



BEST'S COMPANY REPORT

TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.

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

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: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

Mailing Address: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

AMB #: 012295

NAIC #: 10738

FEIN #: 91-1932966

Phone: +1-212-297-6600

Fax: +1-212-297-6062

Website: www.tmamerica.com

TNUS INSURANCE COMPANY

A++

Domiciliary Address: 590 Madison Avenue, 29Th Floor, New York, New York 10022-2524 United States

Administrative Office: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

Mailing Address: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

AMB #: 003643

NAIC #: 32301

FEIN #: 20-0940754

Phone: +1-212-297-6600

Fax: +1-212-297-6062

Website: www.tmamerica.com

TOKIO MARINE AMERICA INSURANCE COMPANY

A++

Domiciliary Address: 590 Madison Avenue, 29Th Floor, New York, New York 10022-2524 United States

Administrative Office: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

Mailing Address: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

AMB #: 012340

NAIC #: 10945

FEIN #: 13-4032666

Phone: +1-212-297-6600

Fax: +1-212-297-6062

Website: www.tmamerica.com

TRANS PACIFIC INSURANCE COMPANY

A++

Domiciliary Address: 590 Madison Avenue, 29Th Floor, New York, New York 10022-2524 United States

Administrative Office: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

Mailing Address: Three Bala Plaza East, Suite 400, Bala Cynwyd, Pennsylvania 19004-1403 United States

AMB #: 002882

NAIC #: 41238

FEIN #: 13-3118700

Phone: +1-212-297-6600

Fax:

Website: www.tmamerica.com



Best's Credit Rating Effective Date

September 06, 2024

Analytical Contacts

Charles Chiang
Senior Financial Analyst
Charles.Chiang@ambest.com
+852 2827 3400

Chanyoung Lee
Director-Analytics
Chanyoung.Lee@ambest.com
+852 2827 3400

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 maintains highly conservative financial leverage, with adjusted debt leverage ratios well below 25%.
- While the company is potentially exposed to considerable equity risk from its substantial domestic stock investments and underwriting risk from its expanding overseas insurance business, it appears to possess a significant amount of available capital to absorb such risks.
- AM Best expects that the company's announced plan to accelerate disposal of strategic equity holdings could potentially reduce its overall exposure to equity risk in the forthcoming years.
- As the primary operating entity of its ultimate parent company, Tokio Marine Holdings, Inc. (TMH), one of the largest listed insurance groups on the Tokyo Stock Exchange, TMNF enjoys widespread recognition both in Japan and overseas, enabling it to access funds from equity and debt markets in a timely and cost-effective manner.

Operating Performance: **Strong**

- TMNF has a commendable track record of consistent premium growth, underpinned by its diversified business portfolios, with its net premium written (NPW) increasing from JPY 3.4 trillion to JPY 4.6 trillion over the last five fiscal years (FY2019 - FY2023).
- The company has achieved a five-year average return on equity of 7.4% (FY2019 - FY2023) on a consolidated basis, as calculated by AM Best.
- Despite some volatility stemming from natural catastrophe events in Japan, TMNF has maintained consistently profitable underwriting performance in its domestic non-life business over the past five years. Furthermore, the company is poised to benefit from ongoing rate hike initiatives in the domestic market over the coming years.
- TMNF's international business continued to show notable improvements across various regions in FY2023. Its North American operations led the way with double-digit growth in profits in local currency terms, driven by proactive underwriting initiatives and favourable premium rate developments, coupled with strong investment results.

Business Profile: **Very Favorable**

- TMNF's business profile is well diversified, with operations spanning across various markets and lines of business globally.
- The company holds a strong market leadership position across all non-life segments in Japan, commanding a total market share of over 25% in terms of NPW.
- Over the past decade, TMNF has successfully expanded its global presence through disciplined M&A strategies, establishing a portfolio of high-quality overseas insurance business. These overseas operations now represent approximately 47% of its NPW.
- AM Best believes that TMNF's leading position in the domestic market and sizeable international business portfolio will continue to serve as a strategic advantage, enabling it to navigate challenging market conditions and enhance earnings over the medium to long term.

Enterprise Risk Management: **Very Strong**

- TMH maintains a sophisticated enterprise risk management (ERM) framework to identify risks and formulate countermeasures to control their impact on the group's financial soundness.
- The group upholds a well-established risk appetite framework to effectively manage its group-wide exposure to potential earnings and capital volatility while increasing its value to various stakeholders.
- 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.
- TMNF's risk management capabilities are superior and align closely 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 capital market 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 group demonstrates exceptionally strong and consistent operating performance metrics. However, it is important to acknowledge that the likelihood of such actions occurring remains limited at present.

Key Financial Indicators

AM Best may recategorize 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 | 71.6 | 59.4 | 54.0 | 52.5 |

Source: Best's Capital Adequacy Ratio Model - Global

| Key Financial Indicators | 2023 JPY (000,000) | 2022 JPY (000,000) | 2021 JPY (000,000) | 2020 JPY (000,000) | 2019 JPY (000,000) |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net Premiums Written: | | | | | |
| Non-Life | 4,649,855 | 4,295,259 | 3,708,819 | 3,425,846 | 3,418,098 |
| Composite | 4,649,855 | 4,295,259 | 3,708,819 | 3,425,846 | 3,418,098 |
| Net Income | 608,437 | 305,239 | 444,705 | 160,762 | 148,305 |
| Total Assets | 21,536,779 | 18,318,077 | 17,357,791 | 15,834,081 | 15,643,891 |
| Total Capital and Surplus | 6,150,764 | 4,494,366 | 4,734,414 | 4,268,810 | 3,926,885 |

Source: BestLink® - Best's Financial Suite

| Key Financial Indicators & Ratios | 2023 JPY (000,000) | 2022 JPY (000,000) | 2021 JPY (000,000) | 2020 JPY (000,000) | 2019 JPY (000,000) | Weighted 5-Year Average |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------|
| Profitability: | | | | | | |
| Balance on Non-Life Technical Account | -193,073 | 47,920 | -15,054 | -231,999 | -275,535 | ... |
| Net Income Return on Revenue (%) | 10.0 | 5.8 | 9.5 | 3.8 | 3.5 | 6.8 |
| Net Income Return on Capital and Surplus (%) | 11.4 | 6.6 | 9.9 | 3.9 | 3.7 | 7.4 |
| Non-Life Combined Ratio (%) | 103.2 | 101.3 | 100.9 | 103.7 | 104.7 | 102.7 |
| Net Investment Yield (%) | 4.2 | 2.3 | 3.1 | 2.7 | 3.0 | 3.1 |
| Leverage: | | | | | | |
| Net Premiums Written to Capital and Surplus (%) | 77.7 | 99.4 | 81.6 | 83.7 | 90.9 | ... |

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

As of 31 March 2024, the consolidated reported capital of Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF), was JPY 5,094 billion (USD 34 billion), marking a 49% increase compared to 12 months earlier. The improvement was mainly driven by a rise in net unrealised gains on securities of JPY 988 billion, foreign currency translation adjustments of JPY 220 billion, and higher retained earnings of JPY 471 billion for the fiscal year ended March 2024.

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 2024. Overall, the major risks that TMNF faces are exposures to equity securities risk and underwriting risk and the strongest BCAR assessment suggests that the company maintains a significant amount of adjusted capital to cushion against these risks. The most significant impact is expected to arise from changes in

Balance Sheet Strength (Continued...)

the market value of its investments in securities. Nonetheless, the BCAR under such stressed scenario also remains comfortably at the strongest level.

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% to 140% is incorporated into the group's business strategy and disclosed to the public. TMH's ESR was 140% as of 31 March 2024, which is at the upper boundary of the group's target range and indicated a strong capital buffer against risks.

Adjusted debt leverage as of March 2024 was well below 25%, which suggested that the company does not operate on excess issuance of debt. 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-tail 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 2024, which accounted for only 4% 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 2024, TMNF recorded an operating cash flow of JPY 878 billion. Furthermore, the company has consistently generated positive operating cash flow in the last five fiscal years with a five-year average of JPY 731 billion (FY2019 - FY2023). On the other hand, the company continues to maintain favourable balance sheet liquidity with an average five-year liquid assets to policy liabilities ratio of 108% (FY2019 - FY2023), 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 | 2023 JPY (000,000) | 2022 JPY (000,000) | 2021 JPY (000,000) | 2020 JPY (000,000) | 2019 JPY (000,000) |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Beginning Capital and Surplus | 4,494,366 | 4,734,415 | 4,268,810 | 3,926,885 | 4,029,170 |
| Net Income | 608,437 | 305,239 | 444,705 | 160,762 | 148,305 |
| Net Unrealized Capital Gains (Losses) | 985,274 | -759,244 | -22,448 | 480,911 | -217,765 |
| Currency Exchange Gains (Losses) | 219,738 | 407,881 | 255,839 | -149,650 | -17,544 |
| Change in Equalisation and Other Reserves | 34 | -341 | ... | 4 | 1,812 |
| Stockholder Dividends | -161,539 | -159,323 | -230,222 | -159,494 | -156,596 |
| Other Changes in Capital and Surplus | 4,454 | -34,261 | 17,731 | 9,392 | 139,503 |
| Net Change in Capital and Surplus | 1,656,398 | -240,049 | 465,605 | 341,925 | -102,285 |
| Ending Capital and Surplus | 6,150,764 | 4,494,366 | 4,734,415 | 4,268,810 | 3,926,885 |
| Net Change in Capital and Surplus (%) | 36.9 | -5.1 | 10.9 | 8.7 | -2.5 |

Source: BestLink® - Best's Financial Suite

| Liquidity Analysis (%) | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| Liquid Assets to Total Liabilities | 98.1 | 90.8 | 97.2 | 98.3 | 92.3 |
| Total Investments to Total Liabilities | 118.4 | 110.9 | 114.5 | 113.8 | 106.6 |

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,

Balance Sheet Strength (Continued...)

including cash and deposits of JPY 655 billion to support it to meet its short-term liabilities. 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 (56%), loans (13%), and monetary claims bought (11%). Besides its investments and liquid assets, most other assets are tangible assets, intangible assets, and receivables from reinsurers that are relatively short term in nature. The company's securities investment portfolio consists of bonds (approximately 30%), domestic stocks (approximately 40%), and foreign securities excluding bonds (approximately 30%). With respect to its domestic bond holdings, Japanese government bonds still make up a majority as of 31 March 2024. The company recently announced its plan of accelerating the reduction of its domestic stock holdings in response to an urge from the regulator to reduce strategic equity holdings by large non-life insurers. While the company's sizeable investments in domestic stocks will continue to potentially give rise to sizeable equity risk, AM Best expects the overall equity risk exposure to gradually reduce in the forthcoming years following the announced plan. Meanwhile, its bond portfolio also continues to potentially give rise to sizeable interest rate risk and some credit risk.

| Composition of Cash and Invested Assets | 2023 JPY (000,000) | 2022 JPY (000,000) | 2021 JPY (000,000) | 2020 JPY (000,000) | 2019 JPY (000,000) |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total Cash and Invested Assets | 18,220,238 | 15,335,681 | 14,456,170 | 13,160,427 | 12,487,487 |
| Cash (%) | 16.4 | 16.4 | 15.3 | 14.7 | 15.4 |
| Bonds (%) | 47.3 | 50.0 | 52.4 | 53.0 | 53.4 |
| Equity Securities (%) | 19.2 | 15.5 | 17.2 | 18.6 | 17.8 |
| Real Estate, Mortgages and Loans (%) | 17.2 | 18.1 | 15.1 | 13.6 | 13.4 |
| 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 2024, TMNF held reserves of JPY 13.5 trillion, of which JPY 4.6 trillion were designated as outstanding claims and JPY 8.9 trillion 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 business, which involves 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. Despite the high uncertainty stemming from potential exposure to natural catastrophe events within its fire business, the company has effectively utilised reinsurance to limit large losses and manage reserving risks associated with 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 (%) | 5.30 |
| Adjusted Financial Leverage Ratio (%) | 3.20 |
| Interest Coverage (x) | 22.70 |

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 4.6 trillion with an average five-year growth rate of around 8% (FY2019 - FY2023). On a consolidated basis, its adjusted return on assets and adjusted return on equity (ROE) remained positive with five-year averages of 1.9% and 7.0% (FY2019 - FY2023), respectively, excluding changes in catastrophe, contingency, and price fluctuation reserves.

In line with other major insurers in Japan, TMNF's investment portfolio is made up of a sizeable amount of investments in securities. 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 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 FY2023, TMNF achieved an ROE based on comprehensive income of 43.9%, primarily underpinned by substantial unrealised gains on available-for-sale securities, improved investment incomes amid the higher interest rate environment, and foreign currency translation gains from its overseas operations due to the depreciation of the Japanese yen throughout the year. Despite fluctuations during periods of financial market volatility in FY2019 and FY2022, TMNF has maintained a consistently strong ROE based on comprehensive income over the past five fiscal years (FY2019 - FY2023), with a notable five-year average of 16.1%.

Like other major non-life insurers in Japan, TMNF underwrites compulsory auto liability (CALI) business in Japan, which accounted for 4-8% of TMNF's 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 61.1% between FY2019 and FY2023, which allowed the company to generate an underwriting profit when the expense ratio was below 38.9%.

