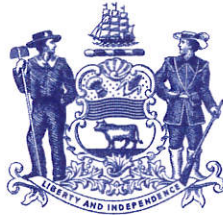


DISSOLUTION REPORT
OF
SOMPO JAPAN CANOPIUS REINSURANCE AG - U.S. BRANCH
AS OF
DECEMBER 15, 2017
NAIC CODE 15960

Trinidad Navarro
Commissioner



Delaware Department of Insurance

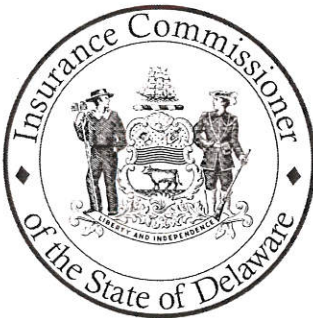
I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON DISSOLUTION EXAMINATION, made as of December 15, 2017 of the

SOMPO JAPAN CANOPIUS REINSURANCE AG – U.S. BRANCH

is a true and correct copy of the document filed with this Department.

Attest By: Ryleen Brown

Date: December 21, 2017

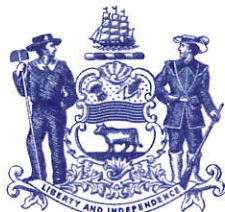


In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 21st day of December, 2017.

Trinidad Navarro

Trinidad Navarro
Insurance Commissioner

Trinidad Navarro
Commissioner



Delaware Department of Insurance

REPORT ON DISSOLUTION EXAMINATION
OF THE
SOMPO JAPAN CANOPIUS REINSURANCE AG – U.S. BRANCH
AS OF
DECEMBER 15, 2017

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in blue ink, reading "Trinidad Navarro".

Trinidad Navarro
Insurance Commissioner

Dated this 21st day of December, 2017

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SALUTATION

December 15, 2017

Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19901

Dear Commissioner:

In compliance with your instructions in Certificate of Authority 17.915 dated November 27, 2017, a Dissolution Examination has been made of the affairs, financial condition and management of the

SOMPO JAPAN CANOPIUS REINSURANCE AG - U.S. BRANCH

hereinafter referred to as “the Branch”, pursuant to the laws of the State of Delaware as a port of entry for the U.S. branch of Sompo Japan Canopius Reinsurance AG (SC Re), an alien reinsurance company domiciled in Switzerland.

SC Re’s administrative office is located at 4th Floor, Freigustrasse 16, 8002 Zurich, Switzerland. The registered agent of Sompo Canopius Re Underwriting Management, Inc. (SCRUM), the Branch’s U.S. Manager, is The Corporation Trust Company, whose registered office is located at 1209 Orange Street, Wilmington, DE 19801. SCRUM’s administrative office is located at 140 Broadway, Suite 2210, New York, NY 10005.

This examination was conducted through SC Re’s legal representative law firm of Drinker, Biddle & Reath, LLP, (contact Thomas Dawson), 1177 Avenue of the Americas, 41st Floor, New York, NY 10036. The report of such examination is respectfully submitted herewith.

SCOPE OF EXAMINATION

This Dissolution Report is a limited-scope examination and is not intended to communicate all matters of importance for an understanding of the Branch's financial condition.

The last examination was as of April 26, 2016. This dissolution examination is as of December 15, 2017.

As a result of a management decision, the Branch is to be dissolved. Therefore, this examination was to ascertain the following:

- Verify the remaining investment/cash assets of the Branch and determine any operating receivables that may exist.
- Ascertain and verify that there are no material liabilities other than residual general operating expenses.
- Review any other documents as needed.

HISTORY

SC Re was incorporated on November 23, 2015, under the laws of Switzerland and is authorized to issue one hundred million (100,000,000) common shares. All 100,000,000 shares of SC Re are owned by Sompo Canopus AG.

It was intended that the Branch of SC Re would complement the Group's existing reinsurance operations, comprised of its Lloyd's of London platform and reinsurance companies across Asia. It was intended that the Branch of SC Re would underwrite reinsurance only across a wide variety of property and casualty lines of business. SCRUM also intended to have offices in leading commercial locations other than New York, where it currently maintains an office, such as Chicago and Houston. U.S. cedents would have come from virtually every U.S. jurisdiction and, accordingly, the Branch intended to seek accreditation in all U.S. jurisdictions.

