



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

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

AMB #: 003616

NAIC #: 18058

FEIN #: 23-1738402

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TOKIO MARINE SPECIALTY INSURANCE COMPANY

A++

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

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

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

AMB #: 000763

NAIC #: 23850

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Best's Credit Rating Effective Date

November 08, 2024

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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 and accident years, and 2023 reserves developed favorably on both bases.
- 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 from a growing asset base provides considerable support to the group's 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 they are in excess of comparable organizations.
- The Philadelphia Insurance Companies' enterprise risk management (ERM) is fully integrated within Tokio Marine's framework, and best practices are shared across all 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 compare favorably 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	72.3	59.6	53.9	52.0

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

Key Financial Indicators USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Premiums Written:							
Direct	2,259,368	2,106,459	4,413,556	4,067,477	3,835,546	3,589,467	3,693,279
Assumed*	235,756	215,058	11,476	12,384	12,633	12,265	15,636
Ceded*	505,649	456,624	501,011	373,512	405,224	350,758	338,358
Net	1,989,475	1,864,893	3,924,021	3,706,349	3,442,954	3,250,975	3,370,557
Net Operating Income	311,821	263,534	640,088	464,082	407,906	410,885	244,364
Net Income	292,191	233,277	602,211	456,094	398,815	375,557	245,724
Total Admitted Assets	13,449,439	12,563,423	12,911,146	12,160,742	11,354,827	10,564,727	10,057,287
Policyholders' Surplus	4,339,535	3,884,341	4,034,510	3,617,636	3,229,289	2,804,396	2,480,086

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
	2024	2023	2023	2022	2021	2020	2019	
Profitability:								
Combined Ratio	95.2	96.0	92.0	93.9	94.0	94.5	101.6	95.1
Reserve Development Combined Ratio Impact	0.5	-2.9	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.8	4.6	4.8	3.5	3.1	3.3	3.7	3.7
Pre-Tax Operating Return on Net Earned Premiums	19.1	17.3	21.0	15.6	14.4	14.8	8.1	14.9
Net Income Return on Policyholders' Surplus	14.0	12.4	15.7	13.3	13.2	14.2	9.7	13.5
Total Return on Policyholders' Surplus	14.6	13.1	16.0	12.0	13.9	13.7	10.4	13.4
Leverage:								
Net	3.0	3.2	3.2	3.4	3.6	3.9	4.4	...
Gross	...	...	3.5	3.7	3.9	4.2	4.7	...
Non-affiliated Investment	49.0	56.3	54.6	61.6	67.3	66.6	68.0	...

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 2023 totaled \$568 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, with the latter exceeding the industry composite average. 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 30th, 2024, there were no borrowings outstanding with the FHLB. Finally, implicit capital support is provided by reinsurance programs with affiliated entities within Tokio Marine Holdings, Inc., and explicit support is available if necessary.

Balance Sheet Strength (Continued...)

Capital Generation Analysis USD (000)	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Beginning Policyholders' Surplus	4,034,510	3,617,636	3,617,636	3,229,289	2,804,396	2,480,086	2,560,750
Net Operating Income	311,821	263,534	640,088	464,082	407,906	410,885	244,364
Net Realized Capital Gains (Losses)	-19,630	-30,257	-37,877	-7,988	-9,091	-35,327	1,359
Net Unrealized Capital Gains (Losses)	12,791	12,024	11,237	-45,748	19,830	-13,050	15,526
Stockholder Dividends	...	...	-220,100	...	-15,000	-17,873	-315,000
Other Changes in Capital and Surplus	43	21,404	23,526	-22,000	21,248	-20,325	-26,913
Net Change in Policyholders' Surplus	305,025	266,705	416,874	388,346	424,894	324,310	-80,664
Ending Policyholders' Surplus	4,339,535	3,884,341	4,034,510	3,617,636	3,229,289	2,804,396	2,480,086
Net Change in Policyholders' Surplus (%)	7.6	7.4	11.5	12.0	15.2	13.1	-3.2
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	9.5	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Net Operating Cash Flow USD (000)	390,473	281,557	863,617	771,439	800,948	709,574	732,026
Current Liquidity (%)	116.2	112.7	113.8	110.9	109.4	106.6	102.3

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 and the elevated interest rate environment. The generation of substantial operating cash flow can be 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 slightly above 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				
	2024	2023	2023	2022	2021	2020	2019
Total Cash and Invested Assets USD (000)	11,740,053	10,982,847	11,309,999	10,714,424	10,018,254	9,256,065	8,726,083
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	2.1	1.1	1.4	1.1	1.2	0.4	1.0
Bonds	87.0	86.5	86.7	86.1	86.1	87.4	85.9
Stocks	0.2	0.4	0.3	0.4	0.6	0.6	1.0
Other Invested Assets	10.7	12.0	11.6	12.4	12.0	11.5	12.1
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

Bonds and Short Term Investments - Distribution by Maturity (%)	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Government Bonds	0.3	0.9	0.9	0.5	0.2	7.8
Government Agencies and Municipal Bonds	1.5	6.6	7.5	14.4	10.5	13.7
Industrial and Miscellaneous Bonds	3.8	22.9	13.0	3.6	7.2	8.0
Bank Loans	0.7	4.2	0.6	...	...	3.2
Hybrid Securities	0.1	0.2	0.2	...	0.2	8.9
Total Bonds	6.4	34.8	22.2	18.5	18.1	10.0

Source: BestLink® - Best's Financial Suite

Balance Sheet Strength (Continued...)
Reserve Adequacy

Reserve development has generally been favorable across most calendar years though the development is variable across accident years. The reserves developed favorably by \$129.7M in 2023 (3.5% of PHS). Commercial auto liability and commercial multi-peril were the biggest drivers of the favorable development. 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.

Loss and Loss Adjustment Expense Reserves and Development - Calendar Year	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Loss and ALAE* Reserves USD (000)	6,324,620	6,079,621	5,825,925	5,596,865	5,347,699	5,151,830	5,194,601
Loss and ALAE* Reserves Development USD (000)	10,934	-53,059	...	-125,715	-126,515	-109,931	142,597
Development to:							
Original Reserves (%)	...	...	...	-2.2	-2.3	-2.1	2.8
Prior Year End Reserves(%)	0.2	-0.9	...	...	...	...	...
Prior Year End Surplus (%)	0.3	-1.5	...	-3.5	-3.9	-3.9	5.7

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.

Loss and Loss Adjustment Expense Reserves and Development - Accident Year	Year End - December 31				
	2023	2022	2021	2020	2019
Original Loss and ALAE Reserves USD (000)	1,783,207	1,795,135	1,631,868	1,531,821	1,600,272
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	1,783,207	1,729,628	1,525,773	1,312,380	1,729,224
Development to Original Reserves (%)	...	-3.6	-6.5	-14.3	8.1
Accident Year Loss and LAE Ratio (%)	63.7	63.2	62.9	56.0	67.9
Accident Year Combined Ratio (%)	95.4	94.3	93.3	86.4	97.3

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 also 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's excellent underwriting results over the past five years are driven by favorable loss ratios when 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, which has improved over the last five years, remains nearly a point better than the composite, which has helped lead to a five-year combined ratio that is just over 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.

Operating Performance (Continued...)

Another factor influencing the favorable results in recent years is the group's focused and disciplined market expansion. Additionally, the group's marketing 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 to the parent organization in four of the last five years.

