**Houston Casualty Company**

**Issue Date:** 11/18/2019

**Insurer #:** 13765919  
**NAIC #:** 42374  
**AMB #:** 003286

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**Key Dates**

<table>
<thead>
<tr>
<th>TDI Initial Date</th>
<th>Incorporation Date</th>
<th>Commenced Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Feb-19</td>
<td>28-Apr-81</td>
<td>18-Jun-81</td>
</tr>
</tbody>
</table>

**Location**

- **Domicile:** Texas
- **Main Administrative Office:** 13403 Northwest Freeway, Houston, TX 77040

**A.M. Best Rating**

- **Group Information:**
  - **Insurance Group:** Houston Casualty Group
  - **Parent Company:** Tokio Marine Holdings Inc
  - **Parent Domicile:** Japan

**IRIS Ratios Outside Usual Range**

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Direct Premium in Texas</th>
<th>Texas' Rank in Writings (Schedule T)</th>
<th>Direct Premium Outside Usual Range</th>
<th>US Premiums Written Outside Usual Range</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**Capital & Surplus**

- **9/30/2019:** 2,030,765,783  
- **2018:** 2,014,915,562  
- **2017:** 1,865,135,067  
- **2016:** 1,912,990,975

**Profitability Measures**

1. **Gross Premium to Surplus:** 47.24%
2. **Net Premium to Surplus:** 35.89%
3. **Change in Net Premium Written (%):** -16.22%
4. **Surplus Aid Ratio:** 1.34%
5. **Two Year Operating Ratio:** 74.90%
6. **Investment Yield:** 5.00%
7. **Gross Change in Surplus (%):** 8.03%
8. **Net Change in Surplus (%):** 5.50%
9. **Liabilities to Liquid Assets:** 5.50%
10. **Agents Balances to Surplus:** 1.91%
11. **One Year Development to Surplus:** 19.14%
12. **Two Year Development to Surplus:** 6.49%
13. **Current Estimated Reserve Deficiency:** -6.49%

**Premiums and Reserves**

**Top 3 SLTX Coverage Codes Reported for Company Through Mid-Year 2019**

**2018 Premiums by Line of Business (LOB)**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Premiums Written</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ocean Marine</td>
<td>$17,894,869.00</td>
</tr>
<tr>
<td>Aircraft</td>
<td>$612,141.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,507,010.00</strong></td>
</tr>
</tbody>
</table>

**2018 Losses Incurred by Line of Business (LOB)**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Losses Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft</td>
<td>$539,083.00</td>
</tr>
<tr>
<td>Ocean Marine</td>
<td>$(7,433,237.00)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$-2,894,154.00</strong></td>
</tr>
</tbody>
</table>

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**Capital and Surplus**

- **U.S. Dollars:**
  - **2018:** 2,014,915,562  
  - **2017:** 1,865,135,067  
  - **2016:** 1,912,990,975

**Direct Premiums Written**

- **U.S. Dollars:**
  - **2018:** 2,030,765,783  
  - **2017:** 1,865,135,067  
  - **2016:** 1,912,990,975

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**Top 3 SLTX Coverage Codes Reported for Company Through Mid-Year 2019**

- **Property - Fire/Allied Lines**
- **Prof - Other (Incl E&O)**
- **Excess/umbrella**

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**HCC A++ in 2019**

- Superior Dec-18

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**Net Income After Tax**

<table>
<thead>
<tr>
<th>Year</th>
<th>Underwriting Gain (Loss)</th>
<th>Net Income After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$58,406,756</td>
<td>$539,083.00</td>
</tr>
<tr>
<td>2017</td>
<td>$41,380,855</td>
<td>$183,452,282</td>
</tr>
<tr>
<td>2016</td>
<td>$120,313,426</td>
<td>$183,235,998</td>
</tr>
</tbody>
</table>

**Consolidated Financial Statistics**

- **Gross Premium:** 2,030,765,783  
- **Net Premium:** 573,179,178  
- **Direct Premium Total:** 376,018,098  
- **Direct Premium in Texas (Schedule T):** 18,507,010

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**Ratios of Direct Premium Written (%)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Direct Premium in Texas</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>% of Direct Premium of Total Direct Premium</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>% of Texas' Direct Premium Writings</td>
<td>4</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

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**Net Operating Ratio**

- **Usual Range:** Between -10% and 25%
- **2018:** 8.03%
- **2017:** 8.00%
- **2016:** 8.00%

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**IRIS Ratios Outside Usual Range**

<table>
<thead>
<tr>
<th>Category</th>
<th>Usual Range</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Direct Premium in Texas</td>
<td>Less than 30%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
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**Financial Highlights**

- **Gross Premium:** $2,030,765,783
- **Net Premium:** $573,179,178
- **Direct Premium Total:** $376,018,098
- **Direct Premium in Texas (Schedule T):** $18,507,010

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**Top 3 SLTX Coverage Codes Reported for Company Through Mid-Year 2019**

- **Property - Fire/Allied Lines**
- **Prof - Other (Incl E&O)**
- **Excess/umbrella**

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**Underwriting Gain (Loss):**

- **2018:** $58,406,756
- **2017:** $41,380,855
- **2016:** $120,313,426

**HCC A++ in 2019**

- Superior Dec-18

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**Net Income After Tax:**

- **2018:** $539,083.00
- **2017:** $183,452,282
- **2016:** $183,235,998