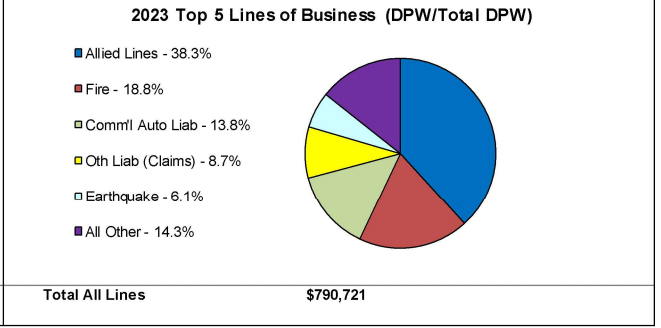
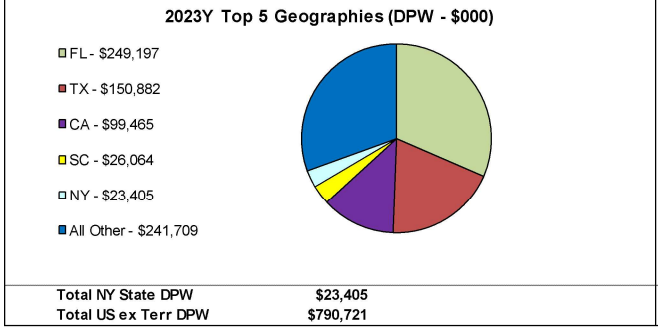
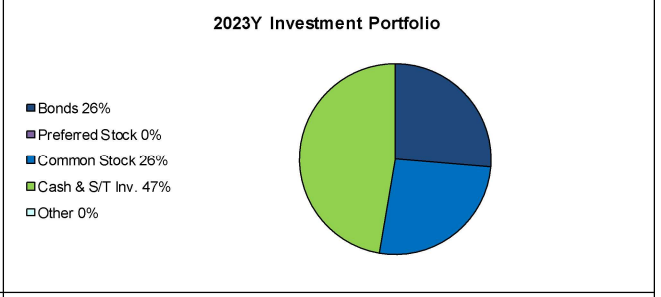
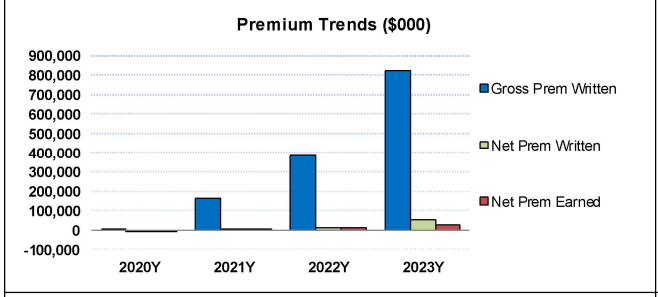
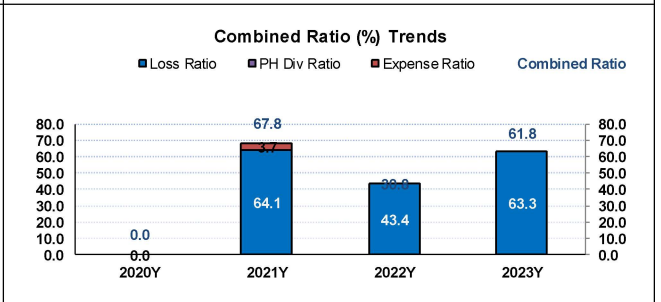
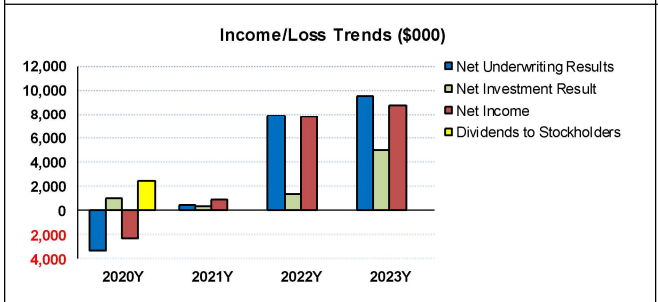