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
	2024	2023	2023	2022	2021	2020	2019	
Calendar Year Loss and LAE Ratio	63.3	63.8	60.3	62.8	63.6	64.1	72.2	64.5
Expense and Policyholder Dividend Ratio	31.8	32.2	31.7	31.1	30.5	30.4	29.5	30.7
Combined Ratio	95.2	96.0	92.0	93.9	94.0	94.5	101.6	95.1
Reserve Development Ratio Impact	0.5	-2.9	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.8	4.6	4.8	3.5	3.1	3.3	3.7	3.7
Pre-Tax Operating Return on Net Earned Premiums	19.1	17.3	21.0	15.6	14.4	14.8	8.1	14.9
Net Income Return on Policyholders' Surplus	14.0	12.4	15.7	13.3	13.2	14.2	9.7	13.5
Total Return on Policyholders' Surplus	14.6	13.1	16.0	12.0	13.9	13.7	10.4	13.4

Source: BestLink® - Best's Financial Suite

Operating and Financial Performance Ratios (%) - Composite	6-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Calendar Year Loss and LAE Ratio	67.8	69.4	69.1	67.9	67.2	70.5	69.4	68.8
Expense and Policyholder Dividend Ratio	29.0	28.3	28.3	28.1	28.7	29.6	30.5	28.9
Combined Ratio	96.8	97.6	97.3	95.9	95.9	100.1	99.9	97.7
Reserve Development Ratio Impact	-0.3	-1.2	-0.3	-0.7	-1.8	-0.9	-0.2	-0.8
Net Investment Yield	3.8	3.6	3.8	3.3	3.3	3.3	3.6	3.5
Pre-Tax Operating Return on Net Earned Premiums	12.3	10.2	12.6	12.7	13.6	9.8	11.2	12.1
Net Income Return on Policyholders' Surplus	9.2	7.0	9.0	9.1	11.3	7.1	9.3	9.2
Total Return on Policyholders' Surplus	11.2	9.3	11.2	5.7	14.3	8.1	12.4	10.3

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

Business Profile (Continued...)

coverage features. The group's products include commercial multi-peril package insurance targeting specialized niches, including 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 223 "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
	2024	2023	2023	2022	2021	2020	2019	
Direct Premiums Written USD (000)	2,259,368	2,106,459	4,413,556	4,067,477	3,835,546	3,589,467	3,693,279	...
% Change	7.3	7.7	8.5	6.0	6.9	-2.8	1.3	3.9
Reinsurance Premiums Assumed USD (000)*	235,756	215,058	11,476	12,384	12,633	12,265	15,636	...
% Change	9.6	4.6	-7.3	-2.0	3.0	-21.6	14.8	-3.4
Reinsurance Premiums Ceded USD (000)*	505,649	456,624	501,011	373,512	405,224	350,758	338,358	...
% Change	10.7	24.8	34.1	-7.8	15.5	3.7	13.1	10.9
Net Premiums Written USD (000)	1,989,475	1,864,893	3,924,021	3,706,349	3,442,954	3,250,975	3,370,557	...
% Change	6.7	3.8	5.9	7.7	5.9	-3.5	0.3	3.1

Source: BestLink® - Best's Financial Suite

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

2023 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.	2,233,823	50.6	...	...	172,151	34.4	2,061,673	52.5	92.3
Other Liab Occurrence	608,367	13.8	...	...	184,851	36.9	423,516	10.8	69.6
Comm Auto Liab	562,190	12.7	9,548	83.2	24,218	4.8	547,520	14.0	95.8
Other Liab Claims made	470,205	10.7	...	...	33,295	6.6	436,909	11.1	92.9
Auto Phys Dmg	203,299	4.6	1,926	16.8	4,202	0.8	201,024	5.1	98.0
Top 5	4,077,884	92.4	11,474	100.0	418,717	83.6	3,670,641	93.5	89.8
All Other	335,672	7.6	1	...	82,294	16.4	253,380	6.5	75.5
Total	4,413,556	100.0	11,476	100.0	501,011	100.0	3,924,021	100.0	88.7

Source: BestLink® - Best's Financial Suite

Business Profile (Continued...)

Year End - December 31

Geographic Breakdown by Direct Premiums Written USD (000)	2023	2022	2021	2020	2019
California	604,186	563,368	532,678	493,062	505,020
New York	469,495	442,494	431,481	416,869	457,180
Florida	307,016	282,673	272,463	240,241	238,343
Texas	304,751	279,053	261,831	246,681	255,566
Pennsylvania	223,319	217,444	204,114	190,836	204,095
Top 5 States	1,908,766	1,785,032	1,702,567	1,587,688	1,660,204
All Other	2,504,790	2,282,445	2,132,979	2,001,779	2,033,075
Total	4,413,556	4,067,477	3,835,546	3,589,467	3,693,279
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

The group maintains a number of property and casualty reinsurance coverages. The details for the largest programs can be found below:

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 15% co-participation retained on both layers. This casualty treaty is shared with First Insurance Company of Hawaii, whose risk exposure is in Hawaii 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 also 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 again 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 automatic facultative facility provides terrorism coverage for \$50 million in the aggregate.

A 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.

Enterprise Risk Management (Continued...)

Catastrophe reinsurance is maintained in excess of a \$125.0 million per occurrence retention up to \$800.0 million in two reinsurance contracts. The first catastrophe contract has coverage for \$125.0 million in excess of \$125.0 million applicable to losses occurring nationwide. This catastrophe contract is 100% placed and is shared with First Insurance Company of Hawaii. The second catastrophe contract, which is also shared with FICOH, has coverage for \$200.0 million in excess of \$250.0 million and is applicable to nationwide losses. In 2024, the third layer was split into two at \$150M in excess of \$450M and \$200M in excess of \$600M to bring the total coverage to \$800M. The third layer applies to losses in the Northeast and Hawaii and is shared with FICOH, and the fourth layer applies strictly to Northeast losses and is not shared with FICOH. Finally, TMHD assumed anywhere from 45-50% of each layer.

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:

- Enhanced franchise value for Preferred Agents
- Cross selling of products
- Shared services cost efficiencies
- Global CAT reinsurance program
- Enterprise risk management
- Expanded global presence of TMHD leadership team

Financial Statements

	6-Months		Year End - December 31			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	247,986	1.8	162,898	1.3	113,138	0.9
Bonds	10,213,194	75.9	9,804,183	75.9	9,227,098	75.9
Preferred and Common Stock	21,758	0.2	30,158	0.2	43,062	0.4
Other Invested Assets	1,257,116	9.3	1,312,760	10.2	1,331,127	10.9
Total Cash and Invested Assets	11,740,053	87.3	11,309,999	87.6	10,714,424	88.1
Premium Balances	1,313,948	9.8	1,211,527	9.4	1,044,266	8.6
Net Deferred Tax Asset	172,602	1.3	173,758	1.3	160,668	1.3
Other Assets	222,836	1.7	215,862	1.7	241,383	2.0
Total Assets	13,449,439	100.0	12,911,146	100.0	12,160,742	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	2,551,027	19.0	2,269,579	17.6	2,321,664	19.1
Net IBNR Loss Reserves*	3,773,593	28.1	2,688,783	20.8	2,534,890	20.8
Net LAE Reserves	...	...	1,144,042	8.9	1,122,927	9.2
Total Net Loss and LAE Reserves	6,324,620	47.0	6,102,405	47.3	5,979,482	49.2
Net Unearned Premiums	1,980,716	14.7	1,986,320	15.4	1,859,000	15.3
Other Liabilities	804,568	6.0	787,912	6.1	704,625	5.8
Total Liabilities	9,109,905	67.7	8,876,637	68.8	8,543,107	70.3
Capital Stock	8,775	0.1	8,775	0.1	8,775	0.1
Paid-In and Contributed Surplus	404,714	3.0	404,714	3.1	404,714	3.3
Unassigned Surplus	3,926,046	29.2	3,621,021	28.0	3,204,147	26.3
Total Policyholders' Surplus	4,339,535	32.3	4,034,510	31.2	3,617,636	29.7
Total Liabilities and Surplus	13,449,439	100.0	12,911,146	100.0	12,160,742	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	6-Months		Year End - December 31	
	2024	2023	2023	2022
Income Statement USD (000)				
Net Premiums Earned	1,995,079	1,853,109	3,796,701	3,592,968
Net Losses and LAE Incurred:				
Current Accident Year	1,252,943	1,236,023	2,418,572	2,335,614
Prior Accident Years	10,934	-53,059	-129,702	-78,847
Underwriting Expenses Incurred	632,557	600,008	1,243,719	1,151,011
Dividends to Policyholders	312	288	486	822
Net Underwriting Income	98,333	69,849	263,626	184,368
Net Investment Income	279,012	249,653	528,094	370,418
Other Income (Expense)	2,862	1,914	3,886	5,172
Pre-Tax Operating Income	380,207	321,416	795,606	559,958
Income Taxes Incurred	68,386	57,882	155,517	95,876
Net Operating Income	311,821	263,534	640,088	464,082
Net Realized Capital Gains (Losses)	-19,630	-30,257	-37,877	-7,988
Net Income	292,191	233,277	602,211	456,094

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)	6-Months		Year End - December 31	
	2024	2023	2023	2022
Net Premiums Collected	1,888,627	1,740,729	3,804,553	3,634,584
Net Losses Paid	879,069	897,600	1,799,099	1,668,994
Expenses Paid	801,244	769,307	1,545,260	1,478,983
Dividends to Policyholders	312	288	486	822
Net Underwriting Cash Flow	208,003	73,535	459,709	485,785
Net Investment Income	270,934	254,843	523,500	389,530
Other Income (Expense)	2,839	1,988	3,903	5,378
Income Taxes Paid (Recovered)	91,302	48,809	123,494	109,254
Net Operating Cash Flow	390,473	281,557	863,617	771,439

Source: BestLink® - Best's Financial Suite

Philadelphia Insurance Companies

Operations

Date Incorporated: February 10, 1927

Domiciled: Pennsylvania, United States

Business Type: Property/Casualty

Organization Type: Stock

Marketing Type: Broker

Last Update

November 08, 2024

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.

