



**EXAMINATION REPORT
OF
Trans-Oceanic Life Insurance Company of America**

NAIC Company Code: 16715

**Orlando, Florida
as of
December 31, 2022**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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May 28, 2024

Michael Yaworsky
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“NAIC”), we have conducted an examination as of December 31, 2022, of the financial condition and corporate affairs of

Trans-Oceanic Life Insurance Company of America

8240 Exchange Drive, Suites Cloud 1, 2, & 3
Orlando, Florida 32809

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2022, through December 31, 2022, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on October 17, 2023, to February 29, 2024. The fieldwork concluded as of May 28, 2024. The Company’s last full scope exam by representatives of OIR covered the period of January 1, 2021, through December 31, 2021.

The examination was single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”). The examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes information obtained from the examination of the records, accounts, files and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no significant findings of fact as a result of this examination.

Previous Examination Findings

There were no significant findings of fact for the prior examination as of December 31, 2021.

COMPANY HISTORY

General

The Company is a wholly owned subsidiary of Trans-Oceanic Life Insurance Company (“TOLIC”), and was incorporated in Florida on November 14, 2019, to expand their operations into the contiguous United States. The company is licensed by the OIR as a Life and Health insurer in accordance with Section 624.401 of the Florida Statutes, and commenced business on January 16, 2020.

Dividends

The Company did not declare or pay any dividends during the period under examination.

Capital Stock and Capital Contributions

As of December 31, 2022, the Company’s capitalization was as follows:

Number of authorized common capital shares	1,000,000
Number of shares issued and outstanding	1,000,000
Total common capital stock	\$1,000,000
Par value per share	\$1

During 2022, the Company received a capital contribution of \$1,250,000 from TOLIC.

Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

MANAGEMENT AND CONTROL

Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2022, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Nicolas A. Touma Correa, Chair	San Juan, Puerto Rico	Chairman, Trans-Oceanic Group, Inc.
Fernando J Nido Colon	San Juan, Puerto Rico	Retired Certified Public Accountant
Mickey Carrero Ramos	Ft. Lauderdale, Florida	Chief Revenue Officer, Ricoh Latin America
Juan Jose Roman	Guaynabo, Puerto Rico	Retired Certified Public Accountant
Christian Touma Taveras	Guaynabo, Puerto Rico	Vice President of Sales and Marketing, Trans-Oceanic Life Insurance Company of America
Edrick J. Touma Taveras	San Juan, Puerto Rico	President, Trans-Oceanic Life Insurance Company
Humberto Tapia Taveras	Orlando, Florida	Executive Vice President, Trans-Oceanic Life Insurance Company of America

In accordance with the Company's Bylaws, the Board of Directors ("Board") appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
Edrick J. Touma Taveras	San Juan, Puerto Rico	President
Pedro Gonzalez Cerrud ^(a)	San Juan, Puerto Rico	Vice President of Finance
Luz Rodriguez	San Juan, Puerto Rico	Controller
Javier F Ortiz Rodriguez	San Juan, Puerto Rico	Vice President Operations

(a) Resigned on February 28, 2024, and his role is currently being filled by the President, Edrick Touma, who holds a CPA designation.

The Company's Board appointed several internal committees. The following were the principal internal Board committees and their members as of December 31, 2022.

Audit Committee		
Name	City, State	Title, Company Name
Fernando J Nido Colon	San Juan, Puerto Rico	Retired Certified Public Accountant
Juan Jose Román	Guaynabo, Puerto Rico	Retired Certified Public Accountant
Mickey Carrero Ramos	Ft. Lauderdale, Florida	Chief Revenue Officer, Ricoh Latin America

