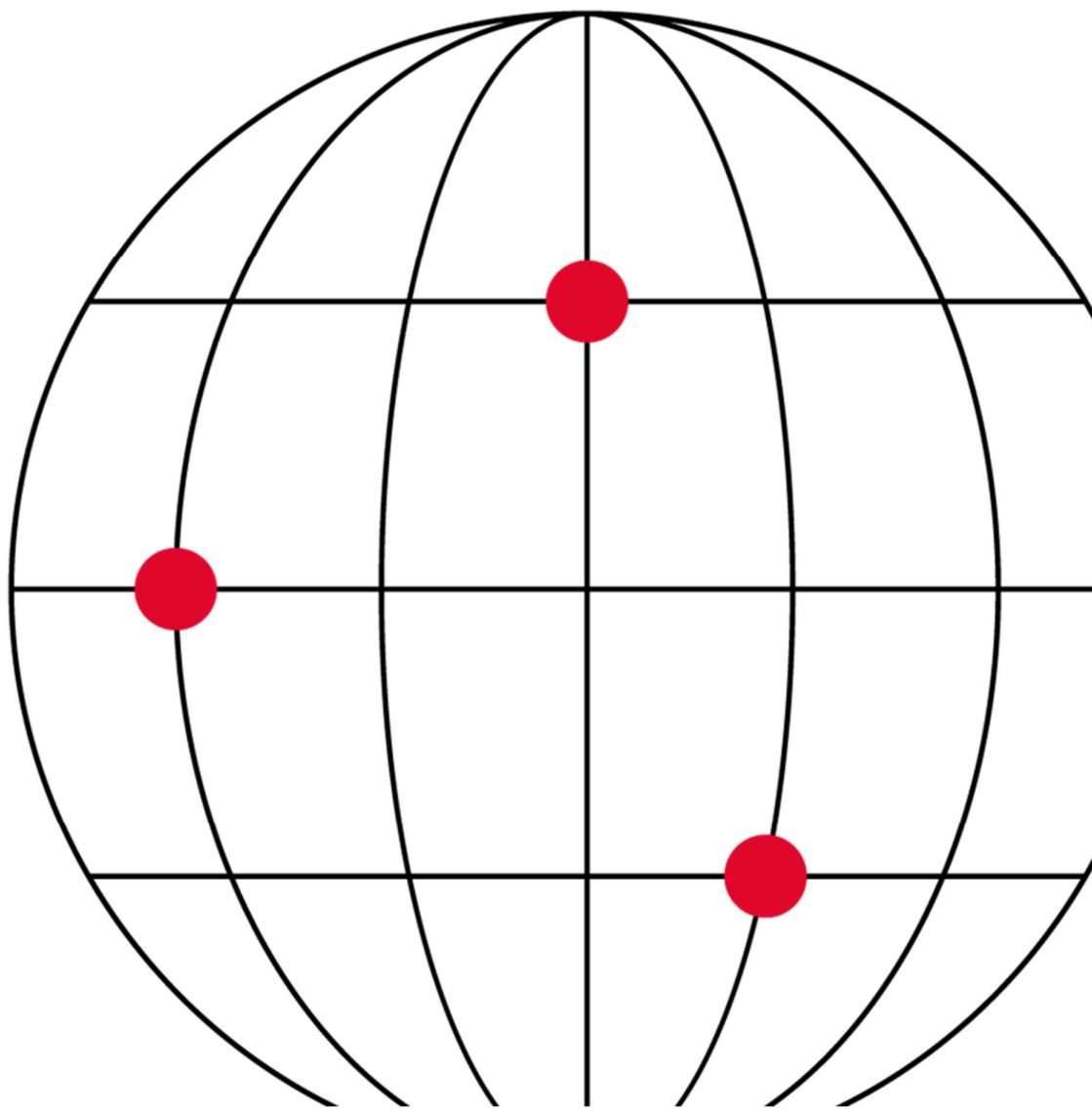




## Endurance Worldwide Insurance Limited

# Solvency and Financial Condition Report

For the year ended 31 December 2025



## Contents

Summary	<a href="#">3</a>
<b>A. Business and Performance</b>	<a href="#">10</a>
A.1 Business	<a href="#">10</a>
A.2 Underwriting Performance	<a href="#">13</a>
A.3 Investment Performance	<a href="#">17</a>
A.4 Performance of other activities	<a href="#">18</a>
A.5 Any other information	<a href="#">19</a>
<b>B. System of Governance</b>	<a href="#">20</a>
B.1 General information on the system of governance	<a href="#">20</a>
B.2 Fit and proper requirements	<a href="#">23</a>
B.3 Risk management system including the Own Risk and Solvency Assessment	<a href="#">24</a>
B.4 Internal control system	<a href="#">29</a>
B.5 Internal audit function	<a href="#">30</a>
B.6 Actuarial function	<a href="#">31</a>
B.7 Outsourcing	<a href="#">34</a>
B.8 Any other information / summary	<a href="#">35</a>
<b>C. Risk Profile</b>	<a href="#">36</a>
C.1 Underwriting Risk	<a href="#">36</a>
C.2 Market Risk	<a href="#">41</a>
C.3 Credit Risk	<a href="#">44</a>
C.4 Liquidity Risk	<a href="#">46</a>
C.5 Operational Risk	<a href="#">47</a>
C.6 Other material risks	<a href="#">49</a>
C.7 Other information	<a href="#">51</a>
<b>D. Valuation for Solvency Purposes</b>	<a href="#">52</a>
D.1 Assets	<a href="#">52</a>
D.2 Technical provisions	<a href="#">55</a>
D.3 Other liabilities	<a href="#">63</a>
D.4 Alternative methods for valuation	<a href="#">65</a>
D.5 Any other information	<a href="#">65</a>
<b>E. Capital Management</b>	<a href="#">67</a>
E.1 Own funds	<a href="#">67</a>
E.2 Solvency Capital Requirement and Minimum Capital Requirement	<a href="#">68</a>
E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital	<a href="#">70</a>
E.4 Differences between the Standard Formula and any internal model used	<a href="#">70</a>
E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement	<a href="#">70</a>
E.6 Any other information	<a href="#">70</a>
<b>Approval by the Board of Directors of the Solvency and Financial Condition Report</b>	<a href="#">71</a>
<b>Report of the independent external auditor to the Directors of Endurance Worldwide Insurance</b>	<a href="#">72</a>
<b>Appendix 1 – Quantitative reporting templates</b>	<a href="#">76</a>

## Summary

The Solvency and Financial Condition Report (SFCR) for Endurance Worldwide Insurance Limited ('EWIL' or 'the Company') is produced in accordance with the PRA Rulebook for Solvency II Firms and is intended to provide policyholders, business partners, and other stakeholders with clear, comprehensive insight into the company's financial position, risk profile, and governance framework.

This report sets out the company's business performance, system of governance, risk management practices, valuation methodologies applied for solvency purposes, capital management, risk profile including the calculation of the Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR"). By publishing this report, EWIL demonstrates its commitment to maintaining robust capital resources and effective risk management systems, ensuring that the company can meet its obligations to policyholders and operate with financial strength and stability. This transparency supports market discipline and reinforces confidence in EWIL as a secure and reliable insurer.