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: November 08, 2024

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				
	2023	2022	2021	2020	2019
Ceded Reinsurance Analysis					
Philadelphia Insurance Companies					
Ceded Reinsurance USD (000)	1,241,788	1,061,653	1,083,502	886,555	813,687
Business Retention (%)	88.7	90.8	89.5	90.3	90.9
Reinsurance Recoverables to PHS (%)	20.0	20.6	22.5	20.3	20.3
Ceded Reinsurance to PHS (%)	30.8	29.3	33.6	31.6	32.8
Commercial Casualty Composite					
Business Retention (%)	78.7	78.3	78.0	78.8	79.6
Reinsurance Recoverables to PHS (%)	72.5	74.2	74.0	74.5	73.1
Ceded Reinsurance to PHS (%)	106.0	106.9	106.2	104.9	103.0

Source: BestLink® - Best's Financial Suite

	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
2023 Reinsurance Recoverables USD (000)					
US Affiliates	431,215	579,816	271,865	4,670	1,287,566
Foreign Affiliates	34,475	31,336	19,382	1,944	87,137
US Insurers	150,347	300,322	103,021	...	553,690
Pools/Associations	697	5,766	15,965	...	22,428
Other Non-US	58,158	48,360	22,476	173	129,167
Total (excluding US Affiliates)	243,677	385,784	160,844	2,117	792,422
Grand Total	680,466	970,939	435,341	6,787	2,093,533

Source: BestLink® - Best's Financial Suite

Asset Liability Management | Investments

	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Bond Portfolio							
Bonds & Short Term Investments USD(000)	10,231,930	9,508,183	9,810,180	9,227,148	8,627,526	8,088,913	7,493,542
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	1.8	0.7	1.1	1.6	1.9
Foreign Government	...	...	1.0	0.7	0.9	1.0	0.3
Foreign - All other	...	...	3.1	3.0	4.1	2.9	2.7
State, Municipal & Special Revenue	...	...	40.4	40.4	40.7	43.1	44.8
Industrial and Misc, Hybrid and SVO Identified	...	...	53.7	55.2	53.2	51.5	50.3
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	34.8	34.6	35.4	34.4	36.6
Public issues	...	...	65.2	65.4	64.6	65.6	63.4
Bonds and Short Term Investments By Quality (%)							
Class 1	74.0	73.6	73.5	72.0	69.8	72.7	77.5
Class 2	17.6	17.3	17.6	18.6	19.5	17.9	15.0
Class 3	3.4	4.0	3.7	4.0	4.8	4.3	3.0
Class 4	2.8	3.7	2.9	4.1	5.2	4.2	3.9
Class 5	2.1	1.2	2.2	1.3	0.6	0.8	0.7
Class 6	0.1	0.2	0.1	0.1	...	0.1	...
Below Investment Grade (NAIC 3-6)	8.4	9.1	8.9	9.4	10.7	9.4	7.5
Below Investment Grade - % of Policyholders' Surplus	19.7	22.2	21.6	24.1	28.6	27.0	22.7

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

	6-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Stock Portfolio							
Stocks USD(000)	21,758	42,251	30,158	43,062	62,528	59,091	87,466
By Type (%)							
Unaffiliated Common	...	...	73.3	66.2	69.2	73.5	74.0
Unaffiliated Preferred	...	...	26.7	33.8	30.8	26.5	26.0

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	6-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Operating and Financial Performance Ratios (%)								
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	67.8	69.4	69.1	67.9	67.2	70.5	69.4	68.8
Expense and Policyholder Dividend Ratio	29.0	28.3	28.3	28.1	28.7	29.6	30.5	28.9
Combined Ratio	96.8	97.6	97.3	95.9	95.9	100.1	99.9	97.7
Reserve Development Ratio Impact	-0.3	-1.2	-0.3	-0.7	-1.8	-0.9	-0.2	-0.8
Net Investment Yield	3.8	3.6	3.8	3.3	3.3	3.3	3.6	3.5
Pre-Tax Operating Return on Net Earned Premiums	12.3	10.2	12.6	12.7	13.6	9.8	11.2	12.1
Net Income Return on Policyholders' Surplus	9.2	7.0	9.0	9.1	11.3	7.1	9.3	9.2
Total Return on Policyholders' Surplus	11.2	9.3	11.2	5.7	14.3	8.1	12.4	10.3

Source: BestLink® - Best's Financial Suite

	Year End - December 31				
	2023	2022	2021	2020	2019
By Line - Net Loss Ratio (%)					
Comm M.P.	52.4	53.7	58.6	55.2	60.0
Other Liab	53.4	61.2	54.9	55.2	63.0
Comm Auto Liab	50.7	53.2	48.5	58.8	68.8
Auto Phys Dmg	54.5	54.1	49.1	36.6	54.6
Surety	21.6	16.6	18.8	16.3	23.0
Other A&H	-2.1	8.9	...	...	...
Fidelity	6.8	23.3	11.0	42.6	10.6
Product Liab	23.6	9.9	-30.3	-29.1	-0.6
Farmowners	96.7	53.4	42.7	118.7	...
PP Auto Liab	93.0	99.5	93.7	86.6	109.6
All Other	10.9	10.2	30.2	35.2	56.7
Total	50.4	53.2	53.5	52.7	59.8

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2023	2022	2021	2020	2019
California	64.8	61.2	64.9	51.1	68.0
New York	49.5	56.6	44.1	42.8	64.7
Florida	48.4	66.0	65.2	80.6	66.5
Texas	53.3	49.9	90.1	61.1	60.2
Pennsylvania	45.8	58.2	52.7	55.5	62.8
Massachusetts	37.9	39.0	39.0	32.4	43.4
New Jersey	65.6	50.5	51.2	46.0	58.8
Arizona	43.5	44.6	57.0	67.3	43.0
Illinois	63.5	55.9	53.3	70.7	81.8
Washington	76.9	92.5	65.6	46.9	60.3
All Other	48.1	49.5	49.1	52.3	54.6
Total	52.1	54.3	55.2	53.2	59.6

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence

By Line Breakdown - NPW USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
Comm M.P.	2,061,673	1,880,732	1,768,207	1,685,458	1,728,256
Other Liab	860,425	894,072	806,965	757,624	781,087
Comm Auto Liab	547,520	506,095	470,518	435,565	481,769
Auto Phys Dmg	201,024	182,713	173,087	167,068	174,837
Surety	155,029	153,467	137,333	128,748	127,371
Other A&H	38,408	36,815	...	...	...
Fidelity	16,334	16,377	20,556	16,729	15,153
Product Liab	12,344	10,746	8,921	10,316	16,270
Farmowners	9,433	8,149	4,916	1,738	...
PP Auto Liab	7,809	7,341	7,380	7,810	7,555
All Other	14,023	9,841	45,073	39,919	38,260
Total	3,924,021	3,706,349	3,442,954	3,250,975	3,370,557

Source: BestLink® - Best's Financial Suite

By Line Reserves USD (000)	Year End - December 31		
	2023	2022	2021
Comm M.P.	3,196,975	3,146,179	3,016,631
Other Liab	1,882,786	1,842,751	1,741,040
Comm Auto Liab	812,808	792,852	785,579
Surety	131,980	113,111	93,018
Other A&H	21,812	29,331	...
Product Liab	17,588	14,959	15,998
Auto Phys Dmg	12,452	12,021	11,535
PP Auto Liab	11,519	12,315	13,142
Fidelity	6,428	6,871	4,344
Farmowners	3,882	1,549	730
All Other	4,175	7,543	40,938
Total	6,102,405	5,979,482	5,722,956

Source: BestLink® - Best's Financial Suite

Philadelphia Indemnity Insurance Company

Last Update

November 18, 2024

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:

