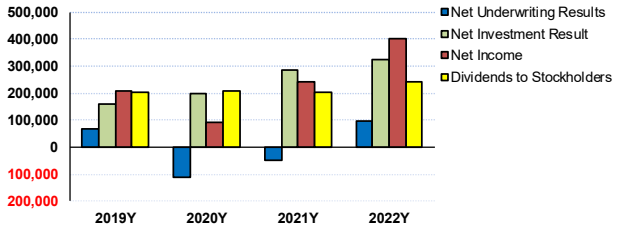
# HOUSTON CASUALTY COMPANY, NAIC #42374
# TOKIO MARINE HOLDINGS, INC.

*Dollars in 000*

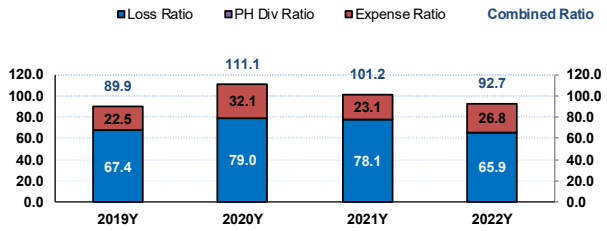
| | 2019Y | 2020Y | 2021Y | 2022Y |
|---|---|---|---|---|
| Total Assets | 3,714,969 | 3,912,207 | 4,449,194 | 5,063,413 |
| Total Liabilities | 1,629,065 | 1,884,145 | 2,362,940 | 2,842,561 |
| Policyholder Surplus | 2,085,904 | 2,028,063 | 2,086,254 | 2,220,853 |
| Cash & Invested Assets | 3,129,444 | 3,238,415 | 3,674,665 | 4,044,775 |
| Cash & Invested Assets/ Total Asse | 84.2% | 82.8% | 82.6% | 79.9% |
| Net Cash from Operations | 219,332 | 141,957 | 642,865 | 606,839 |
| Loss & LAE Reserves | 771,592 | 922,739 | 1,223,789 | 1,492,747 |
| Loss & LAE Reserves/Surplus | 37.0% | 45.5% | 58.7% | 67.2% |

| | 2019Y | 2020Y | 2021Y | 2022Y |
|---|---|---|---|---|
| RBC Ratio (%) | 477.0 | 390.7 | 419.1 | 334.4 |
| 2yr Res Development | -36,423 | -31,164 | 151,308 | 177,843 |
| 2yr Dev / Surplus | -195.3% | -154.7% | 725.4% | 876.9% |
| Affiliated Common Stck | 1,236,900 | 1,272,450 | 1,313,646 | 1,333,745 |
| Affiliated CS / Surplus | 59.3% | 62.7% | 63.0% | 60.1% |
| Net Reins Recoverable | 487,073 | 1,370,117 | 1,183,888 | 1,244,668 |
| Net Reins Rec / Surplus | 23.4% | 67.6% | 56.7% | 56.0% |
| AMB / S&P Ratings | A++ / A+ | A++ / A+ | A++ / A+ | A++ / A+ |

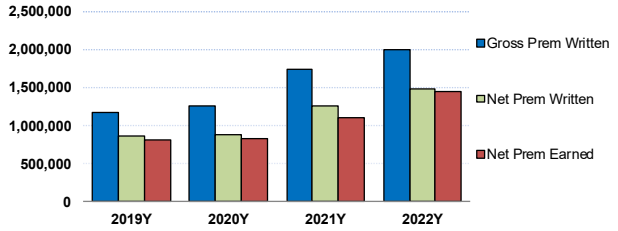
### Income/Loss Trends ($000)