Japan's non-life insurance business continues to be TMNF's main business, which generates approximately 53% of the company's net premium income. For the fiscal year ended 31 March 2024 and on a non-consolidated basis, the company recorded a 1% increase in NPW to JPY 2,418 billion (USD 16.6 billion) in FY2023. Excluding CALI business, the company's underlying NPW also increased by 2% to JPY 2,220 billion (USD 15.3 billion) in FY2023. The company demonstrated improvements across most of its business lines, with the exception of CALI, which experienced a 7% decline in NPW.

Its fire line of business continued to benefit from the recent trend of premium rate hikes, resulting in a slight uptick in NPW. Similarly, its automobile business benefited from recent rate adjustments and product revisions, maintaining stability with a 1.9% NPW increase in FY2023.

In terms of profit, its ordinary profit increased from JPY 362 billion to JPY 431 billion in FY2023.

Although its overall underwriting profit slightly deteriorated to JPY 109 billion in FY2023, compared to JPY 116 billion last year, the company faced increased incurred losses from automobile insurance, along with a higher E/I loss ratio for the line during the year. In addition, the company's profit was affected by an uptick in provisions for foreign currency-denominated loss reserves due to depreciation of the Japanese yen in FY2023. Consequently, its E/I loss ratio (excluding CALI) and combined ratio (excluding CALI) saw a minor increase from 63.8% and 95.8% to 65.9% and 97.7%, respectively, in FY2023. Nevertheless, the marginal decrease in underwriting profits was offset by higher investment income, which was enhanced by JPY 75 billion to JPY 319 billion, driven by a more favourable interest rate environment.

Following the group's announced plan to accelerate the disposal of strategic equity holdings, which are largely owned by TMNF, for the next six years, AM Best expects TMNF's adjusted net income to benefit from realised capital gains from the sale of these stocks over the next few years. In 2023, the company reported about JPY 30 billion in capital gains through the sales of domestic stocks.

TMNF's overseas businesses continued to record significant improvement in both top lines and bottom lines across most markets in FY2023. While TMNF recorded growth in NPW across different regions, including North America, Europe, South America, and Asia Pacific, North America continues to represent close to 70% of TMNF's international business in terms of NPW. Its North American business maintained substantial top-line growth, achieving an 11% increase in NPW to reach a total of JPY 1,947 billion in FY2023. Excluding the impact of the aforementioned depreciation of the Japanese yen during the year, its NPW also grew by 4% in North America in FY2023. On a local currency basis, TMHCC, DFG, and PHLI recorded growth rates of 6%, 9%, and 2%, respectively, due to underwriting expansion activities and favourable premium rate developments. In parallel, TMNF's business in Europe, Asia Pacific, and South America also saw notable top-line improvements in both Japanese yen and local currency terms, supported by proactive underwriting initiatives and positive premium rate developments. Overall, its international non-life insurance business recorded a 6% increase in NPW on a local currency basis.

Operating Performance (Continued...)

In terms of profit, TMNF's international business also saw enhancements across key markets in FY2023, partly benefiting from the Japanese yen depreciation. Excluding the impact of such depreciation and on a local currency basis, the overall profit from its North American operations surged by 21%, driven by robust underwriting profits bolstered by an improved pricing environment and strong investment income. TMNF's business in Europe, Asia Pacific, and South America also recorded significant profit growth, benefiting from premium rate hikes, effective underwriting practices, and the absence of COVID-19-related losses in Taiwan recorded in the previous year. Overall, TMNF's international non-life insurance business witnessed a notable 96% increase in profit, reaching JPY 452 billion, compared to JPY 214 billion last year.

| Financial Performance Summary | 2023 JPY (000,000) | 2022 JPY (000,000) | 2021 JPY (000,000) | 2020 JPY (000,000) | 2019 JPY (000,000) |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Pre-Tax Income | 740,972 | 460,282 | 563,519 | 217,798 | 225,381 |
| Net Income after Non-Controlling Interests | 624,862 | 326,285 | 449,983 | 157,128 | 142,885 |

Source: BestLink® - Best's Financial Suite

| Operating and Performance Ratios (%) | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-------------|-------------|-------------|-------------|-------------|
| Overall Performance: | | | | | |
| Return on Assets | 3.1 | 1.7 | 2.7 | 1.0 | 1.0 |
| Return on Capital and Surplus | 11.4 | 6.6 | 9.9 | 3.9 | 3.7 |
| Non-Life Performance: | | | | | |
| Loss and LAE Ratio | 61.0 | 60.4 | 59.9 | 63.3 | 64.9 |
| Expense Ratio | 42.2 | 40.8 | 41.1 | 40.5 | 39.9 |
| Non-Life Combined Ratio | 103.2 | 101.3 | 100.9 | 103.7 | 104.7 |

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 2024, TMH reported consolidated net assets of JPY 5.2 trillion (USD 34.3 billion), along with consolidated NPW of JPY 4.8 trillion (USD 33.2 billion) and a consolidated net profit of JPY 671 billion (USD 4.6 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 2024, approximately 53% of TMNF's NPW was generated from its domestic non-life business, followed by 47% from its overseas non-life business.

The domestic non-life insurance business remains a significant component 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 FY2023, 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 automobile 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 subsidiaries in North America, including TMHCC, DFG, and PHLI, continued to achieve steady growth in NPW and net income on a local currency basis in FY2023. AM Best expects the company's overseas portfolio will continue to achieve steady organic growth across different markets, create value 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 and 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

Enterprise Risk Management (Continued...)

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 TMH's enterprise risk management (ERM) committee and management meeting before being reported to 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 perspective of control measures before and after the emergence of risks and contingency plans. The group CRO and TMH risk management department regularly monitor the recent trends of emerging risks and material risks focusing on geopolitical risks and their impact on the business of the group and publish reports to share them among the 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 on 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 the TMNF Board of Directors.

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, the company/ group will discuss the countermeasures, present the results at the management meeting, 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 TMH's designated advisory body to the TMH'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 has its own risk management committee to hold discussions on company-wide risk management policies and a 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, for the implementation of necessary rules and preparation of relevant documents in the assessment of the company's risk models, the group has implemented uniform rules on risk model governance applied to development departments, measurement departments and confirmation/ validation departments.

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

Enterprise Risk Management (Continued...)**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 loss from natural catastrophes in Japan and abroad. Its use of the reinsurance programme has helped reduce the fluctuation of TMNF's loss ratio over the last five years to a range between 60% and 65%.

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 they invest in. 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 claims expenses in the long run. In response to the risks from ESG issues, the company 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 those strategies.

Based on the discussions of the sustainability committee, the company has identified eight material ESG issues to address, i.e. take climate change, improve disaster resilience, support people's healthy and enriching lives, value people and promote diversity and inclusion, provide innovative solutions, protect the natural environment, provide opportunities for future generations, and open governance with integrity. 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-related projects and enhanced coverage for renewable energy projects including offshore wind power generation and solar power. It has also recently acquired GCube, a renowned insurance underwriter specialising in the renewable energy sector, to accelerate the development of insurance products related to decarbonisation technologies, further advancing its presence in the renewable energy industry.

As a signatory to PRI, the company has integrated climate-related elements into its investment processes through its established investment policy. In alignment with its stance on insurance underwriting, the company has ceased financing for coal-related projects. Moreover, the company actively participates in ongoing dialogues with investee companies on ESG matters, aiming to promote the integration of ESG factors into their business operations.

The company has established a range of medium- and long-term targets to address ESG issues. These objectives encompass achieving annual carbon neutrality and reducing carbon dioxide emissions by 60% compared to the FY2015 level by FY2030. Concrete actions, such as transitioning to 100% renewable energy and electric vehicles by FY2030, underline the company's active approach towards sustainability and decarbonisation.

Overall, although TMNF has moderate exposure to ESG-related risks, the group 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

| | 3/31/2024 | | 3/31/2024 |
|---------------------------------------|-------------------|--------------|----------------|
| | JPY (000,000) | % | USD (000,000) |
| Balance Sheet | | | |
| Cash and Short Term Investments | 2,981,371 | 13.8 | 19,707 |
| Bonds | 8,609,088 | 40.0 | 56,906 |
| Equity Securities | 3,495,902 | 16.2 | 23,108 |
| Other Invested Assets | 3,133,877 | 14.6 | 20,715 |
| Total Cash and Invested Assets | 18,220,238 | 84.6 | 120,436 |
| Other Assets | 3,316,541 | 15.4 | 21,922 |
| Total Assets | 21,536,779 | 100.0 | 142,358 |
| Unearned Premiums | 6,848,500 | 31.8 | 45,269 |
| Non-Life - Outstanding Claims | 4,573,229 | 21.2 | 30,229 |
| Other Technical Reserves | 1,003,785 | 4.7 | 6,635 |
| Total Gross Technical Reserves | 12,425,514 | 57.7 | 82,133 |
| Debt / Borrowings | 224,404 | 1.0 | 1,483 |
| Other Liabilities | 2,736,097 | 12.7 | 18,086 |
| Total Liabilities | 15,386,015 | 71.4 | 101,702 |
| Capital Stock | 101,994 | 0.5 | 674 |
| Retained Earnings | 1,997,591 | 9.3 | 13,204 |
| Other Capital and Surplus | 3,882,731 | 18.0 | 25,665 |
| Non-Controlling Interests | 168,448 | 0.8 | 1,113 |
| Total Capital and Surplus | 6,150,764 | 28.6 | 40,657 |
| Total Liabilities and Surplus | 21,536,779 | 100.0 | 142,358 |

Source: BestLink® - Best's Financial Suite
 US \$ per Local Currency Unit .00661 = 1 (JPY)

| | | | | 3/31/2024 | 3/31/2024 |
|--|---------------------------|-----------------------|------------------------|------------------------|------------------------|
| | Non-Life JPY (000,000) | Life JPY (000,000) | Other JPY (000,000) | Total JPY (000,000) | Total USD (000,000) |
| Income Statement | | | | | |
| Gross Premiums Written | 4,854,426 | ... | ... | 4,854,426 | 32,088 |
| Net Premiums Earned | 4,649,855 | ... | ... | 4,649,855 | 30,736 |
| Net Investment Income | ... | ... | 709,542 | 709,542 | 4,690 |
| Realized capital gains/(losses) | ... | ... | 182,123 | 182,123 | 1,204 |
| Unrealized capital gains/(losses) | ... | ... | -8,817 | -8,817 | -58 |
| Other Income | 709,098 | ... | ... | 709,098 | 4,687 |
| Total Revenue | 5,358,953 | ... | 882,848 | 6,241,801 | 41,258 |
| Benefits And Claims | 2,836,786 | ... | ... | 2,836,786 | 18,751 |
| Net Operating And Other Expenses | 2,715,240 | ... | -51,197 | 2,664,043 | 17,609 |
| Total Benefits, Claims And Expenses | 5,552,026 | ... | -51,197 | 5,500,829 | 36,360 |
| Pre-Tax Income | -193,073 | ... | 934,045 | 740,972 | 4,898 |
| Income Taxes Incurred | ... | ... | ... | 132,535 | 876 |
| Net Income before Non-Controlling Interests | ... | ... | ... | 608,437 | 4,022 |
| Non-Controlling Interests | ... | ... | ... | -16,425 | -109 |
| Net Income/(loss) | ... | ... | ... | 624,862 | 4,130 |

Source: BestLink® - Best's Financial Suite
 US \$ per Local Currency Unit .00661 = 1 (JPY)

Tokio Marine & Nichido Fire Insurance Co., Ltd.

Last Update

September 06, 2024

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.

Filing Date History

July 31, 2024 (Annual)

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](#)

Best's Credit Rating Effective Date: September 06, 2024

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 [Data Structure](#).