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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: November 08, 2024

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 -							
Nov 8, 2024	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
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

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 2023 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- DELPHI CAPITAL MANAGEMENT, 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	2024	2023	2022	2021	2020
Commercial Auto	184	356	203	183	333
Commercial General Liability	1,160	1,187	1,064	1,442	1,455
Commercial Inland Marine	27	58	61	92	23
Commercial Interline	51	7	49	120	375
Commercial Multi-Peril	213	196	433	402	475
Credit	...	...	1	1	...
Crime	2	4	10	99	106
Farmowners Multi-Peril	...	...	...	1	1
Fidelity & Surety	3	1	...	2	50
Fire And Allied Lines (Commercial Property)	388	204	333	261	383
Fire And Allied Lines (Personal Property)	1	...	...	...	...
Homeowners Multi-Peril	...	...	...	...	1
Medical Malpractice	3	1	3	54	59
Personal Inland Marine	...	...	3	68	...
Personal Interline	3	5	13	14	2
Private Passenger Auto	32	11	9	13	39
Total	2,067	2,030	2,182	2,752	3,302

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			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	249,630	1.9	147,539	1.2	95,212	0.8
Bonds	9,981,499	76.0	9,263,769	76.0	8,709,823	75.9
Preferred and Common Stock	24,477	0.2	30,008	0.2	42,955	0.4
Other Invested Assets	1,256,333	9.6	1,312,760	10.8	1,331,127	11.6
Total Cash and Invested Assets	11,511,939	87.6	10,754,075	88.2	10,179,117	88.7
Premium Balances	1,280,518	9.7	1,108,771	9.1	955,218	8.3
Net Deferred Tax Asset	173,526	1.3	162,612	1.3	150,526	1.3
Other Assets	175,242	1.3	169,165	1.4	189,441	1.7
Total Assets	13,141,224	100.0	12,194,623	100.0	11,474,302	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	2,411,867	18.4	2,156,100	17.7	2,205,581	19.2
Net IBNR Loss Reserves*	3,638,352	27.7	2,554,344	20.9	2,408,145	21.0
Net LAE Reserves	...	...	1,086,840	8.9	1,066,781	9.3
Total Net Loss and LAE Reserves	6,050,219	46.0	5,797,284	47.5	5,680,508	49.5
Net Unearned Premiums	2,076,129	15.8	1,887,004	15.5	1,766,050	15.4
Other Liabilities	751,431	5.7	681,167	5.6	611,601	5.3
Total Liabilities	8,877,779	67.6	8,365,455	68.6	8,058,159	70.2
Capital Stock	4,500	...	4,500	...	4,500	...
Paid-In and Contributed Surplus	386,071	2.9	386,071	3.2	386,071	3.4
Unassigned Surplus	3,872,874	29.5	3,438,596	28.2	3,025,572	26.4
Total Policyholders' Surplus	4,263,445	32.4	3,829,167	31.4	3,416,143	29.8
Total Liabilities and Surplus	13,141,224	100.0	12,194,623	100.0	11,474,302	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	9-Months		Year End - December 31	
	2024	2023	2023	2022
Income Statement USD (000)				
Net Premiums Earned	2,859,708	2,677,640	3,606,866	3,413,320
Net Losses and LAE Incurred:				
Current Accident Year	1,822,947	1,766,587	2,297,644	2,218,833
Prior Accident Years	-35,741	-83,852	-123,217	-74,904
Underwriting Expenses Incurred	939,688	894,156	1,181,615	1,093,536
Dividends to Policyholders	363	413	486	822
Net Underwriting Income	132,452	100,336	250,338	175,033
Net Investment Income	407,047	375,547	507,724	355,276
Other Income (Expense)	11,941	3,103	3,656	4,914
Pre-Tax Operating Income	551,439	478,987	761,719	535,223
Income Taxes Incurred	106,399	94,655	148,364	91,211
Net Operating Income	445,040	384,331	613,355	444,012
Net Realized Capital Gains (Losses)	-28,134	-41,961	-37,664	-8,453
Net Income	416,906	342,370	575,691	435,559

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	2024	2023	2023	2022
Net Premiums Collected	2,859,032	2,664,266	3,611,807	3,457,709
Net Losses Paid	1,273,291	1,300,781	1,714,269	1,581,640
Expenses Paid	1,187,895	1,095,182	1,464,718	1,401,961
Dividends to Policyholders	363	413	486	822
Net Underwriting Cash Flow	397,483	267,890	432,334	473,285
Net Investment Income	391,176	365,734	502,623	371,314
Other Income (Expense)	11,941	3,105	3,659	4,914
Income Taxes Paid (Recovered)	109,829	77,302	121,864	102,476
Net Operating Cash Flow	690,771	559,427	816,751	747,037

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

Key Financial Indicators USD (000)	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Premiums Written:							
Direct	3,357,219	3,180,491	4,085,836	3,784,831	3,575,433	3,368,653	3,459,423
Assumed	...	...	11,476	12,384	12,633	12,265	15,636
Ceded*	515,033	471,965	369,491	276,184	317,260	292,492	273,030
Net	3,048,834	2,896,118	3,727,820	3,521,031	3,270,807	3,088,426	3,202,029
Net Operating Income	445,040	384,331	613,355	444,012	388,588	390,644	233,274
Net Income	416,906	342,370	575,691	435,559	379,501	355,294	234,406
Total Admitted Assets	13,141,224	12,261,747	12,194,623	11,474,302	10,699,044	9,935,147	9,437,333
Policyholders' Surplus	4,263,445	3,795,280	3,829,167	3,416,143	3,045,464	2,626,705	2,301,351

Source: BestLink® - Best's Financial Suite

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

Key Financial Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Profitability:								
Combined Ratio	93.3	93.7	92.0	93.9	94.0	94.5	101.6	95.1
Reserve Development Combined Ratio Impact	-1.2	-3.1	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.8	4.8	4.8	3.6	3.1	3.3	3.7	3.7
Pre-Tax Operating Return on Net Earned Premiums	19.3	17.9	21.1	15.7	14.4	14.8	8.1	15.0
Net Income Return on Policyholders' Surplus	13.7	12.7	15.9	13.5	13.4	14.4	10.0	13.7
Total Return on Policyholders' Surplus	14.4	13.2	16.2	12.1	14.1	13.9	10.7	13.6
Leverage:								
Net	3.0	3.2	3.2	3.4	3.6	4.0	4.5	...
Gross	...	...	3.4	3.6	3.9	4.2	4.8	...
Non-affiliated Investment	48.4	57.7	57.4	65.2	71.2	71.0	73.3	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Capital Generation Analysis USD (000)	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Beginning Policyholders' Surplus	3,829,167	3,416,143	3,416,143	3,045,464	2,626,705	2,301,351	2,369,481
Net Operating Income	445,040	384,331	613,355	444,012	388,588	390,644	233,274
Net Realized Capital Gains (Losses)	-28,134	-41,961	-37,664	-8,453	-9,086	-35,350	1,131
Net Unrealized Capital Gains (Losses)	20,786	13,823	11,159	-45,119	19,828	-12,895	15,526
Stockholder Dividends	...	...	-200,000	...	...	...	-296,000
Other Changes in Capital and Surplus	-3,414	22,944	26,174	-19,761	19,429	-17,044	-22,062
Net Change in Policyholders' Surplus	434,278	379,136	413,024	370,679	418,759	325,355	-68,131
Ending Policyholders' Surplus	4,263,445	3,795,280	3,829,167	3,416,143	3,045,464	2,626,705	2,301,351
Net Change in Policyholders' Surplus (%)	11.3	11.1	12.1	12.2	15.9	14.1	-2.9
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	10.1	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Net Operating Cash Flow USD (000)	690,771	559,427	816,751	747,037	762,189	658,562	713,430
Current Liquidity (%)	116.7	112.3	114.0	110.9	109.3	106.3	102.1

Source: BestLink® - Best's Financial Suite

Ceded Reinsurance Analysis	Year End - December 31				
	2023	2022	2021	2020	2019
Philadelphia Indemnity Insurance Company					
Ceded Reinsurance USD (000)	1,009,708	839,216	865,938	731,015	675,872
Business Retention (%)	91.0	92.7	91.2	91.3	92.1
Reinsurance Recoverables to PHS (%)	16.4	16.7	18.3	17.3	17.5
Ceded Reinsurance to PHS (%)	26.4	24.6	28.4	27.8	29.4
Commercial Casualty Composite					
Business Retention (%)	78.7	78.3	78.0	78.8	79.6
Reinsurance Recoverables to PHS (%)	72.5	74.2	74.0	74.5	73.1
Ceded Reinsurance to PHS (%)	106.0	106.9	106.2	104.9	103.0

