	17.3
Net Income Return on Policyholders' Surplus	10.1	8.3	8.3	9.9	18.1	3.7	4.6	8.7
Total Return on Policyholders' Surplus	14.9	8.7	8.5	10.7	11.4	5.2	5.7	8.2
Leverage:								
Net	2.6	2.4	2.5	2.3	2.8	2.5	2.3	...
Gross	...	...	4.6	4.3	5.0	4.2	3.8	...
Non-affiliated Investment	1.9	5.6	10.1	11.6	11.2	8.9	5.0	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Beginning Policyholders' Surplus	484,080	497,625	497,625	430,442	460,078	510,246	504,726
Net Operating Income	25,309	19,034	39,462	44,267	79,721	16,969	25,885
Net Realized Capital Gains (Losses)	-1,304	1,393	1,350	1,784	1,052	1,143	-2,439
Net Unrealized Capital Gains (Losses)	11,614	874	998	3,643	-29,956	7,200	5,435
Stockholder Dividends	-50,000	-34,500	-34,500	...	-73,000	-71,000	...
Other Changes in Capital and Surplus	1,100	-1,222	-20,856	17,490	-7,453	-4,480	-23,361
Net Change in Policyholders' Surplus	-13,281	-14,421	-13,545	67,184	-29,636	-50,168	5,520
Ending Policyholders' Surplus	470,799	483,204	484,080	497,625	430,442	460,078	510,246
Net Change in Policyholders' Surplus (%)	-2.7	-2.9	-2.7	15.6	-6.4	-9.8	1.1
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	-0.8	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Net Operating Cash Flow USD (000)	26,187	21,994	56,372	-2,190	45,704	4,863	-19,982
Current Liquidity (%)	110.0	112.7	113.0	118.9	112.6	115.0	119.5

Source: BestLink® - Best's Financial Suite

Ceded Reinsurance Analysis	Year End - December 31				
	2022	2021	2020	2019	2018
Tokio Marine America Insurance Company					
Ceded Reinsurance USD (000)	1,042,639	1,026,163	942,479	776,595	772,771
Business Retention (%)	51.3	48.6	49.8	59.2	61.2
Reinsurance Recoverables to PHS (%)	139.2	135.0	141.3	111.5	106.3
Ceded Reinsurance to PHS (%)	215.4	206.2	219.0	168.8	151.5
Commercial Casualty Composite					
Business Retention (%)	78.3	78.0	78.7	79.5	81.3
Reinsurance Recoverables to PHS (%)	74.3	74.0	74.6	73.2	77.0
Ceded Reinsurance to PHS (%)	107.0	106.3	105.1	103.1	104.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2022 Reinsurance Recoverables USD (000)					
US Affiliates	2,340	557	872	...	3,769
Foreign Affiliates	184,420	173,147	126,424	-332	483,659
US Insurers	59,484	52,050	23,644	-6,800	128,378
Other Non-US	28,625	25,483	5,907	-111	59,903
Total (excluding US Affiliates)	272,529	250,680	155,975	-7,243	671,940
Grand Total	275,344	252,464	156,908	-7,348	677,367

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	1,156,799	1,134,189	1,194,043	1,173,946	1,202,889	1,187,237	1,253,729
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	2.4	3.2	7.0	2.0	7.4	-0.1	0.2
Bonds	84.3	83.0	80.2	84.6	78.6	83.3	84.1
Stocks	1.8	2.2	1.7	3.1	3.1	3.5	2.5
Other Invested Assets	0.6	0.8	0.6	...	1.0	...	0.2
Total Unaffiliated	89.1	89.2	89.6	89.7	90.1	86.7	87.0
Investments in Affiliates	13.6	13.0	12.4	11.9	11.4	14.0	13.0
Non-Admitted	-2.7	-2.3	-2.0	-1.6	-1.6	-0.7	...
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Bonds and Short Term Investments						
Distribution by Maturity (%)						
Government Bonds	3.0	1.0	...	...	0.1	1.8
Government Agencies and Municipal Bonds	2.0	12.7	5.2	11.4	7.4	11.2
Industrial and Miscellaneous Bonds	2.6	18.8	18.5	5.8	8.2	9.0
Hybrid Securities	0.3	2.6	0.4	...	...	3.3
Total Bonds	8.0	35.1	24.1	17.1	15.6	9.4