Management

Officers

CEO, President: Hiroaki Shirota

Directors

Shinichi Hirose (Chairman)
Kenichi Kitazawa (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 | 4,494,366 | 4,734,415 | 4,268,810 | 3,926,885 | 4,029,170 |
| Net Income | 608,437 | 305,239 | 444,705 | 160,762 | 148,305 |
| Net Unrealized Capital Gains (Losses) | 985,274 | -759,244 | -22,448 | 480,911 | -217,765 |
| Currency Exchange Gains (Losses) | 219,738 | 407,881 | 255,839 | -149,650 | -17,544 |
| Change in Equalisation and Other Reserves | 34 | -341 | ... | 4 | 1,812 |
| Stockholder Dividends | -161,539 | -159,323 | -230,222 | -159,494 | -156,596 |
| Other Changes in Capital and Surplus | 4,454 | -34,261 | 17,731 | 9,392 | 139,503 |
| Net Change in Capital and Surplus | 1,656,398 | -240,049 | 465,605 | 341,925 | -102,285 |
| Ending Capital and Surplus | 6,150,764 | 4,494,366 | 4,734,415 | 4,268,810 | 3,926,885 |
| Net Change in Capital and Surplus (%) | 36.9 | -5.1 | 10.9 | 8.7 | -2.5 |

Source: BestLink® - Best's Financial Suite

| Liquidity Analysis | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|
| Liquid Assets to Total Liabilities | 98.1 | 90.8 | 97.2 | 98.3 | 92.3 |
| Total Investments to Total Liabilities | 118.4 | 110.9 | 114.5 | 113.8 | 106.6 |

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) |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Composition of Cash and Invested Assets | | | | | |
| Total Cash and Invested Assets | 18,220,238 | 15,335,681 | 14,456,170 | 13,160,427 | 12,487,487 |
| Cash (%) | 16.4 | 16.4 | 15.3 | 14.7 | 15.4 |
| Bonds (%) | 47.3 | 50.0 | 52.4 | 53.0 | 53.4 |
| Equity Securities (%) | 19.2 | 15.5 | 17.2 | 18.6 | 17.8 |
| Real Estate, Mortgages and Loans (%) | 17.2 | 18.1 | 15.1 | 13.6 | 13.4 |
| 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) |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Financial Performance Summary | | | | | |
| Pre-Tax Income | 740,972 | 460,282 | 563,519 | 217,798 | 225,381 |
| Net Income after Non-Controlling Interests | 624,862 | 326,285 | 449,983 | 157,128 | 142,885 |

Source: BestLink® - Best's Financial Suite

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|------|------|------|------|------|
|--|------|------|------|------|------|

Operating and Financial Performance Ratios (%)

| | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| Overall Performance: | | | | | |
| Return on Assets | 3.1 | 1.7 | 2.7 | 1.0 | 1.0 |
| Return on Capital and Surplus | 11.4 | 6.6 | 9.9 | 3.9 | 3.7 |
| Non-Life Performance: | | | | | |
| Loss and LAE Ratio | 61.0 | 60.4 | 59.9 | 63.3 | 64.9 |
| Expense Ratio | 42.2 | 40.8 | 41.1 | 40.5 | 39.9 |
| Non-Life Combined Ratio | 103.2 | 101.3 | 100.9 | 103.7 | 104.7 |

Source: BestLink® - Best's Financial Suite

Last Update

April 25, 2025

Identifiers

AMB #: 012295

NAIC #: 10738

FEIN #: 91-1932966

Contact Information

Administrative Office:

Three Bala Plaza East, Suite 400,
Bala Cynwyd, Pennsylvania
19004-1403
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.

Filing Date History

April 02, 2025 (April Annual)

March 21, 2025 (March Annual)

November 15, 2024 (9-Month)

August 15, 2024 (6-Month)

May 16, 2024 (3-Month)

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)

Best's Credit Ratings

Rating Relationship

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

Best's Credit Rating Effective Date: September 06, 2024

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:

Best's Credit Rating History (Continued...)

| Effective Date | Best's Financial Strength Ratings | | | | Best's Long-Term Issuer Credit Ratings | | |
|--------------------|-----------------------------------|-----------------------------|---------------|-----------------|--|---------------|-----------------|
| | Rating | Affiliation | Outlook | Action | Rating | Outlook | Action |
| Current - | | | | | | | |
| Sep 6, 2024 | A++ | r (Reinsured Rating) | Stable | Affirmed | aa+ | Stable | Affirmed |
| 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 |

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

Yusuke Takaki

David Brooks

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 2023 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.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 012295 - TM Specialty Insurance Company](#)

| Major Line | 2016 | 2015 | 2014 | 2013 | 2012 |
|------------------------|------|------|------|------|------|
| Commercial Multi-Peril | 1 | ... | ... | ... | ... |
| Total | 1 | ... | ... | ... | ... |

Source: Best's State Rate Filings

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: US Dollars

| | Year End - December 31 | | | |
|--|------------------------|-------|-----------|-------|
| | 2024 | | 2023 | |
| Balance Sheet | USD (000) | % | USD (000) | % |
| Cash and Short Term Investments | 1,253 | 16.4 | 1,372 | 18.2 |
| Bonds | 6,346 | 83.0 | 6,080 | 80.8 |
| Total Cash and Invested Assets | 7,599 | 99.4 | 7,452 | 99.0 |
| Other Assets | 47 | 0.6 | 73 | 1.0 |
| Total Assets | 7,646 | 100.0 | 7,525 | 100.0 |
| Loss and Loss Adjustment Expense Reserves: | | | | |
| Other Liabilities | 488 | 6.4 | 526 | 7.0 |
| Total Liabilities | 488 | 6.4 | 526 | 7.0 |
| Capital Stock | 3,500 | 45.8 | 3,500 | 46.5 |
| Paid-In and Contributed Surplus | 1,435 | 18.8 | 1,435 | 19.1 |
| Unassigned Surplus | 2,223 | 29.1 | 2,064 | 27.4 |
| Total Policyholders' Surplus | 7,158 | 93.6 | 6,999 | 93.0 |
| Total Liabilities and Surplus | 7,646 | 100.0 | 7,525 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | |
|-------------------------------------|------------------------|------|
| | 2024 | 2023 |
| Income Statement USD (000) | | |
| Net Losses and LAE Incurred: | | |
| Net Investment Income | 198 | 167 |
| Pre-Tax Operating Income | 198 | 167 |
| Income Taxes Incurred | 37 | 31 |
| Net Operating Income | 161 | 136 |
| Net Realized Capital Gains (Losses) | ... | ... |
| Net Income | 161 | 136 |

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

| | 2024 | 2023 |
|-------------------------------|------|------|
| Net Premiums Collected | -8 | ... |
| Net Losses Paid | ... | ... |
| Expenses Paid | ... | ... |
| Net Underwriting Cash Flow | -8 | ... |
| Net Investment Income | 201 | 169 |
| Income Taxes Paid (Recovered) | 38 | 32 |
| Net Operating Cash Flow | 155 | 136 |

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) | Year End - December 31 | | | | |
|------------------------------------|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Premiums Written: | | | | | |
| Direct | ... | -30 | ... | ... | ... |
| Assumed | ... | 25 | ... | ... | ... |
| Ceded | ... | -5 | ... | ... | ... |
| Net Operating Income | 161 | 136 | 109 | 57 | 826 |
| Net Income | 161 | 136 | 110 | 57 | 2,548 |
| Total Admitted Assets | 7,646 | 7,525 | 7,358 | 7,280 | 7,210 |
| Policyholders' Surplus | 7,158 | 6,999 | 6,864 | 6,753 | 6,676 |

Source: BestLink® - Best's Financial Suite

| Key Financial Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Profitability: | | | | | | |
| Net Investment Yield | 2.6 | 2.2 | 1.8 | 1.1 | 4.0 | 2.9 |
| Net Income Return on Policyholders' Surplus | 2.3 | 2.0 | 1.6 | 0.8 | 10.4 | 5.8 |
| Total Return on Policyholders' Surplus | 2.3 | 2.0 | 1.6 | 0.8 | 10.4 | 5.8 |
| Leverage: | | | | | | |
| Net | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | ... |
| Gross | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | ... |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| Capital Generation Analysis USD (000) | Year End - December 31 | | | | |
|--|------------------------|-------|-------|-------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Beginning Policyholders' Surplus | 6,999 | 6,864 | 6,753 | 6,676 | 42,129 |
| Net Operating Income | 161 | 136 | 109 | 57 | 826 |
| Net Realized Capital Gains (Losses) | ... | ... | ... | ... | 1,722 |
| Net Change in Paid-In Capital and Surplus | ... | ... | ... | ... | -25,665 |
| Stockholder Dividends | ... | ... | ... | ... | -12,335 |
| Other Changes in Capital and Surplus | -1 | -1 | 1 | 20 | -2 |
| Net Change in Policyholders' Surplus | 160 | 135 | 111 | 77 | -35,453 |
| Ending Policyholders' Surplus | 7,158 | 6,999 | 6,864 | 6,753 | 6,676 |
| Net Change in Policyholders' Surplus (%) | 2.3 | 2.0 | 1.6 | 1.2 | -84.2 |
| Net Change in Policyholders' Surplus (5 yr CAGR) | -29.8 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| | Year End - December 31 | | | | |
|-----------------------------------|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Liquidity Analysis | | | | | |
| Net Operating Cash Flow USD (000) | 155 | 136 | 107 | 71 | 1,424 |
| Current Liquidity (%) | 999.9 | 999.9 | 999.9 | 999.9 | 999.9 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|---------------------------------------|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Ceded Reinsurance Analysis | | | | | |
| TM Specialty Insurance Company | | | | | |
| Ceded Reinsurance USD (000) | ... | -30 | ... | ... | 71 |
| Reinsurance Recoverables to PHS (%) | ... | ... | ... | ... | 1.1 |
| Ceded Reinsurance to PHS (%) | ... | ... | ... | ... | 1.1 |
| Surplus Lines Composite | | | | | |
| Business Retention (%) | 27.1 | 25.6 | 27.4 | 31.1 | 30.0 |
| Reinsurance Recoverables to PHS (%) | 74.0 | 68.5 | 71.1 | 68.7 | 67.0 |
| Ceded Reinsurance to PHS (%) | 113.1 | 108.6 | 110.1 | 105.9 | 100.7 |

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

| | Year End - December 31 | | | | |
|--|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Composition of Cash and Invested Assets | | | | | |
| Total Cash and Invested Assets USD (000) | 7,599 | 7,452 | 7,312 | 7,243 | 7,115 |
| Composition Percentages (%) | | | | | |
| Unaffiliated: | | | | | |
| Cash and Short Term Investments | 16.5 | 18.4 | 11.9 | 44.0 | 18.3 |
| Bonds | 83.5 | 81.6 | 88.1 | 56.0 | 60.6 |
| Other Invested Assets | ... | ... | ... | ... | 21.1 |
| Total Unaffiliated | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Years | | | | | Average (Years) |
|---|-------|------|------|-------|-----|-----------------|
| | 0-1 | 1-5 | 5-10 | 10-20 | 20+ | |
| Bonds and Short Term Investments | | | | | | |
| Distribution by Maturity (%) | | | | | | |
| Government Bonds | 0.8 | 10.3 | 1.0 | 0.7 | 0.1 | 4.0 |
| Government Agencies and Municipal Bonds | 4.5 | 16.8 | 18.0 | 9.8 | 7.0 | 9.1 |
| Industrial and Miscellaneous Bonds | ... | 3.9 | 27.0 | ... | ... | 6.9 |
| Total Bonds | 5.4 | 31.1 | 45.9 | 10.6 | 7.1 | 7.8 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

| | Year End - December 31 | | | | |
|--|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Bond Portfolio | | | | | |
| Bonds & Short Term Investments USD(000) | 6,346 | 6,080 | 6,442 | 4,058 | 4,312 |
| By Issuer (%) | | | | | |
| Unaffiliated Bonds: | | | | | |
| US Government | 13.0 | 14.0 | 28.0 | 36.7 | 37.7 |
| Foreign - All other | 2.4 | 2.5 | ... | ... | ... |
| State, Municipal & Special Revenue | 56.1 | 53.8 | 50.0 | 58.2 | 60.4 |
| Industrial and Misc, Hybrid and SVO Identified | 28.5 | 29.7 | 22.0 | 5.1 | 1.8 |
| 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 | 96.9 | 96.8 | 96.9 | 100.0 | 100.0 |
| Class 2 | 3.1 | 3.2 | 3.1 | ... | ... |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Operating and Financial Performance Ratios (%) | | | | | | |
| TM Specialty Insurance Company | | | | | | |
| Net Investment Yield | 2.6 | 2.2 | 1.8 | 1.1 | 4.0 | 2.9 |
| Net Income Return on Policyholders' Surplus | 2.3 | 2.0 | 1.6 | 0.8 | 10.4 | 5.8 |
| Total Return on Policyholders' Surplus | 2.3 | 2.0 | 1.6 | 0.8 | 10.4 | 5.8 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Operating and Financial Performance Ratios (%) | | | | | | |
| Surplus Lines Composite | | | | | | |
| Calendar Year Loss and LAE Ratio | 62.0 | 58.9 | 64.5 | 69.4 | 70.7 | 64.4 |
| Expense and Policyholder Dividend Ratio | 26.4 | 27.9 | 27.6 | 23.9 | 26.0 | 26.4 |
| Combined Ratio | 88.4 | 86.7 | 92.2 | 93.3 | 96.6 | 90.8 |
| Reserve Development Ratio Impact | 1.1 | -5.8 | -1.9 | 1.1 | -1.2 | -1.3 |
| Net Investment Yield | 4.0 | 3.5 | 2.4 | 1.9 | 2.2 | 2.9 |
| Pre-Tax Operating Return on Net Earned Premiums | 28.0 | 27.3 | 16.5 | 11.5 | 11.3 | 20.2 |
| Net Income Return on Policyholders' Surplus | 22.1 | 10.3 | 8.9 | 5.2 | 4.2 | 10.9 |
| Total Return on Policyholders' Surplus | 16.1 | 18.0 | -4.0 | 15.7 | 7.3 | 11.0 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|---|------------------------|------|------|------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Geographic - Direct Loss Ratio (%) | | | | | |
| All Other | ... | ... | ... | ... | -36.5 |
| Total | ... | ... | ... | ... | -36.5 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

| Premium Composition and Growth | Year End - December 31 | | | | | 5 Year CAGR |
|--|-------------------------------|-------------|-------------|-------------|-------------|--------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Direct Premiums Written USD (000) | ... | -30 | ... | ... | ... | ... |
| % Change | -99.9 | ... | ... | ... | -99.9 | ... |
| Reinsurance Premiums Assumed USD (000) | ... | 25 | ... | ... | ... | ... |
| % Change | -99.9 | ... | ... | ... | ... | ... |
| Reinsurance Premiums Ceded USD (000) | ... | -5 | ... | ... | ... | ... |
| % Change | -99.9 | ... | ... | ... | -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 | | | | |
|--|-------------------------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| California | ... | -30 | ... | ... | ... |
| Total | ... | -30 | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