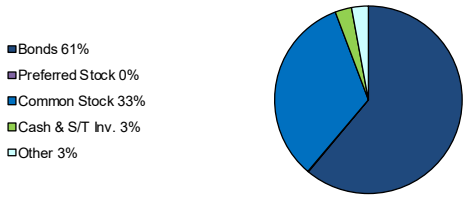

### Combined Ratio (%) Trends



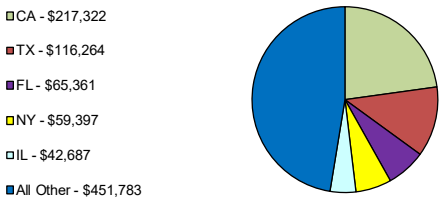

### Premium Trends ($000)



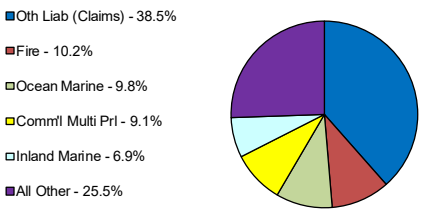

### 2022Y Investment Portfolio




### 2022Y Top 5 Geographies (DPW - $000)




### 2022 Top 5 Lines of Business (DPW/Total DPW)




| | |
|---|---|
| Total NY State DPW | $59,397 |
| Total US ex Terr DPW | $952,814 |

| | |
|---|---|
| Total All Lines | $1,049,322 |

### Top 5 Reinsurers for Houston Casualty Co. by Gross Recoverables
### Period: 2022Y

*Dollars in 000*

| Reinsurer | Reinsurance Class | Reins Authorized Status | Gross Recov | Over 120 Days Overdue |
|---|---|---|---|---|
| 1 - Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München | Non-US Unaffiliated | Unauthorized | 137,078 | 555 |
| 2 - Hannover Rück SE | Non-US Unaffiliated | Mixed Filing | 75,053 | 67 |
| 3 - Transatlantic Reinsurance Company | US Unaffiliated | Authorized | 62,148 | 0 |
| 4 - QBE Reinsurance Corporation | US Unaffiliated | Authorized | 56,665 | 0 |
| 5 - RenaissanceRe Europe AG | Non-US Unaffiliated | Unauthorized | 53,380 | 1,358 |

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## ULTIMATE PARENT – Tokio Marine Holdings, Inc.

| Corporate Profile | | Financial Strength Ratings | |
|---|---|---|---|
| Address: | Tokio Marine Holdings, Inc.<br>Tokiw abashi Tow er<br>Tokyo, -, - | S&P Global:<br>Moody's:<br>Fitch:<br>AM Best - P&C: | -<br>#OUTSIDE SUBSCRIPTION<br>-<br>- |
| Website: | w w w .tokiomarinehd.com | | |
| President : | Satoru Komiya | | |
| Ticker Symbol: | TSE: 8766 | | |
| 2022 Form 10-K: | N/A | | |

| Highlights (¥000) | 2019Y | 2020Y | 2021Y | 2022Y |
|---|---|---|---|---|
| Total Assets | 22,531,402 | 25,253,966 | 25,765,368 | 27,245,852 |
| Total Policy Reserves | 16,416,905 | 17,222,596 | 18,020,554 | 19,246,028 |
| Total Debt | 355,137 | 1,990,714 | 1,839,648 | 1,477,056 |
| Total Other Liabilities | 1,858,578 | 2,372,194 | 1,859,243 | 2,015,005 |
| Sep Account Liabilities | 141,276 | 123,242 | 168,341 | 192,942 |
| Total Liabilities | 18,927,661 | 21,827,291 | 22,042,587 | 23,173,226 |
| **Total Equity** | **3,603,741** | **3,426,675** | **3,722,780** | **4,072,625** |
| Total Liab & Equity | 22,531,402 | 25,253,966 | 25,765,367 | 27,245,851 |
| | | | | |
| Book Value / Share ($) | 1,687.39 | 1,611.90 | 1,762.85 | 1,977.37 |
| Reserves / Investments & Cash (x) | NA | NA | NA | NA |
| Reserves / Liabilities (x) | 0.87 | 0.79 | 0.82 | 0.83 |
| Reserves / Equity (x) | 4.56 | 5.03 | 4.84 | 4.73 |
| Debt / Equity (x) | 0.10 | 0.58 | 0.49 | 0.36 |
| Dec. 31 Closing Price ($) | 1,787.33 | 1,650.00 | 1,755.00 | 2,376.00 |
| | | | | |
| Net Income ($) | 275,720 | 261,838 | 161,837 | 410,414 |
| Basic EPS ($) | 127.67 | 123.25 | 77.38 | 204.49 |
| Investment Yield (%) | NA | NA | NA | NA |
| Ratios (%) | | | | |
| Loss Ratio | 68.80 | 65.20 | 57.40 | 57.50 |
| Expense Ratio | 30.60 | 30.80 | 30.80 | 31.90 |
| PH Dividend Ratio | 0.00 | 0.00 | 0.00 | 0.00 |
| Combined Ratio | 99.40 | 96.00 | 88.20 | 89.40 |

