



BEST'S COMPANY REPORT



PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

PHILADELPHIA INSURANCE COMPANIES

AMB #: 018667

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

PHILADELPHIA INDEMNITY INSURANCE COMPANY

A++

Domiciliary Address: One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004-1403 United States

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

AMB #: 003616

NAIC #: 18058

FEIN #: 23-1738402

Phone: +1-610-617-7900

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Website: www.phly.com

TOKIO MARINE SPECIALTY INSURANCE COMPANY

A++

Domiciliary Address: 1209 Orange Street, Corporate Trust Center, Wilmington, Delaware 19801 United States

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

AMB #: 000763

NAIC #: 23850

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Best's Credit Rating Effective Date

December 08, 2023

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Information

[Best's Credit Rating Methodology](#)

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

[Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

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](#).

Philadelphia Insurance Companies

AMB #: 018667

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	Favorable
Enterprise Risk Management	Very Strong

Rating Unit - Members

Rating Unit: Philadelphia Insurance Cos | AMB #: 018667

AMB # Rating Unit Members
003616 Philadelphia Indemnity Ins Co

AMB # Rating Unit Members
000763 Tokio Marine Specialty Ins Co

Rating Rationale

Balance Sheet Strength: Strongest

- Strongest risk-adjusted capitalization level as measured by the Best's Capital Adequacy Ratio (BCAR) scores at the 99.6% level.
- Retention of earnings supports advancement in policyholders' surplus levels.
- Reserve development has generally been favorable across most calendar years with 2022 reserves developing favorably.
- The group's investment portfolio is highly diversified, which is a benefit gained from the size of the invested asset base.
- Strong liquidity levels with financial flexibility available from the insurance operations of Tokio Marine & Nichido Fire Insurance Company, Limited, if necessary.

Operating Performance: Strong

- Consistently strong operating performance across both underwriting and investment results contributes to annual retained earnings.
- Underwriting results benefit from advantages in loss and loss adjustment expense ratios backed by line of business expertise.
- Investment income provides considerable support on a dollar basis to operating performance.

Business Profile: Favorable

- Well-established market leader in its target, niche markets.
- Exceptionally well diversified by jurisdiction, product line, market segment, and distribution channel.
- Extensive use of industry-leading technology to support all facets of operations.

Enterprise Risk Management: Very Strong

- Risk management capabilities are very strong for the risk profile of the group and are in excess of comparable organizations.
- The Philadelphia Insurance Companies' enterprise risk management (ERM) is fully integrated within Tokio Marine's framework. Best practices are shared across insurance operating entities.
- Utilizes the Tokio Marine Standard Economic Capital Model to deliver analysis encompassing risks.

Rating Lift/Drag

- Strategic importance to the parent through material earnings contributions and diversification. In addition, there is significant integration with the rest of the organization through ERM, investment management and various operational synergies.

Outlook

- Factors supporting the stable outlooks include risk-adjusted capitalization at the strongest level, a history of profitable underwriting and operating results that are favorable to the peer composite, robust product and geographic diversification complemented by a wide-ranging distribution network, and very strong ERM capabilities. The outlooks further consider the strategic importance to the parent through earnings contributions and diversification.

Rating Drivers

- Negative rating action could result if there is a decline in the group's risk-adjusted capitalization.
- Negative rating action could result if there is an unfavorable change in AM Best's view of the strategic importance of Philadelphia Insurance Companies to the Tokio Marine organization.
- While unlikely, positive rating action could result if there is a favorable change in AM Best's view of the strategic importance of Philadelphia Insurance Companies to the Tokio Marine organization.

Key Financial Indicators

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

Confidence Level	95.0	99.0	99.5	99.6
BCAR Score	68.0	53.2	47.2	45.1

Source: Best's Capital Adequacy Ratio Model - P/C, US



Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	2,106,459	1,956,293	4,067,477	3,835,546	3,589,467	3,693,279	3,646,537
Assumed*	215,058	205,529	12,384	12,633	12,265	15,636	13,617
Ceded*	456,624	366,006	373,512	405,224	350,758	338,358	299,130
Net	1,864,893	1,795,816	3,706,349	3,442,954	3,250,975	3,370,557	3,361,024
Net Operating Income	263,534	262,287	464,082	407,906	410,885	244,364	377,722
Net Income	233,277	252,649	456,094	398,815	375,557	245,724	369,909
Total Admitted Assets	12,563,423	11,686,062	12,160,742	11,354,827	10,564,727	10,057,287	9,679,173
Policyholders' Surplus	3,884,341	3,415,015	3,617,636	3,229,289	2,804,396	2,480,086	2,560,750

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

Key Financial Ratios (%)	6-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	96.0	91.3	93.9	94.0	94.5	101.6	95.3	95.9
Reserve Development Combined Ratio Impact	-2.9	-2.8	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	4.6	3.2	3.5	3.1	3.3	3.7	3.7	3.5
Pre-Tax Operating Return on Net Earned Premiums	17.3	17.8	15.6	14.4	14.8	8.1	13.2	13.2
Net Income Return on Policyholders' Surplus	12.4	15.2	13.3	13.2	14.2	9.7	14.6	13.1
Total Return on Policyholders' Surplus	13.1	12.8	12.0	13.9	13.7	10.4	14.1	12.8
Leverage:								
Net	3.2	3.5	3.4	3.6	3.9	4.4	4.1	...
Gross	...	...	3.7	3.9	4.2	4.7	4.4	...
Non-affiliated Investment	56.3	66.2	61.6	67.3	66.6	68.0	47.3	...

Source: BestLink® - Best's Financial Suite

Credit Analysis

Balance Sheet Strength

The group maintains the strongest level of risk-adjusted capitalization, as measured by Best's Capital Adequacy Ratio (BCAR). Growth in surplus has largely kept pace with the increase in premium and loss reserves in recent years, resulting in consistent net underwriting leverage measures that are on pace with the composite. The annual generation of retained earnings has been the driver of the group's considerable surplus appreciation over the last decade. Over the last five years growth in surplus has been constrained by shareholder dividends. Annual dividends over the five-year period ending 2022 totaled \$649 million. Both underwriting and investment activities have contributed materially to the group's organic earnings production.

Capitalization

The group maintains solid levels of current and overall liquidity that exceed the industry composite averages. The group's liquidity is reflected in increased premium collections and the considerable operating cash flow generated annually. Additionally, the membership of the group's two operating companies with the Federal Home Loan Bank of Pittsburgh (FHLB) provides an additional source of liquidity, if needed. The companies can utilize established borrowing capacity based on their FHLB-eligible level of collateral. As of September 30, 2023, there were no borrowings outstanding with the FHLB. Implicit capital support is provided by reinsurance programs with affiliated entities within Tokio Marine Holdings, Inc., while explicit support is available if necessary.

Balance Sheet Strength (Continued...)

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Beginning Policyholders' Surplus	3,617,636	3,229,289	3,229,289	2,804,396	2,480,086	2,560,750	2,506,912
Net Operating Income	263,534	262,287	464,082	407,906	410,885	244,364	377,722
Net Realized Capital Gains (Losses)	-30,257	-9,639	-7,988	-9,091	-35,327	1,359	-7,814
Net Unrealized Capital Gains (Losses)	12,024	-40,569	-45,748	19,830	-13,050	15,526	-12,521
Stockholder Dividends	...	...	...	-15,000	-17,873	-315,000	-301,000
Other Changes in Capital and Surplus	21,404	-26,354	-22,000	21,248	-20,325	-26,913	-2,550
Net Change in Policyholders' Surplus	266,705	185,726	388,346	424,894	324,310	-80,664	53,838
Ending Policyholders' Surplus	3,884,341	3,415,015	3,617,636	3,229,289	2,804,396	2,480,086	2,560,750
Net Change in Policyholders' Surplus (%)	7.4	5.8	12.0	15.2	13.1	-3.2	2.1
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	7.6	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Net Operating Cash Flow USD (000)	281,557	268,209	771,439	800,948	709,574	732,026	755,440
Current Liquidity (%)	112.7	108.6	110.9	109.4	106.6	102.3	108.3

Source: BestLink® - Best's Financial Suite

Asset Liability Management - Investments

Net investment income has grown in four out of the past five years as the group's growing invested asset base has been strongly influenced by increases in written premium. The generation of substantial operating cash flow is directly tied to the increased investment income. The level of invested assets in a portfolio emphasizing tax-exempt state and municipal bonds has resulted in a pre-tax investment yield on par with the composite average. The growth in invested assets has remained consistent despite substantial levels of shareholder dividends paid annually to the parent organization.

Composition of Cash and Invested Assets	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Total Cash and Invested Assets USD (000)	10,982,847	10,240,730	10,714,424	10,018,254	9,256,065	8,726,083	8,313,669
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	1.1	0.9	1.1	1.2	0.4	1.0	1.1
Bonds	86.5	85.4	86.1	86.1	87.4	85.9	89.8
Stocks	0.4	0.5	0.4	0.6	0.6	1.0	0.7
Other Invested Assets	12.0	13.2	12.4	12.0	11.5	12.1	8.4
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	0.1	0.4	0.4	0.4	0.1	9.2
Government Agencies and Municipal Bonds	2.1	8.9	6.7	12.9	9.9	12.8
Industrial and Miscellaneous Bonds	2.4	23.6	14.7	3.3	7.6	8.2
Bank Loans	0.5	4.5	0.9	...	...	3.5
Hybrid Securities	0.2	0.3	0.1	0.1	0.1	5.8
Total Bonds	5.3	37.6	22.8	16.6	17.6	9.8

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)
Reserve Adequacy

Reserve development has generally been favorable across most calendar years and the development is variable across accident years. The reserves developed favorably by \$66.3M in 2022 (2.1% of PHS). Commercial auto liability and commercial multi-peril were the biggest drivers of favorable reserve releases. Adequacy of reserves was evaluated as part of a 2020 independent audit and the company-carried reserves were slightly above the point estimate selected by auditor (PwC) at that time. The company's carried reserves have continued to be slightly above their independent point estimate through the third quarter of 2023.

	6-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Loss and Loss Adjustment Expense Reserves and Development - Calendar Year							
Loss and ALAE* Reserves USD (000)	6,079,621	5,824,976	5,722,581	5,407,907	5,144,419	5,129,924	4,842,278
Loss and ALAE* Reserves Development USD (000)	-53,059	-50,276	...	-66,307	-117,342	77,920	226,711
Development to:							
Original Reserves (%)	...	...	...	-1.2	-2.2	1.5	4.9
Prior Year End Reserves(%)	-0.9	-0.9	...	...	...	...	...
Prior Year End Surplus (%)	-1.5	-1.6	...	-2.1	-4.2	3.1	8.9

Source: BestLink® - Best's Financial Suite

* Interim LAE reserves balances displayed include Adjusting and Other Unpaid as well as Defense and Cost Containment Unpaid. Year End LAE balances include Defense and Cost Containment Unpaid only.