Last Update

April 25, 2025

Identifiers

AMB #: 003643

NAIC #: 32301

FEIN #: 20-0940754

Contact Information

Administrative Office:

Three Bala Plaza East, Suite 400,
Bala Cynwyd, Pennsylvania
19004-1403
United States

Domiciliary Address:

590 Madison Avenue, 29Th Floor,
New York, New York 10022-2524
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.

Filing Date History

April 02, 2025 (April Annual)

March 21, 2025 (March Annual)

November 15, 2024 (9-Month)

August 15, 2024 (6-Month)

May 16, 2024 (3-Month)

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)

Best's Credit Ratings

Rating Relationship

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

Best's Credit Rating Effective Date: September 06, 2024

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 Credit Rating History (Continued...)

| Effective Date | Best's Financial Strength Ratings | | | | Best's Long-Term Issuer Credit Ratings | | |
|--------------------|-----------------------------------|-----------------------------|---------------|-----------------|--|---------------|-----------------|
| | Rating | Affiliation | Outlook | Action | Rating | Outlook | Action |
| Current - | | | | | | | |
| Sep 6, 2024 | A++ | r (Reinsured Rating) | Stable | Affirmed | aa+ | Stable | Affirmed |
| 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 |

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

- Yusuke Takaki
- David Brooks
- Ann Ginn
- B. Steven Goldstein
- David Gottschall
- Tetsujiro Ihara
- 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 2023 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.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 003643 - TNUS Insurance Company](#)

| Major Line | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|------|------|------|------|------|
| Boiler & Machinery | ... | 1 | 8 | ... | 48 |
| Commercial Auto | 20 | 59 | 70 | 12 | 90 |
| Commercial General Liability | 4 | 13 | 27 | 52 | 115 |
| Commercial Inland Marine | 10 | 68 | 14 | 1 | 7 |
| Commercial Interline | 5 | 10 | 33 | 25 | 16 |
| Commercial Multi-Peril | ... | 3 | 14 | 7 | 39 |
| Crime | 7 | 34 | 6 | 2 | ... |
| Fidelity & Surety | 2 | 27 | 2 | ... | ... |
| Fire And Allied Lines (Commercial Property) | 6 | 86 | 40 | 2 | 7 |
| Workers Compensation | 6 | 19 | 72 | 25 | 20 |
| Total | 60 | 320 | 286 | 126 | 342 |

Source: Best's State Rate Filings

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: US Dollars

| | Year End - December 31 | | | |
|--|------------------------|--------------|------------------|--------------|
| | 2024 | | 2023 | |
| Balance Sheet | USD (000) | % | USD (000) | % |
| Cash and Short Term Investments | 3,895 | 5.5 | 5,112 | 7.2 |
| Bonds | 63,965 | 90.7 | 61,553 | 86.4 |
| Total Cash and Invested Assets | 67,860 | 96.2 | 66,665 | 93.6 |
| Premium Balances | 901 | 1.3 | 1,602 | 2.2 |
| Net Deferred Tax Asset | 118 | 0.2 | ... | ... |
| Other Assets | 1,664 | 2.4 | 2,956 | 4.1 |
| Total Assets | 70,544 | 100.0 | 71,223 | 100.0 |
| Loss and Loss Adjustment Expense Reserves: | | | | |
| Net LAE Reserves | 249 | 0.4 | 268 | 0.4 |
| Total Net Loss and LAE Reserves | 249 | 0.4 | 268 | 0.4 |
| Other Liabilities | 2,655 | 3.8 | 4,568 | 6.4 |
| Total Liabilities | 2,904 | 4.1 | 4,836 | 6.8 |
| Capital Stock | 5,000 | 7.1 | 5,000 | 7.0 |
| Paid-In and Contributed Surplus | 4,900 | 6.9 | 4,900 | 6.9 |
| Unassigned Surplus | 57,740 | 81.8 | 56,487 | 79.3 |
| Total Policyholders' Surplus | 67,640 | 95.9 | 66,387 | 93.2 |
| Total Liabilities and Surplus | 70,544 | 100.0 | 71,223 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | |
|-------------------------------------|------------------------|--------------|
| | 2024 | 2023 |
| Income Statement USD (000) | | |
| Net Losses and LAE Incurred: | | |
| Prior Accident Years | 7 | 5 |
| Underwriting Expenses Incurred | 6 | 4 |
| Net Underwriting Income | -13 | -9 |
| Net Investment Income | 2,233 | 1,920 |
| Other Income (Expense) | -1 | -7 |
| Pre-Tax Operating Income | 2,219 | 1,904 |
| Income Taxes Incurred | 436 | 347 |
| Net Operating Income | 1,783 | 1,558 |
| Net Realized Capital Gains (Losses) | -21 | 12 |
| Net Income | 1,761 | 1,570 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | |
|--|------------------------|--------|
| | 2024 | 2023 |
| Statement of Operating Cash Flows USD (000) | | |
| Net Premiums Collected | 80 | 97 |
| Net Losses Paid | -1,612 | 1,805 |
| Expenses Paid | -630 | -65 |
| Net Underwriting Cash Flow | 2,321 | -1,644 |
| Net Investment Income | 2,219 | 2,013 |
| Other Income (Expense) | -1 | -7 |
| Income Taxes Paid (Recovered) | 286 | 335 |
| Net Operating Cash Flow | 4,254 | 27 |

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) | Year End - December 31 | | | | |
|---|-------------------------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Premiums Written: | | | | | |
| Direct | 5,962 | 5,433 | 6,160 | 8,417 | 9,555 |
| Assumed | 28 | 34 | 89 | 64 | 95 |
| Ceded | 5,991 | 5,468 | 6,249 | 8,480 | 9,650 |
| Net Operating Income | 1,783 | 1,558 | 1,297 | 1,186 | 1,239 |
| Net Income | 1,761 | 1,570 | 1,298 | 1,180 | 1,317 |
| Total Admitted Assets | 70,544 | 71,223 | 67,228 | 67,280 | 65,839 |
| Policyholders' Surplus | 67,640 | 66,387 | 64,486 | 61,840 | 61,759 |

Source: BestLink® - Best's Financial Suite

| Key Financial Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|-------------------------------|-------------|-------------|-------------|-------------|--------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Profitability: | | | | | | |
| Net Investment Yield | 3.3 | 2.9 | 2.4 | 2.2 | 2.3 | 2.6 |
| Net Income Return on Policyholders' Surplus | 2.6 | 2.4 | 2.1 | 1.9 | 2.2 | 2.2 |
| Total Return on Policyholders' Surplus | 2.6 | 2.4 | 2.1 | 1.9 | 2.2 | 2.2 |
| Leverage: | | | | | | |
| Net | ... | 0.1 | ... | 0.1 | 0.1 | ... |
| Gross | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | ... |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| Capital Generation Analysis USD (000) | Year End - December 31 | | | | |
|--|-------------------------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Beginning Policyholders' Surplus | 66,387 | 64,486 | 61,840 | 61,759 | 60,189 |
| Net Operating Income | 1,783 | 1,558 | 1,297 | 1,186 | 1,239 |
| Net Realized Capital Gains (Losses) | -21 | 12 | ... | -6 | 79 |
| Other Changes in Capital and Surplus | -508 | 331 | 1,349 | -1,099 | 252 |
| Net Change in Policyholders' Surplus | 1,253 | 1,900 | 2,647 | 81 | 1,570 |
| Ending Policyholders' Surplus | 67,640 | 66,387 | 64,486 | 61,840 | 61,759 |
| Net Change in Policyholders' Surplus (%) | 1.9 | 2.9 | 4.3 | 0.1 | 2.6 |
| Net Change in Policyholders' Surplus (5 yr CAGR) | 2.4 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| Liquidity Analysis | Year End - December 31 | | | | |
|-----------------------------------|-------------------------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Net Operating Cash Flow USD (000) | 4,254 | 27 | 4,012 | 998 | 5,139 |
| Current Liquidity (%) | 999.9 | 999.9 | 999.9 | 999.9 | 999.9 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| | Year End - December 31 | | | | |
|--|------------------------|-------|-------|--------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Ceded Reinsurance Analysis | | | | | |
| TNUS Insurance Company | | | | | |
| Ceded Reinsurance USD (000) | 6,805 | 5,586 | 8,800 | 12,534 | 7,886 |
| Reinsurance Recoverables to PHS (%) | 7.7 | 6.2 | 10.3 | 15.9 | 7.8 |
| Ceded Reinsurance to PHS (%) | 10.1 | 8.4 | 13.6 | 20.3 | 12.8 |
| Workers' Compensation Composite | | | | | |
| Business Retention (%) | 56.6 | 58.8 | 58.8 | 61.7 | 64.5 |
| Reinsurance Recoverables to PHS (%) | 25.2 | 21.9 | 23.6 | 22.8 | 25.3 |
| Ceded Reinsurance to PHS (%) | 37.9 | 32.8 | 35.2 | 33.3 | 35.7 |

Source: BestLink® - Best's Financial Suite

| | Paid & Unpaid Losses | Incurred but not reported (IBNR) losses | Unearned premiums | Other Recoverables | Total Reinsurance Recoverables |
|--|----------------------|---|-------------------|--------------------|--------------------------------|
| 2024 Reinsurance Recoverables USD (000) | | | | | |
| US Affiliates | 5,007 | 15,305 | 1,625 | ... | 21,936 |
| Foreign Affiliates | ... | 6 | ... | ... | 6 |
| US Insurers | 616 | 3,916 | 319 | -1,086 | 3,765 |
| Other Non-US | ... | 1,038 | ... | ... | 1,038 |
| Total (excluding US Affiliates) | 616 | 4,960 | 319 | -1,086 | 4,809 |
| Grand Total | 5,623 | 20,681 | 1,944 | -1,086 | 27,162 |

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

| | Year End - December 31 | | | | |
|--|------------------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Composition of Cash and Invested Assets | | | | | |
| Total Cash and Invested Assets USD (000) | 67,860 | 66,665 | 64,624 | 61,510 | 61,282 |
| Composition Percentages (%) | | | | | |
| Unaffiliated: | | | | | |
| Cash and Short Term Investments | 5.7 | 7.7 | 9.7 | 10.1 | 13.2 |
| Bonds | 94.3 | 92.3 | 90.3 | 89.9 | 86.3 |
| Other Invested Assets | ... | ... | ... | ... | 0.5 |
| Total Unaffiliated | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Years | | | | | Average (Years) |
|---|-------------|-------------|-------------|-------------|------------|-----------------|
| | 0-1 | 1-5 | 5-10 | 10-20 | 20+ | |
| Bonds and Short Term Investments | | | | | | |
| Distribution by Maturity (%) | | | | | | |
| Government Bonds | 1.5 | 6.0 | 0.7 | 0.2 | ... | 3.4 |
| Government Agencies and Municipal Bonds | 4.3 | 20.0 | 20.8 | 14.1 | 3.6 | 8.3 |
| Industrial and Miscellaneous Bonds | 5.1 | 8.2 | 15.4 | ... | ... | 5.0 |
| Total Bonds | 10.9 | 34.2 | 36.9 | 14.3 | 3.6 | 6.9 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

| | Year End - December 31 | | | | |
|--|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Bond Portfolio | | | | | |
| Bonds & Short Term Investments USD(000) | 63,965 | 61,553 | 58,358 | 55,323 | 52,890 |
| By Issuer (%) | | | | | |
| Unaffiliated Bonds: | | | | | |
| US Government | 8.4 | 8.6 | 9.7 | 9.0 | 10.9 |
| Foreign - All other | 2.0 | 1.5 | 0.9 | 0.9 | 0.9 |
| State, Municipal & Special Revenue | 62.8 | 60.6 | 63.0 | 67.6 | 65.6 |
| Industrial and Misc, Hybrid and SVO Identified | 26.8 | 29.2 | 26.5 | 22.5 | 22.5 |
| 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 | 98.4 | 98.1 | 94.9 | 93.7 | 91.7 |
| Class 2 | 1.6 | 1.9 | 5.1 | 6.3 | 8.3 |

