

Modern Slavery Statement 2018

Tokio Marine HCC International (TMHCC International) remains committed to ensuring that its corporate activities and supply chains are free from slavery and human trafficking. TMHCC International takes a zero-tolerance approach to modern slavery and human trafficking in any form including: slavery, servitude, forced and compulsory labour and human trafficking (“Modern Slavery”).

As required by the Modern Slavery Act 2015 (“MSA 2015”), this statement describes the steps TMHCC International has taken during the financial year ended 31 December 2018 to prevent Modern Slavery from taking place in its supply chain or within TMHCC International’s business activities.

Organisation structure

The companies that comprise TMHCC International are subsidiaries of HCC Insurance Holdings, Inc. (TMHCC Group), a leading international specialty insurance group with more than 100 classes of specialty insurance.

TMHCC International is TMHCC Group’s operating segment outside of the United States. TMHCC International’s principal operating companies include HCC International Insurance Company plc (a UK insurance company), its wholly owned subsidiary Tokio Marine Europe S.A. (TME), (a Luxembourg insurance company), HCC Underwriting Agency Ltd, the managing agent of HCC Syndicate 4141 (a wholly aligned Lloyd’s syndicate) and Houston Casualty Company (London Branch). Other companies within TMHCC International exist to support the (re)insurance business written by those principal operating entities.

Business and supply chains

TMHCC International underwrites (re)insurance products. In 2018 TMHCC International underwrote its products through two core underwriting segments; International Specialty (Financial Lines, Professional Risks, Credit & Political Risk and Surety) and London Market (Marine & Energy, Property Treaty, Property Direct and Facultative and Accident & Health) from its UK offices, its European branches and across the rest of the EEA via Freedom of Services authorisations and accepts inwards reinsurance risks from United States, Canada, Australia and the rest of the world where its licenses permit.

TMHCC International does not act as a producer or manufacturer or distributor of tangible physical goods and, as such, has no supply chains regarding any such activities.

The majority of the supply chains involved in TMHCC International’s (re)insurance business are regulated entities, such as (re)insurance brokers, cover holders and third-party administrators. Those wishing to do business with TMHCC International must enter into written terms of business agreements which outline the responsibilities of each party in relation to the provision of (re)insurance and [such agreements contain clauses which ensure the prevention of Modern Slavery within the supply chain.]

TMHCC International’s supply chains also include third party suppliers of IT services; telecoms; facilities management services including, for example, cleaning, security; marketing and branding materials; and consultancy and professional service firms, such as claims related service providers, audit, tax, legal, investment management, and payroll services.

As TMHCC International's supply chains are largely comprised of regulated entities and professional service companies, we consider there is a low risk of Modern Slavery.

Policies on modern slavery

TMHCC International is committed to carrying out its business activities fairly, honestly, transparently and its responsible approach to business extends to procurement, outsourcing and third parties and it is committed to preventing slavery and human trafficking in its corporate activities and ensuring that its supply chains and third-party relationships are free from slavery and human trafficking.

TMHCC International has policies and procedures in place to prevent Modern Slavery in the supply chain, including outsourcing and contract management policy; delegated underwriting procedures and intermediary vetting procedures. Policies and practices are continually reviewed to ensure they remain appropriate.

Due diligence

TMHCC International's outsourcing and procurement process includes due diligence of new suppliers, outsourcers and third parties as well as reviews and audits of existing suppliers, outsourcers and third parties. Transparency in the supply chain in relation to Modern Slavery is reviewed at the due diligence stage.

Steps taken during 2018

During 2018, TMHCC International focused its efforts on the entities registered in the UK. A list of the TMHCC International entities identified in scope of the MSA 2015 can be found at [the foot] within this statement. In 2019, we will expand this scope to include TMHCC International's non-UK entities.

TMHCC International adopts a robust approach to the selection, appointment and management of its suppliers, outsourcers and this approach is supported by embedded practices and policies. During 2018 we undertook the following additional steps:

- Reviewed the recruitment (Preferred Supplier (PSL)) agreements, working with recruitment partners, to enter into updated PSL agreements which ensure the prevention of Modern Slavery.
- Conducted a review of the standard Modern Slavery clauses in third party supplier contracts and created a bespoke Modern Slavery clause to be used in supplier, outsourcing and third-party contracts.
- Reviewed the policies TMHCC International has in place which supports its commitment to preventing within the business and its supply chain and consider that they remain effective and fit for purpose

Next steps – 2019

TMHCC International's commitment to ensuring that Modern Slavery doesn't take place within its business or supply chains is ongoing. Building upon the steps that have already been undertaken, planned initiatives in 2019 include:

- deliver further training to employees of Tokio Marine Europe S.A., a newly established European insurance company and [Qdos a recently acquired UK company];



- sharing this statement with all employees and including it and the Modern Slavery training within the joining materials for all new employees;
- continue to improve existing policies;
- updating the Whistleblowing Policy to include explicit references to Modern Slavery;
- continue to examine TMHCC International's supply chains to identify any new risk areas; and
- continue to work to identify appropriate key performance indicators to support the ongoing monitoring and management of Modern Slavery risk.

Approval of this statement

This statement is made pursuant to section 54 of the MSA 2015 and constitutes the slavery and human trafficking statement for the financial year ending 31 December 2018 of the following TMHCC International entities:

- Tokio Marine HCC Insurance Holdings (International) Limited (company number 02397848)
- HCC International Insurance Company plc (company number 01575839)
- HCC Underwriting Agency Limited (company number 04632146)
- Nameco (No.808) Limited (company number 04873370)
- Houston Casualty Company (London Branch) (company number BR004760)

This statement was approved by the Boards of the above-named entities on 16 May 2019.