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Bond Portfolio							
Bonds & Short Term Investments USD(000)	975,830	941,741	987,917	993,477	950,009	989,079	1,054,586
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	1.1	1.1	0.9	0.9	1.7
Foreign Government	...	...	0.1	0.1	0.1	...	...
Foreign - All other	...	...	2.8	3.7	4.0	5.0	5.5
State, Municipal & Special Revenue	...	...	39.8	39.6	39.4	38.4	44.7
Industrial and Misc, Hybrid and SVO Identified	...	...	56.2	55.5	55.5	55.6	48.1
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	24.1	25.3	22.9	24.5	27.4
Public issues	...	...	75.9	74.7	77.1	75.5	72.6
Bonds and Short Term Investments By Quality (%)							
Class 1	76.2	74.7	76.3	73.2	75.5	82.7	87.1
Class 2	20.9	21.7	20.1	22.7	20.9	15.4	11.3
Class 3	2.8	3.6	3.5	3.8	3.3	1.8	1.6
Class 4	...	...	...	0.2	0.2	...	...
Class 6	...	...	...	...	0.1	0.1	...
Below Investment Grade (NAIC 3-6)	2.8	3.6	3.6	4.1	3.6	1.9	1.6
Below Investment Grade - % of Policyholders' Surplus	5.8	7.1	7.3	8.2	7.9	4.1	3.3

Source: BestLink® - Best's Financial Suite

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Stock Portfolio							
Stocks USD(000)	146,471	147,497	144,959	157,309	156,023	199,474	193,924
By Type (%)							
Unaffiliated Common	...	...	4.6	10.7	9.3	11.2	4.6
Affiliated Common	...	...	85.8	76.8	76.2	79.1	84.1
Unaffiliated Preferred	...	...	9.6	12.5	14.5	9.7	11.3

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Calendar Year:							
Loss and ALAE* Reserves USD (000)	675,592	677,146	637,037	629,549	624,095	664,344	686,814
Loss and ALAE* Reserves Development USD (000)	-497	5,627	...	1,199	-17,508	-13,636	-22,278
Development to:							
Original Reserves (%)	...	...	...	0.2	-2.7	-2.0	-3.1
Prior Year End Reserves(%)	-0.1	0.8	...	...	...	...	...
Prior Year End Surplus (%)	-0.1	1.1	...	0.2	-4.1	-3.0	-4.4

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy (Continued...)

Loss and Loss Adjustment Expense Reserve Development (Continued...)

	Year End - December 31				
	2022	2021	2020	2019	2018
Accident Year:					
Original Loss and ALAE Reserves USD (000)	116,125	108,152	107,989	117,081	120,707
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	116,125	111,420	103,273	128,381	129,201
Development to Original Reserves (%)	...	3.0	-4.4	9.7	7.0
Accident Year Loss and LAE Ratio (%)	65.9	69.9	64.2	75.7	85.1
Accident Year Combined Ratio (%)	94.4	100.9	95.6	110.1	122.8

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	6-Months		Year End - December 31					Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019		
Operating and Financial Performance Ratios (%)								
Tokio Marine America Insurance Company								
Calendar Year Loss and LAE Ratio	64.8	67.9	65.7	62.9	63.8	71.7	66.1	66.1
Expense and Policyholder Dividend Ratio	28.6	26.6	28.5	30.9	31.3	34.4	37.7	32.5
Combined Ratio	93.3	94.5	94.2	93.8	95.1	106.2	103.7	98.6
Reserve Development Ratio Impact	-0.3	3.9	-0.2	-5.6	-2.4	-0.4	-9.3	-3.5
Net Investment Yield	3.5	3.1	3.1	2.9	6.2	3.3	2.9	3.7
Pre-Tax Operating Return on Net Earned Premiums	20.7	16.4	16.7	20.0	32.0	7.0	10.9	17.3
Net Income Return on Policyholders' Surplus	10.1	8.3	8.3	9.9	18.1	3.7	4.6	8.7
Total Return on Policyholders' Surplus	14.9	8.7	8.5	10.7	11.4	5.2	5.7	8.2