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

| | Year End - December 31 | | | | |
|---|------------------------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Calendar Year: | | | | | |
| Loss and ALAE* Reserves Development USD (000) | ... | ... | ... | ... | ... |
| Development to: | | | | | |
| Original Reserves (%) | ... | ... | ... | ... | ... |
| Prior Year End Reserves(%) | ... | ... | ... | ... | ... |
| Prior Year End Surplus (%) | ... | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Operating and Financial Performance Ratios (%) | | | | | | |
| TNUS Insurance Company | | | | | | |
| Net Investment Yield | 3.3 | 2.9 | 2.4 | 2.2 | 2.3 | 2.6 |
| Net Income Return on Policyholders' Surplus | 2.6 | 2.4 | 2.1 | 1.9 | 2.2 | 2.2 |
| Total Return on Policyholders' Surplus | 2.6 | 2.4 | 2.1 | 1.9 | 2.2 | 2.2 |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| Operating and Financial Performance Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|-------|-------|-------|-------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Workers' Compensation Composite | | | | | | |
| Calendar Year Loss and LAE Ratio | 64.6 | 65.2 | 67.2 | 67.5 | 68.2 | 66.5 |
| Expense and Policyholder Dividend Ratio | 36.4 | 35.3 | 34.9 | 35.9 | 34.3 | 35.4 |
| Combined Ratio | 101.0 | 100.5 | 102.1 | 103.4 | 102.5 | 101.9 |
| Reserve Development Ratio Impact | -10.1 | -12.8 | -10.8 | -13.1 | -14.3 | -12.2 |
| Net Investment Yield | 3.5 | 3.6 | 2.7 | 2.5 | 2.7 | 3.0 |
| Pre-Tax Operating Return on Net Earned Premiums | 19.1 | 18.8 | 14.0 | 11.9 | 11.5 | 15.2 |
| Net Income Return on Policyholders' Surplus | 6.6 | 5.7 | 4.4 | 6.2 | 5.6 | 5.7 |
| Total Return on Policyholders' Surplus | 8.4 | 8.1 | -0.8 | 9.6 | 6.8 | 6.4 |

Source: BestLink® - Best's Financial Suite

| Geographic - Direct Loss Ratio (%) | Year End - December 31 | | | | |
|------------------------------------|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| California | -99.9 | -14.9 | 46.9 | 29.0 | 92.0 |
| Alabama | 26.9 | -99.9 | 139.0 | -75.6 | 116.8 |
| Georgia | 158.7 | 123.5 | -99.9 | 159.2 | 47.2 |
| Illinois | 50.9 | 98.6 | -99.9 | 48.8 | 25.1 |
| New Jersey | 940.9 | 216.7 | -53.8 | 81.5 | 88.2 |
| New York | 771.8 | -99.9 | -99.9 | -66.3 | 9.1 |
| South Carolina | 25.4 | -0.3 | 134.8 | -99.9 | -99.9 |
| Michigan | -99.9 | 217.3 | 72.6 | 111.9 | 141.5 |
| Hawaii | -37.6 | 12.7 | -78.9 | -59.1 | 46.0 |
| Missouri | -99.9 | 442.4 | 999.9 | -51.2 | -99.9 |
| All Other | 448.7 | -99.9 | -99.9 | 210.4 | 6.2 |
| Total | 34.0 | -57.5 | -24.6 | 85.7 | 52.0 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

| Premium Composition and Growth | Year End - December 31 | | | | | 5 Year CAGR |
|--|------------------------|-------|-------|-------|-------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Direct Premiums Written USD (000) | 5,962 | 5,433 | 6,160 | 8,417 | 9,555 | ... |
| % Change | 9.7 | -11.8 | -26.8 | -11.9 | -24.1 | -13.9 |
| Reinsurance Premiums Assumed USD (000) | 28 | 34 | 89 | 64 | 95 | ... |
| % Change | -17.2 | -61.6 | 40.0 | -33.0 | 95.6 | -10.2 |
| Reinsurance Premiums Ceded USD (000) | 5,991 | 5,468 | 6,249 | 8,480 | 9,650 | ... |
| % Change | 9.6 | -12.5 | -26.3 | -12.1 | -23.7 | -13.9 |
| Net Premiums Written USD (000) | ... | ... | ... | ... | ... | ... |
| % Change | ... | ... | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

| By Geographic Breakdown - DPW USD (000) | Year End - December 31 | | | | |
|--|-------------------------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| California | 2,969 | 3,336 | 3,779 | 3,171 | 4,203 |
| Alabama | 1,164 | 379 | 476 | 255 | 484 |
| Georgia | 483 | 672 | 370 | 909 | 568 |
| Illinois | 428 | 215 | 201 | 359 | 350 |
| New Jersey | 235 | 140 | 313 | 481 | 402 |
| New York | 133 | -14 | 150 | 722 | 957 |
| South Carolina | 130 | 18 | 26 | 25 | 42 |
| Michigan | 105 | 75 | 60 | 191 | 211 |
| Hawaii | 88 | 360 | 121 | 151 | 281 |
| Missouri | 55 | 39 | -5 | 10 | 49 |
| All Other | 173 | 212 | 669 | 2,143 | 2,007 |
| Total | 5,962 | 5,433 | 6,160 | 8,417 | 9,555 |
| Geographic Concentration Index | 0.30 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| By Line Reserves USD (000) | Year End - December 31 | | | | |
|-----------------------------------|-------------------------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Workers Comp | 226 | 232 | 239 | ... | ... |
| Other Liab | 18 | 32 | 45 | ... | ... |
| Comm M.P. | 5 | 5 | ... | ... | ... |
| All Other | ... | ... | ... | ... | ... |
| Total | 249 | 268 | 284 | ... | ... |

Source: BestLink® - Best's Financial Suite

Tokio Marine America Insurance Company

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)

Last Update

April 25, 2025

Identifiers

AMB #: 012340

NAIC #: 10945

FEIN #: 13-4032666

Contact Information

Administrative Office:

Three Bala Plaza East, Suite 400,
Bala Cynwyd, Pennsylvania
19004-1403
United States

Domiciliary Address:

590 Madison Avenue, 29Th Floor,
New York, New York 10022-2524
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.

Filing Date History

April 02, 2025 (April Annual)

March 21, 2025 (March Annual)

November 15, 2024 (9-Month)

August 15, 2024 (6-Month)

May 16, 2024 (3-Month)

Best's Credit Ratings

Rating Relationship

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

Best's Credit Rating Effective Date: September 06, 2024

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:

Best's Credit Rating History (Continued...)

| Effective Date | Best's Financial Strength Ratings | | | | Best's Long-Term Issuer Credit Ratings | | |
|--------------------|-----------------------------------|-------------------------|---------------|-----------------|--|---------------|-----------------|
| | Rating | Affiliation | Outlook | Action | Rating | Outlook | Action |
| Current - | | | | | | | |
| Sep 6, 2024 | A++ | g (Group Rating) | Stable | Affirmed | aa+ | Stable | Affirmed |
| 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 |

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

Yusuke Takaki

Ann Ginn

B. Steven Goldstein

David Gottschall

Donald Pizer

Tetsujiro Ihara

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 2023 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.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- DELPHI CAPITAL MANAGEMENT (Affiliated Firm)
- ALLSPRING GLOBAL INVESTMENTS (Unaffiliated Firm)
- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 012340 - Tokio Marine America Insurance Company](#)

| Major Line | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|------|------|------|------|------|
| Aviation | ... | 1 | 4 | 30 | 93 |
| Boiler & Machinery | ... | 1 | 10 | ... | 53 |
| Commercial Auto | 22 | 65 | 130 | 20 | 97 |
| Commercial General Liability | 4 | 14 | 184 | 145 | 174 |
| Commercial Inland Marine | 12 | 94 | 24 | 57 | 8 |
| Commercial Interline | 5 | 11 | 34 | 25 | 17 |
| Commercial Multi-Peril | ... | 3 | 14 | 7 | 40 |
| Crime | 7 | 42 | 6 | 2 | ... |
| Fidelity & Surety | 2 | 30 | 4 | ... | ... |
| Fire And Allied Lines (Commercial Property) | 7 | 92 | 76 | 3 | 54 |
| Fire And Allied Lines (Personal Property) | 1 | 1 | 2 | ... | ... |
| Homeowners Multi-Peril | 1 | 1 | 2 | ... | ... |
| Personal General Liability | ... | 1 | 2 | 1 | ... |
| Personal Inland Marine | ... | 2 | 4 | 69 | ... |
| Private Passenger Auto | ... | 2 | 2 | 2 | ... |
| Workers Compensation | 8 | 37 | 96 | 36 | 32 |
| Total | 69 | 397 | 594 | 397 | 568 |

Source: Best's State Rate Filings

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: US Dollars

| | Year End - December 31 | | | |
|--|------------------------|-------|-----------|-------|
| | 2024 | | 2023 | |
| Balance Sheet | USD (000) | % | USD (000) | % |
| Cash and Short Term Investments | 49,818 | 3.4 | 94,131 | 6.6 |
| Bonds | 988,833 | 67.7 | 935,913 | 65.4 |
| Preferred and Common Stock | 142,283 | 9.7 | 141,652 | 9.9 |
| Other Invested Assets | 18,175 | 1.2 | 13,236 | 0.9 |
| Total Cash and Invested Assets | 1,199,109 | 82.1 | 1,184,932 | 82.8 |
| Premium Balances | 175,816 | 12.0 | 140,460 | 9.8 |
| Net Deferred Tax Asset | 20,493 | 1.4 | 21,104 | 1.5 |
| Other Assets | 64,769 | 4.4 | 83,948 | 5.9 |
| Total Assets | 1,460,186 | 100.0 | 1,430,445 | 100.0 |
| Loss and Loss Adjustment Expense Reserves: | | | | |
| Net Reported Loss Reserves | 207,088 | 14.2 | 220,090 | 15.4 |
| Net IBNR Loss Reserves | 350,388 | 24.0 | 324,730 | 22.7 |
| Net LAE Reserves | 139,121 | 9.5 | 131,058 | 9.2 |
| Total Net Loss and LAE Reserves | 696,597 | 47.7 | 675,879 | 47.2 |
| Net Unearned Premiums | 160,580 | 11.0 | 153,147 | 10.7 |
| Other Liabilities | 112,593 | 7.7 | 107,566 | 7.5 |
| Total Liabilities | 969,771 | 66.4 | 936,592 | 65.5 |
| Capital Stock | 5,000 | 0.3 | 5,000 | 0.3 |
| Paid-In and Contributed Surplus | 185,610 | 12.7 | 185,610 | 13.0 |
| Unassigned Surplus | 273,298 | 18.7 | 250,176 | 17.5 |
| Other Surplus | 26,507 | 1.8 | 53,067 | 3.7 |
| Total Policyholders' Surplus | 490,415 | 33.6 | 493,853 | 34.5 |
| Total Liabilities and Surplus | 1,460,186 | 100.0 | 1,430,445 | 100.0 |

Source: BestLink® - Best's Financial Suite

| Income Statement USD (000) | 2024 | 2023 |
|-------------------------------------|----------------|---------------|
| Net Premiums Earned | 318,924 | 315,324 |
| Net Losses and LAE Incurred: | | |
| Current Accident Year | 232,356 | 212,847 |
| Prior Accident Years | 14,217 | 2,171 |
| Underwriting Expenses Incurred | 97,498 | 92,310 |
| Dividends to Policyholders | ... | ... |
| Net Underwriting Income | -25,147 | 7,996 |
| Net Investment Income | 45,765 | 42,780 |
| Other Income (Expense) | 7,674 | 14,706 |
| Pre-Tax Operating Income | 28,293 | 65,481 |
| Income Taxes Incurred | 6,144 | 13,526 |
| Net Operating Income | 22,149 | 51,955 |
| Net Realized Capital Gains (Losses) | -1,598 | -1,342 |
| Net Income | 20,551 | 50,613 |

Source: BestLink® - Best's Financial Suite

| Statement of Operating Cash Flows USD (000) | 2024 | 2023 |
|---|---------------|---------------|
| Net Premiums Collected | 345,189 | 318,602 |
| Net Losses Paid | 166,101 | 193,735 |
| Expenses Paid | 139,413 | 129,104 |
| Dividends to Policyholders | ... | ... |
| Net Underwriting Cash Flow | 39,675 | -4,237 |
| Net Investment Income | 45,793 | 44,041 |
| Other Income (Expense) | -617 | 3,403 |
| Income Taxes Paid (Recovered) | 4,377 | 13,748 |
| Net Operating Cash Flow | 80,474 | 29,459 |

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) | 2024 | 2023 | 2022 | 2021 | 2020 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Premiums Written: | | | | | |
| Direct | 601,936 | 568,742 | 542,496 | 504,939 | 505,321 |
| Assumed | 68,174 | 49,021 | 51,034 | 48,758 | 40,831 |
| Ceded | 343,972 | 291,366 | 288,892 | 284,441 | 274,233 |
| Net | 326,138 | 326,397 | 304,638 | 269,256 | 271,920 |
| Net Operating Income | 22,149 | 51,955 | 39,462 | 44,267 | 79,721 |
| Net Income | 20,551 | 50,613 | 40,813 | 46,051 | 80,773 |
| Total Admitted Assets | 1,460,186 | 1,430,445 | 1,420,221 | 1,380,785 | 1,387,736 |
| Policyholders' Surplus | 490,415 | 493,853 | 484,080 | 497,625 | 430,442 |