## Basis of preparation

The SFCR has been prepared in accordance with the Reporting Part of the PRA Rulebook applicable to Solvency II firms and the Delegated Regulation (EU) 2015/35, retained as part of UK law. The structure follows Annex XX of the Delegated Regulation, while disclosures align with European Insurance and Occupational Pensions Authority ("EIOPA") Guidelines on reporting and public disclosure (BoS-15/109), as adopted into the UK regulatory framework. This ensures compliance with the PRA's requirements for public disclosure under Solvency UK.

Quantitative information is prepared in US dollars, which is the presentational and functional currency of the Company and rounded to the nearest thousand. Rounding differences of +/- one unit can occur.

## **Business and performance**

Endurance Worldwide Insurance Limited (“the Company”) is a UK authorised insurer and a wholly owned subsidiary of Sompo International Holdings Ltd. (“SIH” or “Sompo International”), which is based in Bermuda. SIH operates centralised Actuarial, Investment Management, Reinsurance, Financial Accounting and IT functions that provide services for the Company. The direct parent is Endurance Worldwide Holdings Limited, a UK holding company and wholly owned subsidiary. The ultimate parent entity is Sompo Holdings, Inc. (“Sompo Holdings”), a holding company headquartered in Japan and publicly traded on the Tokyo Stock Exchange. A Group structure chart is presented in Section A.

The Company’s success continues to be driven by the core underwriting principles which focus on the appropriate selection, pricing, and ongoing management of the risks it accepts. In 2025, the Company continued to enhance its underwriting expertise through a combination of internal development and external recruitment, thereby strengthening its capabilities and contributing to sustained growth. This growth remains aligned with business opportunities that fit within the risk appetite, and in situations where market conditions do not meet the required standards, the Company has either limited growth or opted to reduce the exposure.

The Company's strategic goal remains centred on organic growth to realise its vision of becoming a leading (re)insurer. We persistently challenge conventional practices across all business units, striving to broaden our geographical footprint and diversify our product offerings. By advancing our UK Commercial Lines proposition, we aim to reduce our reliance on the London Market. In pursuit of this objective, significant progress was achieved in 2025 through strategic investments in high-quality resources across our London, Birmingham, and newly established Manchester offices. These initiatives have laid a solid foundation for diversified growth as we advance into 2026 and beyond.

The Company has a diversified product offering across multiple lines of business. The most material lines include General liability, Fire and other damage to property and Marine, Aviation and Transport, representing 80.0% of total gross written premium. The Company operates on a global basis; the most material geographical areas using the Solvency II criteria for classification to country include the United Kingdom, the United States of America and Australia representing 69.3% of total gross written premium. The following key performance indicators are prepared on a UK GAAP basis.

Amounts in USD'000 unless stated	31 Dec 2025	31 Dec 2024	Movement
Gross written premium	1,680,313	1,643,357	36,956
Net earned premiums	479,173	475,443	3,730
Underwriting result	116,248	149,116	(32,868)
Net claims ratio	64.2 %	60.8 %	3.4 %
Expense ratio	35.2 %	28.7 %	2.9 %
Combined operating ratio	99.3 %	89.5 %	9.8 %

The expense ratio is calculated as acquisition costs, reinsurance commission, administrative expenses and overheads as a percentage of earned premiums, all net of reinsurance. The combined operating ratio is calculated as the underwriting ratio plus administrative expenses as a percentage of earned premiums, net of reinsurance.

On a headline basis, Gross written premium increased 2.2% year on year, rising from \$1,643.4m in 2024 to \$1,680.3m in 2025 despite challenging market conditions. Insurance revenue grew from \$1,472.9m to \$1,518.6m, with growth primarily attributed to the Property, Marine, Aviation and Transport (“MAT”) and Third-Party Liability classes of business. The Company continues to write reinsurance business across a number of lines. The assumed reinsurance book decreased by \$8.8m to \$161.7m in 2025 primarily due to a reduction in the agricultural class following the decision not to renew certain contracts with unfavourable terms and conditions. The Company continues to write reinsurance business across a number of lines.

Net claims experience during 2025 is adverse to 2024 with a claims ratio of 64.2% for the year ending 31 December 2025 compared to 60.8% in 2024. The current accident year experienced increased large loss activity compared to 2024 and has been partially offset by prior-year releases. The Company continues to benefit from its outward reinsurance program to manage exposure to such losses.

Administrative expenses, excluding acquisition costs, increased to 35.2% of net earned premium in 2025, compared to 28.7% in the previous year. This increase is driven by our strategic investments including the planned relocation of our London office in 2026. This is aimed at delivering growth, including the augmentation of resources in underwriting, claims, and operations. Additionally, it reflects our commitment to ongoing technological advancements and process enhancements to drive efficiency and support our long-term objectives.

The Company reported an underwriting profit of \$3.2m (2024: \$50.1m), resulting in a combined ratio of 99.3% (2024: 89.5%) and profit before tax increasing to \$141.5m (2024: \$103.9m). Investment income remained broadly stable at \$82.2m (2024: \$80.5m), supported by higher portfolio duration and an increase in book yield from 4.5% in 2024 to 4.9% in 2025. The improvement in overall profitability was driven primarily by net unrealised investment gains of \$49.8m (2024: loss of \$15.9m) reflecting lower US Treasury yields, together with foreign exchange gains of \$8.6m (2024: losses \$(8.3)m).

The Company's direct exposure to the conflicts in the Middle East and Ukraine through its underwriting and investment portfolio has so far been limited. The Company is also closely monitoring the indirect impacts of these conflicts on the Company's financial condition driven by the conflict's contribution to the global inflationary and recessionary pressures, and the increased volatility in the financial markets. The Company and ultimate parent have considerable financial resources, undertake regular stress, scenario and reverse stress testing, and as such are well placed to manage market events.

Although economic inflation uncertainty has reduced relative to the volatility experienced in 2022-24, the Company continues to utilise an inflation model (based on expected reserve cashflows and macroeconomic forecasts) to assess the need for retrospective explicit inflation provisions and to inform prospective claims inflation assumptions. The model applies inflation forecasts for key claims drivers to future calendar year reserve payments by year and major portfolio. The results of this model have been used to set explicit provisions in the Company's year-end 2025 Actuarial Central Estimate ("ACE") reserves.

Further detail on the performance of the Company, including technical performance by Solvency II line of business and region and the investment performance, is reported in section A.

### **System of governance**

The Board of Directors is the governing body of the Company. The Board is responsible for the strategic oversight of the Company and for the establishment and maintenance of a governance environment. The Board is supported by four oversight committees; the Audit Committee, the Risk & Compliance Committee, the Remuneration Committee and the Nomination Committee.