	Year End - December 31				
Loss and Loss Adjustment Expense Reserves and Development - Accident Year	2022	2021	2020	2019	2018
Original Loss and ALAE Reserves USD (000)	1,795,135	1,631,868	1,531,821	1,600,272	1,560,018
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	1,795,135	1,593,392	1,369,646	1,728,469	1,724,497
Development to Original Reserves (%)	...	-2.4	-10.6	8.0	10.5
Accident Year Loss and LAE Ratio (%)	65.0	65.0	57.9	67.9	70.4
Accident Year Combined Ratio (%)	96.1	95.4	88.3	97.3	100.1

Source: BestLink® - Best's Financial Suite

Holding Company Assessment

Implicit capital support is provided by reinsurance programs with affiliated entities within Tokio Marine Holdings, Inc., while explicit support is available if necessary.

Operating Performance

Excellent underwriting results and considerable investment income have produced consistently strong earnings over the past five years, generating pre-tax returns on revenue and surplus that outpaced those of the commercial casualty composite. An increasing earned premium base, driven by the expansion of the group's marketing efforts on chosen niche classes of business and the introduction of new products, has led to annual underwriting income generation. Consistent underwriting and operating cash flows have facilitated growth in the invested asset base, providing the impetus for greater net investment income generation. In some years, income production has been dampened by higher-than-average catastrophe losses. The impact of these occasional years has been mitigated by reinsurance programs, comprehensive underwriting criteria, and proactive management of policy terms and conditions. A.M. Best expects the group to continue judiciously employing a strategy emphasizing growth in targeted niche areas. New product implementation and an organized, committed approach to prospecting should enable the group to further capitalize on its leadership position in the specialty commercial lines marketplace.

The group has posted excellent underwriting results over the past five years, favorable loss ratios compared to the composite. Strictly defined niches, product innovation, and individual account underwriting are the operational hallmarks that have led to historically favorable results. The group's expense ratio remains slightly above the composite, which also helps lead to a five-year combined ratio that is approximately two percentage points more favorable than the composite average. The long-held philosophy of Philadelphia Insurance Companies is for the group to generate an underwriting profit on each line of business written. Another factor influencing the favorable results in recent years is the group's focused and disciplined market expansion. Additionally, the group's marketing

Operating Performance (Continued...)

strategy has successfully utilized product differentiation and the maintenance of close customer contact with agents and insureds to cultivate long-term relationships. A.M. Best believes the strong underwriting fundamentals will continue to provide opportunities to generate underwriting profits in the future.

Net investment income has been strong over the past five years, as the group's growing invested asset base has been aided by the increases in written premium. The generation of substantial operating cash flow is directly tied to the increased investment income. The level of invested assets in a portfolio emphasizing tax-exempt state and municipal bonds has resulted in a pre-tax investment yield on par with the composite average. The growth in invested assets has been consistent despite substantial levels of shareholder dividends paid annually to the parent organization.

Going forward, A.M. Best expects the group to pursue additional top-line growth resulting from expanded marketing efforts, the continued maturation of recently introduced products, along with the addition of new products. Other opportunities may be created by market dislocation where the group can utilize its ample and diverse distribution force to pursue these new business opportunities. A.M. Best expects the group's capitalization to remain strong and comfortably supportive of the ratings.

Operating and Financial Performance Ratios (%) - Company	6-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Calendar Year Loss and LAE Ratio	63.8	60.4	62.8	63.6	64.1	72.2	65.6	65.6
Expense and Policyholder Dividend Ratio	32.2	30.9	31.1	30.5	30.4	29.5	29.7	30.2
Combined Ratio	96.0	91.3	93.9	94.0	94.5	101.6	95.3	95.9
Reserve Development Ratio Impact	-2.9	-2.8	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	4.6	3.2	3.5	3.1	3.3	3.7	3.7	3.5
Pre-Tax Operating Return on Net Earned Premiums	17.3	17.8	15.6	14.4	14.8	8.1	13.2	13.2
Net Income Return on Policyholders' Surplus	12.4	15.2	13.3	13.2	14.2	9.7	14.6	13.1
Total Return on Policyholders' Surplus	13.1	12.8	12.0	13.9	13.7	10.4	14.1	12.8

Source: BestLink® - Best's Financial Suite

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

Source: BestLink® - Best's Financial Suite

Industry Composite: Commercial Casualty Composite - BestLink® - Best's Financial Suite

Business Profile

Philadelphia Insurance Companies (the "group") consists of Philadelphia Indemnity Insurance Company (PIIC) and Tokio Marine Specialty Insurance Company (TMSIC) (formerly Philadelphia Insurance Company).

PIIC is a Pennsylvania-domiciled property and casualty insurance company with licenses in 50 states and the District of Columbia. TMSIC is a Delaware-domiciled property and casualty insurance company approved for excess and surplus lines business in 49 states, the District of Columbia, and the U.S. Virgin Islands. TMSIC's business plan focuses on underwriting the group's niche products on a surplus lines basis in those jurisdictions in which the products are not offered on an admitted basis. PIIC and TMSIC proportionately share all premium, losses and expenses on a pro rata basis, under the terms of an intercompany reinsurance pooling agreement. The pooling percentages of PIIC and TMSIC are 95% and 5%, respectively.

The group designs, markets and underwrites specialty commercial property and casualty and professional liability insurance products tailored for the unique exposures of niche markets, providing competitively priced policies, local service relationships, and differentiated coverage features. The group's products include commercial multi-peril package insurance targeting specialized niches, including

Business Profile (Continued...)

among others, non-profit organizations, condominium associations, private, vocational and specialty schools, religious organizations, day-care facilities, recreation and outdoor products industry, and health and fitness centers. Other products include commercial automobile insurance, property insurance for large commercial accounts, inland marine products targeting larger risks such as miscellaneous property floaters and select classes of professional liability and management liability products. During 2011, the group launched a surety division that began offering surety bonds for contractors, sub-contractors, and others in the construction industry as well as other selective commercial surety bonds. In 2012, the group launched an excess and surplus lines division. New products are developed annually to complement those that become more mature and competitive. These new products are designed to take advantage of emerging exposures and developing or changing market niches.

A select group of approximately 237 "preferred agents" and a broader network of approximately 12,000 independent producers complement the group's approximately 120 marketing professionals located in 50 regional and field offices across 13 regions covering the United States. The group's distribution model integrates proactive risk selection into the underwriting process via direct contact with the business prospect and/or policyholder.

Going forward, A.M. Best expects the group to pursue additional top-line growth resulting from expanded marketing efforts, the continued maturation of recently introduced products, and the strategic addition of new products. Other opportunities may be created by market dislocation where the group can utilize its ample and diverse distribution force to pursue these new business opportunities.

Premium Composition and Growth	6-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	2,106,459	1,956,293	4,067,477	3,835,546	3,589,467	3,693,279	3,646,537	...
% Change	7.7	5.5	6.0	6.9	-2.8	1.3	5.5	3.3
Reinsurance Premiums Assumed USD (000)*	215,058	205,529	12,384	12,633	12,265	15,636	13,617	...
% Change	4.6	8.1	-2.0	3.0	-21.6	14.8	18.2	1.5
Reinsurance Premiums Ceded USD (000)*	456,624	366,006	373,512	405,224	350,758	338,358	299,130	...
% Change	24.8	-4.0	-7.8	15.5	3.7	13.1	5.2	5.6
Net Premiums Written USD (000)	1,864,893	1,795,816	3,706,349	3,442,954	3,250,975	3,370,557	3,361,024	...
% Change	3.8	8.0	7.7	5.9	-3.5	0.3	5.6	3.1

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Comm M.P.	2,022,375	49.7	...	...	141,643	37.9	1,880,732	50.7	93.0
Other Liab Occurrence	568,842	14.0	...	...	123,995	33.2	444,848	12.0	78.2
Comm Auto Liab	517,600	12.7	10,510	84.9	22,015	5.9	506,095	13.7	95.8
Other Liab Claims made	464,146	11.4	...	...	14,922	4.0	449,224	12.1	96.8
Auto Phys Dmg	185,085	4.6	1,750	14.1	4,122	1.1	182,713	4.9	97.8
Top 5	3,758,049	92.4	12,260	99.0	306,697	82.1	3,463,612	93.5	91.9
All Other	309,428	7.6	124	1.0	66,815	17.9	242,736	6.5	78.4
Total	4,067,477	100.0	12,384	100.0	373,512	100.0	3,706,349	100.0	90.8

Source: BestLink® - Best's Financial Suite

Business Profile (Continued...)

Year End - December 31

Geographic Breakdown by Direct Premiums Written USD (000)	2022	2021	2020	2019	2018
California	563,368	532,678	493,062	505,020	510,299
New York	442,494	431,481	416,869	457,180	455,041
Florida	282,673	272,463	240,241	238,343	226,528
Texas	279,053	261,831	246,681	255,566	247,593
Pennsylvania	217,444	204,114	190,836	204,095	198,184
Top 5 States	1,785,032	1,702,567	1,587,688	1,660,204	1,637,646
All Other	2,282,445	2,132,979	2,001,779	2,033,075	2,008,891
Total	4,067,477	3,835,546	3,589,467	3,693,279	3,646,537
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

Enterprise Risk Management

The Enterprise Risk Management (ERM) structure in place is extensive and well-integrated with key risks identified and the specific committees or teams assigned to monitor and address each risk. It includes the establishment and maintenance of appropriate controls with respect to each risk category. The ERM structure is headed up by the executive management team with a specific ERM Committee overseeing both Corporate Governance and Departmental Functions. Each committee reports directly to the executive management team. The lead ERM Committee consists of the CEO, CFO, CIO, Chief Actuarial Officer, and the director of internal audit. A separate Audit Committee reviews the activities/output of the ERM Committee. Every key risk has a risk-based "dashboard" that is always available to management. This dashboard details each key risk; denotes the perils or circumstances that could lead to the risk arising; quantifies the risk; and shows work in progress as far as addressing the risk.

Philadelphia Insurance Companies' ERM structure is also fully integrated with that of TMHD. Dashboard calculations are consistent with TMHD's Standard Capital Modeling Manual. Philadelphia Insurance Companies' Dynamic Portfolio Optimization program is being evaluated and selectively implemented across other TMHD Group companies, which is proving valuable with respect to east coast hurricane exposure determinations.

Reinsurance Summary

Under its casualty treaty, the group retains the first \$4.0 million primary layer of liability on each occurrence and maintains reinsurance coverage up to \$21.0 million provided in two layers -- \$7.0 million in excess of \$4.0 million (first) and \$10.0 million in excess of \$11.0 million (second). This coverage is placed with a 20% co-participation retained on both layers. This casualty treaty is shared with two affiliates, First Insurance Company of Hawaii (FICOH), whose risk exposure is in Hawaii only, and Tokio Marine Pacific Insurance Limited, whose risk exposure is in Guam only.

Facultative reinsurance coverage (on an individual risk basis) is purchased for casualty risks in excess of \$21.0 million. An excess clash casualty reinsurance agreement provides an additional \$40.0 million of coverage in excess of a \$5.0 million retention for protection from exposures such as extra-contractual obligations, judgments in excess of policy limits, and liability losses not covered by the casualty treaty. This treaty is 100% placed and is shared with First Insurance Company of Hawaii.