Source: BestLink® - Best's Financial Suite

Key Financial Indicators

| Key Financial Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Profitability: | | | | | | |
| Combined Ratio | 107.2 | 96.5 | 94.2 | 93.8 | 95.1 | 97.6 |
| Reserve Development Combined Ratio Impact | 4.5 | 0.7 | -0.2 | -5.6 | -2.4 | -0.4 |
| Net Investment Yield | 3.8 | 3.6 | 3.1 | 2.9 | 6.2 | 3.9 |
| Pre-Tax Operating Return on Net Earned Premiums | 8.9 | 20.8 | 16.7 | 20.0 | 32.0 | 19.3 |
| Net Income Return on Policyholders' Surplus | 4.2 | 10.4 | 8.3 | 9.9 | 18.1 | 10.0 |
| Total Return on Policyholders' Surplus | 5.7 | 13.5 | 8.5 | 10.7 | 11.4 | 9.9 |
| Leverage: | | | | | | |
| Net | 2.6 | 2.5 | 2.5 | 2.3 | 2.8 | ... |
| Gross | 4.0 | 3.1 | 4.6 | 4.3 | 5.0 | ... |
| Non-affiliated Investment | 9.9 | 8.8 | 10.1 | 11.6 | 11.2 | ... |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| Capital Generation Analysis USD (000) | Year End - December 31 | | | | |
|--|------------------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Beginning Policyholders' Surplus | 493,853 | 484,080 | 497,625 | 430,442 | 460,078 |
| Net Operating Income | 22,149 | 51,955 | 39,462 | 44,267 | 79,721 |
| Net Realized Capital Gains (Losses) | -1,598 | -1,342 | 1,350 | 1,784 | 1,052 |
| Net Unrealized Capital Gains (Losses) | 7,255 | 15,416 | 998 | 3,643 | -29,956 |
| Stockholder Dividends | -38,500 | -50,000 | -34,500 | ... | -73,000 |
| Other Changes in Capital and Surplus | 7,256 | -6,257 | -20,856 | 17,490 | -7,453 |
| Net Change in Policyholders' Surplus | -3,438 | 9,773 | -13,545 | 67,184 | -29,636 |
| Ending Policyholders' Surplus | 490,415 | 493,853 | 484,080 | 497,625 | 430,442 |
| Net Change in Policyholders' Surplus (%) | -0.7 | 2.0 | -2.7 | 15.6 | -6.4 |
| Net Change in Policyholders' Surplus (5 yr CAGR) | 1.3 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| Liquidity Analysis | Year End - December 31 | | | | |
|-----------------------------------|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Net Operating Cash Flow USD (000) | 80,474 | 29,459 | 56,372 | -2,190 | 45,704 |
| Current Liquidity (%) | 106.6 | 110.1 | 113.0 | 118.9 | 112.6 |

Source: BestLink® - Best's Financial Suite

| Ceded Reinsurance Analysis | Year End - December 31 | | | | |
|---|------------------------|-----------|-----------|-----------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Tokio Marine America Insurance Company | | | | | |
| Ceded Reinsurance USD (000) | 1,332,799 | 1,143,367 | 1,042,639 | 1,026,163 | 942,479 |
| Business Retention (%) | 48.7 | 52.8 | 51.3 | 48.6 | 49.8 |
| Reinsurance Recoverables to PHS (%) | 181.0 | 155.5 | 139.2 | 135.0 | 141.3 |
| Ceded Reinsurance to PHS (%) | 271.8 | 231.5 | 215.4 | 206.2 | 219.0 |
| Commercial Casualty Composite | | | | | |
| Business Retention (%) | 79.0 | 79.1 | 78.6 | 78.3 | 79.0 |
| Reinsurance Recoverables to PHS (%) | 70.1 | 71.3 | 73.0 | 72.7 | 73.5 |
| Ceded Reinsurance to PHS (%) | 104.1 | 104.3 | 105.1 | 104.3 | 103.4 |

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 |
|--|---------------------------------|--|--------------------------|---------------------------|---------------------------------------|
| 2024 Reinsurance Recoverables USD (000) | | | | | |
| US Affiliates | 1,889 | 509 | 281 | ... | 2,678 |
| Foreign Affiliates | 164,937 | 175,858 | 132 | -362 | 340,565 |
| US Insurers | 61,669 | 78,286 | 31,162 | -6,675 | 164,442 |
| Other Non-US | 8,395 | 27,804 | 3,263 | -112 | 39,352 |
| Total (excluding US Affiliates) | 235,001 | 281,948 | 34,557 | -7,149 | 544,359 |
| Grand Total | 290,855 | 427,394 | 179,521 | -7,254 | 890,516 |

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

| | Year End - December 31 | | | | |
|--|-------------------------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Composition of Cash and Invested Assets | | | | | |
| Total Cash and Invested Assets USD (000) | 1,199,109 | 1,184,932 | 1,194,043 | 1,173,946 | 1,202,889 |
| Composition Percentages (%) | | | | | |
| Unaffiliated: | | | | | |
| Cash and Short Term Investments | 4.2 | 7.9 | 7.0 | 2.0 | 7.4 |
| Bonds | 82.5 | 79.0 | 80.2 | 84.6 | 78.6 |
| Stocks | 0.9 | 1.2 | 1.7 | 3.1 | 3.1 |
| Other Invested Assets | 1.5 | 1.1 | 0.6 | ... | 1.0 |
| Total Unaffiliated | 89.0 | 89.2 | 89.6 | 89.7 | 90.1 |
| Investments in Affiliates | 13.8 | 13.4 | 12.4 | 11.9 | 11.4 |
| Non-Admitted | -2.8 | -2.7 | -2.0 | -1.6 | -1.6 |
| Total | 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 | 0.1 | 0.9 | 0.3 | 0.2 | ... | 5.4 |
| Government Agencies and Municipal Bonds | 3.3 | 5.8 | 5.6 | 13.0 | 7.2 | 12.5 |
| Industrial and Miscellaneous Bonds | 4.1 | 23.6 | 15.4 | 8.9 | 8.2 | 8.8 |
| Hybrid Securities | 0.5 | 2.4 | 0.6 | ... | ... | 3.4 |
| Total Bonds | 7.9 | 32.6 | 22.0 | 22.1 | 15.4 | 9.8 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

| | Year End - December 31 | | | | |
|--|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Bond Portfolio | | | | | |
| Bonds & Short Term Investments USD(000) | 988,833 | 936,413 | 987,917 | 993,477 | 950,009 |
| By Issuer (%) | | | | | |
| Unaffiliated Bonds: | | | | | |
| US Government | 1.3 | 1.1 | 1.1 | 1.1 | 0.9 |
| Foreign Government | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Foreign - All other | 3.5 | 2.7 | 2.8 | 3.7 | 4.0 |
| State, Municipal & Special Revenue | 34.9 | 38.6 | 39.8 | 39.6 | 39.4 |
| Industrial and Misc, Hybrid and SVO Identified | 60.1 | 57.5 | 56.2 | 55.5 | 55.5 |
| Bonds and Short Term Investments By Private vs Public (%) | | | | | |
| Private issues | 32.5 | 27.6 | 24.1 | 25.3 | 22.9 |
| Public issues | 67.5 | 72.4 | 75.9 | 74.7 | 77.1 |
| Bonds and Short Term Investments By Quality (%) | | | | | |
| Class 1 | 76.5 | 75.9 | 76.3 | 73.2 | 75.5 |
| Class 2 | 20.5 | 21.1 | 20.1 | 22.7 | 20.9 |
| Class 3 | 2.9 | 2.9 | 3.5 | 3.8 | 3.3 |
| Class 4 | 0.1 | 0.1 | ... | 0.2 | 0.2 |
| Class 6 | ... | ... | ... | ... | 0.1 |
| Below Investment Grade (NAIC 3-6) | 3.0 | 3.1 | 3.6 | 4.1 | 3.6 |
| Below Investment Grade - % of Policyholders' Surplus | 6.1 | 5.8 | 7.3 | 8.2 | 7.9 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|------------------------|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Stock Portfolio | | | | | |
| Stocks USD(000) | 142,283 | 141,652 | 144,959 | 157,309 | 156,023 |
| By Type (%) | | | | | |
| Unaffiliated Common | 0.1 | 1.0 | 4.6 | 10.7 | 9.3 |
| Affiliated Common | 92.7 | 90.0 | 85.8 | 76.8 | 76.2 |
| Unaffiliated Preferred | 7.2 | 8.9 | 9.6 | 12.5 | 14.5 |

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

| | Year End - December 31 | | | | |
|---|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Calendar Year: | | | | | |
| Loss and ALAE* Reserves USD (000) | 638,981 | 630,929 | 649,865 | 637,218 | 622,953 |
| Loss and ALAE* Reserves Development USD (000) | ... | 7,660 | 12,828 | 8,869 | -18,650 |
| Development to: | | | | | |
| Original Reserves (%) | ... | 1.2 | 2.0 | 1.4 | -2.9 |
| Prior Year End Reserves(%) | ... | ... | ... | ... | ... |
| Prior Year End Surplus (%) | ... | 1.6 | 2.6 | 1.8 | -4.3 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy (Continued...)

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

| | Year End - December 31 | | | | |
|---|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Accident Year: | | | | | |
| Original Loss and ALAE Reserves USD (000) | 143,988 | 125,488 | 116,125 | 108,152 | 107,989 |
| Loss and ALAE Reserves Developed thru Latest Year End USD (000) | 143,988 | 127,428 | 121,285 | 120,231 | 106,579 |
| Development to Original Reserves (%) | ... | 1.5 | 4.4 | 11.2 | -1.3 |
| Accident Year Loss and LAE Ratio (%) | 72.9 | 68.2 | 67.4 | 73.4 | 65.5 |
| Accident Year Combined Ratio (%) | 102.8 | 96.5 | 95.9 | 104.4 | 96.9 |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| Operating and Financial Performance Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Tokio Marine America Insurance Company | | | | | | |
| Calendar Year Loss and LAE Ratio | 77.3 | 68.2 | 65.7 | 62.9 | 63.8 | 67.9 |
| Expense and Policyholder Dividend Ratio | 29.9 | 28.3 | 28.5 | 30.9 | 31.3 | 29.7 |
| Combined Ratio | 107.2 | 96.5 | 94.2 | 93.8 | 95.1 | 97.6 |
| Reserve Development Ratio Impact | 4.5 | 0.7 | -0.2 | -5.6 | -2.4 | -0.4 |
| Net Investment Yield | 3.8 | 3.6 | 3.1 | 2.9 | 6.2 | 3.9 |
| Pre-Tax Operating Return on Net Earned Premiums | 8.9 | 20.8 | 16.7 | 20.0 | 32.0 | 19.3 |
| Net Income Return on Policyholders' Surplus | 4.2 | 10.4 | 8.3 | 9.9 | 18.1 | 10.0 |
| Total Return on Policyholders' Surplus | 5.7 | 13.5 | 8.5 | 10.7 | 11.4 | 9.9 |

Source: BestLink® - Best's Financial Suite

| Operating and Financial Performance Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|------|------|------|-------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Commercial Casualty Composite | | | | | | |
| Calendar Year Loss and LAE Ratio | 67.6 | 69.1 | 67.9 | 67.2 | 70.4 | 68.4 |
| Expense and Policyholder Dividend Ratio | 29.4 | 28.4 | 28.1 | 28.8 | 29.6 | 28.8 |
| Combined Ratio | 97.0 | 97.5 | 96.0 | 96.0 | 100.0 | 97.2 |
| Reserve Development Ratio Impact | -0.6 | -0.3 | -0.8 | -1.9 | -1.0 | -0.9 |
| Net Investment Yield | 4.2 | 3.8 | 3.2 | 3.3 | 3.3 | 3.6 |
| Pre-Tax Operating Return on Net Earned Premiums | 14.0 | 12.2 | 12.6 | 13.5 | 9.8 | 12.5 |
| Net Income Return on Policyholders' Surplus | 11.1 | 8.7 | 9.0 | 11.2 | 7.1 | 9.5 |
| Total Return on Policyholders' Surplus | 12.9 | 10.9 | 5.5 | 14.2 | 8.0 | 10.4 |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| | Year End - December 31 | | | | |
|-------------------------------------|------------------------|------|------|------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Line - Net Loss Ratio (%) | | | | | |
| Workers Comp | 36.3 | 16.9 | 33.2 | 40.6 | 28.4 |
| Comm Auto Liab | 87.7 | 79.5 | 58.9 | 57.3 | 53.9 |
| Auto Phys Dmg | 67.8 | 65.2 | 83.2 | 68.0 | 47.9 |
| Fire | 9.1 | 30.1 | 8.4 | 13.4 | 15.0 |
| Comm M.P. | 41.0 | 54.5 | 59.5 | 24.7 | 64.6 |
| Ocean Marine | 60.9 | 63.9 | 65.6 | 56.5 | 47.7 |
| Allied Lines | 47.4 | 57.3 | 57.9 | 56.3 | 175.7 |
| Other A&H | 90.5 | 82.5 | 56.1 | ... | ... |
| PP Auto Liab | 82.7 | 69.9 | 71.8 | 48.3 | 61.5 |
| Homeowners | 34.4 | 49.0 | 48.1 | 38.9 | 34.2 |
| All Other | 194.4 | 78.4 | 70.2 | 66.9 | 75.9 |
| Total | 61.6 | 56.8 | 53.2 | 49.0 | 52.3 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|---|------------------------|------|-------|-------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Geographic - Direct Loss Ratio (%) | | | | | |
| California | 61.9 | 55.9 | 70.8 | 39.2 | 59.0 |
| Texas | 80.5 | 86.3 | 118.0 | 153.3 | 56.2 |
| New York | 79.8 | 53.6 | 60.8 | 43.6 | 80.1 |
| Ohio | 55.2 | -9.0 | 57.3 | 23.5 | 4.2 |
| New Jersey | 231.3 | 54.9 | 88.5 | 95.1 | 88.3 |
| Georgia | 70.3 | 40.3 | 25.9 | 73.5 | 58.0 |
| Florida | 79.1 | 63.7 | 102.0 | 17.9 | 78.0 |
| Illinois | 49.1 | 62.4 | 32.4 | 6.8 | 83.2 |
| Kentucky | 29.8 | 36.0 | 53.8 | 19.3 | 55.5 |
| Indiana | 117.0 | 41.2 | 35.9 | 4.6 | 43.4 |
| All Other | 47.0 | 35.0 | 32.5 | 47.1 | 42.6 |
| Total | 67.9 | 47.5 | 58.2 | 51.1 | 55.9 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