**MS TRANSVERSE SPECIALTY INSURANCE COMPANY, NAIC #41807
PARENT – MS&AD Insurance Group Holdings, Inc**

Dollars in 000

	2020Y	2021Y	2022Y	2023Y		2020Y	2021Y	2022Y	2023Y
Total Assets	59,905	135,149	202,892	368,167	RBC Ratio (%)	18,709.2	1,379.4	1,438.9	993.2
Total Liabilities	3,044	32,024	88,801	240,634	2yr Res Development	-425	-1,148	-106	-612
Policyholder Surplus	56,861	103,125	114,090	127,532	2yr Dev / Surplus	-63.9%	-171.8%	-18.6%	-59.3%
Cash & Invested Assets	52,293	106,208	130,816	203,723	Affiliated Common Stock	25,240	28,830	40,485	53,730
Cash & Invested Assets / Total Assets	87.3%	78.6%	64.5%	55.3%	Affiliated CS / Surplus	44.4%	28.0%	35.5%	42.1%
Net Cash from Operations	-4,733	8,707	20,538	72,853	Net Reins Recoverable	2,790	129,464	272,576	462,409
Loss & LAE Reserves	5	1,040	5,542	16,384	Net Reins Rec / Surplus	4.9%	125.5%	238.9%	362.6%
Loss & LAE Reserves/Surplus	0.0%	1.0%	4.9%	12.8%	AMB / S&P Ratings	A- / NR	A- / NR	A- / NR	A / NR



TOP 5 REINSURERS FOR TRANSVERSE SPECIALTY INS CO. BY GROSS RECOVERABLES

PERIOD: 2023Y

Dollars in 000

Reinsurer	Reinsurance Class	Reins Authorized Status	Gross Recov	Over 120 Days Overdue
1 - Horseshoe Re Limited	Non-US Unaffiliated	Unauthorized	185,688	0
2 - Everest Reinsurance Company	US Unaffiliated	Authorized	28,704	0
3 - Arch Reinsurance Company	US Unaffiliated	Authorized	27,722	0
4 - Transverse Insurance Company	US Affiliated Pooling	Authorized	23,777	0
5 - Topsail Reinsurance SPC, Ltd.	Non-US Unaffiliated	Unauthorized	21,552	0

Important Information Regarding Financial Summaries

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

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

See A.M. Best and S&P Disclaimer on Summary Report page.

ULTIMATE PARENT – MS&AD Insurance Group Holdings, Inc

Corporate Profile		Financial Strength Ratings	
Address:	MS&AD Insurance Group Holdings, Inc. West Tower Tokyo, -, -	S&P Global:	-
Website:	www.ms-ad-hd.com	Moody's:	#OUTSIDE SUBSCRIPTION
President :	Noriyuki Hara	Fitch:	-
Ticker Symbol:	TSE: 8725	AM Best - P&C:	-
SEC Filing:	N/A		

Highlights (\$000)	2020Y	2021Y	2022Y	2023Y
Total Assets	23,196,455	24,142,562	25,033,846	25,000,433
Total Policy Reserves	17,809,540	18,107,028	18,608,139	18,869,599
Total Debt	809,093	919,436	1,010,244	714,743
Total Other Liabilities	2,035,024	1,926,306	2,044,181	2,301,113
Sep Account Liabilities	2,024,281	2,060,062	1,888,006	1,569,434
Total Liabilities	20,702,416	21,015,905	21,731,096	21,944,159
Total Equity	2,494,038	3,126,657	3,302,749	3,056,273
Total Liab & Equity	23,196,454	24,142,562	25,033,845	25,000,432
Book Value / Share (\$)	1,436.83	1,842.42	1,985.54	1,878.33
Reserves / Investments & Cash (x)	NA	NA	NA	NA
Reserves / Liabilities (x)	0.86	0.86	0.86	0.86
Reserves / Equity (x)	7.14	5.79	5.63	6.17
Debt / Equity (x)	0.32	0.29	0.31	0.23
Dec. 31 Closing Price (\$)	1,008.33	1,083.00	1,326.00	1,368.67
Net Income (\$)	145,567	147,670	265,948	165,014
Basic EPS (\$)	82.79	85.27	158.17	99.93
Investment Yield (%)	NA	NA	NA	NA
Ratios (%)				
Loss Ratio	63.30	59.80	59.00	64.30
Expense Ratio	32.00	32.70	33.00	32.50
PH Dividend Ratio	0.00	0.00	0.00	0.00
Combined Ratio	95.30	92.50	92.00	96.80