The following four Key Functions have been identified as those that support the governance of the firm:

- An Actuarial Function which is responsible for the calculation of technical provisions, the appropriateness of the methods and assumptions used in the calculation of technical provisions, for the assessment of the data used in the calculation of technical provisions, for expressing various opinions as required by the Solvency II Directive, and for contributing to the effective implementation and operation of the Company's system of risk management. The Actuarial Function reports to the Audit Committee and the Board of the Company on an at least a quarterly basis.
- An Internal Audit Function which is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Internal Audit Function reports to the Audit Committee and the Board of the Company on an at least a quarterly basis.
- A Compliance Function which is responsible for advising the Company on compliance with all regulations applicable to its regulated insurance and/or reinsurance operations; as well as for assessing and advising on the impact of any changes in such provisions on the operations of the Company, and for the identification and

assessment of regulatory risk. The Compliance Function reports to the Risk & Compliance Committee and the Board of the Company on an at least quarterly basis.

- A Risk Management Function which is responsible for the implementation of the Company's system of risk management, as well as designing and developing the Company's risk register. The Risk Management Function reports to the Risk & Compliance Committee and the Board of the Company on an at least a quarterly basis.

No other material changes to the system of governance took place over the course of the reporting period. Further detail on the system of governance of the Company, including the risk management system and Own Risk and Solvency Assessment ("ORSA"), is reported in section B.

### **Risk profile**

The Company is exposed to a range of risks that arise out of its underwriting and investment activities as well as its general operations. As determined by the Standard Formula, insurance risk is the most material risk to the Company, with non-life underwriting risk identified as the predominant insurance risk. The comprehensive reinsurance in place both for specific lines of business and across the whole account substantially limit the net loss potential from any single occurrence or aggregation of loss events. Market risk and counterparty default are other significant risks for the Company; further detail on the current risk profile of the Company and related risk management techniques are reported in section C.

The risk profile and corresponding capital requirement for the Company increased during 2025 as the Company continues to grow. Please see Capital Management section below and in section E for additional information.

## **Valuation for solvency purposes**

Solvency II provides an assessment of an insurance company's balance sheet based on the principle of market-consistent valuations. Essentially, this means that the value of assets and liabilities reflect the current value at which they could be traded in financial markets, rather than their UK GAAP accounting value.

Different approaches are required to determine market-consistent values of an insurance company's assets and liabilities. Some investment assets are traded in sufficiently liquid markets that provide readily available prices, which are generally taken to be market values. Assets not actively traded are fair valued using a Solvency II compliant model.

No such market generally exists for insurance liabilities, which are specific to the contract between the firm and the policyholder. Solvency II's interpretation of the market value of insurance liabilities requires insurers to forecast expected future liability cash flows and then discount them using risk-free interest rates of an appropriate maturity, to arrive at a 'best estimate'. A 'risk margin' is added to this best estimate in order to produce a market-consistent value.

The transitional arrangements related to risk-free interest rate-term structure and deductions referred to in PRA - Rule 10 (Risk-free interest rate transitional measure) and Rule 11 (Transitional deduction from technical provisions) of the Transitional Measures Part of the PRA Rulebook for Solvency II firms (Risk-free interest rate transitional measure) (formerly, Article 308c of Directive 2009/138/EC) are not applied in the calculation of technical provisions.

In addition, the Company has opted not to apply the Matching Adjustment (Rule 6) and Volatility Adjustment (Rule 8) of the Technical Provisions Part of the PRA Rulebook for Solvency II firms.

Further detail on Solvency II valuation methods is reported in section D.

## **Capital management**

The Company applies the Standard Formula, a standardised calculation method prescribed in the Delegated Regulation, to calculate its Solvency Capital Requirement ("SCR"), which is a quantity of capital that is intended to provide protection against unexpected losses over the following year up to a 99.5% confidence level. The Standard Formula follows a modular approach where the overall risk which the Company is exposed to is divided into risk modules, and for each module a capital requirement is determined.

The Company has complied continuously with both the Minimum Capital Requirement ("MCR") and SCR throughout the reporting period.

Amounts in USD'000 unless stated	31 Dec 2025	31 Dec 2024	Movement
Eligible own funds to meet SCR	941,191	889,249	51,942
Eligible own funds to meet MCR	941,191	889,249	51,942
Solvency capital requirement	513,440	458,641	54,799
Minimum capital requirement	179,257	147,367	31,890
Ratio of own funds to SCR	183.3%	193.9%	(10.6)%
Ratio of own funds to MCR	525.1%	603.4%	(78.3)%

Eligible own funds have increased during the period by 5.8% along with the SCR, which increased by 11.9%. As a result, the Solvency ratio decreased to 183.3% in 2025 (2024: 193.9%). The primary driver of the increase in the SCR was the increased business volumes, economic balance sheet and technical reserves. The main factors for the increase in own funds are materially due to the UK GAAP net assets which forms the starting position, driven by growth in the business. Solvency II valuation adjustments are broadly stable compared to prior year.

Own funds classified by tiers are as follows:

Amounts in USD'000	31 Dec 2025	31 Dec 2024	Movement
Tier 1	941,191	889,249	51,942
Tier 2	—	—	—
Tier 3	—	—	—
	<b>941,191</b>	<b>889,249</b>	<b>51,942</b>

Tier 1 own funds consists of ordinary share capital and share premium account relating to ordinary share capital of \$346.3m and \$311.9m respectively (2024: \$346.3m and \$311.9m) and a reconciliation reserve of \$283.0m (2024: \$231.0m). These basic own fund items are immediately available to absorb losses and have no duration restrictions. The reconciliation reserve consists of excess of assets over liabilities, after the deduction of basic own funds items.

Tier 3 own funds relate to an amount equal to the value of net deferred tax assets. At 31 December 2025, the Company did not recognise any deferred tax assets as Tier 3 capital (2024: nil).

All Tier 1 own funds are eligible to cover the MCR and all own funds are eligible to cover the SCR.

Further detail on capital management is reported in section E.

## **A. Business and Performance**

### **A.1 Business**

#### **A.1.1 Name and legal form**

The Company is a limited liability company incorporated in England and Wales.

The Company is fully owned by its immediate parent company, Sompo Worldwide Holdings Limited (“SWHL”) (formerly known as Endurance Worldwide Holdings Limited (“EWHL”)) incorporated in London, England. The ultimate parent entity is Sompo Holdings, Inc. (“Sompo Holdings”), a holding company headquartered in Japan and publicly traded on the Tokyo Stock Exchange.

#### **A.1.2 Supervisory authority and group supervisor**

The Company is supervised by both the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”). Their respective contact details are:

Prudential Regulation Authority  
20 Moorgate  
London EC2R 6DA  
United Kingdom  
+44 20 3461 7000  
PRA.FirmEnquiries@bankofengland.co.uk

Financial Conduct Authority  
12 Endeavour Square,  
London E20 1JN  
United Kingdom

Sompo International Holdings's Group supervisor is:

The Bermuda Monetary Authority  
BMA House, 43 Victoria Street  
Hamilton HMJX  
Bermuda  
+ 441 295 5278  
insuranceinfo@bma.bm

Sompo Holdings' group supervisor is:

Japan Financial Services Agency

3-2-1 Kasumigaseki Chiyodaku Tokyo, 100-8967, Japan

+81-(0)3-3506-6000

[equestion@fsa.go.jp](mailto:equestion@fsa.go.jp)

### A.1.3 External auditor

Forvis Mazars LLP

30 Old Bailey

London

EC4M 7AU

United Kingdom

### A.1.4 Group structure

Sompo Holdings, Inc. ("SHD") operates worldwide and is publicly traded on the Tokyo Stock Exchange. The Company is a wholly owned indirect subsidiary of Sompo International Holdings Ltd, ("SIH") a Bermuda-based holding company subsidiary of SHD, which at 31 December 2025 wrote insurance and reinsurance business through its 23 operating subsidiaries domiciled in and across North America, South America, Europe and Asia. Figure A.1.5 below depicts an abridged structure chart for the relevant UK legal entities and their position within the wider Group.