| | Year End - December 31 | | | | | 5 Year CAGR |
|--|------------------------|---------|---------|---------|---------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Premium Composition and Growth | | | | | | |
| Direct Premiums Written USD (000) | 601,936 | 568,742 | 542,496 | 504,939 | 505,321 | ... |
| % Change | 5.8 | 4.8 | 7.4 | -0.1 | 11.4 | 5.8 |
| Reinsurance Premiums Assumed USD (000) | 68,174 | 49,021 | 51,034 | 48,758 | 40,831 | ... |
| % Change | 39.1 | -3.9 | 4.7 | 19.4 | 2.8 | 11.4 |
| Reinsurance Premiums Ceded USD (000) | 343,972 | 291,366 | 288,892 | 284,441 | 274,233 | ... |
| % Change | 18.1 | 0.9 | 1.6 | 3.7 | 36.4 | 11.3 |
| Net Premiums Written USD (000) | 326,138 | 326,397 | 304,638 | 269,256 | 271,920 | ... |
| % Change | -0.1 | 7.1 | 13.1 | -1.0 | -6.9 | 2.2 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

| | Year End - December 31 | | | | |
|--|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Line Breakdown - NPW USD (000) | | | | | |
| Comm Auto Liab | 65,449 | 54,889 | 55,216 | 50,430 | 49,760 |
| Workers Comp | 60,975 | 57,774 | 52,512 | 44,079 | 53,247 |
| Fire | 35,697 | 33,418 | 29,610 | 27,244 | 24,999 |
| Auto Phys Dmg | 34,641 | 24,985 | 20,443 | 18,748 | 18,302 |
| Comm M.P. | 28,221 | 23,027 | 22,490 | 19,144 | 19,460 |
| Ocean Marine | 23,954 | 22,588 | 28,666 | 24,685 | 24,370 |
| Allied Lines | 22,047 | 21,214 | 17,474 | 14,475 | 14,318 |
| Other A&H | 16,099 | 16,815 | 14,230 | ... | ... |
| PP Auto Liab | 13,736 | 13,276 | 12,750 | 12,806 | 12,593 |
| Inland Marine-T | 7,469 | 6,700 | 5,593 | 5,270 | 7,463 |
| All Other | 17,849 | 51,711 | 45,656 | 52,376 | 47,409 |
| Total | 326,138 | 326,397 | 304,638 | 269,256 | 271,920 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|--|------------------------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Geographic Breakdown - DPW USD (000) | | | | | |
| California | 137,483 | 144,375 | 137,770 | 136,119 | 165,348 |
| Texas | 60,393 | 52,911 | 46,235 | 39,967 | 39,017 |
| New York | 32,567 | 30,226 | 28,002 | 24,478 | 24,999 |
| Ohio | 28,873 | 26,731 | 22,288 | 18,302 | 18,155 |
| New Jersey | 28,734 | 25,257 | 25,999 | 27,071 | 22,896 |
| Georgia | 26,310 | 26,246 | 22,567 | 19,017 | 18,202 |
| Florida | 25,781 | 22,250 | 21,639 | 24,764 | 21,734 |
| Illinois | 23,971 | 22,149 | 20,330 | 17,691 | 20,213 |
| Kentucky | 21,587 | 16,379 | 15,080 | 12,346 | 12,081 |
| Indiana | 17,551 | 14,561 | 12,699 | 11,431 | 11,589 |
| All Other | 198,685 | 187,657 | 189,887 | 173,752 | 151,087 |
| Total | 601,936 | 568,742 | 542,496 | 504,939 | 505,321 |
| Geographic Concentration Index | 0.08 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|-----------------------------------|------------------------|---------|---------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Line Reserves USD (000) | | | | | |
| Workers Comp | 254,755 | 255,833 | 269,560 | ... | ... |
| Other Liab | 145,682 | 145,090 | 156,734 | ... | ... |
| Comm Auto Liab | 104,654 | 96,055 | 88,136 | ... | ... |
| Product Liab | 45,054 | 40,738 | 34,944 | ... | ... |
| Comm M.P. | 35,071 | 33,185 | 35,067 | ... | ... |
| Excess Wrk Cmp | 25,600 | 25,771 | 26,714 | ... | ... |
| Ocean Marine | 19,640 | 18,166 | 18,170 | ... | ... |
| Allied Lines | 18,644 | 13,975 | 17,658 | ... | ... |
| PP Auto Liab | 15,865 | 14,847 | 15,503 | ... | ... |
| Other A&H | 11,761 | 13,087 | 12,726 | ... | ... |
| All Other | 19,872 | 19,130 | 13,975 | ... | ... |
| Total | 696,597 | 675,879 | 689,187 | ... | ... |

Source: BestLink® - Best's Financial Suite

Last Update

April 25, 2025

Identifiers

AMB #: 002882

NAIC #: 41238

FEIN #: 13-3118700

Contact Information

Administrative Office:

Three Bala Plaza East, Suite 400,
Bala Cynwyd, Pennsylvania
19004-1403
United States

Domiciliary Address:

590 Madison Avenue, 29Th Floor,
New York, New York 10022-2524
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.

Filing Date History

April 02, 2025 (April Annual)
March 21, 2025 (March Annual)
November 18, 2024 (9-Month)
August 15, 2024 (6-Month)
May 16, 2024 (3-Month)

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)

Best's Credit Ratings

Rating Relationship

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

Best's Credit Rating Effective Date: September 06, 2024

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:

Best's Credit Rating History (Continued...)

| Effective Date | Best's Financial Strength Ratings | | | | Best's Long-Term Issuer Credit Ratings | | |
|--------------------|-----------------------------------|-----------------------------|---------------|-----------------|--|---------------|-----------------|
| | Rating | Affiliation | Outlook | Action | Rating | Outlook | Action |
| Current - | | | | | | | |
| Sep 6, 2024 | A++ | r (Reinsured Rating) | Stable | Affirmed | aa+ | Stable | Affirmed |
| 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 |

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

Tetsujiro Ihara

Ann Ginn

B. Steven Goldstein

David Gottschall

Yusuke Takaki

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 2023 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.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

Summary of Approved Filings

The table below shows the number of approved filings in the last five years. For more information, please refer to [Best's State Rate Filings - 002882 - Trans Pacific Insurance Company](#)

| Major Line | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|-------------|-------------|
| Boiler & Machinery | ... | 1 | 8 | ... | 46 |
| Commercial Auto | 18 | 58 | 62 | 9 | 86 |
| Commercial General Liability | 4 | 12 | 23 | 48 | 108 |
| Commercial Inland Marine | 7 | 63 | 11 | 1 | 5 |
| Commercial Interline | 5 | 10 | 33 | 25 | 12 |
| Commercial Multi-Peril | ... | 3 | 11 | 6 | 34 |
| Crime | 7 | 36 | 5 | 1 | ... |
| Fidelity & Surety | 2 | 27 | 4 | ... | ... |
| Fire And Allied Lines (Commercial Property) | 6 | 82 | 37 | 2 | 7 |
| Fire And Allied Lines (Personal Property) | 1 | 1 | 1 | ... | ... |
| Homeowners Multi-Peril | 1 | 1 | 1 | ... | ... |
| Personal General Liability | ... | ... | 2 | 1 | ... |
| Private Passenger Auto | ... | 2 | 1 | 2 | ... |
| Workers Compensation | 9 | 27 | 84 | 29 | 27 |
| Total | 60 | 323 | 283 | 124 | 325 |

Source: Best's State Rate Filings

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: US Dollars

| | Year End - December 31 | | | |
|--|------------------------|--------------|------------------|--------------|
| | 2024 | | 2023 | |
| Balance Sheet | USD (000) | % | USD (000) | % |
| Cash and Short Term Investments | 8,841 | 11.1 | 4,200 | 5.6 |
| Bonds | 60,694 | 76.1 | 61,159 | 82.3 |
| Total Cash and Invested Assets | 69,535 | 87.1 | 65,358 | 87.9 |
| Premium Balances | 7,262 | 9.1 | 2,790 | 3.8 |
| Net Deferred Tax Asset | 278 | 0.3 | 355 | 0.5 |
| Other Assets | 2,714 | 3.4 | 5,843 | 7.9 |
| Total Assets | 79,789 | 100.0 | 74,347 | 100.0 |
| Loss and Loss Adjustment Expense Reserves: | | | | |
| Net Reported Loss Reserves | 1,328 | 1.7 | 1,480 | 2.0 |
| Net IBNR Loss Reserves | 1,071 | 1.3 | 2,497 | 3.4 |
| Net LAE Reserves | 1,603 | 2.0 | 1,999 | 2.7 |
| Total Net Loss and LAE Reserves | 4,002 | 5.0 | 5,976 | 8.0 |
| Other Liabilities | 11,592 | 14.5 | 7,235 | 9.7 |
| Total Liabilities | 15,594 | 19.5 | 13,211 | 17.8 |
| Capital Stock | 5,000 | 6.3 | 5,000 | 6.7 |
| Paid-In and Contributed Surplus | 22,000 | 27.6 | 22,000 | 29.6 |
| Unassigned Surplus | 37,195 | 46.6 | 34,136 | 45.9 |
| Total Policyholders' Surplus | 64,195 | 80.5 | 61,136 | 82.2 |
| Total Liabilities and Surplus | 79,789 | 100.0 | 74,347 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | |
|-------------------------------------|------------------------|--------------|
| | 2024 | 2023 |
| Income Statement USD (000) | | |
| Net Premiums Earned | ... | ... |
| Net Losses and LAE Incurred: | | |
| Current Accident Year | ... | ... |
| Prior Accident Years | -214 | -73 |
| Underwriting Expenses Incurred | 13 | 8 |
| Dividends to Policyholders | ... | ... |
| Net Underwriting Income | 200 | 65 |
| Net Investment Income | 1,958 | 1,727 |
| Other Income (Expense) | -54 | -30 |
| Pre-Tax Operating Income | 2,104 | 1,763 |
| Income Taxes Incurred | 396 | 308 |
| Net Operating Income | 1,708 | 1,454 |
| Net Realized Capital Gains (Losses) | -54 | 14 |
| Net Income | 1,654 | 1,469 |

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

| | 2024 | 2023 |
|-------------------------------|--------|-------|
| Net Premiums Collected | -6,164 | 4,527 |
| Net Losses Paid | -1,428 | 3,370 |
| Expenses Paid | 331 | 198 |
| Dividends to Policyholders | ... | ... |
| Net Underwriting Cash Flow | -5,068 | 959 |
| Net Investment Income | 2,086 | 1,976 |
| Other Income (Expense) | -54 | -30 |
| Income Taxes Paid (Recovered) | 148 | 287 |
| Net Operating Cash Flow | -3,184 | 2,619 |

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) | Year End - December 31 | | | | |
|------------------------------------|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Premiums Written: | | | | | |
| Direct | 23,470 | 10,999 | 16,957 | 12,657 | 13,797 |
| Assumed | 72 | 158 | 134 | 56 | 338 |
| Ceded | 23,543 | 11,156 | 17,091 | 12,714 | 14,134 |
| Net | -1 | 1 | ... | ... | 1 |
| Net Operating Income | 1,708 | 1,454 | 1,020 | 1,297 | 916 |
| Net Income | 1,654 | 1,469 | 1,020 | 1,330 | 994 |
| Total Admitted Assets | 79,789 | 74,347 | 73,556 | 71,927 | 70,420 |
| Policyholders' Surplus | 64,195 | 61,136 | 59,897 | 58,992 | 57,119 |