## HISTORY

Houston Casualty Company (Houston Casualty) was incorporated in the State of Texas in December 1981, as International Indemnity Company of Texas, a subsidiary of Houston Casualty Insurance Holdings, Inc. (HCH). The company adopted its current name in May 1983. HCH was acquired by Tokyo Marine Holdings, Inc. (Tokyo Marine) in 2015, and the group rebranded themselves in the United States as Tokyo Marine HCC. Financial and operations control of the company remain with Tokyo Marine HCC and ultimately Tokyo Marine. The company has been eligible to write surplus lines business in New York since December 21, 1994. As of December 31, 2022, Houston Casualty is licensed in Texas and operated on a non-admitted basis in all fifty (50) states, the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands and Northern Mariana Islands.

## REINSURANCE

Houston Casualty reinsurance was with a diverse group of both U.S. and non U.S. unaffiliated reinsurers. The company limits its net retained exposure from any one risk or event through the use of reinsurance. It maintains reinsurance for various lines on a proportional, excess of loss and facultative basis. For the years 2019 through 2022, respectively Houston Casualty net reinsurance recoverable were shown as $487M, $1.4bn, $1.2bn and $1.2bn, representing 23%, 68% 57% and 56% of company surplus.

## HOLDING COMPANY

Founded in 1879, as Tokyo Marine Insurance, in Tokyo, Japan, it is the oldest insurance company in Japan. The company now known as Tokyo Marine Holdings, Inc. is engaged in the businesses of personal and commercial property and casualty insurance, life insurance, health insurance, finance, investment management and general consulting and risk management businesses related to insurance. AM Best collectively rates thirteen (13) insurance subsidiaries of the Houston Casualty Ins. Holdings group, including Houston Casualty Insurance Company. For the years 2019 through 2022 AM Best/S&P rated the group ‘A++’/A+. The group was assigned the financial size of XV ($2bn - >).

## SUBSEQUENT NOTE WORTHY OBSERVATIONS

Revised November 2023

**Important Information Regarding Financial Summaries**

This financial summary contains information helpful to New York excess lines brokers in meeting their non-delegable duty to use “due care” in the selection of a financially secure excess line insurer. Definitions of the financial terms used in the summaries appear as pop-up boxes when hovering your mouse over the corresponding text. For additional guidance on assessing insurance company financial statements, please reference “ELANY COMPLIANCE ADVISOR: FUNDAMENTALS OF INSURANCE COMPANY FINANCIAL ANALYSIS”.

The Excess Line Association of New York has compiled the insurance company financial information from the Annual Statutory Financial Statements. All ratios, charts, and graphs are based on the compiled information. We have made every effort to ensure all information transcribed for these pages is correct. However, the Excess Line Association of New York cannot attest to the accuracy of data provided by its sources, nor do we make any warranties, either expressed or implied, regarding the accuracy or completeness of information presented in this document. We assume no responsibility for loss or damage resulting from the use of this information.