HISTORY

MS Transverse Specialty Insurance Company (MSTSIC) was formerly Transverse Specialty Insurance Company. It was incorporated in the State of Connecticut in November 1982 as Royal Surplus Lines Insurance Company (RSLIC), and a member of the Royal & Sun Alliance USA Inc. (RSAUSA) insurance group whose ultimate parent was RSA Insurance Group PLC. In May 2006, RSLIC re-domesticated to Delaware and became a subsidiary of Arrowood Indemnity Company (AIC), itself a subsidiary of Arrowpoint Capital Corporation (ACC), until a sale of the company, which was in runoff to Transverse Insurance Group. The sale was completed on January 23, 2020, at which time the name was changed to Transverse Specialty Insurance Company in February 2020. TSIC re-domesticated to Texas in December 2021. MS&AD Insurance Group acquired Transverse in January 2023 and changed its name to its current name. MSTSIC writes a mix of commercial and personal lines products as well as hybrid fronting program. MSTSIC is a domestic surplus lines insurer, eligible to write business in all 50 states and the District of Columbia.

REINSURANCE

MSTSIC is a participant in an intercompany pooling agreement including two (2) affiliates, as pool lead retaining 65% of combined business. The company then cedes to Transverse Insurance Company, Inc. (35%) and TRM Specialty Insurance Company (5%). All reinsurance is entered into for the benefit of the pool members and placed by the company as pool lead. For the years 2020 through 2023, respectively, MSTSIC net reinsurance recoverable totaled \$3M, \$129M, \$273M and \$462M, respectively, reflecting 4.9%, 125%, 239% and 363% of company surplus.

HOLDING COMPANY

Transverse Insurance Group, LLC (TIG), was founded in 2018 as a hybrid fronting operation for program business. TIG operated as a subsidiary of Virgo Transverse Core, LLC, a private equity firm. Effective January 3, 2023, TIG became a wholly owned indirect subsidiary of MS&AD Insurance Group Holdings (MS&AD) following an acquisition by Mitsui Sumitomo Insurance Co. Ltd. (Mitsui). As a result of the acquisition, the ultimate controlling parent is MS&AD, which provides insurance and financial services worldwide. MS&AD was formerly known as Mitsui Sumitomo Insurance Group Holdings. MS&AD still operates through Mitsui. MS&AD, headquartered in Tokyo, Japan, was founded in 1918 and is a publicly traded company listed on the Tokyo Stock Exchange. For the years 2020 through 2023 Mitsui was rated by AM Best/S&P as A+/A+, and AM Best assigned the financial size of XV (\$2B - >).

SUBSEQUENT NOTEWORTHY OBSERVATIONS

Last revised: May 2024

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Financial Term	Definition
2y Dev/Surplus (IRIS #12)	Reflects the magnitude of two years of loss reserve development in relation to prior reported surplus. A positive ratio indicates the portion of reserves that may have been underestimated in prior years in relation to prior year's surplus. A negative ratio indicates the portion of reserves that may have been overestimated in prior years in relation to prior year's surplus.
2yr Res Development	The two-year increase or decrease in loss and loss adjustment expenses as a result of the re-estimation of reserves. A positive number indicates that reserves may have been underestimated in prior years. A negative number indicates that reserves may have been overestimated in prior years.
Affiliated Common Stock	The amount of common stock owned by the insurer that represents investments in affiliates or subsidiaries.
Affiliated CS / Surplus	The percentage of surplus that is comprised of investments in affiliates or subsidiaries.
AMB / S&P Ratings	Financial strength ratings from AM Best Company and Standard & Poor's. ¹
Cash & Invested Assets	Bonds, stocks, mortgage loans on real estate, real estate, cash related investments, contract loans, invested assets, write-ins and receivable for securities.
Cash & Invested Assets/Total Assets	A measure of liquidity that indicates the portion of assets held in cash or marketable securities.
Combined Ratio	A measure of overall underwriting profitability. It is the sum of the loss and expense ratios. A combined ratio of less than 100% indicates an underwriting profit.
Dividends to Stockholders	Distribution of earnings to stockholders paid in the form of money, stock, scrip, etc. The amount is decided by the board of directors.
DPW – Direct Premiums Written	Premiums written including gross premiums booked, adjusted for additional or return premiums, on policies where the company is the primary or direct carrier, as it relates to a specific line of business.
Expense Ratio	The ratio of underwriting expenses to net premiums written. The ratio represents the percentage of net premiums written that went toward underwriting expenses, such as commissions to agents and brokers, state and municipal taxes, salaries, employee benefits and other operating costs.
Gross Premiums	The total premium written and assumed by an insurer before deductions for reinsurance.
Loss & LAE Reserves	The estimated liability for unpaid insurance claims that have occurred as of a given evaluation date. Usually includes losses incurred but not reported (IBNR), losses due but not yet paid, and amounts not yet due. For individual claims, the loss reserve is the estimate of what will ultimately be paid out on that claim.
Loss & LAE Reserves/Surplus	Loss and loss adjustment expense reserves as a percentage of policyholders' surplus. The higher the value, the greater the insurer's reserve leverage and the greater the financial pressure on surplus.
Loss Ratio	The ratio of incurred losses and loss adjustment expenses to net premiums earned. A measure of the underlying profitability, or loss experience, of a total book of business.
Net Cash from Operations	Indicates net cash generated from insurance operations, including underwriting and investment activities, after accounting for dividends and taxes paid.
Net Income	The total after-tax earnings generated from operations as reported in the insurance company's statutory annual statement.
Net Investment Result	The return received by insurers from their investment portfolios including interest, dividends and realized capital gains/losses on stocks.
Net Premiums Earned	The portion of net premiums written that the policyholder has already paid and for which the insurance company has already afforded coverage.
Net Premiums Written	Represents gross premium written less reinsurance ceded.

