

ORGANIZATIONAL EXAMINATION
OF
MSIG SPECIALTY INSURANCE AMERICA, INC.
AS OF
DECEMBER 15, 2025

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON ORGANIZATIONAL EXAMINATION
OF
MSIG SPECIALTY INSURANCE AMERICA, INC.
AS OF
DECEMBER 15, 2025

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.

Trinidad Navarro
Insurance Commissioner

Dated this 24 day of December, 2025

TABLE OF CONTENTS

SCOPE OF EXAMINATION	1
HISTORY	2
MANAGEMENT AND CONTROL	2
Board of Directors.....	2
Committees of the Board of Directors	3
Officers	3
HOLDING COMPANY SYSTEM	4
FIDELITY BOND	4
AGREEMENTS.....	5
PLAN OF OPERATION	5
REINSURANCE	6
CAPITAL AND SURPLUS REQUIREMENTS	7
FINANCIAL DATA.....	8
NOTES TO FINANCIAL STATEMENTS.....	8
RECOMMENDATIONS.....	8
CONCLUSION.....	9

December 15, 2025

Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
1351 West North Street, Suite 101
Dover, DE 19904

Dear Commissioner:

In accordance with instructions and pursuant to statutory provisions contained in Examination Certification No. 25.919, dated December 4, 2025, an Organizational Examination has been conducted of

MSIG Specialty Insurance America, Inc.

hereinafter referred to as MSIG or the Company. The Company was incorporated under the laws of the State of Delaware as a stock property and casualty surplus lines insurance company.

The Company's registered agent is Corporation Service Company, with its registered office located at 251 Little Falls Drive, Wilmington, DE 19808. The Company's administrative office address is located at 15 Independence Blvd, Warren, New Jersey 07059-0602.

SCOPE OF EXAMINATION

This organizational examination was conducted in conjunction with the Company's application for a surplus lines insurer Certificate of Authority in the State of Delaware. The Company's corporate records, records applicable to and attendant with its application, as well as financial data as of December 15, 2025 have been reviewed.

HISTORY

The Company was incorporated on October 3, 2025 under the laws of the State of Delaware and is authorized to issue six hundred thousand (600,000) common shares with \$100 par value per share. The Company issued the following common stock certificates to MSIG Holdings (U.S.A), Inc., a Delaware insurer:

<u>Certificate</u>	<u>Shares</u>	<u>Date</u>	<u>Capital</u>	Gross Paid In and Contributed <u>Surplus</u>	<u>Total</u>
#1	<u>600,000</u>	12/12/2025	<u>\$60,000,000</u>	<u>\$0</u>	<u>\$60,000,000</u>
	<u>600,000</u>		<u>\$60,000,000</u>	<u>\$0</u>	<u>\$60,000,000</u>

MANAGEMENT AND CONTROL

Board of Directors

In accordance with its bylaws, adopted December 12, 2025, the business and affairs of the Company shall be managed by a Board of Directors (Board). The number of directors constituting the Board shall be not less than seven (7) nor more than twenty-one (21) as may be fixed or changed from time to time by the stockholders or the Board. Directors need not be residents of the State of Delaware or stockholders of the corporation.

The directors serving as of the examination date were as follows:

April Lynn Duff	Director
Brian Evan Botkin	Director/SVP/Chief Underwriting Officer
Hironori Morimoto	Director/President
Laura Ann Deutscher	Director
Martin John Sullivan	Chairman
Mary Jane Robertson	Director
Masaaki Izawa	Director/EVP
Megumi Fujioka	Director
Peter Joseph Mckenna	Director/CEO
Yu Oi	Director
Prashant Dinker Hinge	Director/SVP/Chief Information Officer and Transformation Officer

Kent William Ziegler

Director/SVP/CFO/Chief Administrative Officer

Committees of the Board of Directors

No committees of the Board have been constituted as of the examination date.

Officers

In accordance with its bylaws, the officers of the corporation shall consist of a President, a Secretary and a Treasurer, and, if the Board so determines, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as the Board may from time to time deem necessary or desirable. Any two (2) or more offices may be held by the same person.