The group retains the first \$10.0 million layer on its property risks with its reinsurers bearing liability up to \$90.0 million excess of the \$10.0 million retention. The \$90.0 million of property reinsurance coverage is 100% placed. Coverage on this treaty is shared with FICOH.

Automatic facultative reinsurance coverage is provided on each commercial property risk with limits in excess of \$100.0 million up to \$150.0 million, except for risks located in Florida, Hawaii, or Harris County, Texas, where coverage is provided for property losses in excess of \$100.0 million up to \$130.0 million. The property per risk excess of loss treaty also provides for \$90.0 million aggregate policy limit for terrorism exposure in excess of a \$10.0 million retention. The automatic facultative facility provides terrorism coverage for \$50 million in the aggregate.

Catastrophe reinsurance is maintained in excess of a \$125.0 million per occurrence retention up to \$700.0 million in two reinsurance contracts. The first catastrophe contract has coverage for \$125.0 million in excess of \$100.0 million applicable to losses occurring nationwide. This catastrophe contract is 100% placed and is shared with FICOH. The second catastrophe contract, which is also shared with FICOH, has coverage for \$225.0 million in excess of \$175.0 million and is applicable to nationwide losses. In 2023 a third layer

Enterprise Risk Management (Continued...)

was added at \$300M in excess of \$400M to bring the total coverage to \$700M. This layer applies to losses in the Northeast only and is shared with FICOH.

Environmental, Social & Governance

AM Best considers the company's exposure to material environmental, social, and corporate governance (ESG) risks to be low. The company operates in an environment where its underwriting activities have low or no exposure to climate risk, and its profile on underwriting and investment are not exposed to so-called toxic assets and industries. The company operates in line with market peers, and at present ESG factors are unlikely to impact the credit quality of the company in the short term. There are no regulatory requirements relating to ESG, although the company regularly monitors developments to ensure its practices are compliant.

Rating Lift/Drag

Philadelphia Insurance is an important source of both earnings and diversification to The Tokio Marine North American Operations. In 2020 the company expanded its collaboration with Tokio Marine where they introduced their preferred agents to PURE, which is another company under Tokio Marine umbrella. Further, the company continues to rely on Delphi Financial for management of its investment portfolio. Finally, Philadelphia Insurance actively participates and helps in driving strategy at quarterly Tokio Marine P&C meetings.

Other synergies include:

- Ability to cross sell products within enterprise (potential with HCC ProAg crop insurance product)
- The company is working collaboratively with Tokio Marine Group Retention Vehicle
- Shared services with the parent
- Global CAT reinsurance program that is integrated with other entities in the portfolio
- Enterprise Risk Management that is integrated with the parent

Financial Statements

	6-Months		Year End - December 31			
	2023		2022		2021	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	120,111	1.0	113,138	0.9	121,727	1.1
Bonds	9,497,897	75.6	9,227,098	75.9	8,627,526	76.0
Preferred and Common Stock	42,251	0.3	43,062	0.4	62,528	0.6
Other Invested Assets	1,322,588	10.5	1,331,127	10.9	1,206,473	10.6
Total Cash and Invested Assets	10,982,847	87.4	10,714,424	88.1	10,018,254	88.2
Premium Balances	1,198,066	9.5	1,044,266	8.6	995,568	8.8
Net Deferred Tax Asset	162,637	1.3	160,668	1.3	151,322	1.3
Other Assets	219,873	1.8	241,383	2.0	189,683	1.7
Total Assets	12,563,423	100.0	12,160,742	100.0	11,354,827	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	2,575,522	20.5	2,321,664	19.1	2,349,793	20.7
Net IBNR Loss Reserves*	3,504,099	27.9	2,534,890	20.8	2,244,602	19.8
Net LAE Reserves	...	...	1,122,927	9.2	1,128,560	9.9
Total Net Loss and LAE Reserves	6,079,621	48.4	5,979,482	49.2	5,722,956	50.4
Net Unearned Premiums	1,870,335	14.9	1,859,000	15.3	1,745,620	15.4
Other Liabilities	729,127	5.8	704,625	5.8	656,962	5.8
Total Liabilities	8,679,083	69.1	8,543,107	70.3	8,125,538	71.6
Capital Stock	8,775	0.1	8,775	0.1	8,775	0.1
Paid-In and Contributed Surplus	404,714	3.2	404,714	3.3	404,714	3.6
Unassigned Surplus	3,470,852	27.6	3,204,147	26.3	2,815,800	24.8
Total Policyholders' Surplus	3,884,341	30.9	3,617,636	29.7	3,229,289	28.4
Total Liabilities and Surplus	12,563,423	100.0	12,160,742	100.0	11,354,827	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	6-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Premiums Earned	1,853,109	1,776,643	3,592,968	3,362,720
Net Losses and LAE Incurred:				
Current Accident Year	1,236,023	1,122,818	2,335,614	2,231,808
Prior Accident Years	-53,059	-50,276	-78,847	-94,364
Underwriting Expenses Incurred	600,008	555,385	1,151,011	1,048,211
Dividends to Policyholders	288	351	822	860
Net Underwriting Income	69,849	148,365	184,368	176,205
Net Investment Income	249,653	164,991	370,418	303,015
Other Income (Expense)	1,914	2,582	5,172	4,387
Pre-Tax Operating Income	321,416	315,938	559,958	483,608
Income Taxes Incurred	57,882	53,651	95,876	75,701
Net Operating Income	263,534	262,287	464,082	407,906
Net Realized Capital Gains (Losses)	-30,257	-9,639	-7,988	-9,091
Net Income	233,277	252,649	456,094	398,815

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	6-Months		Year End - December 31	
	2023	2022	2022	2021
Net Premiums Collected	1,740,729	1,694,266	3,634,584	3,475,415
Net Losses Paid	897,600	817,989	1,668,994	1,564,002
Expenses Paid	769,307	733,557	1,478,983	1,376,696
Dividends to Policyholders	288	351	822	860
Net Underwriting Cash Flow	73,535	142,368	485,785	533,857
Net Investment Income	254,843	172,350	389,530	353,930
Other Income (Expense)	1,988	2,813	5,378	3,768
Income Taxes Paid (Recovered)	48,809	49,323	109,254	90,607
Net Operating Cash Flow	281,557	268,209	771,439	800,948

Source: BestLink® - Best's Financial Suite

Philadelphia Insurance Companies

Last Update

December 18, 2023

Identifiers

AMB #: 018667

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Property/Casualty business of AMB#: [058633 Tokio Marine Holdings, Inc.](#)

AMB#: [003616 Philadelphia Indemnity Insurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

Operations

Date Incorporated: February 10, 1927

Domiciled: Pennsylvania, United States

Business Type: Property/Casualty

Organization Type: Stock

Marketing Type: Broker

Best's Credit Ratings

Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: December 08, 2023

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 018667 - Philadelphia Insurance Companies](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
003616	Philadelphia Indemnity Ins Co	A++	aa+
000763	Tokio Marine Specialty Ins 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 Associated Ultimate Parent to this group. Its current data structure is based on the corporate structure for the associated ultimate parent and the non-legal entities such as data records and AM Best Groups. Access current [Data Structure](#) in BestLink.

Financial Results

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

Currency: US Dollars

Balance Sheet Highlights

Year End - December 31

Ceded Reinsurance Analysis

	2022	2021	2020	2019	2018
Philadelphia Insurance Companies					
Ceded Reinsurance USD (000)	1,061,653	1,083,502	886,555	813,687	691,731
Business Retention (%)	90.8	89.5	90.3	90.9	91.8
Reinsurance Recoverables to PHS (%)	20.6	22.5	20.3	20.3	16.2
Ceded Reinsurance to PHS (%)	29.3	33.6	31.6	32.8	27.0
Commercial Casualty Composite					
Business Retention (%)	78.3	78.0	78.7	79.5	81.3
Reinsurance Recoverables to PHS (%)	74.3	74.0	74.6	73.2	77.0
Ceded Reinsurance to PHS (%)	107.0	106.3	105.1	103.1	104.0

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
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2022 Reinsurance Recoverables USD (000)

	2022	2021	2020	2019	2018
US Affiliates	408,518	539,430	241,167	3,913	1,193,028
Foreign Affiliates	8,480	54,091	14,946	990	78,506
US Insurers	155,980	274,900	88,252	...	519,131
Pools/Associations	17,629	6,113	14,728	...	38,470
Other Non-US	45,773	42,111	18,066	-26	105,923
Total (excluding US Affiliates)	227,862	377,215	135,992	964	742,030
Grand Total	636,787	918,110	377,792	4,878	1,937,567

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

9-Months
2023

2022

2022

Year End - December 31
2021

2020

2019

2018

Bond Portfolio

Bonds & Short Term Investments USD(000)	9,784,349	8,938,887	9,227,148	8,627,526	8,088,913	7,493,542	7,469,471
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	0.7	1.1	1.6	1.9	2.1
Foreign Government	...	...	0.7	0.9	1.0	0.3	0.2
Foreign - All other	...	...	3.0	4.1	2.9	2.7	3.2
State, Municipal & Special Revenue	...	...	40.4	40.7	43.1	44.8	47.3
Industrial and Misc, Hybrid and SVO Identified	...	...	55.2	53.2	51.5	50.3	47.1
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	34.6	35.4	34.4	36.6	35.0
Public issues	...	...	65.4	64.6	65.6	63.4	65.0
Bonds and Short Term Investments By Quality (%)							
Class 1	73.7	71.3	72.0	69.8	72.7	77.5	79.4
Class 2	17.5	19.2	18.6	19.5	17.9	15.0	13.9
Class 3	3.4	4.5	4.0	4.8	4.3	3.0	3.5
Class 4	2.5	4.4	4.1	5.2	4.2	3.9	1.9
Class 5	2.7	0.4	1.3	0.6	0.8	0.7	1.2
Class 6	0.2	0.1	0.1	...	0.1	...	...
Below Investment Grade (NAIC 3-6)	8.8	9.5	9.4	10.7	9.4	7.5	6.7
Below Investment Grade - % of Policyholders' Surplus	21.4	24.3	24.1	28.6	27.0	22.7	19.6

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

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

Stock Portfolio

Stocks USD(000)	42,690	42,678	43,062	62,528	59,091	87,466	61,135
By Type (%)							
Unaffiliated Common	...	...	66.2	69.2	73.5	74.0	24.4
Unaffiliated Preferred	...	...	33.8	30.8	26.5	26.0	75.6

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	9-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	

Operating and Financial Performance Ratios (%)

Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	...	67.6	67.9	67.2	70.5	69.4	70.3	69.0
Expense and Policyholder Dividend Ratio	...	27.8	28.0	28.7	29.6	30.5	30.1	29.3
Combined Ratio	...	95.4	95.9	95.9	100.1	99.9	100.4	98.3
Reserve Development Ratio Impact	...	-1.0	-0.7	-1.8	-0.9	-0.3	-1.3	-1.0
Net Investment Yield	...	3.1	3.3	3.3	3.3	3.6	3.8	3.5
Pre-Tax Operating Return on Net Earned Premiums	...	11.6	12.7	13.6	9.9	11.3	10.3	11.6
Net Income Return on Policyholders' Surplus	...	8.3	9.2	11.3	7.1	9.3	8.9	9.2
Total Return on Policyholders' Surplus	...	0.5	5.8	14.3	8.1	12.4	5.6	9.2

