



2024 Results and 2025 Forecast

The U.S. economic outlook is clouded by existing and potential tariffs and global political unrest. Real GDP decreased at an annualized rate of 0.2% during the first quarter of 2025; real GDP increased 2.4% in the fourth quarter of 2024. The U.S. unemployment rate remained unchanged in May 2025, holding steady at 4.2% (compared to April), while the underemployment rate was 7.3% in May 2025. As of May 2025, the Consumer Price Index (for all items including food and energy) increased 2.4% over the last twelve months, driven by a 2.9% increase in the food index.

A.M. Best estimates that net written premium for the U.S. property and casualty industry increased 8.8% in 2024, the fifteenth consecutive year of growth for the industry. A.M. Best notes that the U.S. property and casualty industry posted a \$22.9 billion underwriting gain in 2024 primarily driven by rate increases in personal lines and reduction in incurred losses and loss adjustment expenses. Growth of 9.8% in net earned premiums offset a 2.1% increase in incurred losses and loss adjustment expenses and a 9.8% increase in other underwriting expenses. The P/C industry's estimated combined ratio for 2024 improved to 96.6%, 5.0 points better than the 2023 combined ratio of 101.6%.

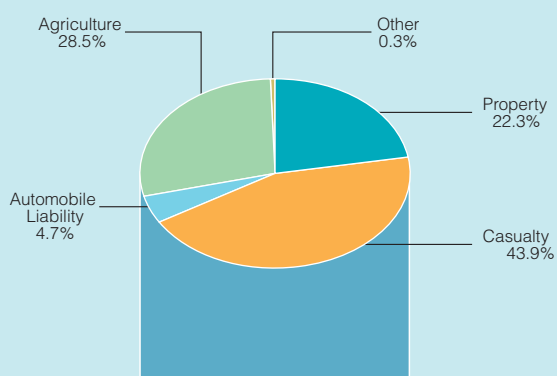
North America non-life reinsurance renewal rate activity, which had strengthened for several years through mid-year 2023, has returned to a more predictable market driven by supply and demand dynamics. The January 2025 renewal season saw a mix of trends, with property catastrophe rates softening in some areas due to increased capacity and strong reinsurer earnings, while casualty and specialty lines saw more stable or slightly increased pricing. Standard & Poor's maintained its stable outlook for the global reinsurance industry, with expectations of continued strong performance in 2025. A.M. Best maintained its positive outlook for the global reinsurance industry, expecting market trends to have a positive influence on reinsurers over the next year.

Toa Re America's 2024 gross premiums written decreased 2.9% from 2023. Toa Re America developed a GAAP combined ratio of 108.1% for 2024. Non catastrophe loss development from accident years 2023 and prior contributed 10.6 points to the combined ratio. Property catastrophe losses provided 0.5 point to the combined ratio. U.S. GAAP comprehensive income was \$17.9 million (primarily driven by net income) and net cash flow from operations was an outflow of \$97.1 million during 2024. For the year, the market value of Toa Re America's cash and invested assets decreased by \$118.2 million or 6.3%. Toa Re America's bond portfolio (83.5% of invested assets) had an overall gross return of 3.2% for 2024. Shareholders' equity increased 3.4% to \$543.8 million during 2024.

Toa Re America seeks to write a diversified and well balanced portfolio of reinsurance risks in the North American marketplace for P&C business, and worldwide for agricultural reinsurance. Toa Re America evaluates diversification by customer type, product line, peril, and geography. Toa Re America pursues a balanced relationship between classes of business underwritten and premium to limits exposed. Central to Toa Re America's approach is a well-defined underwriting philosophy based on risk selection, exposure evaluation, limit management, and pricing. Through our efforts, Toa Re America endeavors to access business opportunities at the correct exposure adjusted price for risk transfer. Toa Re America's desired portfolio consists of clients who understand and appreciate that reinsurance transactions must represent a fair trade for both parties.

While it is our intention to be a market of choice, Toa Re America will not put continuity of offer ahead of profitability. Toa Re America must generate acceptable returns to honor the commitments made to all of our stakeholders. Toa Re America will consistently apply a set of objective standards to business under consideration to make certain it conforms to our profitability targets while seeking to minimize our exposure to natural catastrophe perils, through all available means.

Gross Premiums by Class



Financial Highlights

Years ended 31st December	U.S. GAAP Thousands of U.S. dollars		
	2024	2023	Percentage Change
Summary of Operations			
Gross Premiums Written	\$ 517,771	\$ 532,521	(2.7)%
Net Premiums Written	381,825	444,025	(14.0)
Pre-Tax Net Income (Loss)	27,833	10,781	158.1
After-Tax Net Income (Loss)	17,892	10,984	62.8
Balance Sheets			
Total Assets	2,266,226	2,278,152	(0.5)
Total Liabilities	1,722,408	1,752,307	(1.7)
Total Stockholders' Equity	543,818	525,845	3.4
Cash Flows			
Net Cash from Operations	(97,102)	41,461	(334.2)