Financial Term	Definition
Net Reins Rec / Surplus	Measures the dependence on reinsurers and potential exposure to adjustments on such reinsurance as a percentage of surplus.
Net Reins Recoverable	The total ceded reinsurance recoverables due for paid losses, unpaid losses, losses incurred but not reported (IBNR), unearned premiums and commissions less funds held from reinsurers.
Net Underwriting Results	Net premiums earned less incurred losses, loss adjustment expenses, and underwriting expenses incurred.
PH Div Ratio	A return of premium to policyholders based upon financial results of the company and lower-than-expected claims. Usually paid by mutual companies
Policyholder Surplus	The difference between total admitted assets and total liabilities. It also is the sum of paid in capital, paid in and contributed surplus, and net earned surplus, including voluntary contingency reserves. As of January 1, 2019, the minimum policyholder surplus requirement for eligible insurers in New York is \$47 million.
RBC Ratio (%)	<p>This ratio identifies the insurers that are inadequately capitalized by dividing total adjusted capital by the minimum amount of capital that regulatory authorities feel is necessary to support their operations and investments.</p> <p>A ratio of 200% or more results in “no action” from regulators. However, insurers whose ratio is between 200% and 300% may be subject to the Property/Casualty trend test, which will trigger a “Company Action Level” event if the insurer’s combined ratio is greater than 120%.</p> <p>A ratio of 150% to 200% results in a “Company Action Level”, under which the insurer must prepare a report to the regulator outlining a comprehensive action plan that identifies the conditions that contributed to their current financial condition as well as remediation plans.</p> <p>A ratio of 100% to 150% results in a “Regulatory Action Level”. In addition to the insurer filing an action plan, the state insurance commissioner is required to perform any examinations or analyses that he or she deems necessary and issue appropriate corrective orders to address the insurer’s financial problems.</p> <p>A ratio below 100% triggers an “Authorized Control Level” or “Mandatory Control Level”, under which the regulator can take steps to place the insurer under its control.</p>
Total Assets	Assets that are permitted by state law to be included in the company’s financial statements. Admitted assets generally include assets that are liquid and whose value can be objectively assessed, or receivables that can reasonably be expected to be paid.
Total Liabilities	A summation of all company obligations recognized on the balance sheet. This includes provisions for loss and unearned premium reserves, commissions payable and other balances due.

¹ AM Best - A Best’s Financial Strength Rating is an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company’s financial strength and ability to meet its obligations to policyholders. “View our “Guide Best’s Credit Ratings” for rating disclosures related to the use and limitations of Best’s Credit Rating, and for additional information regarding the development of a Best’s Credit Rating, and other rating-related information and definitions. <https://web.ambest.com/home>

¹S&P - Please see “Intro to Credit Ratings” at <http://www.spglobal.com/understandingratings> to learn more.