Source: BestLink® - Best's Financial Suite

2023 Reinsurance Recoverables USD (000)	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
	US Affiliates	163,672	199,668	113,705	4,269	481,314
Foreign Affiliates	33,161	27,976	15,548	1,944	78,629
US Insurers	126,455	229,850	87,994	...	444,299
Pools/Associations	697	5,766	15,965	...	22,428
Other Non-US	28,503	31,318	13,856	173	73,850
Total (excluding US Affiliates)	188,816	294,910	133,363	2,117	619,206
Grand Total	357,772	497,113	248,327	6,386	1,109,598

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	9-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	11,511,939	10,709,607	10,754,075	10,179,117	9,499,958	8,760,786	8,264,627
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	2.2	1.2	1.4	0.9	1.4	0.4	0.7
Bonds	86.7	86.1	86.1	85.6	85.3	86.8	85.4
Stocks	0.2	0.4	0.3	0.4	0.7	0.7	1.1
Other Invested Assets	10.9	12.2	12.2	13.1	12.7	12.2	12.8
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Bonds and Short Term Investments						
Distribution by Maturity (%)						
Government Bonds	0.3	0.9	0.9	0.6	0.2	7.9
Government Agencies and Municipal Bonds	1.4	6.3	7.2	14.3	10.7	13.9
Industrial and Miscellaneous Bonds	3.9	22.9	13.0	3.7	7.3	8.0
Bank Loans	0.7	4.4	0.6	...	...	3.2
Hybrid Securities	0.1	0.2	0.2	...	0.2	8.9
Total Bonds	6.4	34.7	21.9	18.5	18.4	10.1

Source: BestLink® - Best's Financial Suite

	9-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Bond Portfolio							
Bonds & Short Term Investments USD(000)	10,075,862	9,232,027	9,269,765	8,709,873	8,102,442	7,601,946	7,059,903
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	1.9	0.7	1.2	1.6	2.0
Foreign Government	...	...	1.0	0.8	1.0	1.0	0.3
Foreign - All other	...	...	3.2	3.1	4.3	3.0	2.7
State, Municipal & Special Revenue	...	...	39.8	39.4	39.5	42.0	43.8
Industrial and Misc, Hybrid and SVO Identified	...	...	54.0	55.9	54.1	52.3	51.2
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	35.5	35.7	36.6	35.8	38.0
Public issues	...	...	64.5	64.3	63.4	64.2	62.0
Bonds and Short Term Investments By Quality (%)							
Class 1	74.4	72.8	72.5	70.9	68.5	71.5	76.4
Class 2	17.7	18.0	18.1	19.2	20.1	18.5	15.6
Class 3	3.2	3.5	3.9	4.2	5.1	4.5	3.2
Class 4	2.9	2.7	3.1	4.3	5.5	4.5	4.1
Class 5	1.7	2.9	2.3	1.3	0.6	0.8	0.7
Class 6	0.1	0.2	0.1	0.1	...	0.1	...
Below Investment Grade (NAIC 3-6)	7.9	9.3	9.4	10.0	11.4	9.9	8.0
Below Investment Grade - % of Policyholders' Surplus	18.7	22.6	22.7	25.4	30.2	28.7	24.5

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments (Continued...)

	9-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Stock Portfolio							
Stocks USD(000)	24,477	42,539	30,008	42,955	62,456	59,046	87,395
By Type (%)							
Unaffiliated Common	...	...	73.1	66.1	69.2	73.5	74.0
Unaffiliated Preferred	...	...	26.9	33.9	30.8	26.5	26.0

Source: BestLink® - Best's Financial Suite

Reserve Adequacy

Loss and Loss Adjustment Expense Reserve Development

	9-Months		2023	Year End - December 31			
	2024	2023		2022	2021	2020	2019
Calendar Year:							
Loss and ALAE* Reserves USD (000)	6,050,219	5,816,865	5,534,629	5,317,023	5,080,315	4,894,237	4,934,870
Loss and ALAE* Reserves Development USD (000)	-35,741	-83,852	...	-119,428	-120,189	-104,436	135,466
Development to:							
Original Reserves (%)	...	...	...	-2.2	-2.3	-2.1	2.8
Prior Year End Reserves(%)	-0.6	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	-0.9	-2.5	...	-3.5	-3.9	-4.0	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.

	2023	Year End - December 31			
		2022	2021	2020	2019
Accident Year:					
Original Loss and ALAE Reserves USD (000)	1,694,047	1,705,378	1,550,275	1,455,230	1,520,258
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	1,694,047	1,643,146	1,449,485	1,246,761	1,642,761
Development to Original Reserves (%)	...	-3.6	-6.5	-14.3	8.1
Accident Year Loss and LAE Ratio (%)	63.7	63.2	62.9	56.0	67.9
Accident Year Combined Ratio (%)	95.4	94.3	93.3	86.4	97.3

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	9-Months		2023	Year End - December 31				Weighted Average
	2024	2023		2022	2021	2020	2019	
Operating and Financial Performance Ratios (%)								
Philadelphia Indemnity Insurance Company								
Calendar Year Loss and LAE Ratio	62.5	62.8	60.3	62.8	63.6	64.1	72.2	64.5
Expense and Policyholder Dividend Ratio	30.8	30.9	31.7	31.1	30.5	30.4	29.5	30.7
Combined Ratio	93.3	93.7	92.0	93.9	94.0	94.5	101.6	95.1
Reserve Development Ratio Impact	-1.2	-3.1	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.8	4.8	4.8	3.6	3.1	3.3	3.7	3.7
Pre-Tax Operating Return on Net Earned Premiums	19.3	17.9	21.1	15.7	14.4	14.8	8.1	15.0
Net Income Return on Policyholders' Surplus	13.7	12.7	15.9	13.5	13.4	14.4	10.0	13.7
Total Return on Policyholders' Surplus	14.4	13.2	16.2	12.1	14.1	13.9	10.7	13.6

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	...	69.8	69.1	67.9	67.2	70.5	69.4	68.8
Expense and Policyholder Dividend Ratio	...	28.0	28.3	28.1	28.7	29.6	30.5	28.9
Combined Ratio	...	97.8	97.3	95.9	95.9	100.1	99.9	97.7
Reserve Development Ratio Impact	...	-0.6	-0.3	-0.7	-1.8	-0.9	-0.2	-0.8
Net Investment Yield	...	3.5	3.8	3.3	3.3	3.3	3.6	3.5
Pre-Tax Operating Return on Net Earned Premiums	...	10.4	12.6	12.7	13.6	9.8	11.2	12.1
Net Income Return on Policyholders' Surplus	...	7.4	9.0	9.1	11.3	7.1	9.3	9.2
Total Return on Policyholders' Surplus	...	8.4	11.2	5.7	14.3	8.1	12.4	10.3

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2023	2022	2021	2020	2019
Comm M.P.	52.4	53.7	58.6	55.2	60.0
Other Liab	53.4	61.2	54.9	55.2	63.0
Comm Auto Liab	50.7	53.2	48.5	58.8	68.8
Auto Phys Dmg	54.5	54.1	49.1	36.6	54.6
Surety	21.6	16.6	18.8	16.3	23.0
Other A&H	-2.1	8.9	...	...	...
Fidelity	6.8	23.3	11.0	42.6	10.6
Product Liab	23.6	9.9	-30.3	-29.1	-0.6
Farmowners	96.7	53.4	42.7	118.7	...
PP Auto Liab	93.0	99.5	93.7	86.6	109.6
All Other	10.9	10.2	30.2	35.2	56.7
Total	50.4	53.2	53.5	52.7	59.8

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2023	2022	2021	2020	2019
California	61.5	61.1	59.6	49.0	65.3
New York	46.2	56.1	43.4	43.8	65.3
Texas	50.2	48.9	88.1	59.1	61.8
Florida	43.4	66.1	64.3	80.8	64.4
Pennsylvania	44.8	58.1	44.8	51.8	60.9
Massachusetts	38.9	40.3	38.7	33.7	41.2
New Jersey	63.2	47.9	52.0	45.9	58.2
Arizona	43.4	42.5	56.4	68.9	45.3
Illinois	66.7	55.1	56.5	69.5	83.7
Washington	76.4	94.5	66.7	49.8	59.4
All Other	48.7	50.2	48.1	52.7	53.7
Total	50.8	54.3	53.4	52.9	58.7

