

REPORT ON EXAMINATION

OF

TOKIO MARINE AMERICA INSURANCE COMPANY

AS OF

DECEMBER 31, 2015

DATE OF REPORT

MAY 2, 2017

EXAMINER

KEVIN MCNAMEE

TABLE OF CONTENTS

<u>ITEM NO.</u>		<u>PAGE NO.</u>
1	Scope of Examination	2
2.	Description of Company	3
	A. Management	4
	B. Territory and plan of operation	5
	C. Reinsurance	7
	D. Holding company system	11
	E. Significant operating ratios	13
3.	Financial Statements	14
	A. Balance sheet	14
	B. Statement of income	16
	C. Capital and surplus	17
4.	Losses and loss adjustment expenses	18
5.	Compliance with prior report on examination	18
6.	Summary of comments and recommendations	18



NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Maria T. Vullo
Superintendent

May 2, 2017

Honorable Maria T. Vullo
Superintendent
New York State Department of Financial Services
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law, and in compliance with the instructions contained in Appointment Number 31474 dated April 6, 2015, attached hereto, I have made an examination into the condition and affairs of Tokio Marine America Insurance Company as of December 31, 2015, and submit the following report thereon.

Wherever the designation “the Company” or “TMAIC” appears herein without qualification, it should be understood to indicate Tokio Marine America Insurance Company.

Wherever the term “Department” appears herein without qualification, it should be understood to mean the New York State Department of Financial Services.

The examination was conducted at the Company’s home office located at 230 Park Avenue, New York, NY 10169.

1. **SCOPE OF EXAMINATION**

The Department has performed a group examination of the Company, a multi-state insurer. The previous examination was conducted as of December 31, 2014. This examination was a one year update to the 2014 examination conducted in order to coordinate exam cycles with the lead state for the Tokio Marine group. This examination covered a one year period from January 1, 2015 through December 31, 2015. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

The examination of the Company was performed concurrently with the examination of the following insurers: TNUS Insurance Company (“TNUS”) and Trans Pacific Insurance Company (“TPI”).

This examination was conducted in accordance with the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”), which requires that we plan and perform the examination to evaluate the financial condition by obtaining information about the Company including corporate governance, assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with Statutory Accounting Principles, and annual statement instructions when applicable to domestic state regulations.

All financially significant accounts and activities of the Company were considered in accordance with the examination process. This examination also included a review and evaluation of the Company’s own control environment assessment. The Company utilizes a process used by its ultimate parent, Tokio Marine & Nichido Fire Insurance Co., Ltd., domiciled in Japan (“TMNF-Japan”) known as “J-SOX” which is substantially similar to Sarbanes Oxley. The examiners relied on the J-SOX and upon audit work performed by the Company’s independent public accountants when appropriate.

This examination report includes a summary of significant findings for the following items as called for in the Handbook:

Company history
Corporate records
Management and control
Territory and plan of operation
Growth of Company
Loss experience
Reinsurance
Accounts and records
Financial statements
Summary of recommendations

This report on examination is confined to financial statements and comments on those matters that involve departures from laws, regulations, rule, or that are deemed to require explanation or description.

2. DESCRIPTION OF COMPANY

The Company was originally known as TM Casualty Insurance Company. It was incorporated under the laws of the State of New York on August 13, 1998 and commenced business on September 23, 1999. At that point the Company was a wholly owned subsidiary of The United States Branch of Tokio Marine & Nichido Fire Insurance Co., Ltd. of Tokyo, Japan (“TMNF-USB”), an alien insurer with port of entry in the State of New York.

Effective March 15, 2012, the Company's name was changed from TM Casualty Insurance Company to Tokio Marine America Insurance Company. Effective December 31, 2013, in conjunction with its domestication, TMNF-USB, the Company’s former Parent, merged with and into TMAIC, with TMAIC remaining as the surviving entity. TMNF-USB was operating in the U.S. as a branch of its foreign parent, TMNF-Japan. TMNF-USB was established in 1955 under the laws of the State of New York to engage in business on behalf of TMNF –Japan. The New York State Department of Financial Services (“NYSDFS”) approved the domestication and merger transaction. Tokio Marine Management, Inc. (“TMM”) a United States affiliate, represents the Company as its manager. Effective December 31, 2015, TMNA contributed the common stock of TMM, TNUS, TPI, and TM Specialty Insurance Company to TMAIC.

