



**EXAMINATION REPORT
OF
PAN-AMERICAN ASSURANCE COMPANY INTERNATIONAL,
INC. – UNITED STATES BRANCH**

NAIC Company Code: 13602

**Grand Cayman, Cayman Islands
as of
December 31, 2020**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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May 11, 2022

David Altmaier
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 ("the NAIC"), we have conducted an examination as of December 31, 2020, of the financial condition and corporate affairs of

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

23 Lime Tree Bay Avenue, Governor's Square, Bldg. 4, 2nd Floor
Grand Cayman, KY1-1108

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, 2019 through December 31, 2020 and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on September 24, 2021. The fieldwork concluded as of May 11, 2022. The Company’s last full scope exam by representatives of the OIR covered the period of January 1, 2014 through December 31, 2018.

The examination was a multi-state/coordinated holding company group examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“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. The lead state for this exam was Louisiana, and states that participated in this exam are as follows: Florida, Illinois and Texas.

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 as a result of this examination.

Previous Examination Findings

There were no significant findings in the previous examination.

COMPANY HISTORY

General

Pan-American Assurance Company International, Inc. ("PAACII") was incorporated on July 25, 2007 in the Cayman Islands, British West Indies as an international life and health insurer and is regulated by the Cayman Islands Monetary Authority.

PAACII is a wholly-owned subsidiary of Pan-American Life Insurance Group ("PALIG"). PALIG is a wholly-owned subsidiary of Pan-American Life Mutual Holding Company ("PALMHG"), which is the ultimate parent of the holding company group.

On December 12, 2008, PAACII was granted a Certificate of Authority through the Consent Order issued by the OIR to operate as an alien life and health insurer with Florida as its port of entry in accordance with Section 624.401, Florida Statutes, through the Pan-American Assurance Company International, Inc. - United States Branch ("Company").

Dividends

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

Capital Stock and Capital Contributions

The Company has no issued or outstanding Common or Preferred Capital Stock and only serves as a port of entry company for PAACII.

The Company did not receive any capital contributions during the period under examination.

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 Company has no Board of Directors (“Board”), Committees, Legal or Business Units or Employees since it is only a point of entry Branch for PAACII. The Company’s operations are handled by employees of Pan-American Global Services, S.A. (“PALGS”) and / or Pan-American Life Insurance Company (“PALIC”).

Management oversight of the Company is performed by the PAACII Board , which is comprised of members of PALIC management.

PAACII Directors serving as of December 31, 2020 on behalf of the Company, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Bruce Gilbert Parker, Jr. ⁽¹⁾	Coral Gables, Florida	President, Global Life
Lisa Nestor Baudot	New Orleans, Louisiana	Senior Vice President, Securities Pan-American Life Insurance Company

Directors		
Name	City, State	Principal Occupation, Company Name
David Alan Demmon, CPA	New Orleans, Louisiana	Senior Vice President, Controller, & Chief Financial Officer, Pan-American Life Insurance Company
Paul Thaddeus Engeriser	New Orleans, Louisiana	Vice President & Corporate Actuary, Pan-American Life Insurance Company
Lori Roussel Zeringue	New Orleans, Louisiana	Vice President and Product Actuary, Pan-American Life Insurance Company

⁽¹⁾ Chairperson of the Board

In accordance with PAACII's Bylaws, the PAACII Board appointed the following Senior Officers on behalf of the Company:

Senior Officers		
Name	City, State	Title
Bruce Gilbert Parker, Jr.	Coral Gables, Florida	President and CEO
Timothy Patrick Diggs	New Orleans, Louisiana	Vice President, Treasury Operations, & Treasurer
Carlos Enrique Adame	New Orleans, Louisiana	Secretary

The Company does not have a designated Audit Committee. However, the PALIG audit committee is designated as PAACII's audit committee, which satisfies the requirement of Section 624.424(8)(c), Florida Statutes. The first person listed is the chairperson.