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018

By Line - Net Loss Ratio (%)

Comm M.P.	53.7	58.6	55.2	60.0	55.4
Other Liab	61.2	54.9	55.2	63.0	50.8
Comm Auto Liab	53.2	48.5	58.8	68.8	62.7
Auto Phys Dmg	54.1	49.1	36.6	54.6	56.9
Surety	16.6	18.8	16.3	23.0	17.6
Other A&H	8.9	...	...	...	...
Fidelity	23.3	11.0	42.6	10.6	21.0
Product Liab	9.9	-30.3	-29.1	-0.6	7.5
PP Auto Liab	99.5	93.7	86.6	109.6	122.4
Farmowners	53.4	42.7	118.7	...	...
All Other	10.2	30.2	35.2	56.7	38.9
Total	53.2	53.5	52.7	59.8	53.6

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Year End - December 31

Geographic - Direct Loss Ratio (%)

	2022	2021	2020	2019	2018
California	61.2	64.9	51.1	68.0	57.7
New York	56.6	44.1	42.8	64.7	59.5
Florida	66.0	65.2	80.6	66.5	53.1
Texas	49.9	90.1	61.1	60.2	31.8
Pennsylvania	58.2	52.7	55.5	62.8	61.2
Massachusetts	39.0	39.0	32.4	43.4	39.3
New Jersey	50.5	51.2	46.0	58.8	44.0
Washington	92.5	65.6	46.9	60.3	65.4
Arizona	44.6	57.0	67.3	43.0	36.6
Illinois	55.9	53.3	70.7	81.8	79.1
All Other	49.5	49.1	52.3	54.6	48.7
Total	54.3	55.2	53.2	59.6	51.5

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

Year End - December 31

	2022	2021	2020	2019	2018
Comm M.P.	1,880,732	1,768,207	1,685,458	1,728,256	1,699,475
Other Liab	894,072	806,965	757,624	781,087	824,676
Comm Auto Liab	506,095	470,518	435,565	481,769	472,681
Auto Phys Dmg	182,713	173,087	167,068	174,837	168,444
Surety	153,467	137,333	128,748	127,371	116,269
Other A&H	36,815	...	...	...	...
Fidelity	16,377	20,556	16,729	15,153	12,020
Product Liab	10,746	8,921	10,316	16,270	29,609
Farmowners	8,149	4,916	1,738	...	...
PP Auto Liab	7,341	7,380	7,810	7,555	7,178
All Other	9,841	45,073	39,919	38,260	30,672
Total	3,706,349	3,442,954	3,250,975	3,370,557	3,361,024

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

	Year End - December 31		2020
	2022	2021	
By Line Reserves USD (000)			
Comm M.P.	3,146,179	3,016,631	2,869,739
Other Liab	1,842,751	1,741,040	1,682,565
Comm Auto Liab	792,852	785,579	783,334
Surety	113,111	93,018	72,235
Other A&H	29,331	...	...
Product Liab	14,959	15,998	22,563
PP Auto Liab	12,315	13,142	14,412
Auto Phys Dmg	12,021	11,535	8,088
Fidelity	6,871	4,344	4,753
Medical Prof Liab	4,183	5,121	4,534
All Other	4,908	36,547	30,728
Total	5,979,482	5,722,956	5,492,952

Source: BestLink® - Best's Financial Suite

Philadelphia Indemnity Insurance Company

Last Update

December 18, 2023

Identifiers

AMB #: 003616

NAIC #: 18058

FEIN #: 23-1738402

LEI #: 549300FW5KRD1EYKTD66

Contact Information

Administrative Office:

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

Domiciliary Address:

One Bala Plaza, Suite 100,
Bala Cynwyd, Pennsylvania
19004-1403
United States

Web: www.phly.com

Phone: +1-610-617-7900

Fax: +1-610-617-7940

Financial Data Presented

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

Operations

Date Incorporated: February 10, 1927 | **Date Commenced:** March 01, 1927

Domiciled: Pennsylvania, United States

Licensed: (Current since 07/08/2019). The company is licensed in the District of Columbia, Guam, Puerto Rico, U.S. Virgin Islands and all states.

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: [018667 - Philadelphia Insurance Companies](#)

Best's Credit Rating Effective Date: December 08, 2023

Philadelphia Indemnity Insurance Company is a member of Philadelphia Insurance Companies (AMB# 018667) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 018667 - Philadelphia Insurance Companies](#) 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 1981. 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 -							
Dec 8, 2023	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 14, 2022	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 9, 2021	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 10, 2020	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 12, 2019	A++	p (Pooled 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

The company is wholly owned by Philadelphia Consolidated Holding Corp. (Philadelphia Consolidated), which is also the parent of Tokio Marine Specialty Insurance Company. The company maintains joint administrative offices with Tokio Marine Specialty Insurance Company. Effective December 1, 2008, Philadelphia Consolidated was acquired by Tokio Marine Holdings, Inc. (TMHD) through TMHD's wholly owned subsidiary, Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF). TMNF was founded in 1879, and is the oldest and largest property and casualty insurer in Japan. On March 31, 2012, TMNF contributed 100% of the outstanding shares of Philadelphia Consolidated 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.

Management of the company is under the direction of John W. Glomb, President & Chief Executive Officer. He serves in a similar capacity with the affiliate, Tokio Marine Specialty Insurance Company.

The company has an agreement with Maguire Insurance Agency, Inc., which is also wholly owned by Philadelphia Consolidated, to provide underwriting, policy service, claims handling and sales support. The company also has an agreement with TMNA Services, LLC, which is wholly owned by TMNA, to provide accounting and finance, actuarial, legal, facility maintenance, information technology, human capital, corporate communications and internal audit services. The compensation structure is based on fees consistent with industry standards.

Officers

- President and Chief Underwriting Officer:** John W. Glomb
- EVP and Chief Claim Officer:** William J. Benecke
- EVP and Chief Operations Officer:** Robert Pottle (Strategic)
- EVP and Chief Marketing Officer:** Brian J. O'Reilly
- EVP, Treasurer and CFO:** Karen A. Gilmer-Pauciello
- SVP and Chief Underwriting Officer:** John Doyle

Directors

- Karen A. Gilmer-Pauciello
- Bruce Meyer
- Michael J. Morris
- Robert D. O'Leary (Chairman)
- Donald A. Pizer
- Shuhei Furuta
- John Glomb

History

The company was incorporated under the laws of the Commonwealth of Pennsylvania as the Philadelphia Mutual Insurance Company on February 4, 1927, and began business on March 1 of the same year. The name, Philadelphia Insurance Company, went into effect after the company converted from a mutual company to a stock company on December 3, 1987. The present title was adopted on June 20, 1990, concurrent with the merger of a former companion carrier, The Preserver Assurance Company.

Common capital stock of \$4,500,000 consists of 450,000 shares of common stock at a par value of \$10 per share. A total of 1,000,000 shares are authorized.

Recent M&A Transactions

Announced on	Closed on	Transaction Type	Status	Target	Acquirer	Seller
06/12/2015	06/12/2015	Acquisition	Closed	Allen J. Flood Co's	Phila Indemnity Ins	

Search for this company in [Mergers & Acquisitions](#) in BestLink for additional details and previous transactions.

Corporate Changes

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
12/01/2008	Ownership	Philadelphia Indemnity Insurance Company		This company's parent, Philadelphia Consolidated Holding Corp., was acquired by Tokio Marine Holdings Inc. on December 1, 2008.
06/20/1990	Name Change	Philadelphia Insurance Company	Philadelphia Indemnity Insurance Company	This company changed its name to Philadelphia Indemnity Insurance Company on June 20, 1990.
12/03/1987	Name Change	Philadelphia Mutual Insurance Company	Philadelphia Indemnity Insurance Company	This company changed its name to Philadelphia Insurance Company on December 3, 1987.

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 is being made as of December 31, 2020, by the insurance department of Pennsylvania. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- DELPHI CAPITAL MANAGEMENT, INC. (Affiliated Firm)
- ACORE CAPITAL, LP (Unaffiliated Firm)
- ACRES CAPITAL, LLC (Unaffiliated Firm)
- ALLSPRING GLOBAL INVESTMENTS (Unaffiliated Firm)
- CANYON CAPITAL REALTY ADVISORS, LLC (Unaffiliated Firm)
- CBF-D MANAGER, LLC (Unaffiliated Firm)
- EARNEST PARTNER LIMITED, LLC (Unaffiliated Firm)
- FLAHERTY & CRUMRINE INCORPORATED (Unaffiliated Firm)
- GC ADVISORS, LLC (Unaffiliated Firm)
- H.I.G. CAPITAL, LLC (Unaffiliated Firm)
- HIGHBRIDGE PRINCIPAL STRATEGIES, LLC (Unaffiliated Firm)
- KAYNE SENIOR CREDIT II MANAGER, L.P. (Unaffiliated Firm)
- MEDLEY SMA ADVISORS, LLC (Unaffiliated Firm)
- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)
- NOMURA CORPORATE RESEARCH AND ASSET MANAGEMENT, IN (Unaffiliated Firm)
- PROPHET CAPITAL ASSET MANAGEMENT, LP (Unaffiliated Firm)
- RCG LONGVIEW MANAGEMENT, LLC (Unaffiliated Firm)

- SERONE CAPITAL MANAGEMENT, LLP (Unaffiliated Firm)
- TCW ASSET MANAGEMENT COMPANY LLC (Unaffiliated Firm)
- TENNENBAUM CAPITAL PARTNERS, LLC (Unaffiliated Firm)
- WELLS CAPITAL MANAGEMENT, INC. (Unaffiliated Firm)

State Rate Filings

Director of State Rate Filings: Samuel Garro | Senior Vice President Compliance

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 - 003616 - Philadelphia Indemnity Insurance Company](#)

Major Line	2023	2022	2021	2020	2019
Commercial Auto	309	199	180	330	233
Commercial General Liability	1,090	1,059	1,436	1,447	1,615
Commercial Inland Marine	51	60	92	23	28
Commercial Interline	7	48	120	374	168
Commercial Multi-Peril	183	427	402	471	590
Credit	...	1	1	...	...
Crime	4	10	99	106	22
Farmowners Multi-Peril	...	...	1	1	...
Fidelity & Surety	1	...	2	50	13
Fire And Allied Lines (Commercial Property)	179	332	258	382	481
Homeowners Multi-Peril	...	...	...	1	...
Medical Malpractice	1	3	54	59	25
Personal Inland Marine	...	3	68	...	...
Personal Interline	5	12	14	1	1
Private Passenger Auto	11	9	13	39	26
Total	1,841	2,163	2,740	3,284	3,202