The Company's capital paid-in is \$5,000,100 consisting of 50,001 shares of \$100 par value per share common stock. Gross paid in and contributed surplus is \$185,609,648. Gross paid-in and contributed surplus increased by \$162,959,748 during the examination period, as follows:

<u>Year</u>	<u>Description</u>	<u>Amount</u>
2014	Beginning gross paid in and contributed surplus	\$ 22,649,900
2015	Capital and paid in surplus	<u>162,959,748</u>
2015	Ending gross paid in and contributed surplus	<u>\$185,609,648</u>

* Effective December 31, 2015, TMNA contributed the common stock of TMM (\$17.2 million) as well as the common stock of Trans Pacific Insurance Company (\$51.5 million), TNUS Insurance Company (\$55.3 million) and TM Specialty Insurance Company (\$39.0 million) to TMAIC.

A. Management

Pursuant to the Company's charter and by-laws, management of the Company is vested in a board of directors consisting of not less than seven nor more than thirteen members. Corporate governance is performed at two levels: At a group level, TMM conducts quarterly and annual meetings where the affairs of the Company are discussed. The majority of discussions regarding the Company are held at this level. Corporate governance performed at the individual entity level are conducted by unanimous written consent. As noted in the by-laws, there is no requirement for the board of directors to physically meet.

At December 31, 2015, the board of directors was comprised of the following seven members:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Ann Ginn Summit, NJ	Senior Vice President – Underwriting Tokio Marine Management, Inc.
B. Steven Goldstein New York, NY	Executive Vice President & General Counsel Tokio Marine Management, Inc.
David Gottschall Tarrytown, NY	Senior Vice President and Chief Quality Officer Tokio Marine Management, Inc.

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Masashi Kamon Villanova, PA	Senior Vice President TMNA Services, LLC.
Tomoya Kittaka New York, NY	Senior Vice President, Tokio Marine Management, Inc.
Adam LaPierre Simi Valley, CA	Senior Vice President, Tokio Marine Management, Inc.
Koki Umeda New York, NY	President, Tokio Marine Management, Inc.

A review of the minutes of the board of directors' meetings held during the examination period indicated that the meetings were generally well attended and each board member had an acceptable record of attendance.

As of December 31, 2015, the principal officers of the Company were as follows:

<u>Name</u>	<u>Title</u>
Koki Umeda	President
Karen Ann Gilmer-Pauciello	Chief Financial Officer
Edward Sayago	Secretary
Michael William Kelly	Treasurer

B. Territory and Plan of Operation

As of December 31, 2015, the Company was licensed to write commercial lines of business in all fifty states as well as the District of Columbia and the Commonwealth of Puerto Rico. As of the examination date, the Company was authorized to transact the kinds of insurance as defined in the following numbered paragraphs of Section 1113(a) of the New York Insurance Law:

<u>Paragraph</u>	<u>Line of Business</u>
3	Accident & health
4	Fire
5	Miscellaneous property
6	Water damage

7	Burglary and theft
8	Glass
9	Boiler and machinery
10	Elevator
11	Animal
12	Collision
13	Personal injury liability
14	Property damage liability
15	Workers' compensation and employers' liability
16	Fidelity and surety
17	Credit
19	Motor vehicle and aircraft physical damage
20	Marine and inland marine
21	Marine protection and indemnity
26	Gap
28	Service contract reimbursement

Based upon the lines of business for which the Company is licensed, the Company's current capital structure and pursuant to the requirements of Articles 13, 41 and 63 of the New York Insurance Law, the Company is required to maintain a minimum capital of \$1 million and a minimum surplus to policyholders in the amount of \$35 million.

TMAIC underwrites primarily commercial lines products; however the company also sells selected personal property and casualty coverage. The Company is authorized to transact such workers' compensation insurance as may be incident to coverage contemplated under paragraphs 20 and 21 of Section 1113(a), including insurance described in the longshoremen's and Harbor Workers' Compensation Act (Public Law No. 803, 69 Cong, as amended; 33 USC Section 901 et seq. as amended), and is authorized by section 4102(c), to write insurance of every kind or description outside of the United States and reinsurance of every kind or description. The Company is also licensed to write Special Risk Insurance pursuant to Article 63 of the New York Insurance Law.