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31					Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019		
Operating and Financial Performance Ratios (%)								
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	69.4	64.6	67.9	67.2	70.5	69.4	70.3	69.0
Expense and Policyholder Dividend Ratio	28.2	28.2	28.0	28.7	29.6	30.5	30.1	29.3
Combined Ratio	97.6	92.8	95.9	95.9	100.1	99.9	100.4	98.3
Reserve Development Ratio Impact	-1.2	-1.8	-0.7	-1.8	-0.9	-0.3	-1.3	-1.0
Net Investment Yield	3.6	3.0	3.3	3.3	3.3	3.6	3.8	3.5
Pre-Tax Operating Return on Net Earned Premiums	10.2	13.9	12.7	13.6	9.9	11.3	10.3	11.6
Net Income Return on Policyholders' Surplus	7.0	10.0	9.2	11.3	7.1	9.3	8.9	9.2
Total Return on Policyholders' Surplus	9.3	0.5	5.8	14.3	8.1	12.4	5.6	9.2

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	2022	Year End - December 31			
		2021	2020	2019	2018
By Line - Net Loss Ratio (%)					
Comm Auto Liab	58.9	57.3	53.9	73.7	51.1
Workers Comp	33.2	40.6	28.4	45.5	36.7
Fire	8.4	13.4	15.0	22.7	57.3
Ocean Marine	65.6	56.5	47.7	45.0	61.3
Other Liab	72.8	106.8	69.8	93.0	94.2
Comm M.P.	59.5	24.7	64.6	53.5	77.3
Auto Phys Dmg	83.2	68.0	47.9	61.0	82.3
Allied Lines	57.9	56.3	175.7	139.1	-19.1
Other A&H	56.1	...	...	...	...
PP Auto Liab	71.8	48.3	61.5	110.7	81.7
All Other	57.3	37.8	68.0	58.1	27.2
Total	53.2	49.0	52.3	59.1	52.2

Source: BestLink® - Best's Financial Suite

	2022	Year End - December 31			
		2021	2020	2019	2018
Geographic - Direct Loss Ratio (%)					
California	70.8	39.2	59.0	67.1	51.8
Texas	118.0	153.3	56.2	107.9	42.7
New York	60.8	43.6	80.1	64.4	139.3
New Jersey	88.5	95.1	88.3	73.4	27.4
Tennessee	46.2	65.1	53.9	8.4	-99.9
Georgia	25.9	73.5	58.0	57.3	41.4
Ohio	57.3	23.5	4.2	194.6	24.9
Florida	102.0	17.9	78.0	63.3	280.0
Illinois	32.4	6.8	83.2	51.6	17.1
Kentucky	53.8	19.3	55.5	-19.6	47.1
All Other	31.0	42.1	42.2	50.9	54.0
Total	58.2	51.1	55.9	66.3	58.4

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

	6-Months		Year End - December 31					
	2023	2022	2022	2021	2020	2019	2018 5 Year CAGR	
Direct Premiums Written USD (000)	281,594	287,914	542,496	504,939	505,321	453,429	414,329	...
% Change	-2.2	6.6	7.4	-0.1	11.4	9.4	4.5	6.5
Reinsurance Premiums Assumed USD (000)*	57,119	53,629	51,034	48,758	40,831	39,728	37,482	...
% Change	6.5	16.9	4.7	19.4	2.8	6.0	0.2	6.4
Reinsurance Premiums Ceded USD (000)*	176,089	188,039	288,892	284,441	274,233	201,042	175,226	...
% Change	-6.4	1.3	1.6	3.7	36.4	14.7	19.4	14.5
Net Premiums Written USD (000)	162,624	153,504	304,638	269,256	271,920	292,115	276,584	...
% Change	5.9	17.9	13.1	-1.0	-6.9	5.6	-3.7	1.2

