

Report on Examination

of

Pan-American Assurance Company International, Inc.
United States Branch

Grand Cayman, Cayman Islands

as of

December 31, 2013



FLORIDA OFFICE OF
INSURANCE REGULATION

Kevin M. McCarty, Commissioner
Florida Office of Insurance Regulation
200 E. Gaines Street
Tallahassee, Florida

Dear Sir:

In accordance with Sections 624.316 and 630.101, Florida Statutes, and the *Financial Condition Examiners Handbook* of the National Association of Insurance Commissioners, we have completed a financial condition examination of the United States branch of Pan-American Assurance Company International, Inc. as of December 31, 2013. Our report on the examination follows.

Florida Office of Insurance Regulation
January 23, 2015

Contents

Scope of Examination	1
Background.....	1
Procedures and Findings	2
Financial Statements.....	3
Conclusion	7

SCOPE OF EXAMINATION

We have completed a limited-scope financial condition examination of the United States branch of Pan-American Assurance Company International, Inc. ("the Branch") covering the period of December 12, 2008 through December 31, 2013. The objectives, procedures and findings of the examination are reported on page 2. This was the first financial condition examination of the Branch by the Florida Office of Insurance Regulation (the "Office"). The examination was conducted in Tallahassee, Florida.

This report is on a limited-scope examination. As such, it is not intended to communicate all matters of importance necessary for an understanding of the Branch's financial condition. The purposes of limited-scope examinations are to review specific aspects of financial or operational processes, perform specific procedures with respect to those aspects, and report the examiners' findings thereon. By definition, limited-scope examinations are less comprehensive than full-scope examinations. The examination was limited to an examination of the company's United States branch.

BACKGROUND

Pan-American Assurance Company International, Inc. is an international life and health insurer domiciled in the Cayman Islands. It was incorporated in the Cayman Islands on July 25, 2007. On December 12, 2008, it was authorized by the Office to operate as an alien insurer pursuant to Section 624.401, Florida Statutes (F.S.)

PROCEDURES AND FINDINGS

Assets Held in Trust

Examination objectives included verifying the existence and valuation of the Branch's bonds held pursuant to Section 624.412, F.S., in the total amount of \$1,515,851. Related procedures included a review of relevant records, supporting documents and independent confirmations of the bonds. No significant adverse findings resulted.

Consent Order

Examination objectives included determining whether individuals with control over the company had been approved by the Office as required by Consent Order 100289-008-CO filed by the Office on December 12, 2008. Related procedures included making inquiries and reviewing relevant records. No significant adverse findings resulted.

Deposit and Trust Agreement Requirements

Examination objectives included determining whether the Branch was in compliance with the deposit and trust agreement requirements of Sections 630.021 and 630.051, F.S. Related procedures included reviewing the applicable trust agreement and confirming with the trustee assets held in trust. No significant adverse findings resulted.

Pan-American Assurance Company International, Inc.
United States Branch
Admitted Assets, Liabilities, Capital and Surplus
December 31, 2013

Admitted Assets	As Reported	Examination Adjustments	Per Examination
Bonds	\$ 1,515,851	\$ -	\$ 1,515,851
Investment income due and accrued	38,750	-	38,750
Total admitted assets	\$ 1,554,601	\$ -	\$ 1,554,601
Liabilities			
Interest maintenance reserve	\$ 23,646	\$ -	\$ 23,646
Asset valuation reserve	4,548	-	4,548
Total liabilities	28,194	-	28,194
Capital and Surplus			
Unassigned funds	1,526,407	-	1,526,407
Total liabilities, capital and surplus	\$ 1,554,601	\$ -	\$ 1,554,601

Pan-American Assurance Company International, Inc.
United States Branch
Summary of Operations
(As Reported by the Branch)
Year Ended December 31, 2013

Net investment income	\$ 89,447
Amortization of interest maintenance reserve	2,091
<hr/>	
Net income	\$ 91,538
<hr/>	

Pan-American Assurance Company International, Inc.
United States Branch
Statement of Changes in Capital and Surplus
Six Years Ended December 31, 2013

Capital and surplus - December 31, 2007	\$	-
Net income		6,333
Change in asset valuation reserve		(1,990)
Paid in surplus		2,609,761
<hr/>		
Capital and surplus - December 31, 2008		2,614,104
Net income		121,719
Change in asset valuation reserve		(795)
Paid in surplus		(1,201,493)
<hr/>		
Capital and surplus - December 31, 2009		1,533,535
Net income		91,784
Change in asset valuation reserve		(633)
Paid in surplus		(92,998)
<hr/>		
Capital and surplus - December 31, 2010		1,531,688
Net income		91,702
Change in asset valuation reserve		(504)
Paid in surplus		(93,000)
<hr/>		
Capital and surplus - December 31, 2011		1,529,886
Net income		91,609
Change in asset valuation reserve		(400)
Paid in surplus		(93,000)
<hr/>		
Capital and surplus - December 31, 2012		1,528,095
Net income		91,538
Change in asset valuation reserve		(226)
Paid in surplus		(93,000)
<hr/>		
Capital and surplus - December 31, 2013	\$	1,526,407

**Pan-American Assurance Company International, Inc.
United States Branch
Comparative Analysis of Changes in Capital and Surplus
December 31, 2013**

The following is a reconciliation of capital and surplus between that reported by the Branch and as determined by the examination.

	<u>As Reported</u>	<u>Per Examination</u>	<u>Increase (Decrease) In Capital & Surplus</u>	
Capital and surplus, December 31, 2013 - as reported				\$ 1,526,407
Total admitted assets	\$ 1,554,601	\$ 1,554,601	\$ -	
Total liabilities	\$ 28,194	\$ 28,194	\$ -	
Net change in capital and surplus				-
Capital and surplus, December 31, 2013 - per examination				<u>\$ 1,526,407</u>

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the National Association of Insurance Commissioners have been applied to the specific areas described in this report of limited-scope examination of the United States branch of Pan-American Assurance Company International, Inc. as of December 31, 2013, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, Darlene L. Lenhart-Schaeffer, CFE, CISA, APIR, Financial Examiner/Analyst Supervisor, participated in this examination.

Respectfully submitted,

Scott R. Slaughter, CPA
Financial Examiner/Analyst II
Florida Office of Insurance Regulation