The following schedule shows the direct premiums written by the Company both in total and in New York for the period under examination:

<u>Calendar Year</u>	<u>New York State</u>	<u>Total Premiums</u>	Premiums Written in New York State as a <u>percentage of total premium</u>
2015	\$30,335,906	\$416,365,360	7.29%

The Company's primary lines of business written and their respective share of direct written premiums in 2015 are Ocean Marine (14.4%), Commercial Auto Liability (13.8%), Workers' Compensation (10.7%), Fire (10.3%), and Other Liability Occurrence (9.0%).

The direct premiums written in 2015 in the top four states were: California \$116,397,190 (27.95%), Texas \$38,696,367 (9.29%), New York \$30,335,906 (7.28%), and Illinois \$26,177,869 (6.29%). The Company markets its business as a direct writer through a network of appointed independent agents and national brokers totaling 318 producers.

C. Reinsurance

Assumed

Assumed reinsurance accounted for 15.4% of the Company's gross premium written as of December 31, 2015. During the period covered by this examination, the Company's assumed reinsurance business has increased since the last examination. The Company's assumed reinsurance program consists mainly of multi-line coverage assumed on a quota share basis, pursuant to the terms of treaty agreements with affiliated and unaffiliated reinsurers. Additionally, the Company's participation in various mandated pools is reflected in its assumed reinsurance activity. The Company utilizes reinsurance accounting as defined in Statement of Statutory Accounting Principles ("SSAP") No. 62 for all of its assumed reinsurance business.

Ceded

The Company has structured its ceded reinsurance program as follows:

<u>Type of Treaty</u>	<u>Cession</u>
*Property Per Risk Excess of Loss 3 layers	90% of \$95,000,000 excess of \$5,000,000 in respect of each loss and each risk.
Casualty Excess of Loss 2 layers 1 st layer 72.75% placed 2 nd layer 27.50% placed	\$27,000,000 excess of \$3,000,000 per occurrence; subject to a maximum limit of liability of \$9,000,000 for the first layer and \$18,000,000 for the second layer.

<u>Type of Treaty</u>	<u>Cession</u>
*Catastrophe Excess of Loss, 2 Layers 1 st layer	\$25,000,000 excess of \$50,000,000 each loss occurrence subject to a liability limit of \$50,000,000 each loss occurrence and \$25,000,000 annual aggregate ultimate net loss in regards to acts of terrorism.
2 nd layer	\$60,000,000 excess of \$75,000,000 with a liability limit of \$75,000,000 each loss occurrence and \$60,000,000 annual aggregate ultimate net loss in regards to earthquakes and acts of terrorism.
Umbrella and Excess Liability Cessions Excess of Loss 70.25% placed	\$10,000,000 excess of \$15,000,000 in respect of each loss occurrence.
Underlying Cargo Excess of Loss	\$1,500,000 excess of \$500,000 for each and every loss, casualty or disaster.
Non-Obligatory Quota Share Boiler and Machinery/Equipment Breakdown	50-100% Quota Share covering risks related to Boiler and Machinery/Equipment of highly protected risks and large property business.
Non-Obligatory Quota Share Boiler and Machinery/Equipment Breakdown	50-100% Quota Share covering risks related to Boiler and Machinery/Equipment of middle market risks only.
Non-Obligatory Quota Share Agreement- Boiler and Machinery/Equipment	100% Quota Share covering business related to Boiler and Machinery/Equipment of both middle-market and highly protected and large property risks.
Facultative Equipment Breakdown	100% Boiler & Machinery Coverage - Maximum liability \$50,000,000 for any one accident.
*Marine Cargo Excess of Loss 3 layers	\$23,000,000 excess of \$2,000,000 100% Ocean Marine Cargo Coverage Various reinsurers including 50% to TMNF Layer 1 - \$4,000,000 excess \$2,000,000 Layer 2 - \$6,000,000 excess \$6,000,000 Layer 3 - \$13,000,000 excess \$12,000,000

* TMNF-Japan is the largest participant on these treaties covering property, catastrophe and ocean marine risks.