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Breakdown - NPW USD (000)					
Comm Auto Liab	55,216	50,430	49,760	47,489	48,137
Workers Comp	52,512	44,079	53,247	58,184	65,851
Fire	29,610	27,244	24,999	33,935	30,891
Ocean Marine	28,666	24,685	24,370	33,615	21,918
Other Liab	25,866	20,033	19,481	17,240	17,575
Comm M.P.	22,490	19,144	19,460	19,482	19,172
Auto Phys Dmg	20,443	18,748	18,302	18,833	23,243
Allied Lines	17,474	14,475	14,318	7,614	3,722
Other A&H	14,230	...	...	...	...
PP Auto Liab	12,750	12,806	12,593	11,990	11,140
All Other	25,383	37,613	35,391	43,734	34,934
Total	304,638	269,256	271,920	292,115	276,584

Source: BestLink® - Best's Financial Suite

By Geographic Breakdown - DPW USD (000)

	2022	2021	2020	2019	2018
California	137,770	136,119	165,348	136,446	128,551
Texas	46,235	39,967	39,017	37,034	36,850
New York	28,002	24,478	24,999	26,182	23,765
New Jersey	25,999	27,071	22,896	24,181	22,922
Tennessee	23,051	20,815	7,594	6,102	4,830
Georgia	22,567	19,017	18,202	17,613	15,012
Ohio	22,288	18,302	18,155	14,955	13,662
Florida	21,639	24,764	21,734	19,701	16,834
Illinois	20,330	17,691	20,213	19,690	15,889
Kentucky	15,080	12,346	12,081	10,950	11,969
All Other	179,534	164,368	155,082	140,574	124,045
Total	542,496	504,939	505,321	453,429	414,329
Geographic Concentration Index	0.09	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Reserves USD (000)					
Workers Comp	269,560	276,106	283,770	...	...
Other Liab	156,734	146,611	138,765	...	...
Comm Auto Liab	88,136	88,534	78,896	...	...
Comm M.P.	35,067	29,114	33,111	...	...
Product Liab	34,944	36,088	40,937	...	...
Excess Wrk Cmp	26,714	27,453	27,490	...	...
Ocean Marine	18,170	14,546	12,996	...	...
Allied Lines	17,658	15,761	16,352	...	...
PP Auto Liab	15,503	16,074	16,053	...	...
Other A&H	12,726	...	...	...	...
All Other	13,975	27,303	37,817	...	...
Total	689,187	677,590	686,187	...	...

Source: BestLink® - Best's Financial Suite

Trans Pacific Insurance Company

Operations

Date Incorporated: January 21, 1982 | **Date Commenced:** January 21, 1982

Domiciled: New York, United States

Licensed: (Current since 12/03/2001). The company is licensed in the District of Columbia, AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NJ, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WV, WI and WY.

Business Type: Property/Casualty
Organization Type: Stock
Marketing Type: Independent Agency
Best's Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion)

Last Update

September 27, 2023

Identifiers

AMB #: 002882

NAIC #: 41238

FEIN #: 13-3118700

Contact Information

Administrative Office:
 499 Washington Blvd, Suite 1500,
 Jersey City, New Jersey 07310
 United States

Domiciliary Address:
 590 Madison Avenue, 29th Floor,
 New York, New York 10022
 United States

Web: www.tmamerica.com

Phone: +1-212-297-6600

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [090909 - Tokio Marine & Nichido Fire Ins Co Ltd](#)

Trans Pacific Insurance Company is a member of the Tokio Marine & Nichido Fire Insurance Co., Ltd. (AMB# 090909) and the rating reflects its reinsurance agreement with Tokio Marine America Insurance Company (AMB# 012340). Refer to the [Best's Credit Report for AMB# 090909 - Tokio Marine & Nichido Fire Insurance Co., Ltd.](#) for details regarding the rating rationale, credit analysis, and financial exhibits available at the time the credit analysis was performed.

Best's Credit Rating History

AM Best has assigned ratings on this company since 1983. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Sep 27, 2023	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 9, 2022	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Sep 3, 2021	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 14, 2020	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Aug 16, 2019	A++	r (Reinsured Rating)	Stable	Affirmed	aa+	Stable	Affirmed

Corporate Structure

Ultimate Parent: AMB # 058633 - Tokio Marine Holdings, Inc.

Based on AM Best's analysis, AMB# 058633 Tokio Marine Holdings, Inc. is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. Access in BestLink this company's current [Corporate Structure](#).