Fig. A.1.5



### A.1.5 Significant events during the reporting period

During the year, the Company declared and paid interim dividends totalling \$50.0m (2024: nil) on the ordinary shares.

The Company does not have material exposure to any recent external events (e.g. California Wildfires and Ukraine War); however, we continue to monitor our financial resilience and adapt our risk management in order to manage any adverse impact to the Company from the current geopolitical and macroeconomic uncertainty. The directors note that notwithstanding the very challenging operating environment, the business is well-positioned to deliver on its strategy and therefore to grow the Company's profitability in the foreseeable future.

### A.1.6 Significant post balance sheet events

On 24 February 2026, Sompo Holdings the ultimate parent announced the successful completion of its acquisition of Aspen Insurance Holdings Limited (“Aspen”) through a wholly-owned subsidiary of Sompo International Holdings Ltd. (“SIH”), following the purchase of 100% of Aspen’s issued Class A ordinary shares. At the date of approval of these financial statements, the full implications of this transaction for the Company have not yet been determined. Accordingly, no adjustments have been made to these financial statements in respect of this matter.

Additionally, Sompo Group has formally announced the appointment of Sarah Stanford, CEO of Aspen Insurance UK Limited (AIUK) and Aspen Managing Agency Limited (AMAL) as EWIL CEO. Sarah will take over from Jayesh Thaker, who will step down upon Sarah’s appointment. This appointment remains subject to regulatory approval.

Eruption of tensions in the Middle East has led to the start of a large-scale military strike on 28 February 2026 by the United States and Israel on Iran. At the time of writing this report, the situation remained highly fluid, with hostilities ongoing and significant uncertainty regarding the duration and potential escalation of the conflict. In this context, underwriting exposures and investment market dynamics have been initially assessed as follows:

- 1 **Underwriting:** Overall, the uncertainty regarding the duration and potential escalation of the conflict increases the likelihood and severity of loss scenarios across multiple classes across our insurance portfolio in the Middle East, with exposures spanning Crisis Management, Aviation, Marine, Energy, Property and Financial & Credit. We are actively monitoring the situation, and based on current information, we do not expect this to materially affect the Company or its financial strength.
- 2 **Investments:** There are currently no significant direct impacts on the Company’s portfolio. However, over the longer term, sustained higher oil prices could contribute to increased inflationary pressures. This could result in

a higher interest rate environment, which would put downward pressure on bond prices. The counterbalance, higher reinvestment yields in such an environment would help support net investment income, potentially offsetting the impact on bond valuations. Company continues to actively monitor these dynamics to assess any potential future implications for the investment portfolio.

The Company continues to monitor its financial resilience and adapt our risk management in order to manage any adverse impact to the Company from the current geopolitical and macroeconomic uncertainty. The Company and ultimate parent have considerable financial resources, undertake regular stress, scenario and reverse stress testing, and as such are well placed to manage market events.

## A.2 Underwriting Performance

### A.2.1 Overview

The Company reported a Technical result of \$0.8m (2024: \$47.6m) during the year, reflecting a deterioration driven by elevated claims experience on the current accident year. Despite this, profitability was achieved through the disciplined execution of its growth strategy, targeted portfolio management actions, and effective use of reinsurance. Gross written premium (“GWP”) increased by 2.2%, rising from \$1,643.4m in 2024 to \$1,680.3m in 2025 on a backdrop of challenging market conditions.

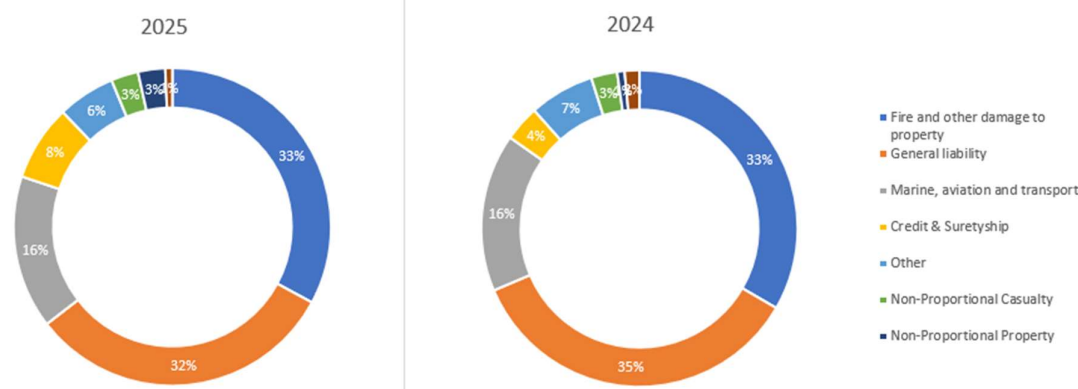
### A.2.2 Analysis of Gross written premium

The Company manages its underwriting in the following business units:

GWP by Business Unit	31 Dec 2025	31 Dec 2024	Movement	Movement
Marine, aviation and transport	404,647	393,195	11,452	3 %
Property	384,688	339,602	45,086	13 %
Third party liability	558,361	550,759	7,602	1 %
Specialty & Credit & Surety	170,924	189,320	(18,396)	(10) %
Reinsurance	161,693	170,481	(8,788)	(5) %
<b>Non-Proportional Casualty</b>	<b>1,680,313</b>	<b>1,643,357</b>	<b>36,956</b>	<b>2 %</b>

Solvency II requires insurance undertakings to classify their business into 16 prescribed lines of business (LOBs) for regulatory reporting purposes. The Company’s internal management reporting categories are structured around homogeneous risk groups, and these internal classes are allocated a Solvency II LOBs on either a one-to-many or many-to-one mapping basis.

### GWP by Solvency II Line of Business



GWP by Material Solvency II Line of Business	31 Dec 2025	31 Dec 2024	Movement	Movement
Fire and other damage to property	552,616	548,404	4,212	1 %
General liability	531,731	579,130	(47,399)	(8) %
Marine, aviation and transport	262,352	265,241	(2,889)	(1) %
Credit & Suretyship	129,940	60,232	69,708	116 %
Other	98,562	109,375	(10,813)	(10) %
Non-Proportional Casualty	46,641	43,808	2,833	6 %
Non-Proportional Property	46,406	12,501	33,905	271 %
Non-proportional Other	12,065	24,666	(12,601)	(51) %
<b>Total</b>	<b>1,680,313</b>	<b>1,643,357</b>	<b>36,956</b>	<b>2 %</b>

The Company has a diversified product offering, across multiple lines of business. The table above analyses the gross premiums written by management business units.