The officers serving as of the examination date were as follows:

<u>Officer</u>	<u>Office</u>
Peter McKenna	CEO
Hironori Morimoto	President
Masaaki Izawa	Executive Vice President
Brian Evan Botkin	SVP, Chief Underwriting Officer & Interim Chief Claims Officer
Dale John James	SVP/Chief Risk Officer
Erika Ashley Shalette	SVP/General Counsel and Corporate Secretary
Kent William Ziegler	SVP/CFO/Chief Administrative Officer
Patricia Keating Walsh	SVP/Chief Human Resources Officer
Prashant Dinkar Hinge	SVP/Chief Information Officer and Transformation Officer
Renée Lynn Kelly	VP/Assistant Corporate Secretary
Susan Anne Falkowitz	SVP and Chief Audit Executive

The Company completed the National Association of Insurance Commissioners (NAIC) Form 11 - Biographical Affidavit for the directors and officers noted above.

The Company completed the NAIC Form 12 - Uniform Consent to Service of Process (Power of Attorney), dated and effective December 12, 2025.

A conflict of interest statement was completed by each of the directors and executive officers noted above. There were no material conflicts of interest disclosed.

HOLDING COMPANY SYSTEM

The Company is a wholly-owned subsidiary of MSIG Holdings (U.S.A), Inc. (MSIG Holdings), a NY Holding Company. The ultimate controlling person of the Company is MS&AD Insurance Group Holdings (MS&AD), a Japanese Corporation. The Master Trust Bank of Japan, Ltd., as of September 30, 2025, owns approximately 15% of MS&AD.

The IPS for the Group was prepared by New York Department of Financial Services (NYDFS) and reported the following conclusions: The Group, as a part of MS&AD Insurance Group, plays a significant role and strategic importance in the organization.

The Group continues to be in a stable financial position with rapid premium growth, although it reported its first net income loss in 2023 within the past 5 years, it has rebounded in 2024.

FIDELITY BOND

MSIG Holdings is the named insured with the policy period being July 22, 2025 to July 22, 2026. Under the insuring agreement, Dishonest of employees, Fidelity \$5,000,000 (single loss limit of insurance) with a \$100,000 (single loss deductible amount), Trading loss \$5,000,000 (single loss limit of insurance) with a \$100,000 (single loss deductible amount), ERISA \$5,000,000 (single loss limit of insurance) with a \$0 (single loss deductible amount), Restoration Expenses \$5,000,000 (single loss limit of insurance) with a \$100,000 with a (single loss deductible amount).

Based on the Company's pro forma information submitted by management, the minimum suggested coverage per the NAIC *Financial Condition Examiners Handbook – Exhibit R* is \$500,000 at year-end 2025, \$800,000 at year-end 2026, and \$1,000,000 at year-end 2027.

AGREEMENTS

Affiliated

A Service Agreement, Intercompany Pooling Agreement and Tax allocation Agreement and their corresponding expected amendments are pending submission for approval by the NYDFS. NYDFS has placed its review in abeyance until MSIG's Delaware Certificate of Authority has been issued.

Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.

PLAN OF OPERATION

The Company intends to write, via the U.S. surplus lines market, business that the Company's admitted sister companies do not write, because there is either insufficient customer base or demand to support writing in the admitted market.

The Company intends to focus on writing the following products: Cybersecurity insurance – primary coverage for both first and third party loss arising out of a cyber-attack on the policyholder (Other liability under NY license). Professional Liability E&O (Architects & Engineers, Lawyers and Accountants) – professional liability insurance for companies (Other liability under NY license). Commercial Property – property damage, business interruption (arising from standard fire, allied lines, flood or earthquake perils) – (Commercial multiple peril under NY license). Commercial Motor Vehicle - Standalone hired and non-owned auto liability and physical damage.

The Company intends to focus on these products differing from the products offered by the three affiliated insurers. The affiliated admitted insurers are filed to write Commercial Auto, General Liability, Commercial Property, Workers Compensation, Umbrella and Excess Liability, Commercial Crime, Excess Property and Marine and Inland Marine. These companies are not

filed to write Professional Liability and Media coverage or standalone Cybersecurity Insurance and do not write standalone hired and non-owned liability and physical damage for Commercial Motor Vehicles.

The affiliated admitted insurers offer cybersecurity insurance as sub-limited coverage only as part of a mono-line general liability policy or package policy with general liability insurance. In other words, the affiliated insurers do not offer cybersecurity insurance as a stand-alone product as the Company will.

The Company focuses on Commercial property that does not meet the appetite or standards to be written in one of our two admitted companies due to coverage needs or exposure.

In general, the Company will offer coverage for risks that do not fit the admitted market due to uniqueness, complexity of risk or terms and conditions or risk occupancy.