Management

Day-to-day operations of the company are under the direction of a U.S based management team that receives support from Tokio Marine Management, Inc., a wholly owned subsidiary of Tokio Marine America Insurance Company.

Officers

CEO, President: Daisuke Ugaeri

CFO: Karen A. Gilmer-Pauciello

Secretary: Edward Sayago

Treasurer: Michael Kelly

Directors

David Brooks

Tatsuya Fujimoto

Ann Ginn

B. Steven Goldstein

David Gottschall

Yoshitaka Saito

Daisuke Ugaeri

History

The company was incorporated on January 21, 1982, under the laws of New York and commenced business the same day.

Effective September 30, 2012, the common stock of the company was transferred by Tokio Marine & Nichido Fire Insurance Co., Ltd. (United States Branch) (TMNF-US) to Tokio Marine & Nichido Fire Insurance Co., Ltd., Tokyo, Japan (TMNF). Effective November 30, 2012, the common stock of the company was transferred by TMNF to Tokio Marine North America, Inc. (TMNA). Effective December 31, 2015, the common stock of the company was transferred by TMNA to Tokio Marine America Insurance Company (TMAIC).

Paid-in capital of \$27,000,000 is comprised of 50,000 shares of common stock at a par value of \$100 per share and \$22,000,000 of contributed surplus. All authorized shares are issued and outstanding.

Regulatory

Auditor: PricewaterhouseCoopers, LLP

Actuary: Joseph Kilroy, FCAS, MAAA

An examination of the financial condition is being made as of December 31, 2019, by the insurance department of New York. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File – P/C, US.

Currency: JPY

Company's local Currency: Japanese Yen

	6-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	6,046	8.0	5,139	7.0	8,088	11.2
Bonds	60,583	80.1	60,719	82.5	56,667	78.8
Other Invested Assets	293	0.4	...	...	...	...
Total Cash and Invested Assets	66,922	88.5	65,858	89.5	64,755	90.0
Premium Balances	3,972	5.3	5,070	6.9	3,102	4.3
Net Deferred Tax Asset	208	0.3	271	0.4	238	0.3
Other Assets	4,507	6.0	2,358	3.2	3,832	5.3
Total Assets	75,610	100.0	73,556	100.0	71,927	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	1,565	2.1	1,782	2.4	1,868	2.6
Net IBNR Loss Reserves*	4,721	6.2	2,373	3.2	2,300	3.2
Net LAE Reserves	...	...	2,161	2.9	2,147	3.0
Total Net Loss and LAE Reserves	6,286	8.3	6,316	8.6	6,315	8.8
Other Liabilities	8,516	11.3	7,343	10.0	6,620	9.2
Total Liabilities	14,803	19.6	13,658	18.6	12,935	18.0
Capital Stock	5,000	6.6	5,000	6.8	5,000	7.0
Paid-In and Contributed Surplus	22,000	29.1	22,000	29.9	22,000	30.6
Unassigned Surplus	33,807	44.7	32,897	44.7	31,992	44.5
Total Policyholders' Surplus	60,807	80.4	59,897	81.4	58,992	82.0
Total Liabilities and Surplus	75,610	100.0	73,556	100.0	71,927	100.0

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Premiums Earned	1	...	...	1
Net Losses and LAE Incurred:				
Current Accident Year	1	...	...	...
Prior Accident Years	49	237	231	-50
Underwriting Expenses Incurred	...	4	6	-1,243
Dividends to Policyholders	...	...	1	1,253
Net Underwriting Income	-49	-241	-239	41
Net Investment Income	829	708	1,484	1,380
Other Income (Expense)	19	-19	-79	-11
Pre-Tax Operating Income	799	448	1,166	1,410
Income Taxes Incurred	132	46	147	113
Net Operating Income	667	402	1,020	1,297
Net Realized Capital Gains (Losses)	15	...	...	33
Net Income	682	402	1,020	1,330

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	4,463	-470	-3,758	-383
Net Losses Paid	2,326	-1,437	-1,555	1,116
Expenses Paid	66	-30	77	-1,193
Dividends to Policyholders	...	...	1	1,437
Net Underwriting Cash Flow	2,070	998	-2,280	-1,744
Net Investment Income	978	859	1,762	1,768
Other Income (Expense)	19	-19	-79	-11
Income Taxes Paid (Recovered)	-20	28	204	237
Net Operating Cash Flow	3,088	1,810	-800	-223