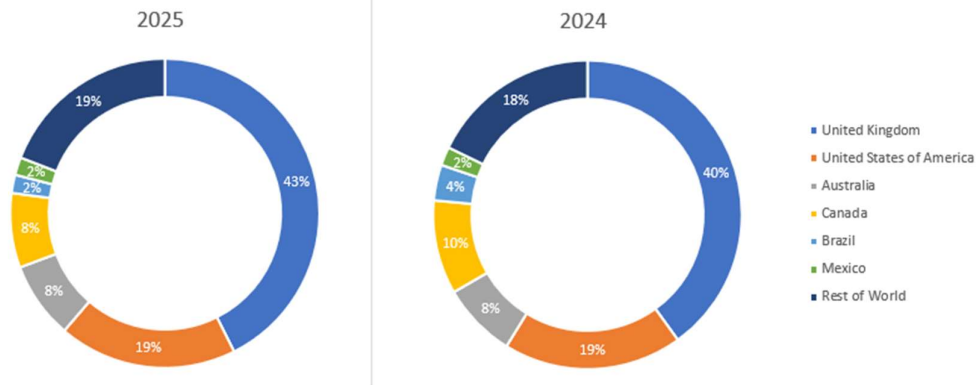
The 'Other' and 'Non-proportional Other' Solvency II lines of business comprise of:

- Direct and Proportional reinsurance: Income protection, Medical expenses and Workers' compensation
- Non-proportional Health and Marine, Aviation and Transport

Direct and Proportional 'Other' represents 6% (2024: 7%) and Non-proportional Other 1% (2024: 2%) of EWIL's Gross Written Premiums, respectively.

### A.2.3 Analysis by geographic area

The Company operates on a global basis; the following table sets out the gross premiums written by material geographical area using the Solvency II criteria for classification to country.



GWP by Geographical area	31 Dec 2025	31 Dec 2024	Movement	Movement
United Kingdom	715,939	658,011	57,928	9 %
United States of America	313,782	308,192	5,590	2 %
Australia	135,089	129,188	5,901	5 %
Canada	130,858	161,674	(30,816)	(19) %
Brazil	32,039	61,503	(29,464)	(48) %
Mexico	31,169	31,892	(723)	(2) %
Rest of World	321,437	292,897	28,540	10 %
<b>Total</b>	<b>1,680,313</b>	<b>1,643,357</b>	<b>36,956</b>	<b>2 %</b>

The growth in gross written premium in 2025 was seen across the top four countries, United Kingdom, USA, Australia and Canada as a whole, with the Company's insurance premium portfolio remaining dominated by London Market business as well as \$141.1m of assumed reinsurance business written out of its Swiss branch. In addition, EWIL's paper is also utilised across the Sompo Group to support other group companies in meeting licensing, regulatory and operational requirements in alignment with the broader Group strategy. Underwriting performance within EWIL's geographical areas for non-life business are shown on the QRT IR.05.02 'Premiums, claims and expenses by country' presented in Appendix 1 which requires the information to be reported by a mix of risk location and location from which premium is written.

#### A.2.4 Underwriting Performance by Material Solvency II line of business

Gross written premium increased 2.2% year on year, rising from \$1,643.4m in 2024 to \$1,680.3m in 2025. The majority of growth in gross written premiums on a solvency II line of business is from new and renewal business on the Direct and Proportional Credit & Suretyship class (year on year increase of \$69.7m), Non-proportional Property class (year on year increase of \$33.9m), and the Fire and Other Damage to Property class (year on year increase of \$4.2m), partially offset by a reduction in the General Liability (year on year decrease of \$47.4m). Growth across these lines was supported by a resilient renewal book and continued expansion in key classes, notably Middle Market, Commercial P&C, Aviation

and Marine. General Liability also saw increases across Middle Market and Commercial lines; however, these were offset by the non-renewal of certain delegated business.

The assumed reinsurance book decreased by \$8.8m to \$161.7m in 2025 primarily due to a reduction in the agricultural class following the decision not to renew certain contracts with unfavourable terms and conditions. Reinsurance business is conducted mainly through the Zurich branch ("EWIZ") which offers reinsurance contracts to clients in Switzerland and abroad, with a focus on European business and clients within specialty lines. Reinsurance business is also conducted in the London operation with a focus on General Liability.

Net earned premiums have increased by \$3.7m. The Company continues to mitigate insurance risk via reinsurance arrangements, both internal and external, through a combination of facultative, excess of loss and quota share covers. This approach provides additional capacity for growth and thereby allows further diversification of risk, contributes towards the direct expenses associated with growing an insurance franchise, and supports expansion into profitable lines of business.

The Company recorded a gross claims ratio of 62.2% (2024: 52.8%) for the year ended 31 December 2025. Current accident year adverse experience was largely driven by elevated catastrophe ("CAT") loss activity partly offset by prior-year releases mainly on Property lines. These releases were driven by the release of reserves initially held against CAT losses from 2023 and 2024, following positive developments. General Liability net losses increased in the year due to reserve strengthening on cladding and motor finance reserves and adverse claims experience driven by large losses on professional lines. The Company continues to benefit from its outward reinsurance program to manage exposure to such losses.

The gross acquisition ratio increased slightly from 19.5% in 2024 to 21.7% in 2025, reflecting higher business volumes. The net acquisition ratio also rose, moving from 7.8% to 11.6% in 2025, driven primarily by a smaller increase in net earned premium. Net earned premium were affected by the impact of reinstatement premiums, which are fully earned.

General and administrative expenses have increased to \$113.0m (2024: \$90.2m) driven by our strategic investments aimed at delivering growth, including the augmentation of resources in underwriting, claims, and operations and planned relocation of our London office in 2026. Additionally, it reflects our commitment to ongoing technological advancements and process enhancements to drive efficiency and support our long-term objectives.

The Technical result is \$0.8m for the year under as per the requirements of QRT IR.05.02. This differs from the underwriting result reported under UK GAAP on page 5 due to investment management expenses being included within the technical result.