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

	9-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	131,570	1.1	95,212	0.8	128,587	1.2
Bonds	9,224,160	75.2	8,709,823	75.9	8,102,442	75.7
Preferred and Common Stock	42,539	0.3	42,955	0.4	62,456	0.6
Other Invested Assets	1,311,337	10.7	1,331,127	11.6	1,206,472	11.3
Total Cash and Invested Assets	10,709,607	87.3	10,179,117	88.7	9,499,958	88.8
Premium Balances	1,200,781	9.8	955,218	8.3	914,676	8.5
Net Deferred Tax Asset	162,827	1.3	150,526	1.3	141,943	1.3
Other Assets	188,532	1.5	189,441	1.7	142,467	1.3
Total Assets	12,261,747	100.0	11,474,302	100.0	10,699,044	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	2,442,718	19.9	2,205,581	19.2	2,232,303	20.9
Net IBNR Loss Reserves*	3,374,147	27.5	2,408,145	21.0	2,132,372	19.9
Net LAE Reserves	...	...	1,066,781	9.3	1,072,132	10.0
Total Net Loss and LAE Reserves	5,816,865	47.4	5,680,508	49.5	5,436,808	50.8
Net Unearned Premiums	1,984,529	16.2	1,766,050	15.4	1,658,339	15.5
Other Liabilities	665,074	5.4	611,601	5.3	558,433	5.2
Total Liabilities	8,466,467	69.0	8,058,159	70.2	7,653,579	71.5
Capital Stock	4,500	...	4,500	...	4,500	...
Paid-In and Contributed Surplus	386,071	3.1	386,071	3.4	386,071	3.6
Unassigned Surplus	3,404,708	27.8	3,025,572	26.4	2,654,893	24.8
Total Policyholders' Surplus	3,795,280	31.0	3,416,143	29.8	3,045,464	28.5
Total Liabilities and Surplus	12,261,747	100.0	11,474,302	100.0	10,699,044	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	9-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Premiums Earned	2,677,640	2,546,373	3,413,320	3,194,584
Net Losses and LAE Incurred:				
Current Accident Year	1,766,587	1,621,931	2,218,833	2,120,218
Prior Accident Years	-83,852	-57,601	-74,904	-89,647
Underwriting Expenses Incurred	894,156	827,268	1,093,536	995,647
Dividends to Policyholders	413	615	822	860
Net Underwriting Income	100,336	154,160	175,033	167,505
Net Investment Income	375,547	249,282	355,276	288,205
Other Income (Expense)	3,103	3,731	4,914	4,168
Pre-Tax Operating Income	478,987	407,174	535,223	459,878
Income Taxes Incurred	94,655	75,055	91,211	71,290
Net Operating Income	384,331	332,119	444,012	388,588
Net Realized Capital Gains (Losses)	-41,961	-13,756	-8,453	-9,086
Net Income	342,370	318,363	435,559	379,501

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	2023	2022	2022	2021
Net Premiums Collected	2,664,266	2,574,311	3,457,709	3,296,471
Net Losses Paid	1,300,781	1,180,172	1,581,640	1,479,495
Expenses Paid	1,095,182	1,051,060	1,401,961	1,308,384
Dividends to Policyholders	413	615	822	860
Net Underwriting Cash Flow	267,890	342,464	473,285	507,732
Net Investment Income	365,734	262,292	371,314	335,905
Other Income (Expense)	3,105	3,731	4,914	4,169
Income Taxes Paid (Recovered)	77,302	70,919	102,476	85,617
Net Operating Cash Flow	559,427	537,569	747,037	762,189

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.

Currency: US Dollars

Key Financial Indicators

	9-Months		Year End - December 31				
Key Financial Indicators USD (000)	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	3,180,491	2,933,858	3,784,831	3,575,433	3,368,653	3,459,423	3,364,221
Assumed*	187,592	166,554	12,384	12,633	12,265	15,636	20,825
Ceded*	471,965	363,660	276,184	317,260	292,492	273,030	192,073
Net	2,896,118	2,736,752	3,521,031	3,270,807	3,088,426	3,202,029	3,192,973
Net Operating Income	384,331	332,119	444,012	388,588	390,644	233,274	359,107
Net Income	342,370	318,363	435,559	379,501	355,294	234,406	350,964
Total Admitted Assets	12,261,747	11,377,208	11,474,302	10,699,044	9,935,147	9,437,333	9,058,184
Policyholders' Surplus	3,795,280	3,294,740	3,416,143	3,045,464	2,626,705	2,301,351	2,369,481

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

	9-Months		Year End - December 31					Weighted Average
Key Financial Ratios (%)	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	93.7	91.7	93.9	94.0	94.5	101.6	95.3	95.9
Reserve Development Combined Ratio Impact	-3.1	-2.3	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	4.8	3.4	3.6	3.1	3.3	3.7	3.7	3.5
Pre-Tax Operating Return on Net Earned Premiums	17.9	16.0	15.7	14.4	14.8	8.1	13.2	13.2
Net Income Return on Policyholders' Surplus	12.7	13.4	13.5	13.4	14.4	10.0	15.0	13.3
Total Return on Policyholders' Surplus	13.2	12.0	12.1	14.1	13.9	10.7	14.4	13.0
Leverage:								
Net	3.2	3.5	3.4	3.6	4.0	4.5	4.2	...
Gross	...	...	3.6	3.9	4.2	4.8	4.4	...
Non-affiliated Investment	57.7	67.3	65.2	71.2	71.0	73.3	51.0	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Capital Generation Analysis							
USD (000)							
Beginning Policyholders' Surplus	3,416,143	3,045,464	3,045,464	2,626,705	2,301,351	2,369,481	2,316,369
Net Operating Income	384,331	332,119	444,012	388,588	390,644	233,274	359,107
Net Realized Capital Gains (Losses)	-41,961	-13,756	-8,453	-9,086	-35,350	1,131	-8,143
Net Unrealized Capital Gains (Losses)	13,823	-33,317	-45,119	19,828	-12,895	15,526	-12,529
Stockholder Dividends	...	...	...	...	...	-296,000	-282,000
Other Changes in Capital and Surplus	22,944	-35,770	-19,761	19,429	-17,044	-22,062	-3,323
Net Change in Policyholders' Surplus	379,136	249,276	370,679	418,759	325,355	-68,131	53,112
Ending Policyholders' Surplus	3,795,280	3,294,740	3,416,143	3,045,464	2,626,705	2,301,351	2,369,481
Net Change in Policyholders' Surplus (%)	11.1	8.2	12.2	15.9	14.1	-2.9	2.3
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	8.1	...	...	...	...

Source: BestLink® - Best's Financial Suite

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Liquidity Analysis							
Net Operating Cash Flow USD (000)	559,427	537,569	747,037	762,189	658,562	713,430	729,262
Current Liquidity (%)	112.3	108.1	110.9	109.3	106.3	102.1	108.1

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
Ceded Reinsurance Analysis					
Philadelphia Indemnity Insurance Company					
Ceded Reinsurance USD (000)	839,216	865,938	731,015	675,872	556,496
Business Retention (%)	92.7	91.2	91.3	92.1	94.3
Reinsurance Recoverables to PHS (%)	16.7	18.3	17.3	17.5	13.9
Ceded Reinsurance to PHS (%)	24.6	28.4	27.8	29.4	23.5
Commercial Casualty Composite					
Business Retention (%)	78.3	78.0	78.7	79.5	81.3
Reinsurance Recoverables to PHS (%)	74.3	74.0	74.6	73.2	77.0
Ceded Reinsurance to PHS (%)	107.0	106.3	105.1	103.1	104.0

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2022 Reinsurance Recoverables USD (000)					
US Affiliates	163,511	185,897	104,380	3,498	457,286
Foreign Affiliates	8,099	50,334	10,951	990	70,374
US Insurers	125,972	209,152	74,622	...	409,745
Pools/Associations	17,629	6,113	14,728	...	38,470
Other Non-US	13,974	26,273	9,194	-26	49,414
Total (excluding US Affiliates)	165,674	291,872	109,495	964	568,003
Grand Total	329,586	478,562	213,993	4,463	1,026,604

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	10,709,607	9,999,198	10,179,117	9,499,958	8,760,786	8,264,627	7,840,078
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	1.2	1.8	0.9	1.4	0.4	0.7	0.8
Bonds	86.1	84.3	85.6	85.3	86.8	85.4	89.5
Stocks	0.4	0.4	0.4	0.7	0.7	1.1	0.8
Other Invested Assets	12.2	13.5	13.1	12.7	12.2	12.8	8.9
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Distribution by Maturity (%)						
Government Bonds	0.1	0.4	0.4	0.4	0.1	9.2
Government Agencies and Municipal Bonds	1.9	8.2	6.4	12.9	10.0	13.1
Industrial and Miscellaneous Bonds	2.4	23.9	14.8	3.3	7.6	8.2
Bank Loans	0.5	4.7	1.0	...	...	3.5
Hybrid Securities	0.2	0.3	0.1	0.1	0.1	5.8
Total Bonds	5.2	37.5	22.8	16.6	17.9	9.8

Source: BestLink® - Best's Financial Suite

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Bond Portfolio							
Bonds & Short Term Investments USD(000)	9,232,027	8,431,049	8,709,873	8,102,442	7,601,946	7,059,903	7,018,447
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	0.7	1.2	1.6	2.0	2.2
Foreign Government	...	...	0.8	1.0	1.0	0.3	0.2
Foreign - All other	...	...	3.1	4.3	3.0	2.7	3.1
State, Municipal & Special Revenue	...	...	39.4	39.5	42.0	43.8	46.2
Industrial and Misc, Hybrid and SVO Identified	...	...	55.9	54.1	52.3	51.2	48.2
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	35.7	36.6	35.8	38.0	36.5
Public issues	...	...	64.3	63.4	64.2	62.0	63.5
Bonds and Short Term Investments By Quality (%)							
Class 1	72.8	70.1	70.9	68.5	71.5	76.4	78.6
Class 2	18.0	19.9	19.2	20.1	18.5	15.6	14.3
Class 3	3.5	4.8	4.2	5.1	4.5	3.2	3.7
Class 4	2.7	4.7	4.3	5.5	4.5	4.1	2.1
Class 5	2.9	0.5	1.3	0.6	0.8	0.7	1.3
Class 6	0.2	0.1	0.1	...	0.1	...	...
Below Investment Grade (NAIC 3-6)	9.3	10.0	10.0	11.4	9.9	8.0	7.1
Below Investment Grade - % of Policyholders' Surplus	22.6	25.7	25.4	30.2	28.7	24.5	21.1

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

	9-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Stock Portfolio							
Stocks USD(000)	42,539	42,571	42,955	62,456	59,046	87,395	61,066
By Type (%)							
Unaffiliated Common	...	...	66.1	69.2	73.5	74.0	24.3
Unaffiliated Preferred	...	...	33.9	30.8	26.5	26.0	75.7

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	9-Months		2022	Year End - December 31			
	2023	2022		2021	2020	2019	2018
Calendar Year:							
Loss and ALAE* Reserves USD (000)	5,816,865	5,613,111	5,436,452	5,137,511	4,887,195	4,873,426	4,600,163
Loss and ALAE* Reserves Development USD (000)	-83,852	-57,601	...	-62,993	-111,478	74,022	215,374
Development to:							
Original Reserves (%)	...	...	...	-1.2	-2.2	1.5	4.9
Prior Year End Reserves(%)	-1.5	-1.1	...	...	...	...	...
Prior Year End Surplus (%)	-2.5	-1.9	...	-2.1	-4.2	3.2	9.1

Source: BestLink® - Best's Financial Suite

* Interim LAE reserves balances displayed include Adjusting and Other Unpaid as well as Defense and Cost Containment Unpaid. Year End LAE balances include Defense and Cost Containment Unpaid only.