Source: BestLink® - Best's Financial Suite

Financial Results

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

Key Financial Indicators

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Key Financial Indicators USD (000)							
Premiums Written:							
Direct	5,895	9,707	16,957	12,657	13,797	21,964	22,879
Assumed*	4,092	2,474	134	56	338	556	376
Ceded*	9,987	12,180	17,091	12,714	14,134	22,520	23,255
Net	...	...	...	...	1	...	...
Net Operating Income	667	402	1,020	1,297	916	1,380	1,266
Net Income	682	402	1,020	1,330	994	1,430	1,131
Total Admitted Assets	75,610	72,338	73,556	71,927	70,420	69,553	67,661
Policyholders' Surplus	60,807	59,638	59,897	58,992	57,119	55,451	54,557

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31					Weighted 5- 2018 Year Average
	2023	2022	2022	2021	2020	2019		
Key Financial Ratios (%)								
Profitability:								
Combined Ratio	999.9	-99.9	-99.9	-99.9	999.9	999.9	-99.9	-99.9
Reserve Development Combined Ratio Impact	999.9	-99.9	-99.9	-99.9	999.9	-99.9	999.9	999.9
Net Investment Yield	2.5	2.1	2.3	2.1	2.3	2.7	2.7	2.4
Pre-Tax Operating Return on Net Earned Premiums	999.9	-99.9	-99.9	999.9	999.9	999.9	999.9	999.9
Net Income Return on Policyholders' Surplus	2.3	1.4	1.7	2.3	1.8	2.6	2.1	2.1
Total Return on Policyholders' Surplus	2.3	1.4	1.7	2.3	1.8	2.6	2.1	2.1
Leverage:								
Net	0.2	0.2	0.2	0.2	0.2	0.3	0.2	...
Gross	...	...	0.5	0.6	0.6	0.8	0.5	...
Non-affiliated Investment	...	...	...	...	...	...	0.2	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Capital Generation Analysis							
USD (000)							
Beginning Policyholders' Surplus	59,897	58,992	58,992	57,119	55,451	54,557	54,249
Net Operating Income	667	402	1,020	1,297	916	1,380	1,266
Net Realized Capital Gains (Losses)	15	...	...	33	78	50	-135
Other Changes in Capital and Surplus	228	244	-114	543	673	-536	-823
Net Change in Policyholders' Surplus	910	646	905	1,873	1,667	894	308
Ending Policyholders' Surplus	60,807	59,638	59,897	58,992	57,119	55,451	54,557
Net Change in Policyholders' Surplus (%)	1.5	1.1	1.5	3.3	3.0	1.6	0.6
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	2.0	...	...	...	...

Source: BestLink® - Best's Financial Suite

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Liquidity Analysis							
Net Operating Cash Flow USD (000)	3,088	1,810	-800	-223	6,972	-223	-3,289
Current Liquidity (%)	529.8	624.0	571.7	563.4	517.0	443.3	439.8

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
Ceded Reinsurance Analysis					
Trans Pacific Insurance Company					
Ceded Reinsurance USD (000)	17,162	21,159	19,794	28,863	16,312
Reinsurance Recoverables to PHS (%)	20.2	25.2	27.0	40.6	21.3
Ceded Reinsurance to PHS (%)	28.7	35.9	34.7	52.1	29.9
Workers' Compensation Composite					
Business Retention (%)	62.9	65.6	67.8	68.7	70.2
Reinsurance Recoverables to PHS (%)	22.7	21.9	24.5	26.2	28.5
Ceded Reinsurance to PHS (%)	33.5	31.6	34.2	36.1	39.5

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2022 Reinsurance Recoverables USD (000)					
US Affiliates	19,166	36,526	6,334	...	62,026
Foreign Affiliates	1,978	3,472	599	...	6,048
US Insurers	1,044	4,560	124	-2,054	3,673
Other Non-US	756	1,557	...	...	2,314
Total (excluding US Affiliates)	3,778	9,589	723	-2,054	12,035
Grand Total	22,943	46,201	7,058	-2,054	74,149