REINSURANCE

Reinsurance is provided through a combination of treaty and facultative reinsurance contracts. The Company's expected reinsurance program can cover the reinsurance needs of the products contemplated. Furthermore, the Company expects to maintain treaty capacity up to \$25 million per risk for liability, up to \$100 million per risk for property and up to \$25 million per risk for marine. Higher limits will be available through facultative reinsurance contracts. All reinsurance used in the MSIG reinsurance program must meet the Company's reinsurance program guidelines, which includes an A.M. Best rating of A or higher.

In addition to the above, the Company will participate in the group reinsurance pool, under which Mitsui Sumitomo Insurance Company of America (Pool Lead) assumes all risks not previously ceded to other reinsurers of the pool members. Subsequently, the Pool lead cedes ten percent (10%) to Mitsui Sumitomo Insurance USA, Inc., ten percent (10%) to MSIG Specialty

Insurance USA Inc., a second member of the pool, and ten percent (10%) to the remaining member MSIG, the Company.

Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.

CAPITAL AND SURPLUS REQUIREMENTS

18 *Del. C.* §511(a) requires \$650,000 as the minimum common capital stock for a stock insurance company authorized to write multiple lines property and casualty insurance. 18 *Del. C.* §1932(a) requires \$15,000,000 as the minimum policyholder surplus for a domestic surplus lines insurer. The Delaware Domestic/Foreign Insurers Bulletin No. 45 effective October 14, 2011, requires that newly-formed Delaware domestic surplus lines insurers have \$15,000,000 as the minimum capital and surplus. Consequently, the minimum required amounts for this examination are as follows:

Common Capital Stock	\$ 650,000
Gross Paid-in and Contributed Surplus	<u>\$14,350,000</u>
Capital and Surplus as Regards Policyholders	<u>\$15,000,000</u>

FINANCIAL DATA

The financial position of the Company as of December 15, 2025, as determined by this organizational examination, was as follows:

<u>Assets</u>		<u>Note</u>
Cash, Cash Equivalents and Short-term Investments	<u>\$60,000,000</u>	1
Total Admitted Assets	<u>\$60,000,000</u>	
 <u>Liabilities, Capital and Surplus</u>		
Total Liabilities	\$ 0	
Common Capital Stock	\$60,000,000	
Gross Paid In and Contributed Surplus	0	
Unassigned Funds	<u>0</u>	
Capital and Surplus as Regards Policyholders	<u>\$60,000,000</u>	
Total Liabilities, Capital and Surplus	<u>\$60,000,000</u>	

NOTES TO FINANCIAL STATEMENTS

Note 1 Cash, Cash Equivalents and Short-term Investments \$60,000,000

The total reported balance of \$60,000,000 consists of cash equivalents held in two custodial accounts, Deutsche Bank Trust Company Americas and the Delaware special deposit account held at Wilmington Trust. These balances were confirmed directly with the financial institution.

RECOMMENDATIONS

The following recommendations are made as a result of this examination:

<u>Agreements - Affiliated</u>	Page 5
<u>Reinsurance</u>	Page 8

Affiliated agreements and significant affiliated transactions require a Form D filing with and approval from the Department prior to becoming effective.

CONCLUSION

Based on the organizational examination conducted as December 15, 2025, the financial condition of the Company is as follows:

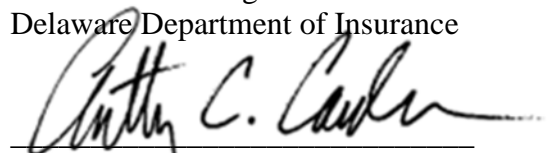
Assets	\$60,000,000
Liabilities	\$ 0
Capital and Surplus as Regards Policyholders	\$60,000,000

Upon completion of the organizational examination, the Company has complied with the capitalization requirements for the State of Delaware. The examination was conducted by the undersigned.

Respectfully submitted,



Albert M. Piccoli Jr., CFE
Examiner In-Charge
Delaware Department of Insurance



Anthony Cardone, CFE, CPA
Supervising Examiner
Delaware Department of Insurance

MSIG Specialty Insurance America, Inc.

I, Albert M. Piccoli Jr., hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 25.919.

A handwritten signature in cursive script, reading "Albert M. Piccoli Jr.", is displayed within a light gray rectangular box. The signature is fluid and legible.

Albert M. Piccoli Jr., CFE