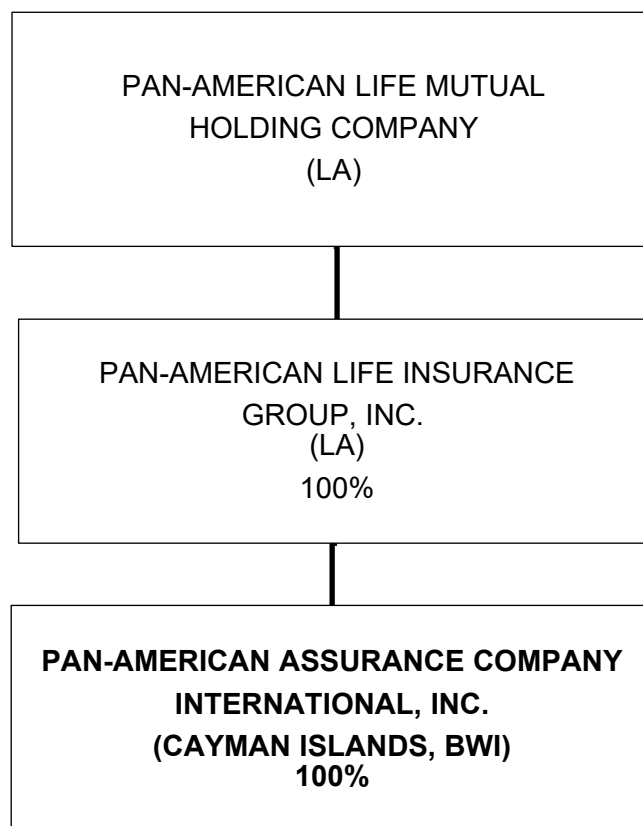
Audit Committee		
Name	City, State	Title, Company Name
Coleman D. Ross	Chapel Hill, North Carolina	Director, Pan-American Life Insurance Group Retired Partner, PriceWaterhouseCoopers
Jerry D. Carlisle	New Orleans, Louisiana	Director, Pan-American Life Insurance Group Director of CGB Insurance Company

Audit Committee		
Name	City, State	Title, Company Name
Martha O. Hesse	Winnemucca, Nevada	Director, Retired, Pan-American Life Insurance Group Former Business Executive
Suzanne T. Mesteyer	Metairie, Louisiana	Director, Pan-American Life Insurance Group Owner and Managing Principal, ThirtyNorth Investments, LLC
Carlos Palomares	New York, New York	Director, Pan-American Life Insurance Group Former Business Executive
Patrick J. Quinlan, M.D.	Baton Rouge, Louisiana	Director, Pan-American Life Insurance Group Former Business Executive
J. Antonio Villamil	Coral Gables, Florida	Director, Pan-American Life Insurance Group Founder, The Washington Economics Group

Holding Company System

A simplified organizational chart as of December 31, 2020, reflecting the holding company system, is shown on the following page. Schedule Y of the Company's 2020 annual statement provided a list of all related companies of the holding company group.

Pan-American Assurance Company International, Inc. - United States Branch
Simplified Organizational Chart
December 31, 2020



AFFILIATED AND OTHER AGREEMENTS

The Company is not party to any agreements with its affiliates. PAACII covers the Company's operational costs including all support services and investment portfolio expenses.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices at New Orleans, Louisiana.

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

Independent Auditor Agreement

An independent CPA, Ernst & Young, LLP audited the Company's statutory basis financial statements annually for the years 2019 and 2020, 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, Florida Administrative Code.

Corporate Records Review

The Company does not have any Shareholders or a Board. The recorded minutes of the PAACII Shareholder and Board were reviewed for the period under examination. The recorded minutes of the PAACII Board documented its meetings and approval of the Company's transactions and events, including the authorization of investments, as required by Section 625.304, Florida Statutes. The annual PAACII shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes.

TERRITORY AND PLAN OF OPERATIONS

PAACII established the Company, a United States (U.S.) Branch in Florida as a "point of sale" to market life insurance products in Florida to non-U.S. residents. The Company was also authorized to transact insurance for PAACII in Arizona, Hawaii, Nevada, and Texas.