In addition to the above, effective January 1, 2015, the Company entered into an excess of loss reinsurance agreement with its parent company, TMNF-Japan, which provides coverage for a portion of the Company's liability related to all property risks accepted by the Company either by fronting or by facultative reinsurance. The reinsurer's liability under this contract shall not exceed \$130,000,000 in excess of \$100,000,000 with respect to each loss on any one risk.

Effective January 1, 2015, the Company entered into a Quota Share agreement with its parent company, TMNF-Japan. Under the terms of this agreement, the Company may cede to TMNF-Japan and TMNF-Japan shall obligatorily accept 100% quota share reinsurance on the Company's net liabilities for policies originally produced by Global Aerospace, Inc., a managing general agent.

Effective January 1, 2015, the Company entered into an excess of loss reinsurance agreement with its parent company, TMNF-Japan, which provides coverage for a portion of the Company's liability related to Ocean Marine Cargo risks accepted by the Company. The reinsurer's liability under this contract shall not exceed \$95,000,000 in excess of \$25,000,000 with respect to each and every loss, casualty or disaster.

Effective January 1, 2014, TMAIC entered into a Quota Share agreement with its affiliate Tokio Marine Underwriting Limited, Lloyd's Syndicate Number 1880, whereby it cedes 100% of property accounts written by the Large Commercial Property team, net of all facultative and proportional treaty reinsurance.

In addition to the reinsurance coverage described above, the Company limits its exposure through the use of various facultative agreements, under which the Company cedes policies on an individual facultative basis. The agreements are in place with affiliated and non-affiliated companies.

The majority of the business was ceded to authorized and affiliated reinsurers. Reinsurance agreements with affiliates were reviewed for compliance with Article 15 of the New York Insurance Law. It is noted that all affiliated reinsurance agreements were filed with the Department pursuant to the provisions of Section 1505(d)(2) of the New York Insurance Law.

Loss Portfolio Transfer

Effective April 1, 2012, the Company entered into a ceded retroactive reinsurance agreement with National Indemnity Company (“NIC”), an authorized, non-affiliated reinsurer, whereby the reinsurer agreed to assume 94% of the Company’s ultimate net losses paid and losses payable and outstanding on or after April 1, 2012, with respect to covered business, subject to the aggregate limit of \$119,103,980. On October 1, 2013, the retroactive reinsurance contract with NIC was amended to include additional block of business formerly reinsured by affiliate Tokio Marine & Nichido Fire Insurance Company HK Ltd. Under the amendment, the Company will cede to NIC 100% of the ultimate net loss paid or payable by the Company with respect to covered business, subject to the aggregate limit of \$124,917,824. The amended agreement covers all policies, certificates, binders, cover notes of contracts of reinsurance written by the Company’s former manager, Tokio Re Corporation, on or on behalf of the Company related to underwriting year 1997 and prior.

All significant ceded reinsurance agreements in effect as of the examination date were reviewed and found to contain the required clauses, including an insolvency clause meeting the requirements of Section 1308 of the New York Insurance Law.

The examination review found that the Schedule F data reported by the Company in its filed annual statement accurately reflected its reinsurance transactions. Additionally, management has represented that all material ceded reinsurance agreements transfer both underwriting and timing risk as set forth in SSAP No. 62. Representations were supported by an attestation from the Company's Chief Executive Officer and Chief Financial Officer pursuant to the NAIC Annual Statement Instructions. Additionally, examination review indicated that the Company was not a party to any finite reinsurance agreements. All ceded reinsurance agreements were accounted for utilizing reinsurance accounting as set forth in SSAP No. 62.