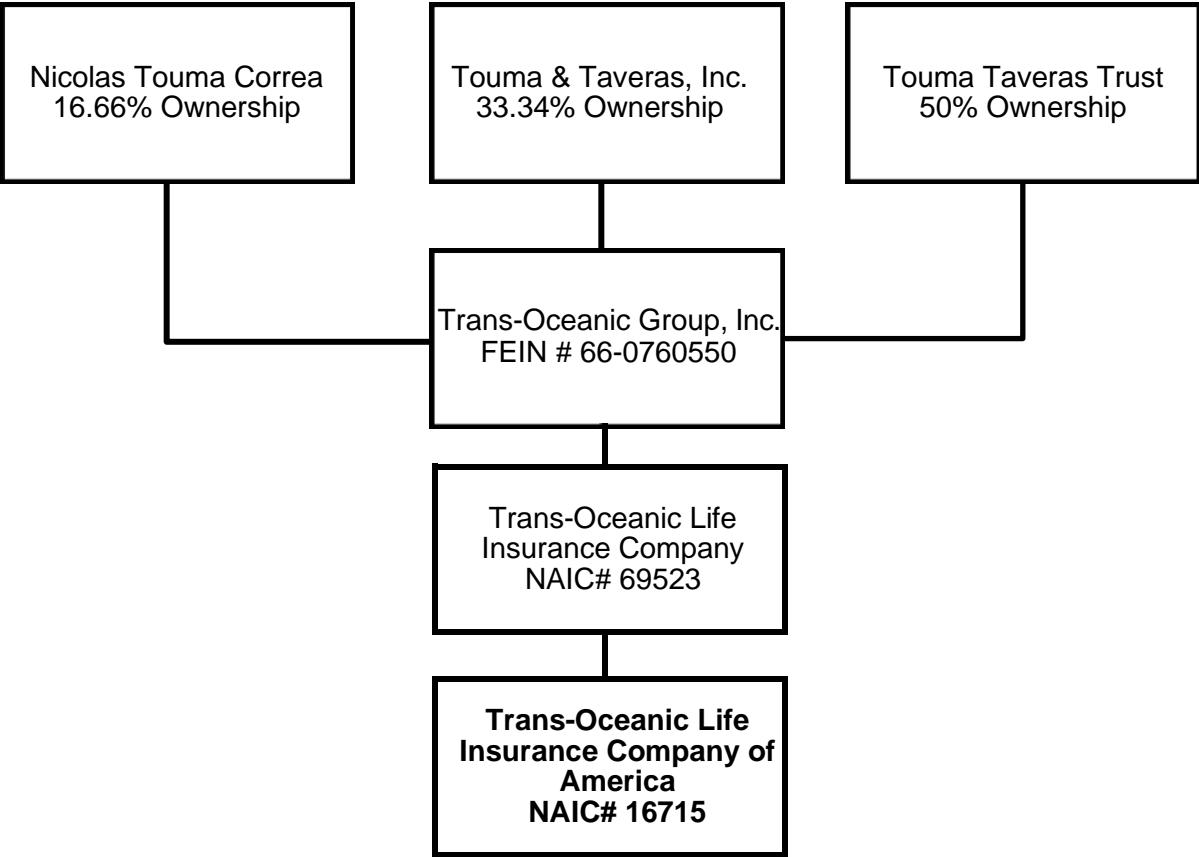
The Company maintained an Audit Committee, as required by Section 624.424(8)(c), Florida Statutes.

Investment Committee		
Name	City, State	Title, Company Name
Juan Jose Román	Guaynabo, Puerto Rico	Retired Certified Public Accountant
Mickey Carrero Ramos	Ft. Lauderdale, Florida	Chief Revenue Officer, Ricoh Latin America
Humberto Tapia Taveras	Orlando, Florida	Executive Vice President, Trans-Oceanic Life Insurance Company of America
Edrick J. Touma Taveras	San Juan, Puerto Rico	President, Trans-Oceanic Life Insurance Company

Enterprise Risk Management Committee		
Name	City, State	Principal Occupation, Company Name
Nicolas A. Touma Correa, Chair	San Juan, Puerto Rico	Chairman, Trans-Oceanic Group, Inc.
Fernando J Nido Colon	San Juan, Puerto Rico	Retired Certified Public Accountant
Edrick J. Touma Taveras	San Juan, Puerto Rico	President, Trans-Oceanic Life Insurance Company

Holding Company System

A simplified organizational chart as of December 31, 2022, reflecting the holding company system, follows. Schedule Y of the Company’s 2022 Annual Statement provided a list of all related companies of the holding company group.



AFFILIATED AGREEMENTS

The following agreements were in effect between the Company and its affiliates:

Shared Cost Service Agreement

Effective, December 12, 2019, the Company entered into a Shared Cost Services Agreement with TOLIC. Under the terms of the agreement, TOLIC will provide accounting support services, information technology services, tax and legal services, human resources services, and other services as needed. The allocated cost is based on TOLIC's average payroll expenses for the respective departments, along with a mark-up of five (5) percent for overhead expenses. The total paid by the Company under the agreement in 2022 was \$226,334.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Orlando, Florida.

The Company and non-affiliates had the following material agreements:

Custodial Agreement

The Company entered into a custodial agreement with Merrill Lynch on May 15, 2022.

Managing General Agent Agreement

The Company utilizes various non-affiliated Managing General Agents ("MGAs") to produce insurance business. The MGAs were responsible for quoting policies to customers, claims administration, billing, and collecting premiums on behalf of the insurer. The Company retained the right for binding authority and ensures all policies meet company underwriting guidelines.

Independent Auditor Agreement

An independent auditor, Kevane Grant Thornton, LLP, of San Juan, Puerto Rico, audited the Company's statutory basis financial statements for 2022, in accordance with Section 624.424(8), Florida Statutes. Supporting work papers were prepared by the CPA firm as required by Rule 69O-137.002, FAC.

Corporate Records Review

The recorded minutes of the Shareholders, Board, Audit Committee, Investment Committee, and the Enterprise Risk Management Committee were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance solely in the state of Florida on January 16, 2020.