	2022	Year End - December 31			
		2021	2020	2019	2018
Accident Year:					
Original Loss and ALAE Reserves USD (000)	1,705,378	1,550,275	1,455,230	1,520,258	1,482,017
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	1,705,378	1,513,723	1,301,163	1,642,044	1,638,272
Development to Original Reserves (%)	...	-2.4	-10.6	8.0	10.5
Accident Year Loss and LAE Ratio (%)	65.0	65.0	57.9	67.9	70.4
Accident Year Combined Ratio (%)	96.1	95.4	88.3	97.3	100.1

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	9-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Operating and Financial Performance Ratios (%)								
Philadelphia Indemnity Insurance Company								
Calendar Year Loss and LAE Ratio	62.8	61.4	62.8	63.6	64.1	72.2	65.6	65.6
Expense and Policyholder Dividend Ratio	30.9	30.3	31.1	30.5	30.4	29.5	29.7	30.2
Combined Ratio	93.7	91.7	93.9	94.0	94.5	101.6	95.3	95.9
Reserve Development Ratio Impact	-3.1	-2.3	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	4.8	3.4	3.6	3.1	3.3	3.7	3.7	3.5
Pre-Tax Operating Return on Net Earned Premiums	17.9	16.0	15.7	14.4	14.8	8.1	13.2	13.2
Net Income Return on Policyholders' Surplus	12.7	13.4	13.5	13.4	14.4	10.0	15.0	13.3
Total Return on Policyholders' Surplus	13.2	12.0	12.1	14.1	13.9	10.7	14.4	13.0

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	...	67.6	67.9	67.2	70.5	69.4	70.3	69.0
Expense and Policyholder Dividend Ratio	...	27.8	28.0	28.7	29.6	30.5	30.1	29.3
Combined Ratio	...	95.4	95.9	95.9	100.1	99.9	100.4	98.3
Reserve Development Ratio Impact	...	-1.0	-0.7	-1.8	-0.9	-0.3	-1.3	-1.0
Net Investment Yield	...	3.1	3.3	3.3	3.3	3.6	3.8	3.5
Pre-Tax Operating Return on Net Earned Premiums	...	11.6	12.7	13.6	9.9	11.3	10.3	11.6
Net Income Return on Policyholders' Surplus	...	8.3	9.2	11.3	7.1	9.3	8.9	9.2
Total Return on Policyholders' Surplus	...	0.5	5.8	14.3	8.1	12.4	5.6	9.2

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
Comm M.P.	53.7	58.6	55.2	60.0	55.4
Other Liab	61.2	54.9	55.2	63.0	50.8
Comm Auto Liab	53.2	48.5	58.8	68.8	62.7
Auto Phys Dmg	54.1	49.1	36.6	54.6	56.9
Surety	16.6	18.8	16.3	23.0	17.6
Other A&H	8.9	...	...	...	...
Fidelity	23.3	11.0	42.6	10.6	21.0
Product Liab	9.9	-30.3	-29.1	-0.6	7.5
PP Auto Liab	99.5	93.7	86.6	109.6	122.4
Farmowners	53.4	42.7	118.7	...	...
All Other	10.2	30.2	35.2	56.7	38.9
Total	53.2	53.5	52.7	59.8	53.6

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
California	61.1	59.6	49.0	65.3	59.0
New York	56.1	43.4	43.8	65.3	58.0
Texas	48.9	88.1	59.1	61.8	19.7
Florida	66.1	64.3	80.8	64.4	51.4
Pennsylvania	58.1	44.8	51.8	60.9	61.4
Massachusetts	40.3	38.7	33.7	41.2	40.2
New Jersey	47.9	52.0	45.9	58.2	44.0
Washington	94.5	66.7	49.8	59.4	66.8
Arizona	42.5	56.4	68.9	45.3	37.8
Illinois	55.1	56.5	69.5	83.7	76.2
All Other	50.2	48.1	52.7	53.7	47.2
Total	54.3	53.4	52.9	58.7	50.0

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

	9-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	3,180,491	2,933,858	3,784,831	3,575,433	3,368,653	3,459,423	3,364,221	...
% Change	8.4	5.9	5.9	6.1	-2.6	2.8	6.5	3.7
Reinsurance Premiums Assumed USD (000)*	187,592	166,554	12,384	12,633	12,265	15,636	20,825	...
% Change	12.6	10.8	-2.0	3.0	-21.6	-24.9	-60.1	-25.0
Reinsurance Premiums Ceded USD (000)*	471,965	363,660	276,184	317,260	292,492	273,030	192,073	...
% Change	29.8	-6.4	-12.9	8.5	7.1	42.1	2.9	8.2
Net Premiums Written USD (000)	2,896,118	2,736,752	3,521,031	3,270,807	3,088,426	3,202,029	3,192,973	...
% Change	5.8	8.1	7.7	5.9	-3.5	0.3	5.6	3.1

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Comm M.P.	1,949,209	51.5	...	...	162,513	58.8	1,786,696	50.7	91.7
Comm Auto Liab	515,459	13.6	10,510	84.9	45,179	16.4	480,790	13.7	91.4
Other Liab Occurrence	437,925	11.6	56,242	454.1	71,562	25.9	422,606	12.0	85.5
Other Liab Claims made	418,576	11.1	14,440	116.6	6,253	2.3	426,763	12.1	98.6
Auto Phys Dmg	184,712	4.9	1,750	14.1	12,885	4.7	173,577	4.9	93.1
Top 5	3,505,881	92.6	82,942	669.7	298,392	108.0	3,290,432	93.5	91.7
All Other	278,950	7.4	-70,558	-99.9	-22,207	-8.0	230,599	6.5	110.7
Total	3,784,831	100.0	12,384	100.0	276,184	100.0	3,521,031	100.0	92.7

Source: BestLink® - Best's Financial Suite

Historical Market Presence

	Year End - December 31				
	2022	2021	2020	2019	2018
By Line Breakdown - NPW USD (000)					
Comm M.P.	1,786,696	1,679,796	1,601,185	1,641,843	1,614,501
Other Liab	849,369	766,616	719,743	742,032	783,442
Comm Auto Liab	480,790	446,992	413,787	457,680	449,047
Auto Phys Dmg	173,577	164,433	158,714	166,095	160,022
Surety	145,794	130,466	122,310	121,003	110,456
Other A&H	34,974	...	...	...	...
Fidelity	15,558	19,528	15,892	14,395	11,419
Product Liab	10,209	8,475	9,800	15,457	28,128
Farmowners	7,742	4,670	1,652	...	...
PP Auto Liab	6,974	7,011	7,419	7,177	6,819
All Other	9,349	42,819	37,923	36,347	29,139
Total	3,521,031	3,270,807	3,088,426	3,202,029	3,192,973

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

**By Geographic Breakdown - DPW
USD (000)**

	2022	2021	2020	2019	2018
California	501,385	470,218	443,139	448,837	435,920
New York	416,804	408,391	395,705	432,349	428,528
Texas	260,129	241,591	230,160	237,581	225,225
Florida	256,009	251,259	225,321	223,357	209,281
Pennsylvania	213,144	200,360	186,675	199,159	192,604
Massachusetts	182,710	172,181	163,634	165,517	157,382
New Jersey	163,311	146,755	141,732	155,666	153,274
Washington	100,429	97,927	89,899	94,102	90,632
Arizona	94,520	91,827	86,827	80,981	81,958
Illinois	92,449	91,667	87,916	92,070	93,499
All Other	1,503,939	1,403,256	1,317,646	1,329,805	1,295,918
Total	3,784,831	3,575,433	3,368,653	3,459,423	3,364,221
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31		
	2022	2021	2020

By Line Reserves USD (000)

	2022	2021	2020
Comm M.P.	2,988,871	2,865,800	2,726,252
Other Liab	1,750,613	1,653,988	1,598,437
Comm Auto Liab	753,209	746,300	744,168
Surety	107,455	88,367	68,623
Other A&H	27,865	...	...
Product Liab	14,211	15,198	21,435
PP Auto Liab	11,699	12,484	13,691
Auto Phys Dmg	11,420	10,958	7,683
Fidelity	6,527	4,127	4,516
Medical Prof Liab	3,974	4,865	4,307
All Other	4,663	34,720	29,192
Total	5,680,508	5,436,808	5,218,304

Source: BestLink® - Best's Financial Suite

Tokio Marine Specialty Insurance Company

Operations

Date Incorporated: July 15, 1986 | **Date Commenced:** October 23, 1986

Domiciled: Delaware, United States

Licensed: (Current since 08/14/2018). It is authorized as a Domestic Surplus Lines Insurer in Delaware. It also operates on a surplus lines or non-admitted basis in the District of Columbia, U.S. Virgin Islands, AL, AK, AZ, AR, CA, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, 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, WI and WY.

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

Last Update

December 18, 2023

Identifiers

AMB #: 000763
NAIC #: 23850
FEIN #: 23-2423138

Contact Information

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

Domiciliary Address:
 1209 Orange Street,
 Corporate Trust Center,
 Wilmington, Delaware 19801
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Financial Data Presented

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

Best's Credit Ratings

Rating Relationship

AM Best Rating Unit: [018667 - Philadelphia Insurance Companies](#)

Best's Credit Rating Effective Date: December 08, 2023

Tokio Marine Specialty Insurance Company is a member of Philadelphia Insurance Companies (AMB# 018667) rating unit and the rating reflects the pooling arrangement with other members of the rating unit. Refer to the [Best's Credit Report for AMB# 018667 - Philadelphia Insurance Companies](#) 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 1992. In our opinion, the company has a Superior ability to meet their ongoing insurance obligations and a Superior ability to meet their ongoing senior financial obligations.

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

Effective Date	Best's Financial Strength Ratings				Best's Long-Term Issuer Credit Ratings		
	Rating	Affiliation	Outlook	Action	Rating	Outlook	Action
Current -							
Dec 8, 2023	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 14, 2022	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 9, 2021	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 10, 2020	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
Dec 12, 2019	A++	p (Pooled 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

The company is wholly owned by Philadelphia Consolidated Holding Corp. (Philadelphia Consolidated), which is also the parent of Philadelphia Indemnity Insurance Company. The company maintains joint administrative offices with Philadelphia Indemnity Insurance Company. Effective December 1, 2008, Philadelphia Consolidated was acquired by Tokio Marine Holdings, Inc. (TMHD) through TMHD's wholly owned subsidiary, Tokio Marine & Nichido Fire Insurance Co., Ltd. (TMNF). TMNF was founded in 1879, and is the oldest and largest property and casualty insurer in Japan. On March 31, 2012, TMNF contributed 100% of the outstanding shares of Philadelphia Consolidated 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.