Amounts in USD'000	Direct and proportional				Non-proportional			31 Dec 2025
	Fire and other damage to property	General liability	Marine, aviation and transport	Other	Casualty	Property	Other	Total
Gross earned premium	539,473	529,284	244,371	189,764	47,636	35,441	17,168	<b>1,603,137</b>
Reinsurers' share	(403,257)	(356,168)	(170,084)	(124,401)	(32,057)	(26,674)	(11,323)	<b>(1,123,964)</b>
Net earned premium	136,216	173,116	74,287	65,363	15,579	8,767	5,845	<b>479,173</b>
Gross claims incurred	338,406	460,432	115,917	55,663	1,061	19,318	6,284	<b>997,081</b>
Reinsurers' share	(254,509)	(318,555)	(71,384)	(38,180)	(5,519)	(14,399)	(3,959)	<b>(706,505)</b>
Net claims incurred	83,897	141,877	44,533	17,483	(4,458)	4,919	2,325	<b>290,576</b>
Expenses Incurred	52,600	68,165	24,951	34,399	3,683	2,114	1,881	<b>187,793</b>
<b>Technical result</b>	<b>(281)</b>	<b>(36,926)</b>	<b>4,803</b>	<b>13,481</b>	<b>16,354</b>	<b>1,734</b>	<b>1,639</b>	<b>804</b>

Amounts in USD'000	Direct and proportional				Non-proportional			31 Dec 2024
	Fire and other damage to property	General liability	Marine, aviation and transport	Other	Casualty	Property	Other	Total
Gross earned premium	544,021	546,007	240,710	138,483	85,885	11,277	20,940	<b>1,587,323</b>
Reinsurers' share	(391,710)	(384,622)	(168,947)	(90,107)	(52,667)	(9,145)	(14,682)	<b>(1,111,880)</b>
Net earned premium	152,311	161,385	71,763	48,376	33,218	2,132	6,258	<b>475,443</b>
Gross claims incurred	232,323	350,122	168,152	41,069	30,871	9,339	5,792	<b>837,668</b>
Reinsurers' share	(161,566)	(235,537)	(107,793)	(25,600)	(21,487)	(6,682)	(3,234)	<b>(561,899)</b>
Net claims incurred	70,757	114,585	60,359	15,469	9,384	2,657	2,558	<b>275,769</b>
Expenses Incurred	44,192	50,240	24,497	22,223	8,934	(140)	2,122	<b>152,068</b>
<b>Technical result</b>	<b>37,362</b>	<b>(3,440)</b>	<b>(13,093)</b>	<b>10,684</b>	<b>14,900</b>	<b>(385)</b>	<b>1,578</b>	<b>47,606</b>

### A.3 Investment Performance

Net investment income increased by \$1.7m versus the prior year. The increase in net investment income is driven by higher reinvestment yields as a result of a more favourable interest rate environment, despite a reduction in assets under management 'AUM'. The overall portfolio structure is substantially unchanged from 2025.

Amounts in USD'000 unless stated	31 Dec 2025	31 Dec 2024	Movement
Interest income – cash and deposits	2,800	3,607	(807)
Interest income – collateralised securities	32,642	25,389	7,253
Interest income – collective investments	885	380	505
Interest income – corporate bonds	32,229	34,572	(2,343)
Interest income – government bonds	6,465	7,742	(1,277)
Amortisation	7,213	8,849	(1,636)
Investment expenses	(2,440)	(2,459)	19
<b>Net investment income</b>	<b>79,794</b>	<b>78,080</b>	<b>1,714</b>
Ending portfolio market value	1,740,772	1,918,728	(177,956)
Ending book yield	4.86%	4.53%	0.33 %

\*The details of investment income by asset category are consistent with the requirements of QRT IR.09.01

Net returns from all asset classes have been positive in 2025 as follows:

Amounts in USD'000 unless stated	2025		2024	
	Realised	Unrealised	Realised	Unrealised
Gains/(losses) – cash and deposits	206	1,613	168	2,015
Gains/(losses) – collateralised securities	(22,149)	44,932	215	(13,688)
Gains/(losses) – collective investments	—	819	—	687
Gains/(losses) – corporate bonds	4,215	40,364	2,680	(5,786)
Gains/(losses) – government bonds	2,035	10,039	2,937	(3,603)
Gains/(losses) – derivatives	10,000	—	(4,539)	(7,010)
	<b>(5,693)</b>	<b>97,767</b>	<b>1,461</b>	<b>(27,385)</b>

\*The details of (un)realised gains and losses by asset category are consistent with the requirements of QRT IR.09.01

There are no investment gains or losses recognised directly in equity.

### A.3.1 Investments in securitisation

The Company held \$880.9m of securitised assets at 31 December 2025, 51.0% of the total investment portfolio (2024: \$565.7m, 29.0% of the total investment portfolio).

### A.4 Performance of other activities

Foreign exchange rate fluctuations resulted in the Company (primarily USD against EUR and GBP) recognising \$8.6m of foreign exchange gains in the year ended 31 December 2025 (\$(8.3)m foreign exchange losses for prior year ended 31 December 2024).

#### **A.4.1 Leasing arrangements**

The Company is party to two 10-year operating leases for land and buildings. The first was entered into on 27 January 2015 and the second was entered into on 16 February 2018. During 2024, an agreement was reached to terminate the existing lease at 2 Minster Court, Mincing Lane, London EC3R 7BB, effective from 1 April 2026. In January 2025, a new lease was signed by another Sompo Group Company for a different office location in London.

These are valued differently under UK GAAP to Solvency II, please refer to Sections D.1 and D.3 for further details.

The Company is not party to any material financial lease arrangements.

#### **A.5 Any other information**

The Company relocated its offices in January 2026 to 40 Leadenhall Street, London, EC3A 2BJ.

There is nothing further to report regarding the business and performance of the Company.

## **B. System of Governance**

### **B.1 General information on the system of governance**

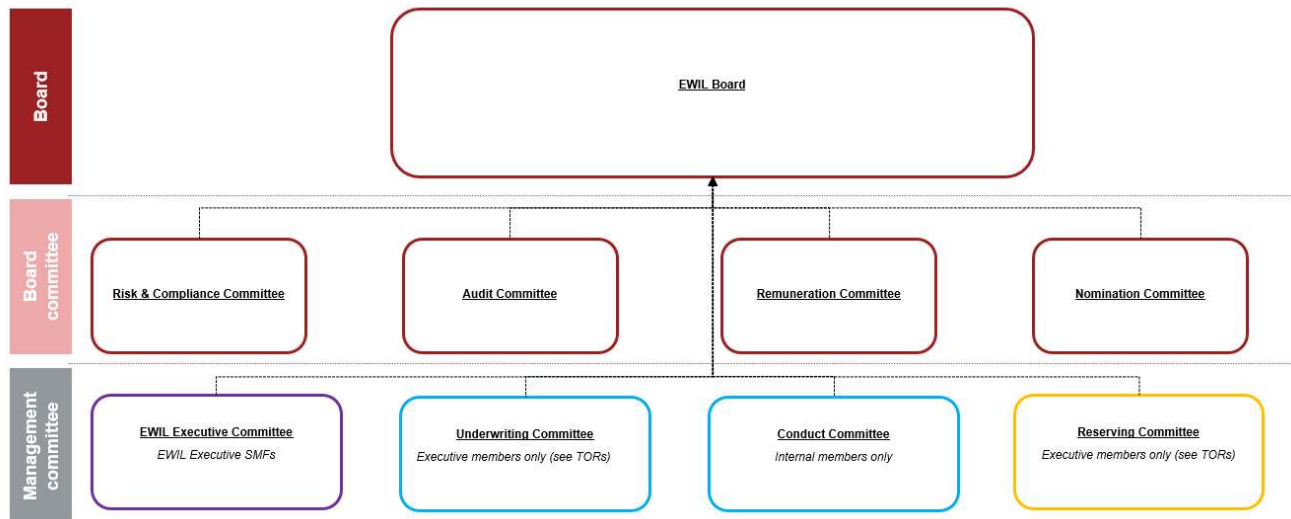
The Company adheres to high standards of corporate governance based on a framework and culture designed to ensure the responsible and effective management of the Company, its operations and to protect its customers.