Source: BestLink® - Best's Financial Suite

| Key Financial Ratios (%) | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|-------|-------|-------|-------|-------------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Profitability: | | | | | | |
| Combined Ratio | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 | 999.9 |
| Reserve Development Combined Ratio Impact | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 | 999.9 |
| Net Investment Yield | 2.9 | 2.6 | 2.3 | 2.1 | 2.3 | 2.4 |
| Pre-Tax Operating Return on Net Earned Premiums | -99.9 | -99.9 | -99.9 | 999.9 | 999.9 | 999.9 |
| Net Income Return on Policyholders' Surplus | 2.6 | 2.4 | 1.7 | 2.3 | 1.8 | 2.2 |
| Total Return on Policyholders' Surplus | 2.6 | 2.4 | 1.7 | 2.3 | 1.8 | 2.2 |
| Leverage: | | | | | | |
| Net | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | ... |
| Gross | 0.7 | 0.3 | 0.5 | 0.6 | 0.6 | ... |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

| | Year End - December 31 | | | | |
|--|------------------------|---------------|---------------|---------------|---------------|
| Capital Generation Analysis USD (000) | 2024 | 2023 | 2022 | 2021 | 2020 |
| Beginning Policyholders' Surplus | 61,136 | 59,897 | 58,992 | 57,119 | 55,451 |
| Net Operating Income | 1,708 | 1,454 | 1,020 | 1,297 | 916 |
| Net Realized Capital Gains (Losses) | -54 | 14 | ... | 33 | 78 |
| Other Changes in Capital and Surplus | 1,405 | -230 | -114 | 543 | 673 |
| Net Change in Policyholders' Surplus | 3,059 | 1,239 | 905 | 1,873 | 1,667 |
| Ending Policyholders' Surplus | 64,195 | 61,136 | 59,897 | 58,992 | 57,119 |
| Net Change in Policyholders' Surplus (%) | 5.0 | 2.1 | 1.5 | 3.3 | 3.0 |
| Net Change in Policyholders' Surplus (5 yr CAGR) | 3.0 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|-----------------------------------|------------------------|-------------|-------------|-------------|-------------|
| Liquidity Analysis | 2024 | 2023 | 2022 | 2021 | 2020 |
| Net Operating Cash Flow USD (000) | -3,184 | 2,619 | -800 | -223 | 6,972 |
| Current Liquidity (%) | 521.9 | 593.1 | 571.7 | 563.4 | 517.0 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|--|------------------------|-------------|-------------|-------------|-------------|
| Ceded Reinsurance Analysis | 2024 | 2023 | 2022 | 2021 | 2020 |
| Trans Pacific Insurance Company | | | | | |
| Ceded Reinsurance USD (000) | 38,462 | 21,051 | 17,162 | 21,159 | 19,794 |
| Reinsurance Recoverables to PHS (%) | 50.0 | 23.2 | 20.2 | 25.2 | 27.0 |
| Ceded Reinsurance to PHS (%) | 59.9 | 34.4 | 28.7 | 35.9 | 34.7 |
| Workers' Compensation Composite | | | | | |
| Business Retention (%) | 56.6 | 58.8 | 58.8 | 61.7 | 64.5 |
| Reinsurance Recoverables to PHS (%) | 25.2 | 21.9 | 23.6 | 22.8 | 25.3 |
| Ceded Reinsurance to PHS (%) | 37.9 | 32.8 | 35.2 | 33.3 | 35.7 |

Source: BestLink® - Best's Financial Suite

| | Paid & Unpaid Losses | Incurred but not reported (IBNR) losses | Unearned premiums | Other Recoverables | Total Reinsurance Recoverables |
|--|---------------------------------|--|--------------------------|---------------------------|---------------------------------------|
| 2024 Reinsurance Recoverables USD (000) | | | | | |
| US Affiliates | 13,109 | 32,134 | 13,339 | ... | 58,582 |
| Foreign Affiliates | 18,898 | 2,092 | ... | ... | 20,988 |
| US Insurers | 1,140 | 6,428 | 65 | -2,173 | 5,458 |
| Other Non-US | 990 | 1,989 | ... | ... | 2,978 |
| Total (excluding US Affiliates) | 21,028 | 10,509 | 65 | -2,173 | 29,424 |
| Grand Total | 34,161 | 44,891 | 13,777 | -2,173 | 90,657 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

| | Year End - December 31 | | | | |
|--|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Composition of Cash and Invested Assets | | | | | |
| Total Cash and Invested Assets USD (000) | 69,535 | 65,358 | 65,858 | 64,755 | 64,143 |
| Composition Percentages (%) | | | | | |
| Unaffiliated: | | | | | |
| Cash and Short Term Investments | 12.7 | 6.4 | 7.8 | 12.5 | 11.2 |
| Bonds | 87.3 | 93.6 | 92.2 | 87.5 | 84.5 |
| Other Invested Assets | ... | ... | ... | ... | 4.4 |
| Total Unaffiliated | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: BestLink® - Best's Financial Suite

| | Years | | | | | Average (Years) |
|---|-------|------|------|-------|-----|-----------------|
| | 0-1 | 1-5 | 5-10 | 10-20 | 20+ | |
| Bonds and Short Term Investments | | | | | | |
| Distribution by Maturity (%) | | | | | | |
| Government Bonds | 0.9 | 7.7 | 0.3 | ... | ... | 3.0 |
| Government Agencies and Municipal Bonds | 6.8 | 21.0 | 21.9 | 13.5 | 2.4 | 7.5 |
| Industrial and Miscellaneous Bonds | 2.0 | 7.1 | 15.0 | 1.4 | ... | 6.1 |
| Total Bonds | 9.7 | 35.8 | 37.1 | 14.9 | 2.4 | 6.8 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|--|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Bond Portfolio | | | | | |
| Bonds & Short Term Investments USD(000) | 60,694 | 61,159 | 60,719 | 56,667 | 54,181 |
| By Issuer (%) | | | | | |
| Unaffiliated Bonds: | | | | | |
| US Government | 8.9 | 9.3 | 9.3 | 8.6 | 4.5 |
| Foreign - All other | 2.0 | 1.6 | 1.3 | 1.3 | 1.4 |
| State, Municipal & Special Revenue | 65.6 | 66.6 | 72.0 | 73.6 | 74.9 |
| Industrial and Misc, Hybrid and SVO Identified | 23.5 | 22.5 | 17.4 | 16.4 | 19.1 |
| 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 | 96.9 | 97.0 | 96.6 | 95.6 | 94.5 |
| Class 2 | 3.1 | 3.0 | 3.4 | 4.4 | 5.5 |

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

| | Year End - December 31 | | | | |
|---|------------------------|--------|--------|--------|--------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Calendar Year: | | | | | |
| Loss and ALAE* Reserves USD (000) | 2,568 | 2,698 | 2,824 | 3,002 | 3,405 |
| Loss and ALAE* Reserves Development USD (000) | ... | -1,670 | -1,685 | -1,504 | -1,573 |
| Development to: | | | | | |
| Original Reserves (%) | ... | -38.2 | -37.4 | -33.4 | -31.6 |
| Prior Year End Reserves(%) | ... | ... | ... | ... | ... |
| Prior Year End Surplus (%) | ... | -2.7 | -2.8 | -2.5 | -2.8 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|---|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| 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 (%) | ... | ... | ... | ... | ... |
| Accident Year Combined Ratio (%) | -99.9 | 830.9 | 999.9 | -99.9 | 999.9 |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|-------|-------|-------|-------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Operating and Financial Performance Ratios (%) | | | | | | |
| Trans Pacific Insurance Company | | | | | | |
| Calendar Year Loss and LAE Ratio | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 | 999.9 |
| Expense and Policyholder Dividend Ratio | -99.9 | 830.9 | 999.9 | -99.9 | 999.9 | 999.9 |
| Combined Ratio | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 | 999.9 |
| Reserve Development Ratio Impact | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 | 999.9 |
| Net Investment Yield | 2.9 | 2.6 | 2.3 | 2.1 | 2.3 | 2.4 |
| Pre-Tax Operating Return on Net Earned Premiums | -99.9 | -99.9 | -99.9 | 999.9 | 999.9 | 999.9 |
| Net Income Return on Policyholders' Surplus | 2.6 | 2.4 | 1.7 | 2.3 | 1.8 | 2.2 |
| Total Return on Policyholders' Surplus | 2.6 | 2.4 | 1.7 | 2.3 | 1.8 | 2.2 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | | Weighted 5-Year Average |
|---|------------------------|-------|-------|-------|-------|-------------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Operating and Financial Performance Ratios (%) | | | | | | |
| Workers' Compensation Composite | | | | | | |
| Calendar Year Loss and LAE Ratio | 64.6 | 65.2 | 67.2 | 67.5 | 68.2 | 66.5 |
| Expense and Policyholder Dividend Ratio | 36.4 | 35.3 | 34.9 | 35.9 | 34.3 | 35.4 |
| Combined Ratio | 101.0 | 100.5 | 102.1 | 103.4 | 102.5 | 101.9 |
| Reserve Development Ratio Impact | -10.1 | -12.8 | -10.8 | -13.1 | -14.3 | -12.2 |
| Net Investment Yield | 3.5 | 3.6 | 2.7 | 2.5 | 2.7 | 3.0 |
| Pre-Tax Operating Return on Net Earned Premiums | 19.1 | 18.8 | 14.0 | 11.9 | 11.5 | 15.2 |
| Net Income Return on Policyholders' Surplus | 6.6 | 5.7 | 4.4 | 6.2 | 5.6 | 5.7 |
| Total Return on Policyholders' Surplus | 8.4 | 8.1 | -0.8 | 9.6 | 6.8 | 6.4 |

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

| | Year End - December 31 | | | | |
|-------------------------------------|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Line - Net Loss Ratio (%) | | | | | |
| All Other | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 |
| Total | 999.9 | 999.9 | -99.9 | -99.9 | 999.9 |

Source: BestLink® - Best's Financial Suite

| | Year End - December 31 | | | | |
|---|------------------------|-------|-------|-------|-------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Geographic - Direct Loss Ratio (%) | | | | | |
| California | 69.2 | 28.8 | 27.0 | -23.8 | 69.2 |
| Illinois | -99.9 | 62.3 | 32.2 | 93.1 | -99.9 |
| New York | -31.5 | -99.9 | 5.4 | 174.5 | -99.9 |
| New Jersey | -99.9 | 50.3 | 24.8 | -99.9 | 46.7 |
| Pennsylvania | -99.9 | -99.9 | 45.8 | 129.9 | 113.7 |
| Ohio | -99.9 | 166.2 | -82.6 | 40.4 | 143.8 |
| North Carolina | 124.3 | 40.2 | 68.9 | 116.5 | -99.9 |
| Georgia | -99.9 | 199.0 | 167.1 | -99.9 | 117.7 |
| Massachusetts | -70.9 | -39.5 | 158.3 | -99.9 | 119.3 |
| Kentucky | 369.2 | -2.4 | -99.9 | 155.6 | -99.9 |
| All Other | -53.9 | 44.3 | 52.7 | 5.2 | -99.9 |
| Total | 0.3 | 27.3 | 36.8 | 10.5 | -54.3 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

| | Year End - December 31 | | | | | 5 Year CAGR |
|--|------------------------|--------|--------|--------|--------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | |
| Premium Composition and Growth | | | | | | |
| Direct Premiums Written USD (000) | 23,470 | 10,999 | 16,957 | 12,657 | 13,797 | ... |
| % Change | 113.4 | -35.1 | 34.0 | -8.3 | -37.2 | 1.3 |
| Reinsurance Premiums Assumed USD (000) | 72 | 158 | 134 | 56 | 338 | ... |
| % Change | -54.4 | 17.5 | 138.4 | -83.3 | -39.2 | -33.6 |
| Reinsurance Premiums Ceded USD (000) | 23,543 | 11,156 | 17,091 | 12,714 | 14,134 | ... |
| % Change | 111.0 | -34.7 | 34.4 | -10.0 | -37.2 | 0.9 |
| Net Premiums Written USD (000) | -1 | 1 | ... | ... | 1 | ... |
| % Change | -99.9 | 999.9 | -93.9 | -74.5 | -99.9 | 50.3 |

Source: BestLink® - Best's Financial Suite

Historical Market Presence

| | Year End - December 31 | | | | |
|--|------------------------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| By Line Breakdown - NPW USD (000) | | | | | |
| Fire | ... | ... | ... | ... | ... |
| All Other | -1 | 1 | ... | ... | 1 |
| Total | -1 | 1 | ... | ... | 1 |

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

| By Geographic Breakdown - DPW USD (000) | Year End - December 31 | | | | |
|--|-------------------------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| California | 18,145 | 3,151 | 6,011 | 3,760 | 5,978 |
| Illinois | 892 | 1,283 | 1,242 | 1,225 | 1,012 |
| New York | 618 | 704 | 1,124 | 1,004 | 371 |
| New Jersey | 503 | 706 | 691 | 607 | 759 |
| Pennsylvania | 424 | 304 | 1,035 | 978 | 745 |
| Ohio | 316 | 434 | 298 | 338 | 224 |
| North Carolina | 298 | 498 | 708 | 528 | 273 |
| Georgia | 283 | 645 | 631 | 183 | 618 |
| Massachusetts | 279 | 242 | 436 | 133 | 269 |
| Kentucky | 260 | 742 | 601 | 362 | 506 |
| All Other | 1,452 | 2,289 | 4,182 | 3,540 | 3,041 |
| Total | 23,470 | 10,999 | 16,957 | 12,657 | 13,797 |
| Geographic Concentration Index | 0.60 | ... | ... | ... | ... |

Source: BestLink® - Best's Financial Suite

| By Line Reserves USD (000) | Year End - December 31 | | | | |
|-----------------------------------|-------------------------------|--------------|--------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Workers Comp | 3,997 | 5,975 | 6,300 | ... | ... |
| Comm M.P. | 5 | 1 | 15 | ... | ... |
| Total | 4,002 | 5,976 | 6,316 | ... | ... |

Source: BestLink® - Best's Financial Suite

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