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	6-Months			Year End - December 31			
	2023	2022	2022	2021	2020	2019	2018

Composition of Cash and Invested Assets

Total Cash and Invested Assets USD (000)	66,922	66,155	65,858	64,755	64,143	58,125	57,174
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	9.0	10.7	7.8	12.5	11.2	7.8	7.2
Bonds	90.5	89.3	92.2	87.5	84.5	88.6	92.8
Other Invested Assets	0.4	...	...	...	4.4	3.6	...
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
Bonds and Short Term Investments	0-1	1-5	5-10	10-20	20+	
Distribution by Maturity (%)						
Government Bonds	0.1	7.9	1.3	...	...	3.7
Government Agencies and Municipal Bonds	8.8	26.3	18.7	15.7	2.6	7.3
Industrial and Miscellaneous Bonds	2.9	10.6	3.3	1.5	0.4	4.9
Total Bonds	11.7	44.8	23.2	17.3	3.0	6.5

Source: BestLink® - Best's Financial Suite

	6-Months			Year End - December 31			
	2023	2022	2022	2021	2020	2019	2018

Bond Portfolio

Bonds & Short Term Investments USD(000)	60,583	59,101	60,719	56,667	54,181	51,471	53,079
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	9.3	8.6	4.5	5.8	10.8
Foreign - All other	...	...	1.3	1.3	1.4	1.9	2.5
State, Municipal & Special Revenue	...	...	72.0	73.6	74.9	70.1	63.4
Industrial and Misc, Hybrid and SVO Identified	...	...	17.4	16.4	19.1	22.2	23.3
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	...	...	...	1.6	0.3
Public issues	...	...	100.0	100.0	100.0	98.4	99.7
Bonds and Short Term Investments By Quality (%)							
Class 1	96.9	96.9	96.6	95.6	94.5	95.9	92.4
Class 2	3.1	3.1	3.4	4.4	5.5	4.1	7.4
Class 3	...	...	...	...	...	...	0.2
Below Investment Grade (NAIC 3-6)	...	...	...	...	...	...	0.2
Below Investment Grade - % of Policyholders' Surplus	...	...	...	...	...	...	0.2

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	6-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Calendar Year:							
Loss and ALAE* Reserves USD (000)	6,286	6,467	4,509	4,687	5,090	5,285	5,548
Loss and ALAE* Reserves Development USD (000)	49	237	...	181	112	727	915
Development to:							
Original Reserves (%)	...	...	...	4.0	2.2	15.9	19.7
Prior Year End Reserves(%)	0.8	3.8	...	...	...	...	...
Prior Year End Surplus (%)	0.1	0.4	...	0.3	0.2	1.3	1.7

Source: BestLink® - Best's Financial Suite

	2022	2021	2020	2019	2018
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Accident Year:

Original Loss and ALAE Reserves USD (000)
Loss and ALAE Reserves Developed thru Latest Year End USD (000)
Development to Original Reserves (%)	...	...	...	...	...
Accident Year Loss and LAE Ratio (%)	...	...	...	-99.9	-99.9
Accident Year Combined Ratio (%)	999.9	-99.9	999.9	999.9	-99.9

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	6-Months		Year End - December 31				Weighted 5-2018 Year Average
	2023	2022	2022	2021	2020	2019	
Operating and Financial Performance Ratios (%)							
Trans Pacific Insurance Company							
Calendar Year Loss and LAE Ratio	999.9	-99.9	-99.9	-99.9	999.9	-99.9	999.9
Expense and Policyholder Dividend Ratio	999.9	999.9	999.9	-99.9	999.9	999.9	-99.9
Combined Ratio	999.9	-99.9	-99.9	-99.9	999.9	999.9	-99.9
Reserve Development Ratio Impact	999.9	-99.9	-99.9	-99.9	999.9	-99.9	999.9
Net Investment Yield	2.5	2.1	2.3	2.1	2.3	2.7	2.4
Pre-Tax Operating Return on Net Earned Premiums	999.9	-99.9	-99.9	999.9	999.9	999.9	999.9
Net Income Return on Policyholders' Surplus	2.3	1.4	1.7	2.3	1.8	2.6	2.1
Total Return on Policyholders' Surplus	2.3	1.4	1.7	2.3	1.8	2.6	2.1