The Board of Directors, which consists of both executive and independent non-executive directors, is the Company's governing body and has ultimate responsibility for the sound and prudent management of the Company. The Board is required to perform this role with integrity, due care, and professional skill. In addition to having responsibility for strategic oversight, the Board is responsible for the establishment and maintenance of a governance environment which meets the requirements and obligations of the Company's regulators and the legal framework in which the Company operates.

The Board has documented terms of reference in place, which includes a list of matters reserved to the Board. In addition, the Board is supported by four Board Committees:

- An Audit Committee, which is chaired by and includes independent non-executive directors and is responsible for oversight and challenge of the financial and internal controls of the Company and the integrity of statutory reporting and financial statements.
- A Risk & Compliance Committee, which is chaired by and includes independent non-executive directors and is responsible for the oversight of the Company's framework of risk management and compliance with regulatory requirements and expectations.
- Remuneration Committee which is chaired by and includes independent non-executive directors and is responsible for oversight of the firm's remuneration arrangements including the adherence to regulatory requirements.
- Nomination Committee which is chaired by and includes independent non-executive directors and is responsible for oversight of the firm's process for succession planning and the appointment of senior staff.

The Company has also established certain management committees (Executive Committee, Underwriting Committee, Conduct Committee and Reserving Committee), made up of executive management, which provide more granular oversight and review of the business and operations of the Company and which report to the Board. The Board and committee governance structure is as shown below.



### B.1.1 Key Functions

As required by articles 268 to 272 of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 ("the Delegated Regulation"), the following four Key Functions and associated reporting lines are incorporated into the Company's organisational structure. These Key Functions are provided with the necessary authority and resources to carry out their role by the Board of the Company, and each are operationally independent.

- The Actuarial Function is responsible for the calculation of technical provisions, the appropriateness of the methods and assumptions used in the calculation of technical provisions, for the assessment of the data used in the calculation of technical provisions, for expressing various opinions as required by the Solvency II Directive, and for contributing to the effective implementation and operation of the Company's system of risk management in particular with respect to the risk modelling underlying the calculation of the SCR and MCR and to the Company's Own risk and Solvency Assessment ("ORSA"). The Actuarial Function reports to the Audit Committee and the Board of the Company on an at least quarterly basis.
- The Internal Audit Function is responsible for the evaluation of the adequacy and effectiveness of the Company's internal control system. The Internal Audit Function reports to the Audit Committee and the Board of the Company on an at least quarterly basis.
- The Compliance Function is responsible for advising the Company on compliance with all regulations applicable to its regulated insurance and/or reinsurance operations; as well as for assessing and advising on the impact of any changes in such provisions on the operations of the Company, and for the identification and assessment of regulatory risk. The Compliance Function reports to the Risk & Compliance Committee and the Board of the Company on an at least quarterly basis. Whilst the ultimate responsibility for compliance rests with the Board, day to day responsibility for the Compliance function is delegated to the Head of Compliance. However, in order for the Head of Compliance to be able to carry out this role, continuous access to all Board members is assured.

- The Risk Management Function is responsible for the implementation of the Company's system of risk management, including the development and maintenance of the Company's risk register. The Risk Management Function reports to the Risk & Compliance Committee and the Board of the Company on an at least quarterly basis. The Risk Function provides consolidated reporting to the Executive Committee and Risk & Compliance Committee of the Board, escalating any control gaps/issues identified by Risk Owners through the Risk & Control Self-Assessment ("RCSA") which expose the Company to unacceptable levels of operational risk.

Key Function Holders are required to adhere to the Fit and Proper policy, the details of which are described in section B.2.

### **B.1.2 Remuneration policy**

#### ***B.1.2.1 Remuneration Policies and Performance-based Criteria***

The compensation and performance-based criteria currently in place for employees consists of four principal elements of compensation: base salary, annual incentive compensation, long-term incentive compensation, and employee benefits/other compensation.

Base salary is the guaranteed element of the employee's compensation structure and is paid to employees for ongoing performance throughout the year.

The annual incentive compensation program supports both the SIH Group's and the Company's strategy by linking a significant portion of its employees' total compensation to the achievement of critical business goals on an annual basis. All employees are eligible to earn annual incentive compensation, the annual target for the incentive program being dependent on the employee's level within the organisation.

The Company's Remuneration Committee along with the SIH Nomination & Compensation Committee (the "Committees") believe the inclusion of long-term incentive compensation in the SIH compensation structure fosters the appropriate perspective in management, given that the ultimate profitability of the insurance or reinsurance underwritten by SIH may not be fully known for many years. In addition, the Compensation Committee seeks to align the interests of SIH's employees with SIH's shareholders to the greatest extent practicable. Finally, long-term incentive compensation, which potentially is forfeited in the event of the departure of an employee from SIH, has the ability to retain valuable executive talent within the organisation. Each of the Senior Executive Officers, Senior Vice President and Executive Vice President level employees are eligible to earn long-term incentive compensation. The Company's Remuneration Policy also makes provision for variable remuneration payable to senior members of staff to comply with the expectations set down in Article 275 of the Solvency II Directive as adopted in the PRA Rulebook: Conditions Governing Business – Remuneration.

Annual incentive and long-term incentive awards are discretionary and are based upon a combination of SIH, Company and employee performance. The incentive pools are set based on achieved SIH and Company performance against agreed objectives at the beginning of the performance year. The individual award is then determined based on individual performance.

Employees are offered a market driven core set of employee benefits in order to provide a reasonable level of financial support in the event of an employees' illness or injury and enhance productivity and job satisfaction through programs that focus on employees' health and well-being. In the Company, employees' basic benefits include private medical, private dental, private GP coverage, disability insurance, critical illness insurance and life insurance. All employees are automatically enrolled in the defined contribution Personal Retirement Savings Scheme.

Non-Executive Directors of the Company's Board of Directors are paid a fixed monthly fee for their services plus agreed expenses.

#### ***B.1.2.2 Supplementary Pension and/or Early Retirement Schemes***

The Company does not have any supplementary pension programs or early retirement schemes for any of the members of its Board of Directors nor any of the senior executives.

#### **B.1.3 Material transactions during the reporting period with shareholders, persons who exercise a significant influence on the Company and with members of the board**

The Company did not have any material transactions in the reporting period with persons who exercise significant influence or senior executives other than those associated with the compensation arrangements previously disclosed.

The Company enters into transactions with other Sompo Holdings group entities in the normal course of business. The most material transactions are the reinsurance cessions to the Company's parent companies, Endurance Specialty Insurance Ltd ("ESIL") and Sompo Japan Insurance Inc. ("SJI").

The Company also has a Net Worth Agreement with ESIL which will enable the Company to maintain capital resources in an amount equal to 150% of the Company's Solvency Capital Requirement. The Net Worth Agreement also has a liquidity provision should the Company have insufficient funds to make a required payment for any valid claims under the policies issued by the Company and valid claims of financial creditors as they fall due for payment.

