



TOKIO MARINE
HCC

Tax Strategy 2018

Tax Strategy

This Tax Strategy details the approach taken in relation to ensuring that the UK tax obligations of Tokio Marine HCC are understood, properly managed and complied with. This Tax Strategy applies to all UK taxes applicable to Tokio Marine HCC and the document is owned by the Boards of Directors of HCC Insurance Holdings (International) Ltd, HCC International Insurance Company PLC, HCC Underwriting Agency Ltd, Nameco (No. 808) Ltd. and Houston Casualty Company, London Branch.

Tokio Marine HCC operates its business responsibly, complying with all local laws and regulations that govern its operations, whilst seeking to be fair, honest and transparent in dealings with all of its stakeholders. Its Tax Strategy is consistent with this approach.

Approach to UK tax risk management

Tokio Marine HCC has a strong risk reporting and risk governance system in place to ensure effective risk management of all areas of financial, operational and regulatory risk. Management of tax risks is undertaken on a basis consistent with the management of other risks.

The Chief Financial Officer is accountable, under the Senior Accounting Officer regime, for ensuring that Tokio Marine HCC has appropriate tax accounting arrangements in place. Tax is part of Tokio Marine HCC's Finance function with day to day matters undertaken by the Tax Team.

The Tax Team, consisting of tax professionals, liaises with key internal stakeholders, including Underwriting, Claims, Finance and HR, to identify, assess and control tax risks that arise as a result of Tokio Marine HCC's size, complexity and the nature of its business or transactions. External advice is sought on specialist or uncertain matters, such as transfer pricing.

Controls and procedures are in place to mitigate the risk of inaccurate or late tax returns and tax payments and we are committed to compliance with UK tax law and practice. Changes to, and new, tax legislation or practices relevant to UK tax are monitored with changes made to procedures being implemented when required.

Approach to UK tax planning

Tokio Marine HCC does not engage in UK tax planning that solely relates to the avoidance of tax or that involves an aggressive interpretation of tax law. It does consider tax planning involving tax incentives or opportunities intended through UK government policy. Where there are ambiguities or a technical tax position is not clear, then we will consult with external advisors and/or HMRC, where appropriate, with a view to following the correct treatment under tax law.

Acceptable tax risk

In line with Tokio Marine HCC's wider policy in relation to financial risk management, the level of acceptable UK tax risk is conservative allowing Tokio Marine HCC to protect its capital and focus its risk appetite on underwriting.

This approach means that UK tax positions are not taken where it is deemed that a successful HMRC challenge to such arrangements would be likely.

Relationship with HMRC

Tokio Marine HCC sees open, constructive and transparent discussions with HMRC as a key and valuable part of managing their tax compliance framework. Engagement with HMRC is sought on an honest basis with real time working when necessary. Formal meetings to discuss relevant group transactions, business developments and tax related issues are held with HMRC at least annually with more frequent informal contact as and when required.

Tokio Marine HCC considers that that publication of this strategy complies with the duty under paragraph 16(2) of Finance Act 2016.

This Tax Strategy covers the Tokio Marine HCC business units:

HCC INTERNATIONAL INSURANCE CO PLC

HCC CREDIT SERVICES LTD

NAMECO (No.808) LTD

PEPYS HOLDINGS LTD

HCC INSURANCE HOLDINGS (INTERNATIONAL) LTD

HCC SPECIALTY LTD

HCC UNDERWRITING AGENCY LTD

HCC SERVICE COMPANY INC (UK BRANCH)

HOUSTON CASUALTY COMPANY, LONDON BRANCH

QDOS BROKER & UNDERWRITING SERVICES LIMITED

QDOS HOLDINGS LIMITED