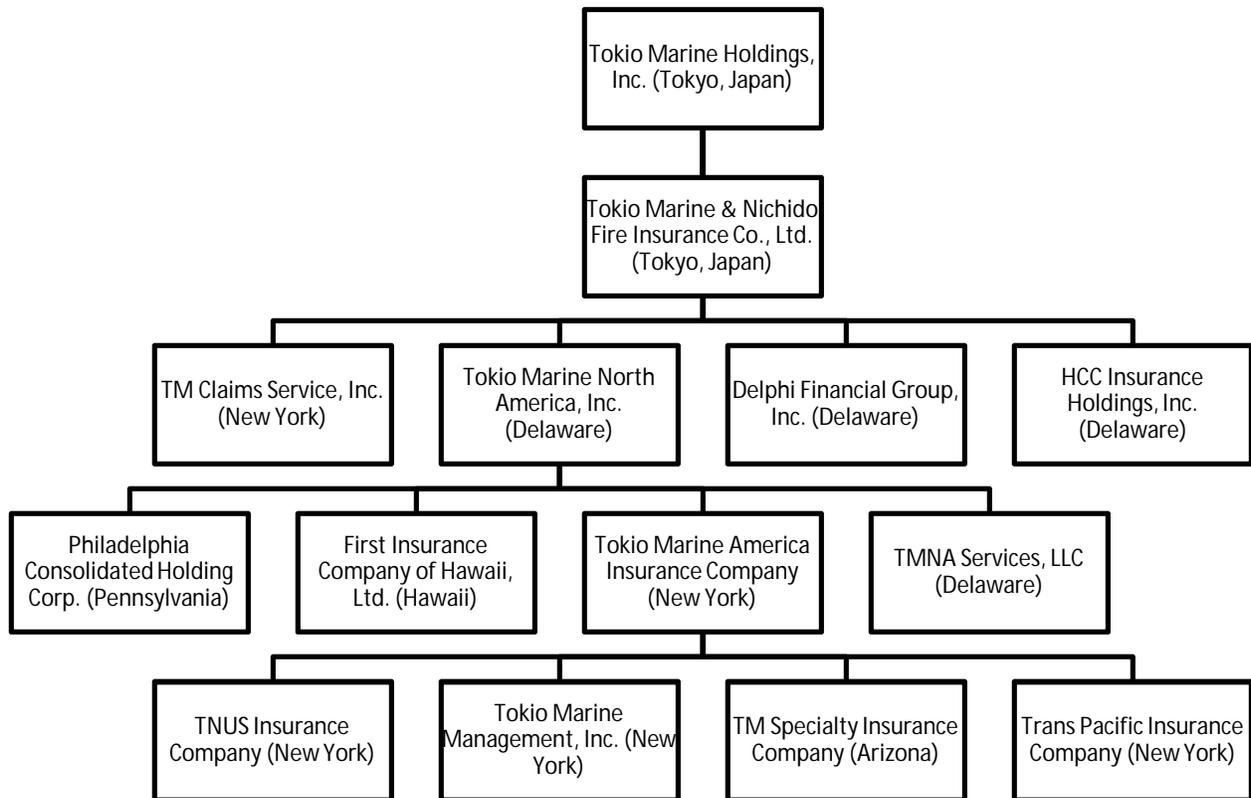
During the period covered by this examination, the Company commuted various reinsurance agreements where it was a reinsurer. These commutations resulted in a gain to the Company's surplus position.

D. Holding Company System

TMAIC is a member of the Tokio Marine Group. The Company is a 100% wholly-owned subsidiary of Tokio Marine North America, Inc. (“TMNA”), an insurance holding company domiciled in the state of Delaware. TMNA is a wholly-owned subsidiary of Tokio Marine & Nichido Fire Insurance Co., Ltd., an insurance company domiciled in Japan which is ultimately controlled by Tokio Marine Holdings, Inc., an insurance holding company organized under the Companies Act of Japan and publicly trading on the Tokyo Stock Exchange and the Osaka Securities Exchange.

A review of the Holding Company Registration Statements filed with this Department indicated that such filings were complete and were filed in a timely manner pursuant to Article 15 of the New York Insurance Law and Department Regulation 52.

The following is an abridged chart of the holding company system at December 31, 2015:



As of December 31, 2015, TMAIC was party to the following agreements with other members of its holding company system:

Service Agreement

Effective February 26, 2013, the Company entered into a service agreement with TMNA Services, LLC, whereby TMNA Services will provide the Company with certain services such as accounting, human resources, legal, investment, actuarial, enterprise risk management, and information technology.

Management Agreement

Effective February 26, 2013, the Company entered into a management agreement with TMM, under which TMM will provide certain management services in respect to the Company's business in the United States, such as: claims, underwriting, policyholder services, producer management, collection and handling of premiums and other funds, reinsurance, marketing support, product development and administration, and facilities.