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Premium Composition and Growth	9-Months		Year End - December 31					5 Year CAGR
	2024	2023	2023	2022	2021	2020	2019	
Direct Premiums Written USD (000)	3,357,219	3,180,491	4,085,836	3,784,831	3,575,433	3,368,653	3,459,423	...
% Change	5.6	8.4	8.0	5.9	6.1	-2.6	2.8	4.0
Reinsurance Premiums Assumed USD (000)	...	...	11,476	12,384	12,633	12,265	15,636	...
% Change	10.2	12.6	-7.3	-2.0	3.0	-21.6	-24.9	-11.2
Reinsurance Premiums Ceded USD (000)*	515,033	471,965	369,491	276,184	317,260	292,492	273,030	...
% Change	9.1	29.8	33.8	-12.9	8.5	7.1	42.1	14.0
Net Premiums Written USD (000)	3,048,834	2,896,118	3,727,820	3,521,031	3,270,807	3,088,426	3,202,029	...
% Change	5.3	5.8	5.9	7.7	5.9	-3.5	0.3	3.1

Source: BestLink® - Best's Financial Suite

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

2023 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.	2,134,773	52.2	...	...	176,184	47.7	1,958,589	52.5	91.7
Comm Auto Liab	558,422	13.7	9,548	83.2	47,826	12.9	520,144	14.0	91.6
Other Liab Occurrence	468,767	11.5	57,845	504.1	124,272	33.6	402,340	10.8	76.4
Other Liab Claims made	418,516	10.2	8,821	76.9	12,273	3.3	415,064	11.1	97.1
Auto Phys Dmg	203,002	5.0	1,926	16.8	13,956	3.8	190,972	5.1	93.2
Top 5	3,783,481	92.6	78,140	680.9	374,511	101.4	3,487,109	93.5	90.3
All Other	302,355	7.4	-66,664	-99.9	-5,020	-1.4	240,711	6.5	102.1
Total	4,085,836	100.0	11,476	100.0	369,491	100.0	3,727,820	100.0	91.0

Source: BestLink® - Best's Financial Suite

Historical Market Presence

By Line Breakdown - NPW USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
Comm M.P.	1,958,589	1,786,696	1,679,796	1,601,185	1,641,843
Other Liab	817,404	849,369	766,616	719,743	742,032
Comm Auto Liab	520,144	480,790	446,992	413,787	457,680
Auto Phys Dmg	190,972	173,577	164,433	158,714	166,095
Surety	147,278	145,794	130,466	122,310	121,003
Other A&H	36,487	34,974	...	...	...
Fidelity	15,518	15,558	19,528	15,892	14,395
Product Liab	11,727	10,209	8,475	9,800	15,457
Farmowners	8,961	7,742	4,670	1,652	...
PP Auto Liab	7,418	6,974	7,011	7,419	7,177
All Other	13,322	9,349	42,819	37,923	36,347
Total	3,727,820	3,521,031	3,270,807	3,088,426	3,202,029

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

By Geographic Breakdown - DPW USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
California	530,498	501,385	470,218	443,139	448,837
New York	435,551	416,804	408,391	395,705	432,349
Texas	284,793	260,129	241,591	230,160	237,581
Florida	275,427	256,009	251,259	225,321	223,357
Pennsylvania	218,538	213,144	200,360	186,675	199,159
Massachusetts	196,505	182,710	172,181	163,634	165,517
New Jersey	173,011	163,311	146,755	141,732	155,666
Arizona	104,399	94,520	91,827	86,827	80,981
Illinois	100,543	92,449	91,667	87,916	92,070
Washington	100,406	100,429	97,927	89,899	94,102
All Other	1,666,165	1,503,939	1,403,256	1,317,646	1,329,805
Total	4,085,836	3,784,831	3,575,433	3,368,653	3,459,423
Geographic Concentration Index	0.05	...	...	...	...

Source: BestLink® - Best's Financial Suite

By Line Reserves USD (000)	Year End - December 31		
	2023	2022	2021
Comm M.P.	3,037,126	2,988,871	2,865,800
Other Liab	1,788,647	1,750,613	1,653,988
Comm Auto Liab	772,167	753,209	746,300
Surety	125,381	107,455	88,367
Other A&H	20,721	27,865	...
Product Liab	16,709	14,211	15,198
Auto Phys Dmg	11,829	11,420	10,958
PP Auto Liab	10,943	11,699	12,484
Fidelity	6,106	6,527	4,127
Farmowners	3,688	1,471	694
All Other	3,966	7,165	38,891
Total	5,797,284	5,680,508	5,436,808

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

November 18, 2024

Identifiers

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

Contact Information

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

Domiciliary Address:
 1209 Orange Street, Corporation
 Trust Center, Wilmington,
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 United States

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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: November 08, 2024

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 -							
Nov 8, 2024	A++	p (Pooled Rating)	Stable	Affirmed	aa+	Stable	Affirmed
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

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 2023 annual independent audit of the company was conducted by PricewaterhouseCoopers, LLP. The annual statement of actuarial opinion is provided by Joseph Kilroy, FCAS, MAAA, Chief Actuarial Officer.

Professional Service Providers

Investment Managers, Advisors, Brokers/Dealers:

- NEW ENGLAND ASSET MANAGEMENT (Unaffiliated Firm)

State Rate Filings

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			
	2024		2023		2022	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	14,707	1.9	15,359	2.1	17,926	2.6
Bonds	569,080	75.0	540,414	75.4	517,275	75.4
Preferred and Common Stock	168	...	150	...	107	...
Total Cash and Invested Assets	583,955	76.9	555,924	77.6	535,308	78.0
Premium Balances	122,763	16.2	102,756	14.3	89,048	13.0
Net Deferred Tax Asset	11,994	1.6	11,147	1.6	10,142	1.5
Other Assets	40,227	5.3	46,697	6.5	51,942	7.6
Total Assets	758,939	100.0	716,524	100.0	686,440	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	126,940	16.7	113,479	15.8	116,083	16.9
Net IBNR Loss Reserves*	191,493	25.2	134,439	18.8	126,744	18.5
Net LAE Reserves	...	...	57,202	8.0	56,146	8.2
Total Net Loss and LAE Reserves	318,433	42.0	305,120	42.6	298,974	43.6
Net Unearned Premiums	109,270	14.4	99,316	13.9	92,950	13.5
Other Liabilities	107,676	14.2	106,745	14.9	93,024	13.6
Total Liabilities	535,379	70.5	511,181	71.3	484,948	70.6
Capital Stock	4,275	0.6	4,275	0.6	4,275	0.6
Paid-In and Contributed Surplus	18,643	2.5	18,643	2.6	18,643	2.7
Unassigned Surplus	200,643	26.4	182,425	25.5	178,574	26.0
Total Policyholders' Surplus	223,561	29.5	205,342	28.7	201,492	29.4
Total Liabilities and Surplus	758,939	100.0	716,524	100.0	686,440	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

	9-Months		Year End - December 31	
	2024	2023	2023	2022
Income Statement USD (000)				
Net Premiums Earned	150,511	140,928	189,835	179,648
Net Losses and LAE Incurred:				
Current Accident Year	95,944	92,978	120,928	116,781
Prior Accident Years	-1,881	-4,413	-6,484	-3,943
Underwriting Expenses Incurred	49,489	47,082	62,104	57,475
Net Underwriting Income	6,959	5,281	13,287	9,335
Net Investment Income	17,126	14,980	20,370	15,142
Other Income (Expense)	598	163	230	259
Pre-Tax Operating Income	24,682	20,425	33,887	24,735
Income Taxes Incurred	5,676	4,591	7,153	4,666
Net Operating Income	19,006	15,835	26,733	20,070
Net Realized Capital Gains (Losses)	-967	-89	-213	465
Net Income	18,039	15,745	26,520	20,535

Source: BestLink® - Best's Financial Suite

Statement of Operating Cash Flows USD (000)

	2024	2023	2023	2022
Net Premiums Collected	146,652	142,390	192,746	176,875
Net Losses Paid	58,584	61,571	84,830	87,353
Expenses Paid	60,847	60,335	80,541	77,022
Net Underwriting Cash Flow	27,221	20,484	27,375	12,500
Net Investment Income	17,122	15,343	20,877	18,216
Other Income (Expense)	546	207	244	464
Income Taxes Paid (Recovered)	17,254	3,627	1,630	6,778
Net Operating Cash Flow	27,634	32,408	46,866	24,402