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The company did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

Effective December 12, 2019, the Company entered into a one hundred (100) percent quota share reinsurance agreement with TOLIC. Under the agreement, the Company cedes one hundred (100) percent of its Accident & Sickness, Accident Only, and Cancer Insurance products. The Company receives a ceding commission along with an administrative allowance for marketing,

handling, processing, billing, collection, and claims activities. The agreement was amended in 2022, retroactive to the inception date of the agreement, to have TOLIC reimburse the Company for all commissions to agents and adjustments resulting from advances and repayment of commissions, cancellation of policies, endorsements, and return premiums. The revised agreement was approved by the OIR on June 3rd, 2022. The Company ceded accident and health premium of \$1.9 million, and benefits of \$214,104 to TOLIC in 2022.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds, and statutory Summary of Operations, which includes an analysis of changes in the Capital and Surplus Account for the year ended December 31, 2022. The financial statements are based on the statutory financial statements filed by the Company with the OIR and present the financial condition of the Company for the period ending December 31, 2022. Due to rounding, column amounts may not add to the totals reflected in this Report.

There were no examination adjustments to the amounts reported by the Company.

Trans-Oceanic Life Insurance Company of America
Assets
December 31, 2022

	Per Company
Bonds	2,192,127
Stocks	
Common	552,219
Cash, cash equivalents and short-term investments	1,381,410
Subtotal cash and invested assets	4,125,756
Investment income due and accrued	10,295
Reinsurance	
Amounts recoverable from reinsurer	11,000
Other amounts receivable	244,681
Electronic data processing equipment and software	22,845
Totals	4,414,577

Trans-Oceanic Life Insurance Company of America
Liabilities, Surplus and Other Funds
December 31, 2022

	Per Company
Claims unpaid	
General Expenses due and accrued	204,781
Taxes, licenses and fees due or accrued	1,078
Miscellaneous Liabilities	
Payable to parent	6,298
Funds held under reinsurance treaties	
Aggregate write-ins for other liabilities	262,632
Total liabilities	474,789
Aggregate write-ins for special surplus funds	
Common capital stock	1,000,000
Gross paid-in and contributed surplus	6,350,000
Surplus notes	
Unassigned funds (surplus)	(3,410,212)
Total capital and surplus	3,939,788
Total liabilities, capital and surplus	4,414,577

Trans-Oceanic Life Insurance Company of America
Summary of Operations
December 31, 2022

	Per Company
Net Investment Income	37,907
Amortization of Interest Maintenance Reserve	(12,080)
Commission and expense allowances on reinsurance ceded	1,631,616
Totals	1,657,443
Commissions on premiums, annuity consideration, and deposit-type contract funds	1,230,471
General insurance expenses	1,370,998
Insurance taxes, licenses and fees	70,860
Totals	2,672,329
Net loss from operations	(1,014,886)
Net realized capital losses	(6,008)
Net Loss	(1,020,894)

Summary of Operations (continued):

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	3,803,713
Net Income	(1,020,894)
Change in net unrealized capital gains (losses) less capital gains tax	(181,502)
Change in nonadmitted assets	60,390
Change in asset valuation reserve	28,081
Surplus adjustments:	
Paid in	1,250,000
Net change in capital and surplus	136,075
Capital and surplus, end of reporting year	3,939,788

Trans-Oceanic Life Insurance Company of America
Reconciliation of Capital and Surplus
December 31, 2022

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2022, per Examination			3,803,713
	Increase	Decrease	
Change in surplus		1,020,894	(1,020,894)
Change in net unrealized capital gain (loss)		181,502	(181,502)
Change in nonadmitted assets	60,390		60,390
Change in asset valuation reserve	28,081		28,081
Change in paid in surplus	1,250,000		1,250,000
Net increase (or decrease)			136,075
Capital and Surplus at December 31, 2022, per Examination			3,939,788

Trans-Oceanic Life Insurance Company of America
Analysis of Changes in Financial Statement Resulting from the Examination
December 31, 2022

No adjustments were made to surplus as regards policyholders as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Gary D. Lake, FSA, MAAA, Consulting Actuary with Lake Consulting, Inc., appointed by the Board, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2022, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The OIR consulting actuary, Steve Mahan, FSA, reviewed the loss and loss adjustment expense work papers provided by the Company and he was in concurrence with this opinion.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$ 3,939,788 exceeded the minimum of \$ 1,500,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

On May 16, 2023, the Company entered into a custodial agreement with Fifth Third Bank and subsequently ended the agreement with Merrill Lynch.

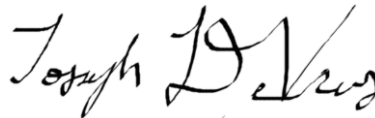
On February 28, 2024, CFO Pedro Gonzalez resigned. His role is currently being filled by the President, Edrick Touma, who holds a CPA designation, while the role is being filled.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Trans-Oceanic Life Insurance Company of America as of December 31, 2022, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Noble Consulting Services, Inc. participated in the examination: Joseph DeVries, CFE, CPA, Examiner-in-Charge; James Menck, CFE, Exam Supervisor; Robin Roberts, CFE, Participating Examiner; and Stefan Obereichholz-Bangert, AES, CISA, CISM, IT Examiner. Members of OIR who participated in the examination include Margaret McCrary, CFE, CPA, MBA, Chief Financial Examiner. Additionally, Steve Mahan, FSA, consulting actuary, is recognized for participation in the examination.

Respectfully submitted,



Joseph DeVries, CFE, CPA
Examiner-in-Charge
Noble Consulting Services, Inc.



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation
Date Signed: 6/12/24