Tax Allocation Agreement

Effective May 30, 2014, the Company entered into an intercompany tax allocation agreement with TMNA, as the parent for the Group Companies, and the following affiliates: TMM, TPI, TM Specialty Insurance Company and TNUS. Under the agreement, TMNA will file a consolidated federal income tax return on behalf of the Group Companies.

Capital Support Agreement

Effective January 1, 2014, TMNF-Japan entered into a capital support agreement with TMAIC, TPI, TMS and TNUS. The agreement states that TMNF-Japan will provide certain support to the companies to maintain their respective financial strength ratings.

All agreements subject to approval and non-disapproval were filed with the Department pursuant to Section 1505 of the New York Insurance Law.

E. Significant Operating Ratios

The following ratios have been computed as of December 31, 2015, based upon the results of this examination:

Net premiums written to surplus as regards policyholders	60%
Liabilities to liquid assets (cash and invested assets less investments in affiliates)	79%
Premiums in course of collection to surplus as regards policyholders	8%

All of the above ratios fall within the benchmark ranges set forth in the Insurance Regulatory Information System of the National Association of Insurance Commissioners.

The underwriting ratios presented below are on an earned/incurred basis and encompass the one year period covered by this examination:

	<u>Amounts</u>	<u>Ratios</u>
Losses and loss adjustment expenses incurred	\$230,348,371	77.97%
Other underwriting expenses incurred	97,595,756	33.03
Net underwriting loss	<u>(32,496,850)</u>	<u>(11.00)</u>
Premiums earned	<u>\$295,447,277</u>	<u>100.00%</u>

3. FINANCIAL STATEMENTS

A Balance Sheet

The following shows the assets, liabilities and surplus as regards policyholders as of December 31, 2015 as reported by the Company:

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$ 980,072,327	\$ 0	\$ 980,072,327
Common stocks (stocks)	163,085,722	17,159,279	145,926,443
Cash, cash equivalents and short-term investments	36,786,788	0	36,786,788
Investment income due and accrued	9,093,492	0	9,093,492
Uncollected premiums and agents' balances in the course of collection	51,780,824	12,014,925	39,765,899
Deferred premiums, agents' balances and installments booked but deferred and not yet due	55,214,011	310,607	54,903,404
Accrued retrospective premiums	14,835,482	1,483,548	13,351,934
Amounts recoverable from reinsurers	40,106,897	0	40,106,897
Funds held by or deposited with reinsured companies	586,036	0	586,036
Current federal and foreign income tax recoverable and interest thereon	1,116,070	0	1,116,070
Net deferred tax asset	36,806,738	10,128,340	26,678,398
Receivables from parent, subsidiaries and affiliates	137,650	0	137,650
Funds held by deposited - others	2,431,974	0	2,431,974
Amounts receivable under high deductible policies	1,501,721	13,081	1,488,640
Prepaid expenses	1,222,505	0	1,222,505
Equities and deposits in pools and associations	1,645,250	0	1,645,250
Other assets	48,650	48,650	0
Salvage/recoveries receivable	5,232,001	0	5,232,001
Premium tax credit receivable	<u>5,669,417</u>	<u>5,669,417</u>	<u> </u>
Total Assets	<u>\$1,407,373,555</u>	<u>\$46,827,847</u>	<u>\$1,360,545,708</u>

LiabilitiesCompany

Losses and loss adjustment expenses	\$ 747,035,824
Reinsurance payable on paid losses and loss adjustment expenses	2,882,814
Commissions payable, contingent commissions and other similar charges	1,192,392
Other expenses (excluding taxes, licenses and fees)	390,524
Taxes, licenses and fees (excluding federal and foreign income taxes)	1,040,607
Unearned premiums	137,363,224
Ceded reinsurance premiums payable (net of ceding commissions)	19,524,156
Funds held by company under reinsurance treaties	494,001
Amounts withheld or retained by company for account of others	2,129,170
Remittances and items not allocated	675,905
Provision for reinsurance	1,760,952
Payable to parent, subsidiaries and affiliates	2,642,074
Retro reinsurance reserve ceded	(73,151,447)
Miscellaneous other liabilities - retro	5,507,997
Other liabilities	<u>469,799</u>
Total liabilities	849,957,992