Management of the company is under the direction of John W. Glomb, President & Chief Executive Officer. He serves in a similar capacity with the affiliate, Philadelphia Indemnity Insurance Company.

The company has an agreement with Maguire Insurance Agency, Inc., which is also wholly owned by Philadelphia Consolidated, to provide underwriting, policy service, claims handling and sales support. The company also has an agreement with TMNA Services, LLC, which is wholly owned by TMNA, to provide accounting and finance, actuarial, legal, facility maintenance, information technology, human capital, corporate communications and internal audit services. The compensation structure is based on fees consistent with industry standards.

Officers

- President and CEO:** John W. Glomb
- EVP and Chief Claim Officer:** William J. Benecke
- EVP and Chief Operations Officer:** Robert Pottle (Strategic)
- EVP and Chief Marketing Officer:** Brian J. O'Reilly
- EVP, Treasurer and CFO:** Karen A. Gilmer-Pauciello
- SVP and Chief Underwriting Officer:** John Doyle

Directors

- Karen A. Gilmer-Pauciello
- Bruce Meyer
- Michael J. Morris
- Robert D. O'Leary (Chairman)
- Donald A. Pizer
- Shuhei Furuta
- John Glomb

History

The company was incorporated under the laws of the Commonwealth of Pennsylvania on July 15, 1986, as Wheelways Insurance Company and commenced business on October 23, 1986. On November 30, 1990, the name was changed to Philadelphia Insurance Company. Effective November 1, 2012, the company redomesticated to the State of Delaware and adopted the present title of Tokio Marine Specialty Insurance Company.

Common capital stock of \$4,274,943 consists of 299,996 shares of common stock at a par value of \$14.25 per share. A total of 2,000,000 shares are authorized.

Corporate Changes

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
11/01/2012	Domiciliary Change	Tokio Marine Specialty Insurance Company		This company redomesticated from Pennsylvania to Delaware on November 1, 2012.

Corporate Changes (Continued...)

Date	Event Type	Company Name	Current Company Name	Corporate Changes Text
11/01/2012	Name Change	Philadelphia Insurance Company	Tokio Marine Specialty Insurance Company	This company changed its name to Tokio Marine Specialty Insurance Company on November 1, 2012.
12/01/2008	Ownership	Philadelphia Insurance Company		This company's parent, Philadelphia Consolidated Holding Corp., was acquired by Tokio Marine Holdings Inc. on December 1, 2008.
11/30/1990	Name Change	Wheelways Insurance Company	Tokio Marine Specialty Insurance Company	Effective November 30, 1990, the company changed its name to Philadelphia Insurance Company.

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 is being made as of December 31, 2020, by the insurance department of Pennsylvania. The 2022 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

Director of State Rate Filings: Samuel Garro | Senior Vice President Compliance

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 - 000763 - Tokio Marine Specialty Insurance Company](#)

Major Line	2016	2015	2014	2013	2012
Commercial General Liability	1	...	1	...	...
Crime	...	...	...	1	...
Total	1	...	1	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

	9-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	18,577	2.5	17,926	2.6	-6,859	-1.0
Bonds	552,323	74.4	517,275	75.4	525,083	80.1
Preferred and Common Stock	150	...	107	...	72	...
Other Invested Assets	...	...	...	...	1	...
Total Cash and Invested Assets	571,050	76.9	535,308	78.0	518,296	79.0
Premium Balances	113,560	15.3	89,048	13.0	80,892	12.3
Net Deferred Tax Asset	11,486	1.5	10,142	1.5	9,380	1.4
Other Assets	46,086	6.2	51,942	7.6	47,216	7.2
Total Assets	742,182	100.0	686,440	100.0	655,784	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	128,564	17.3	116,083	16.9	117,490	17.9
Net IBNR Loss Reserves*	177,587	23.9	126,744	18.5	112,230	17.1
Net LAE Reserves	...	...	56,146	8.2	56,428	8.6
Total Net Loss and LAE Reserves	306,151	41.3	298,974	43.6	286,148	43.6
Net Unearned Premiums	104,449	14.1	92,950	13.5	87,281	13.3
Other Liabilities	117,016	15.8	93,024	13.6	98,530	15.0
Total Liabilities	527,615	71.1	484,948	70.6	471,958	72.0
Capital Stock	4,275	0.6	4,275	0.6	4,275	0.7
Paid-In and Contributed Surplus	18,643	2.5	18,643	2.7	18,643	2.8
Unassigned Surplus	191,649	25.8	178,574	26.0	160,907	24.5
Total Policyholders' Surplus	214,566	28.9	201,492	29.4	183,825	28.0
Total Liabilities and Surplus	742,182	100.0	686,440	100.0	655,784	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	9-Months		Year End - December 31	
	2023	2022	2022	2021
Income Statement USD (000)				
Net Premiums Earned	140,928	134,020	179,648	168,136
Net Losses and LAE Incurred:				
Current Accident Year	92,978	85,365	116,781	111,590
Prior Accident Years	-4,413	-3,032	-3,943	-4,718
Underwriting Expenses Incurred	47,082	43,576	57,475	52,564
Dividends to Policyholders	...	...	...	...
Net Underwriting Income	5,281	8,111	9,335	8,700
Net Investment Income	14,980	11,117	15,142	14,810
Other Income (Expense)	163	196	259	219
Pre-Tax Operating Income	20,425	19,424	24,735	23,730
Income Taxes Incurred	4,591	4,017	4,666	4,411
Net Operating Income	15,835	15,407	20,070	19,318
Net Realized Capital Gains (Losses)	-89	109	465	-4
Net Income	15,745	15,515	20,535	19,314

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	2023	2022	2022	2021
Net Premiums Collected	142,390	131,271	176,875	178,944
Net Losses Paid	61,571	67,568	87,353	84,506
Expenses Paid	60,335	58,335	77,022	68,312
Dividends to Policyholders	...	...	...	...
Net Underwriting Cash Flow	20,484	5,368	12,500	26,125
Net Investment Income	15,343	13,175	18,216	18,025
Other Income (Expense)	207	436	464	-401
Income Taxes Paid (Recovered)	3,627	7,459	6,778	4,990
Net Operating Cash Flow	32,408	11,520	24,402	38,759

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.

Currency: US Dollars

Key Financial Indicators

	9-Months		Year End - December 31				
Key Financial Indicators USD (000)	2023	2022	2022	2021	2020	2019	2018
Premiums Written:							
Direct	241,313	207,845	282,645	260,112	220,814	233,856	282,316
Assumed*	152,427	144,040	...	...	...	...	...
Ceded*	241,313	207,845	97,328	87,964	58,265	65,328	114,265
Net	152,427	144,040	185,317	172,148	162,549	168,528	168,051
Net Operating Income	15,835	15,407	20,070	19,318	20,241	11,090	18,615
Net Income	15,745	15,515	20,535	19,314	20,264	11,318	18,945
Total Admitted Assets	742,182	682,349	686,440	655,784	629,581	619,953	620,989
Policyholders' Surplus	214,566	195,673	201,492	183,825	177,691	178,735	191,268

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

	9-Months		Year End - December 31					Weighted Average
Key Financial Ratios (%)	2023	2022	2022	2021	2020	2019	2018	
Profitability:								
Combined Ratio	93.7	91.7	93.8	94.1	94.4	101.7	95.2	95.8
Reserve Development Combined Ratio Impact	-3.1	-2.3	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	3.6	2.8	2.9	2.9	3.1	3.2	3.2	3.0
Pre-Tax Operating Return on Net Earned Premiums	14.5	14.5	13.8	14.1	14.9	7.6	13.6	12.8
Net Income Return on Policyholders' Surplus	10.1	10.9	10.7	10.7	11.4	6.1	9.9	9.7
Total Return on Policyholders' Surplus	10.0	10.4	10.3	10.7	11.3	6.1	9.9	9.7
Leverage:								
Net	3.4	3.4	3.3	3.5	3.5	3.4	3.1	...
Gross	...	...	4.4	4.7	4.3	4.2	3.8	...
Non-affiliated Investment	1.0	1.1	1.2	2.3	1.8	...	1.1	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Capital Generation Analysis							
USD (000)							
Beginning Policyholders' Surplus	201,492	183,825	183,825	177,691	178,735	191,268	190,543
Net Operating Income	15,835	15,407	20,070	19,318	20,241	11,090	18,615
Net Realized Capital Gains (Losses)	-89	109	465	-4	23	228	329
Net Unrealized Capital Gains (Losses)	-94	-688	-629	2	-155	...	7
Stockholder Dividends	...	...	...	-15,000	-17,873	-19,000	-19,000
Other Changes in Capital and Surplus	-2,576	-2,980	-2,239	1,819	-3,281	-4,851	774
Net Change in Policyholders' Surplus	13,074	11,847	17,667	6,134	-1,044	-12,533	726
Ending Policyholders' Surplus	214,566	195,673	201,492	183,825	177,691	178,735	191,268
Net Change in Policyholders' Surplus (%)	6.5	6.4	9.6	3.5	-0.6	-6.6	0.4
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	1.1	...	...	...	...

Source: BestLink® - Best's Financial Suite

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Liquidity Analysis							
Net Operating Cash Flow USD (000)	32,408	11,520	24,402	38,759	51,012	18,596	26,178
Current Liquidity (%)	109.0	108.0	111.2	110.7	110.6	105.5	111.2

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2022	2021	2020	2019	2018
Ceded Reinsurance Analysis					
Tokio Marine Specialty Insurance Company					
Ceded Reinsurance USD (000)	222,437	217,564	155,540	137,815	135,235
Business Retention (%)	65.6	66.2	73.6	72.1	59.5
Reinsurance Recoverables to PHS (%)	87.0	92.1	64.3	56.0	45.0
Ceded Reinsurance to PHS (%)	110.4	118.4	87.5	77.1	70.7
Commercial Casualty Composite					
Business Retention (%)	78.3	78.0	78.7	79.5	81.3
Reinsurance Recoverables to PHS (%)	74.3	74.0	74.6	73.2	77.0
Ceded Reinsurance to PHS (%)	107.0	106.3	105.1	103.1	104.0

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2022 Reinsurance Recoverables USD (000)					
US Affiliates	245,007	353,533	136,787	415	735,742
Foreign Affiliates	381	3,757	3,995	...	8,132
US Insurers	30,008	65,748	13,630	...	109,386
Other Non-US	31,799	15,838	8,872	...	56,509
Total (excluding US Affiliates)	62,188	85,343	26,497	...	174,027
Grand Total	307,201	439,548	163,799	415	910,963