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

Key Financial Indicators USD (000)	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Premiums Written:							
Direct	267,566	241,313	327,721	282,645	260,112	220,814	233,856
Ceded*	267,566	241,313	131,519	97,328	87,964	58,265	65,328
Net	160,465	152,427	196,201	185,317	172,148	162,549	168,528
Net Operating Income	19,006	15,835	26,733	20,070	19,318	20,241	11,090
Net Income	18,039	15,745	26,520	20,535	19,314	20,264	11,318
Total Admitted Assets	758,939	742,182	716,524	686,440	655,784	629,581	619,953
Policyholders' Surplus	223,561	214,566	205,342	201,492	183,825	177,691	178,735

Source: BestLink® - Best's Financial Suite

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

Key Financial Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Profitability:								
Combined Ratio	93.3	93.7	91.9	93.8	94.1	94.4	101.7	95.1
Reserve Development Combined Ratio Impact	-1.2	-3.1	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.0	3.6	3.7	2.9	2.9	3.1	3.2	3.2
Pre-Tax Operating Return on Net Earned Premiums	16.4	14.5	17.9	13.8	14.1	14.9	7.6	13.8
Net Income Return on Policyholders' Surplus	11.2	10.1	13.0	10.7	10.7	11.4	6.1	10.4
Total Return on Policyholders' Surplus	11.7	10.0	13.1	10.3	10.7	11.3	6.1	10.3
Leverage:								
Net	3.3	3.4	3.4	3.3	3.5	3.5	3.4	...
Gross	...	...	4.5	4.4	4.7	4.3	4.2	...
Non-affiliated Investment	0.1	1.0	1.2	1.2	2.3	1.8	...	...

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Capital Generation Analysis USD (000)	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Beginning Policyholders' Surplus	205,342	201,492	201,492	183,825	177,691	178,735	191,268
Net Operating Income	19,006	15,835	26,733	20,070	19,318	20,241	11,090
Net Realized Capital Gains (Losses)	-967	-89	-213	465	-4	23	228
Net Unrealized Capital Gains (Losses)	703	-94	79	-629	2	-155	...
Stockholder Dividends	...	...	-20,100	...	-15,000	-17,873	-19,000
Other Changes in Capital and Surplus	-524	-2,576	-2,648	-2,239	1,819	-3,281	-4,851
Net Change in Policyholders' Surplus	18,218	13,074	3,850	17,667	6,134	-1,044	-12,533
Ending Policyholders' Surplus	223,561	214,566	205,342	201,492	183,825	177,691	178,735
Net Change in Policyholders' Surplus (%)	8.9	6.5	1.9	9.6	3.5	-0.6	-6.6
Net Change in Policyholders' Surplus (5 yr CAGR)	...	...	1.4	...	...	...	...

Source: BestLink® - Best's Financial Suite

Liquidity Analysis	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Net Operating Cash Flow USD (000)	27,634	32,408	46,866	24,402	38,759	51,012	18,596
Current Liquidity (%)	109.8	109.0	109.5	111.2	110.7	110.6	105.5

Source: BestLink® - Best's Financial Suite

Ceded Reinsurance Analysis	Year End - December 31				
	2023	2022	2021	2020	2019
Tokio Marine Specialty Insurance Company					
Ceded Reinsurance USD (000)	232,080	222,437	217,564	155,540	137,815
Business Retention (%)	59.9	65.6	66.2	73.6	72.1
Reinsurance Recoverables to PHS (%)	86.5	87.0	92.1	64.3	56.0
Ceded Reinsurance to PHS (%)	113.0	110.4	118.4	87.5	77.1
Commercial Casualty Composite					
Business Retention (%)	78.7	78.3	78.0	78.8	79.6
Reinsurance Recoverables to PHS (%)	72.5	74.2	74.0	74.5	73.1
Ceded Reinsurance to PHS (%)	106.0	106.9	106.2	104.9	103.0

Source: BestLink® - Best's Financial Suite

2023 Reinsurance Recoverables USD (000)	Paid & Unpaid Losses	Incurred but not reported (IBNR) losses	Unearned premiums	Other Recoverables	Total Reinsurance Recoverables
	US Affiliates	267,543	380,148	158,160	401	806,252
Foreign Affiliates	1,314	3,360	3,834	...	8,508
US Insurers	23,892	70,472	15,027	...	109,391
Other Non-US	29,655	17,042	8,620	...	55,317
Total (excluding US Affiliates)	54,861	90,874	27,481	...	173,216
Grand Total	322,694	473,826	187,014	401	983,935

Source: BestLink® - Best's Financial Suite

Balance Sheet Highlights

Asset Liability Management | Investments

	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Composition of Cash and Invested Assets							
Total Cash and Invested Assets USD (000)	583,955	571,050	555,924	535,308	518,296	495,279	461,456
Composition Percentages (%)							
Unaffiliated:							
Cash and Short Term Investments	2.5	3.3	2.8	3.3	-1.3	1.7	6.0
Bonds	97.5	96.7	97.2	96.6	101.3	98.3	94.0
Total Unaffiliated	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BestLink® - Best's Financial Suite

	Years					Average (Years)
	0-1	1-5	5-10	10-20	20+	
Bonds and Short Term Investments						
Distribution by Maturity (%)						
Government Bonds	0.2	0.2	0.1	...	...	4.3
Government Agencies and Municipal Bonds	3.3	12.3	12.1	15.4	6.9	10.6
Industrial and Miscellaneous Bonds	3.0	23.3	13.8	3.3	6.0	7.6
Total Bonds	6.5	35.8	26.0	18.8	12.9	9.1

Source: BestLink® - Best's Financial Suite

	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Bond Portfolio							
Bonds & Short Term Investments USD(000)	569,080	552,323	540,414	517,275	525,083	486,967	433,639
By Issuer (%)							
Unaffiliated Bonds:							
US Government	...	...	0.6	0.1	0.2	0.2	0.3
Foreign - All other	...	...	1.5	0.4	1.3	1.5	1.9
State, Municipal & Special Revenue	...	...	50.0	56.2	58.2	60.1	61.9
Industrial and Misc, Hybrid and SVO Identified	...	...	47.9	43.3	40.4	38.2	35.9
Bonds and Short Term Investments By Private vs Public (%)							
Private issues	...	...	22.8	15.9	16.6	13.3	12.8
Public issues	...	...	77.2	84.1	83.4	86.7	87.2
Bonds and Short Term Investments By Quality (%)							
Class 1	89.0	89.9	89.7	90.7	89.5	90.8	94.7
Class 2	11.0	9.8	9.9	8.9	9.7	8.6	5.3
Class 3	...	0.4	0.4	0.4	0.6	0.6	...
Class 4	...	...	...	...	0.2	...	...
Below Investment Grade (NAIC 3-6)	...	0.4	0.4	0.4	0.8	0.6	...
Below Investment Grade - % of Policyholders' Surplus	...	1.0	1.1	1.1	2.3	1.8	...