Surplus and other funds

Other gain on retroactive reinsurance – restricted surplus	\$15,485,449	
Common capital stock	5,000,100	
Gross paid in and contributed surplus	185,609,648	
Unassigned funds (surplus)	<u>304,492,519</u>	
Surplus as regards policyholders		<u>510,587,716</u>
Total liabilities, surplus and other funds		<u>\$1,360,545,708</u>

Note: The Internal Revenue Service (“IRS”) completed its audits of Tokio Marine America Insurance Company (“TMAIC”), (Successor in Interest to Tokio Marine & Nichido Fire Insurance Co, Ltd (US Branch)) Federal Income Tax returns through tax year 2009. Audits covering tax years 2010 through 2012 are currently under examination under a limited scope audit by the IRS. The Company indicated that no comments and/or findings have been identified to date.

B. Statement of Income

Net income for the one-year examination period, January 1, 2015 through December 31, 2015, was \$17,818,644 detailed as follows:

Underwriting Income

Premiums earned		\$295,447,277
Deductions:		
Losses and loss adjustment expenses incurred	\$230,348,371	
Other underwriting expenses incurred	<u>97,595,756</u>	
Total underwriting deductions		<u>327,944,127</u>
Net underwriting gain or (loss)		(32,496,850)

Investment Income

Net investment income earned	38,573,863	
Net realized capital gain	<u>5,092,664</u>	
Net investment gain or (loss)		<u>43,666,527</u>

Other Income

Net gain or (loss) from agents' or premium balances charged off	(25,291)	
Other gain on retroactive reinsurance – restricted surplus	9,955,781	
Miscellaneous other income	<u>112,369</u>	
Total other income		\$ <u>10,042,859</u>
Net income before dividends to policyholders and before federal and foreign income taxes		<u>21,212,536</u>
Dividends to policyholders		<u>53,975</u>
Net income after dividends to policyholders but before federal and foreign income taxes		21,158,561
Federal and foreign income taxes incurred		<u>3,339,917</u>
Net Income		\$ <u>17,818,644</u>

C. Capital and Surplus

Surplus as regards policyholders increased \$13,268,347 during the one year examination period January 1, 2015 through December 31, 2015, detailed as follows:

Surplus as regards policyholders per report on examination as of December 31, 2014			\$497,319,369
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$ 17,818,644	\$ 0	
Net unrealized capital gains or (losses)	9,642		
Change in net deferred income tax	667,044		
Change in non-admitted assets		18,757,632	
Change in provision for reinsurance	570,901		
Surplus adjustments paid in	162,959,748		
Dividends to stockholders		150,000,000	
Net increase (decrease) in surplus	<u>\$182,025,979</u>	<u>\$168,757,632</u>	<u>\$ 13,268,347</u>
Surplus as regards policyholders per report on examination as of December 31, 2015			<u>\$510,587,716</u>

4. LOSSES AND LOSS ADJUSTMENT EXPENSES

The examination liability for the captioned items of \$747,035,824 is the same as reported by the Company as of December 31, 2015. The examination analysis of the loss and loss adjustment expense reserves was conducted in accordance with generally accepted actuarial principles and statutory accounting principles, including the NAIC Accounting Practices & Procedures Manual, Statement of Statutory Accounting Principle No. 55 (“SSAP No. 55”).

5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination contained no comments or recommendations.

6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

There are no comments or recommendations for this report.

Respectfully submitted,

Kevin McNamee
Associate Insurance Examiner

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

KEVIN MCNAMEE, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

Kevin McNamee

Subscribed and sworn to before me

This _____ day of _____, 2017

APPOINTMENT NO. 31474

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, Maria T. Vullo, Acting Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

Kevin McNamee

as a proper person to examine the affairs of the

Tokio Marine America Insurance Company

and to make a report to me in writing of the condition of said

COMPANY

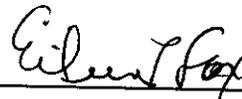
with such other information as he shall deem requisite.

*In Witness Whereof, I have hereunto subscribed by name
and affixed the official Seal of the Department
at the City of New York*

this 14th day of April, 2016

MARIA T. VULLO
Acting Superintendent of Financial Services

By:



Eileen Fox
Assistant Chief Examiner