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

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

Composition of Cash and Invested Assets

Total Cash and Invested Assets USD (000)	571,050	521,609	535,308	518,296	495,279	461,456	473,591
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	3.3	2.6	3.3	-1.3	1.7	6.0	4.8
Bonds	96.7	97.4	96.6	101.3	98.3	94.0	95.2
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Distribution by Maturity (%)						
Government Bonds	...	0.1	...	...	...	3.9
Government Agencies and Municipal Bonds	4.1	20.3	11.2	13.3	7.3	9.4
Industrial and Miscellaneous Bonds	3.1	18.6	12.0	3.5	6.3	8.2
Total Bonds	7.3	39.0	23.3	16.8	13.6	8.9

Source: BestLink® - Best's Financial Suite

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

Bond Portfolio

Bonds & Short Term Investments USD(000)	552,323	507,838	517,275	525,083	486,967	433,639	451,025
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	0.1	0.2	0.2	0.3	0.9
Foreign - All other	...	...	0.4	1.3	1.5	1.9	3.6
State, Municipal & Special Revenue	...	...	56.2	58.2	60.1	61.9	64.4
Industrial and Misc, Hybrid and SVO Identified	...	...	43.3	40.4	38.2	35.9	31.1
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	15.9	16.6	13.3	12.8	11.9
Public issues	...	...	84.1	83.4	86.7	87.2	88.1
Bonds and Short Term Investments By Quality (%)							
Class 1	89.9	91.2	90.7	89.5	90.8	94.7	92.1
Class 2	9.8	8.4	8.9	9.7	8.6	5.3	7.4
Class 3	0.4	0.4	0.4	0.6	0.6	...	0.4
Class 4	...	...	...	0.2	...	...	...
Below Investment Grade (NAIC 3-6)	0.4	0.4	0.4	0.8	0.6	...	0.4
Below Investment Grade - % of Policyholders' Surplus	1.0	1.1	1.1	2.3	1.8	...	1.0

Source: BestLink® - Best's Financial Suite

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

Stock Portfolio

Stocks USD(000)	150	107	107	72	45	71	69
By Type (%)							
Unaffiliated Common	...	...	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	9-Months		Year End - December 31				
	2023	2022	2022	2021	2020	2019	2018
Calendar Year:							
Loss and ALAE* Reserves USD (000)	306,151	295,427	286,129	270,396	257,224	256,498	242,115
Loss and ALAE* Reserves Development USD (000)	-4,413	-3,032	...	-3,314	-5,864	3,898	11,337
Development to:							
Original Reserves (%)	...	...	...	-1.2	-2.2	1.5	4.9
Prior Year End Reserves(%)	-1.5	-1.1	...	...	...	...	...
Prior Year End Surplus (%)	-2.2	-1.6	...	-1.8	-3.3	2.2	5.9

Source: BestLink® - Best's Financial Suite

* Interim LAE reserves balances displayed include Adjusting and Other Unpaid as well as Defense and Cost Containment Unpaid. Year End LAE balances include Defense and Cost Containment Unpaid only.

	2022	2021	2020	2019	2018
--	------	------	------	------	------

Accident Year:

	2022	2021	2020	2019	2018
Original Loss and ALAE Reserves USD (000)	89,757	81,593	76,591	80,014	78,001
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	89,757	79,669	68,483	86,425	86,225
Development to Original Reserves (%)	...	-2.4	-10.6	8.0	10.5
Accident Year Loss and LAE Ratio (%)	65.0	65.0	57.9	67.9	70.4
Accident Year Combined Ratio (%)	96.0	95.5	88.2	97.4	100.0

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	9-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Operating and Financial Performance Ratios (%)								
Tokio Marine Specialty Insurance Company								
Calendar Year Loss and LAE Ratio	62.8	61.4	62.8	63.6	64.1	72.2	65.6	65.6
Expense and Policyholder Dividend Ratio	30.9	30.3	31.0	30.5	30.3	29.5	29.6	30.2
Combined Ratio	93.7	91.7	93.8	94.1	94.4	101.7	95.2	95.8
Reserve Development Ratio Impact	-3.1	-2.3	-2.2	-2.8	0.7	8.1	0.2	0.8
Net Investment Yield	3.6	2.8	2.9	2.9	3.1	3.2	3.2	3.0
Pre-Tax Operating Return on Net Earned Premiums	14.5	14.5	13.8	14.1	14.9	7.6	13.6	12.8
Net Income Return on Policyholders' Surplus	10.1	10.9	10.7	10.7	11.4	6.1	9.9	9.7
Total Return on Policyholders' Surplus	10.0	10.4	10.3	10.7	11.3	6.1	9.9	9.7

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2023	2022	2022	2021	2020	2019	2018	
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	...	67.6	67.9	67.2	70.5	69.4	70.3	69.0
Expense and Policyholder Dividend Ratio	...	27.8	28.0	28.7	29.6	30.5	30.1	29.3
Combined Ratio	...	95.4	95.9	95.9	100.1	99.9	100.4	98.3
Reserve Development Ratio Impact	...	-1.0	-0.7	-1.8	-0.9	-0.3	-1.3	-1.0
Net Investment Yield	...	3.1	3.3	3.3	3.3	3.6	3.8	3.5
Pre-Tax Operating Return on Net Earned Premiums	...	11.6	12.7	13.6	9.9	11.3	10.3	11.6
Net Income Return on Policyholders' Surplus	...	8.3	9.2	11.3	7.1	9.3	8.9	9.2
Total Return on Policyholders' Surplus	...	0.5	5.8	14.3	8.1	12.4	5.6	9.2

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
Comm M.P.	53.7	58.6	55.2	60.0	55.4
Other Liab	61.2	54.9	55.2	63.0	50.8
Comm Auto Liab	53.2	48.5	58.8	68.8	62.7
Auto Phys Dmg	54.1	49.1	36.6	54.6	56.9
Surety	16.6	18.8	16.3	23.0	17.6
Other A&H	8.9	...	...	...	...
Fidelity	23.3	11.0	42.6	10.6	21.0
Product Liab	9.9	-30.3	-29.1	-0.6	7.5
PP Auto Liab	99.5	93.7	86.6	109.6	122.4
Farmowners	53.4	42.7	118.7	...	...
All Other	10.2	30.2	35.2	56.7	38.9
Total	53.2	53.5	52.7	59.8	53.6

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2022	2021	2020	2019	2018
California	61.8	108.9	69.2	86.7	50.1
Florida	64.7	76.6	77.7	92.7	73.5
New York	63.9	56.7	23.5	55.1	82.0
Texas	61.8	118.3	90.3	40.2	135.9
New Jersey	94.7	38.2	48.2	70.9	44.0
Colorado	31.9	31.3	43.0	118.6	275.3
Hawaii	12.5	7.6	58.3	83.9	23.4
Arizona	69.3	64.1	42.0	13.3	20.6
Massachusetts	13.0	46.5	5.9	84.5	24.5
Illinois	65.4	16.1	85.9	60.3	109.3
All Other	45.1	90.3	52.6	67.1	55.2
Total	54.0	81.9	57.0	71.4	68.5

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

	9-Months		Year End - December 31					5 Year CAGR
	2023	2022	2022	2021	2020	2019	2018	
Direct Premiums Written USD (000)	241,313	207,845	282,645	260,112	220,814	233,856	282,316	...
% Change	16.1	7.1	8.7	17.8	-5.6	-17.2	-5.1	-1.0
Reinsurance Premiums Assumed USD (000)*	152,427	144,040	...	...	...	...	...	...
% Change	5.8	8.1	...	...	...	...	...	...
Reinsurance Premiums Ceded USD (000)*	241,313	207,845	97,328	87,964	58,265	65,328	114,265	...
% Change	16.1	7.1	10.6	51.0	-10.8	-42.8	-17.4	-6.8
Net Premiums Written USD (000)	152,427	144,040	185,317	172,148	162,549	168,528	168,051	...
% Change	5.8	8.1	7.7	5.9	-3.5	0.3	5.6	3.1

Source: BestLink® - Best's Financial Suite

*Quarterly premiums include affiliated reinsurance premiums that are eliminated in annual assumed and ceded values.

2022 By Line Business	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention
	USD (000)	%	USD (000)	%	USD (000)	%	USD (000)	%	%
Other Liab Occurrence	130,917	46.3	...	...	108,675	111.7	22,242	12.0	17.0
Comm M.P.	73,167	25.9	23,608	...	2,738	2.8	94,037	50.7	97.2
Other Liab Claims made	45,570	16.1	...	...	23,109	23.7	22,461	12.1	49.3
Products Liab Occurrence	8,836	3.1	...	...	8,304	8.5	533	0.3	6.0
Allied Lines	7,053	2.5	...	...	6,905	7.1	148	0.1	2.1
Top 5	265,543	93.9	23,608	...	149,729	153.8	139,421	75.2	48.2
All Other	17,102	6.1	-23,608	...	-52,402	-53.8	45,896	24.8	-99.9
Total	282,645	100.0	...	100.0	97,328	100.0	185,317	100.0	65.6

Source: BestLink® - Best's Financial Suite

Historical Market Presence

	Year End - December 31				
	2022	2021	2020	2019	2018
Comm M.P.	94,037	88,410	84,273	86,413	84,974
Other Liab	44,704	40,348	37,881	39,054	41,234
Comm Auto Liab	25,305	23,526	21,778	24,088	23,634
Auto Phys Dmg	9,136	8,654	8,353	8,742	8,422
Surety	7,673	6,867	6,437	6,369	5,813
Other A&H	1,841	...	...	...	...
Fidelity	819	1,028	836	758	601
Product Liab	537	446	516	814	1,480
Farmowners	407	246	87	...	...
PP Auto Liab	367	369	390	378	359
All Other	492	2,254	1,996	1,913	1,534
Total	185,317	172,148	162,549	168,528	168,051

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

**By Geographic Breakdown - DPW
USD (000)**

	2022	2021	2020	2019	2018
California	61,983	62,460	49,923	56,184	74,379
Florida	26,664	21,204	14,920	14,986	17,247
New York	25,689	23,090	21,164	24,831	26,513
Texas	18,923	20,240	16,521	17,985	22,368
New Jersey	10,274	9,928	7,802	6,428	8,738
Colorado	9,307	6,975	5,644	5,463	7,165
Hawaii	9,029	8,532	7,815	7,972	6,227
Arizona	8,389	7,271	5,778	4,954	6,603
Massachusetts	8,331	7,610	7,267	7,661	9,487
Illinois	7,955	8,095	6,708	7,323	9,559
All Other	96,100	84,708	77,273	80,070	94,028
Total	282,645	260,112	220,814	233,856	282,316
Geographic Concentration Index	0.08	...	...	...	...

Source: BestLink® - Best's Financial Suite

	Year End - December 31		
	2022	2021	2020

By Line Reserves USD (000)

	2022	2021	2020
Comm M.P.	157,308	150,832	143,487
Other Liab	92,138	87,052	84,128
Comm Auto Liab	39,643	39,279	39,167
Surety	5,656	4,651	3,612
Other A&H	1,467	...	...
Product Liab	748	800	1,128
PP Auto Liab	616	657	721
Auto Phys Dmg	601	577	404
Fidelity	344	217	238
Medical Prof Liab	209	256	227
All Other	245	1,827	1,536
Total	298,974	286,148	274,648

Source: BestLink® - Best's Financial Suite

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