Source: BestLink® - Best's Financial Suite

	9-Months		Year End - December 31				
	2024	2023	2023	2022	2021	2020	2019
Stock Portfolio							
Stocks USD(000)	168	150	150	107	72	45	71
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				
	2024	2023	2023	2022	2021	2020	2019
Calendar Year:							
Loss and ALAE* Reserves USD (000)	318,433	306,151	291,296	279,842	267,384	257,593	259,731
Loss and ALAE* Reserves Development USD (000)	-1,881	-4,413	...	-6,287	-6,326	-5,495	7,131
Development to:							
Original Reserves (%)	...	...	...	-2.2	-2.3	-2.1	2.8
Prior Year End Reserves(%)	-0.6	-1.5	...	...	...	...	...
Prior Year End Surplus (%)	-0.9	-2.2	...	-3.1	-3.4	-3.1	4.0

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				
	2023	2022	2021	2020	2019
Accident Year:					
Original Loss and ALAE Reserves USD (000)	89,160	89,757	81,593	76,591	80,014
Loss and ALAE Reserves Developed thru Latest Year End USD (000)	89,160	86,482	76,288	65,619	86,463
Development to Original Reserves (%)	...	-3.6	-6.5	-14.3	8.1
Accident Year Loss and LAE Ratio (%)	63.7	63.2	62.9	56.0	67.9
Accident Year Combined Ratio (%)	95.4	94.2	93.4	86.3	97.4

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

	9-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Operating and Financial Performance Ratios (%)								
Tokio Marine Specialty Insurance Company								
Calendar Year Loss and LAE Ratio	62.5	62.8	60.3	62.8	63.6	64.1	72.2	64.5
Expense and Policyholder Dividend Ratio	30.8	30.9	31.7	31.0	30.5	30.3	29.5	30.6
Combined Ratio	93.3	93.7	91.9	93.8	94.1	94.4	101.7	95.1
Reserve Development Ratio Impact	-1.2	-3.1	-3.4	-2.2	-2.8	0.7	8.1	...
Net Investment Yield	4.0	3.6	3.7	2.9	2.9	3.1	3.2	3.2
Pre-Tax Operating Return on Net Earned Premiums	16.4	14.5	17.9	13.8	14.1	14.9	7.6	13.8
Net Income Return on Policyholders' Surplus	11.2	10.1	13.0	10.7	10.7	11.4	6.1	10.4
Total Return on Policyholders' Surplus	11.7	10.0	13.1	10.3	10.7	11.3	6.1	10.3

Source: BestLink® - Best's Financial Suite

Operating Performance Highlights

Operating and Financial Performance Ratios (%)	9-Months		Year End - December 31					Weighted Average
	2024	2023	2023	2022	2021	2020	2019	
Commercial Casualty Composite								
Calendar Year Loss and LAE Ratio	...	69.8	69.1	67.9	67.2	70.5	69.4	68.8
Expense and Policyholder Dividend Ratio	...	28.0	28.3	28.1	28.7	29.6	30.5	28.9
Combined Ratio	...	97.8	97.3	95.9	95.9	100.1	99.9	97.7
Reserve Development Ratio Impact	...	-0.6	-0.3	-0.7	-1.8	-0.9	-0.2	-0.8
Net Investment Yield	...	3.5	3.8	3.3	3.3	3.3	3.6	3.5
Pre-Tax Operating Return on Net Earned Premiums	...	10.4	12.6	12.7	13.6	9.8	11.2	12.1
Net Income Return on Policyholders' Surplus	...	7.4	9.0	9.1	11.3	7.1	9.3	9.2
Total Return on Policyholders' Surplus	...	8.4	11.2	5.7	14.3	8.1	12.4	10.3

Source: BestLink® - Best's Financial Suite

By Line - Net Loss Ratio (%)	Year End - December 31				
	2023	2022	2021	2020	2019
Comm M.P.	52.4	53.7	58.6	55.2	60.0
Other Liab	53.4	61.2	54.9	55.2	63.0
Comm Auto Liab	50.7	53.2	48.5	58.8	68.8
Auto Phys Dmg	54.5	54.1	49.1	36.6	54.6
Surety	21.6	16.6	18.8	16.3	23.0
Other A&H	-2.1	8.9	...	...	...
Fidelity	6.8	23.3	11.0	42.6	10.6
Product Liab	23.6	9.9	-30.3	-29.1	-0.6
Farmowners	96.7	53.4	42.7	118.7	...
PP Auto Liab	93.0	99.5	93.7	86.6	109.6
All Other	10.9	10.2	30.2	35.2	56.7
Total	50.4	53.2	53.5	52.7	59.8

Source: BestLink® - Best's Financial Suite

Geographic - Direct Loss Ratio (%)	Year End - December 31				
	2023	2022	2021	2020	2019
California	88.5	61.8	108.9	69.2	86.7
New York	100.8	63.9	56.7	23.5	55.1
Florida	96.4	64.7	76.6	77.7	92.7
Texas	95.7	61.8	118.3	90.3	40.2
New Jersey	97.1	94.7	38.2	48.2	70.9
Hawaii	6.2	12.5	7.6	58.3	83.9
Colorado	27.5	31.9	31.3	43.0	118.6
Massachusetts	14.9	13.0	46.5	5.9	84.5
Illinois	28.3	65.4	16.1	85.9	60.3
Arizona	44.1	69.3	64.1	42.0	13.3
All Other	50.1	45.1	90.3	52.6	67.1
Total	69.0	54.0	81.9	57.0	71.4

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Premium Composition and Growth	9-Months		Year End - December 31					5 Year CAGR
	2024	2023	2023	2022	2021	2020	2019	
Direct Premiums Written USD (000)	267,566	241,313	327,721	282,645	260,112	220,814	233,856	...
% Change	10.9	16.1	15.9	8.7	17.8	-5.6	-17.2	3.0
Reinsurance Premiums Assumed USD (000)	...	...	...	...	...	...	...	...
% Change	5.3	5.8	...	...	...	...	...	...
Reinsurance Premiums Ceded USD (000)*	267,566	241,313	131,519	97,328	87,964	58,265	65,328	...
% Change	10.9	16.1	35.1	10.6	51.0	-10.8	-42.8	2.9
Net Premiums Written USD (000)	160,465	152,427	196,201	185,317	172,148	162,549	168,528	...
% Change	5.3	5.8	5.9	7.7	5.9	-3.5	0.3	3.1

Source: BestLink® - Best's Financial Suite

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

2023 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	139,600	42.6	...	...	118,424	90.0	21,176	10.8	15.2
Comm M.P.	99,050	30.2	8,028	...	3,994	3.0	103,084	52.5	96.3
Other Liab Claims made	51,689	15.8	...	...	29,843	22.7	21,845	11.1	42.3
Products Liab Occurrence	10,373	3.2	...	...	9,762	7.4	611	0.3	5.9
Inland Marine	7,033	2.1	...	...	6,896	5.2	137	0.1	1.9
Top 5	307,744	93.9	8,028	...	168,920	128.4	146,852	74.8	46.5
All Other	19,976	6.1	-8,028	...	-37,400	-28.4	49,349	25.2	413.0
Total	327,721	100.0	...	100.0	131,519	100.0	196,201	100.0	59.9

Source: BestLink® - Best's Financial Suite

Historical Market Presence

By Line Breakdown - NPW USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
Comm M.P.	103,084	94,037	88,410	84,273	86,413
Other Liab	43,021	44,704	40,348	37,881	39,054
Comm Auto Liab	27,376	25,305	23,526	21,778	24,088
Auto Phys Dmg	10,051	9,136	8,654	8,353	8,742
Surety	7,751	7,673	6,867	6,437	6,369
Other A&H	1,920	1,841	...	...	...
Fidelity	817	819	1,028	836	758
Product Liab	617	537	446	516	814
Farmowners	472	407	246	87	...
PP Auto Liab	390	367	369	390	378
All Other	701	492	2,254	1,996	1,913
Total	196,201	185,317	172,148	162,549	168,528

Source: BestLink® - Best's Financial Suite

Business Profile Highlights

Historical Market Presence (Continued...)

By Geographic Breakdown - DPW USD (000)	Year End - December 31				
	2023	2022	2021	2020	2019
California	73,688	61,983	62,460	49,923	56,184
New York	33,944	25,689	23,090	21,164	24,831
Florida	31,589	26,664	21,204	14,920	14,986
Texas	19,958	18,923	20,240	16,521	17,985
New Jersey	17,817	10,274	9,928	7,802	6,428
Hawaii	10,965	9,029	8,532	7,815	7,972
Colorado	10,832	9,307	6,975	5,644	5,463
Massachusetts	9,640	8,331	7,610	7,267	7,661
Illinois	9,254	7,955	8,095	6,708	7,323
Arizona	8,322	8,389	7,271	5,778	4,954
All Other	101,711	96,100	84,708	77,273	80,070
Total	327,721	282,645	260,112	220,814	233,856
Geographic Concentration Index	0.09	...	...	...	...

Source: BestLink® - Best's Financial Suite

By Line Reserves USD (000)	Year End - December 31		
	2023	2022	2021
Comm M.P.	159,849	157,308	150,832
Other Liab	94,139	92,138	87,052
Comm Auto Liab	40,640	39,643	39,279
Surety	6,599	5,656	4,651
Other A&H	1,091	1,467	...
Product Liab	879	748	800
Auto Phys Dmg	623	601	577
PP Auto Liab	576	616	657
Fidelity	321	344	217
Farmowners	194	77	37
All Other	209	377	2,047
Total	305,120	298,974	286,148

Source: BestLink® - Best's Financial Suite

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