The Company was authorized on December 12, 2008 to offer life and group life lines of business.

The Company's operations in the U.S. were limited to those associated with the filling and execution of an application for life insurance. No premium was paid or collected in the U.S., and the insurance is administered outside of the country.

REINSURANCE

Reinsurance Assumed

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

Reinsurance Ceded

The Company did not cede any reinsurance during the period of this examination.

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, 2020. 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, 2020. Due to rounding, column amounts may not add to the totals reflected in the Report. There were no examination adjustments to the amounts reported by the Company.

Pan-American Assurance Company International, Inc. - United States Branch
Assets
December 31, 2020

	Per Company
Bonds	\$5,383,337
Cash, cash equivalents and short-term investments	172,382
Subtotal cash and invested assets	\$5,555,719
Investment income due and accrued	82,128
Totals	\$5,637,847

Pan-American Assurance Company International, Inc. - United States Branch
Liabilities, Surplus and Other Funds
December 31, 2020

	Per Company
Contract liabilities not included elsewhere:	
Interest maintenance reserve	\$5,276
Miscellaneous liabilities :	
Asset valuation reserve	13,862
Total liabilities	\$19,138
Common capital stock	0
Unassigned funds (surplus)	5,618,708
Total capital and surplus	\$5,618,708
Total liabilities, capital and surplus	\$5,637,847

Pan-American Assurance Company International, Inc. - United States Branch
Summary of Operations
December 31, 2020

	Per Company
Net investment income earned	\$228,647
Amortization of Interest Maintenance Reserve	2,799
Net Income	\$231,446
Capital and Surplus Account	
Capital and surplus, December 31, prior year	\$5,521,091
Net Income	\$231,446
Change in asset valuation reserve	(791)
Surplus adjustment:	
Paid in	(133,038)
Net change in capital and surplus for the year	\$97,617
Capital and surplus, December 31, current year	\$5,618,708

Pan-American Assurance Company International, Inc. - United States Branch
Reconciliation of Capital and Surplus
December 31, 2020

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

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2018, per Examination			\$5,008,352
	Increase	Decrease	
Net Income	\$465,062		
Change in asset valuation reserve		\$(1,805)	
Change in paid in surplus	\$147,099		
Net increase (or decrease)			\$610,356
Capital and Surplus at December 31, 2020 per Examination			\$5,618,708

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$5,618,708, exceeded the minimum of \$1,500,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

The COVID-19 pandemic has continued to develop throughout 2021 and 2022, with significant uncertainty remaining regarding the full effect of COVID-19 on the Company's investment portfolio. The OIR has been in communication with the Company regarding the impact of COVID-19 on its business operations and financial position. The OIR continues to closely monitor the impact of the pandemic on the Company and will take necessary action if a solvency concern arises.

CONCLUSION

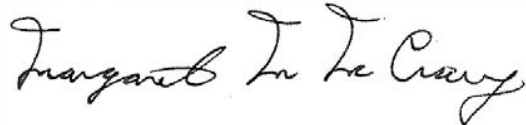
The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Pan-American Assurance Company International, Inc. - United States Branch as of December 31, 2020, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Risk & Regulatory Consulting, LLC participated in the examination: Christopher Rushford, CFE, CPA, Examiner-in-Charge; John Humphries, CFE, CISA, Partner, Contract Examination Manager; and David Evans, CFE, Senior Examiner, Participating Examiner. Members of the OIR who participated in the examination include Marshay Spencer, APIR, Financial Examiner/Analyst Supervisor, Examination Manager and Glenn Coats, CFE (Fraud), APIR, Financial Control Analyst, Participating Examiner.

Respectfully submitted,



Christopher T. Rushford, CFE, CPA
Examiner-in-Charge, Director
Risk & Regulatory Consulting, LLC



Margaret M. McCrary, CFE, CPA, MBA
Chief Financial Examiner
Life & Health Financial Oversight
Florida Office of Insurance Regulation



Carolyn M. Morgan, APIR
Director
Life & Health Financial Oversight
Florida Office of Insurance Regulation