SC Re (which includes the Branch) is a member of an Insurance Holding Company System. However, pursuant to 18 Del. C. §561, U.S. Branches are subject to all Delaware state laws applicable to an insurer domiciled in the state with the exception of Chapter 50 of Title 18, the Insurance Holding Company System.

The organizational structure as of the examination date with control percentages of the upstream entities' control of the downstream entity [and domicile in brackets] is presented below:

	Economic Ownership Control Percent	Voting Control Percent
Sompo Japan Nipponkoa Holdings, Inc. [Japan] {1}, {2}	100%	100%
Sompo Japan Nipponkoa Insurance Inc. [Japan]	100%	100%
Sompo Canopius AG [Switzerland]	100%	100%
Sompo Japan Canopius Reinsurance AG [Switzerland] (SC Re)		
Canopius US Holdings, Inc. [Delaware]	100%	100%
Sompo Canopius Re Underwriting Management, Inc. [Delaware] (SCRUM)		

{1} Considered an ultimate controlling entity of SC Re (which includes the Branch) and SCRUM

The Branch was capitalized on April 26, 2016, with \$24,950,286. The Branch never wrote any policies or had any premiums during its existence. Consequently, the SC Re's Board of Directors approved a dissolution plan on September 19, 2017.

PROCEDURES PERFORMED

Procedures performed for the period April 26, 2016 through December 15, 2017 include:

- Review of the 2016 Annual Statement and September 30, 2017, Quarterly Statement.
- A review of the general ledger for the period April 26, 2016 through October 31, 2017.
- A review of all bank and custodian account statements as of October 31, 2017.
- A review of SC Re's Board of Director meeting minutes of the Branch from April 26, 2016 through December 15, 2017.
- There were no related party agreements in effect.

- There were no reinsurance agreements in effect for the years 2016 and 2017.
- The Branch received an exemption from the Delaware Department of Insurance for the 2016 audited financial statement report.
- The Branch wrote no business during its existence so there was no need for an actuarial opinion requirement as of December 31, 2016.

SUMMARY CONCLUSIONS

Corporate Records

The examiner reviewed the SC Re Board of Director resolution dated September 19, 2017, which contained the approval of the dissolution of the Branch, which is contingent upon the approval by the Delaware Department of Insurance.

Related Parties

The Branch was not a party to any related party agreements during its existence.

Reinsurance Agreements

The Branch was not a party to any reinsurance agreements during its existence.

Custodial Agreements

The Branch is a party to a custodial agreement with The Bank of New York Mellon effective April 16, 2016.

Claims

The Branch wrote no business during its existence so there were zero (0) outstanding and open claims as of December 15, 2017. The Branch has no carried loss reserves or loss adjustment expenses as of October 31, 2017.

Balance Sheet

The examiner reviewed the 2016 Annual Statement and the September 30, 2017 Quarterly Statement. A review was performed of the general ledger for the period April 26,

2016 through October 31, 2017. Additionally, a review of the bank and custodian statements was made as of October 31, 2017.

The balance sheet below, which was compiled from the Branch’s October 31, 2017 general ledger, reflects that the major assets are invested assets. The Branch reported no loss reserves or loss adjustment expenses at October 31, 2017.

ASSETS, LIABILITIES, AND POLICYHOLDER SURPLUS
As of October 31, 2017

Assets

Bonds	\$ 24,875,071
Cash, cash equivalents and short-term investments	882,218
Investment income due and accrued	95,476
Total Admitted Assets	<u>\$ 25,852,765</u>

Liabilities

Other expenses	\$ 87,578
Payable to affiliates	395,530
Payable for securities	<u>255,302</u>
Total Liabilities	<u>\$ 738,409</u>

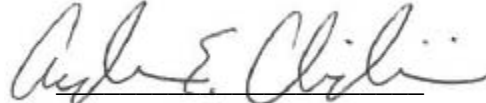
Policyholder Surplus

Aggregate write-ins for special surplus funds	\$ 25,054,990
Unassigned funds (surplus)	<u>59,366</u>
Total Policyholder Surplus	<u>\$ 25,114,356</u>
Total Liabilities and Policyholder Surplus	<u>\$ 25,852,765</u>

The Branch has complied with the dissolution requirements for the State of Delaware.

The examination was conducted by the undersigned.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Andrew E. Chiodini". The signature is written in black ink and is positioned above a horizontal line.

Andrew E. Chiodini, CFE
Examiner-In-Charge
Department of Insurance
State of Delaware