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	6-Months		Year End - December 31					Weighted 5-Year Average
	2023	2022	2022	2021	2020	2019	2018	
Workers' Compensation Composite								
Calendar Year Loss and LAE Ratio	70.3	67.7	67.2	67.2	67.8	65.5	66.6	66.9
Expense and Policyholder Dividend Ratio	34.0	34.5	34.2	35.2	33.8	34.1	29.7	33.4
Combined Ratio	104.2	102.2	101.5	102.4	101.6	99.6	96.4	100.3
Reserve Development Ratio Impact	-4.5	-6.9	-9.9	-12.2	-13.6	-13.5	-9.5	-11.7
Net Investment Yield	3.4	2.5	2.7	2.5	2.7	3.1	3.0	2.8
Pre-Tax Operating Return on Net Earned Premiums	11.9	11.0	13.3	11.7	11.6	16.6	18.0	14.3
Net Income Return on Policyholders' Surplus	4.1	3.5	4.5	6.2	5.6	8.7	8.8	6.6
Total Return on Policyholders' Surplus	7.0	-6.7	-0.8	9.8	6.7	12.7	5.0	6.5

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
All Other	-99.9	-99.9	999.9	999.9	999.9
Total	-99.9	-99.9	999.9	999.9	999.9

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
California	27.0	-23.8	69.2	6.7	69.9
Illinois	32.2	93.1	-99.9	-5.8	-47.1
New York	5.4	174.5	-99.9	150.7	-8.7
Pennsylvania	45.8	129.9	113.7	19.9	67.3
North Carolina	68.9	116.5	-99.9	127.3	-99.9
New Jersey	24.8	-99.9	46.7	139.1	-56.9
Georgia	167.1	-99.9	117.7	-76.1	-11.0
Texas	-99.9	59.5	60.5	43.7	-99.9
Kentucky	-99.9	155.6	-99.9	771.2	-5.2
Massachusetts	158.3	-99.9	119.3	-27.2	-28.1
All Other	70.1	-3.4	-99.9	128.4	-3.0
Total	36.8	10.5	-54.3	78.3	9.4

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Premium Composition and Growth	6-Months		Year End - December 31					2018 5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	5,895	9,707	16,957	12,657	13,797	21,964	22,879	...
% Change	-39.3	28.3	34.0	-8.3	-37.2	-4.0	7.4	-4.5
Reinsurance Premiums Assumed USD (000)*	4,092	2,474	134	56	338	556	376	...
% Change	65.4	-25.0	138.4	-83.3	-39.2	47.9	-45.4	-27.9
Reinsurance Premiums Ceded USD (000)*	9,987	12,180	17,091	12,714	14,134	22,520	23,255	...
% Change	-18.0	12.1	34.4	-10.0	-37.2	-3.2	5.7	-4.9
Net Premiums Written USD (000)	...	...	...	...	1	...	...	...
% Change	-50.0	-81.3	-93.9	-74.5	-99.9	-99.9	-53.8	-30.7

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Breakdown - NPW USD (000)					
Workers Comp	1	...	...
Total	1	...	...

Source: BestLink® - Best's Financial Suite

By Geographic Breakdown - DPW USD (000)

	2022	2021	2020	2019	2018
California	6,011	3,760	5,978	7,135	7,071
Illinois	1,242	1,225	1,012	1,178	2,114
New York	1,124	1,004	371	2,935	1,599
Pennsylvania	1,035	978	745	787	747
North Carolina	708	528	273	289	425
New Jersey	691	607	759	1,099	907
Georgia	631	183	618	1,021	1,801
Texas	616	486	616	668	633
Kentucky	601	362	506	421	335
Massachusetts	436	133	269	302	325
All Other	3,864	3,392	2,650	6,130	6,921
Total	16,957	12,657	13,797	21,964	22,879
Geographic Concentration Index	0.15	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Reserves USD (000)					
Workers Comp	6,300	6,310	6,799	...	...
Comm M.P.	15	5	7
Total	6,316	6,315	6,806

Source: BestLink® - Best's Financial Suite

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