#### **B.2 Fit and proper requirements**

There is a Fit and Proper policy to which all members of the Board, Key Function Holders, and persons within and working on behalf of the Company who might from time to time be captured by the Fit and Proper requirements set out

in the Directive must adhere. Additionally, certain members of staff are required to comply with the Conduct Standards and Conduct Rules set forth by the PRA and FCA respectively. These rules apply to a differing extent according to whether individuals have been identified as being Senior Managers or Certified Persons under the Senior Managers and Certification Regime or if they are deemed to not be performing a purely ancillary role (in which case they also have to comply with the Conduct Rules).

The Fit and Proper policy requires that where a person is captured by the Fit and Proper requirements that person must be assessed against the relevant fit and proper criteria applicable to the role including but not limited to honesty, integrity, reputation, competence, capability, and financial soundness.

The Fit and Proper policy (which is supplemented by the Senior Managers and Certification Regime Policy for relevant staff) requires that an annual assessment of a person's fitness and propriety (where such person is subject to the relevant requirements) should be carried out at the time of first recruitment and on a regular (at least annual) basis thereafter. The policy states that:

- Persons (who are subject to the fit and proper requirements) should be assessed for the ability to carry out their role in compliance with relevant regulatory requirements, principles, and rules;
- Persons should be assessed for their competence, both in terms of management and technical ability;
- Persons should be subject to annual appraisal to ensure that all the key skills relating to the role remain at a suitable level; and
- Persons should be subject to a documented programme of professional development to ensure that they remain technically and professionally competent.

This annual assessment of an individual's fitness and propriety forms part of the ongoing annualised assessment of Senior Managers and Certified Persons that we are required to undertake as part of the Senior Managers and Certification Regime.

### **B.3 Risk management system including the Own Risk and Solvency Assessment**

#### **B.3.1 Risk management strategy**

The Company's risk strategy is aligned to the business objectives of the Company. As a specialty (re)insurer operating in the international insurance and reinsurance marketplace it is central to the achievement of the Company's business objectives that it seeks insurance and investment risk through the specialty products that it underwrites, and the investments made with the assets of the business. In undertaking this activity the Company accepts exposure to other risks that it does not seek and for which it is not rewarded.

The principles underpinning the Company's risk management strategy include:

- The Company sees risk as more than just a potential for loss, but also as a potential for opportunity;

- The Company only seeks risks that it has the capabilities and expertise to understand and to manage;
- The Company only accepts risks it seeks that provide a level of reward commensurate with the risk assumed;
- The Company uses its people, systems, processes and controls to minimise its exposure to risks that it does not seek and for which it is not rewarded, subject to cost benefit considerations; and
- The Company defines the appetite within which it will normally operate to achieve its business objectives.

The Company's approach to risk management is based upon the belief that risk management activity should be embedded across the business, leverage a diversity of skills, tools and people whilst being supported by a strong culture of risk awareness and engagement. In particular, the risk management system is designed to support the successful execution of the Company's business strategy by aligning the risk appetite to business objectives and inculcating a risk management culture that influences decisions from board level through to individual employees.

The Company operates a "three lines of defence" model, with the business owning day-to-day risk and controls, the Risk and Compliance functions providing oversight, and Internal Audit providing independent assurance on the adequacy and effectiveness of the risk management framework.

The Board has overall responsibility for approving the strategy and risk appetite of the Company at least annually. The Board has delegated responsibility for overseeing the risk management framework to the Risk & Compliance Committee (R&CC) which meets on a quarterly basis and receives reports and management information from the Chief Risk Officer who has executive responsibility for the Risk function. The risk governance of the Company also benefits from group-level management committees and risk forums including the SIH Management Risk Committee, which is responsible for the implementation of the group-wide Enterprise Risk Management ("ERM") framework, and its risk sub-committees and risk forums; these are specialist groups responsible for the identification, assessment and management of specific drivers of risk across the enterprise.

### **B.3.2 Risk management system**

The risk management system of the Company encompasses the following key components: risk identification, assessment, response and monitoring. The risk management system supports the business in monitoring strategy execution and also in informing decisions around the evolution of the strategy over time.

The risk management system operates in the following ways:

- I) Identify: The Company has a strong risk culture promoted by business leadership and supported by the remuneration structure. Risk is seen as more than just a potential for loss, but also as a potential for opportunity. A proactive approach to developing and maintaining risk awareness is built into the Company's processes and is an important consideration spanning the management of both the asset and liability sides of the balance sheet.

- II) Assess: The Company maintains a collaborative approach to assessing risk and performance, generating insight and preserving consistency by bringing an appropriate mix of disciplines, perspectives and tools together to address the challenges of quantifying risk and of understanding uncertainty. Underpinning this, the Company has established a robust framework for the development of risk intelligence internally, the acceptance of externally developed risk intelligence, and the on-going review and independent validation of utilised intelligence.
- III) Respond: The Company has established processes, systems and management information to embed risk and performance analytics in the decision-making framework across the business. Systems have been established to synthesise and deliver risk insight to the point of decision making whilst processes are maintained to ensure continued engagement between decision makers and analytics teams.
- IV) Monitor: The Board approves the policies, appetites and tolerances. A suite of risk management reports is provided to oversight and management committees to assist them in discharging their delegated oversight and decision-making responsibilities. The business implements a control environment and assigns individual accountability for identified risks and key business controls, documented in the risk register.

The Company's Internal Audit function considers the risk management framework in the development of its audit universe and annual risk-based audit plan. In executing the audit plan a feedback loop exists where the recommendations arising from the review of the control environment are considered by management and the risk function and, as appropriate, reflected in the risk register.

### **B.3.3 Risk appetite framework**

The Company's operations are subject to risk appetite statements defining the boundaries within which the Company is expected to operate when pursuing its strategy and that enable management and the Board to focus on meaningful high-level targets at the intersection of strategy, risk and solvency.

The Company's Risk Appetite Framework provides a structured approach to articulate, set, monitor and report on compliance with the risk appetite statements based on the following four overarching risk objectives:

1. Maintain financial strength and flexibility;
2. Ensure the financial resilience of the business;
3. Ensure the operational resilience of the business; and
4. Contribute to the group's sustainability objectives and targets.

Each objective forms a pillar within the Risk Appetite Framework structure and incorporates clearly articulated measurable Board-level and Management-level risk appetite statements designed to promote resilience and ensure the delivery of the risk objectives. Risk appetite statements are complemented by monitoring metrics with no defined

tolerances or targets, which provide useful additional context around the risk profile of the business and play an important role in informing risk responses and future development of the framework.

The position against each of the Board and Management limits is monitored on a quarterly basis and reported to the Risk & Compliance Committee.

### **B.3.4 Risk management responsibilities**

The Board has overall responsibility for approving the strategy and risk appetite of the Company at least annually. The Board has delegated responsibility for overseeing the risk management framework to the Risk and Compliance Committee which meets quarterly to receive reports and management information from the Chief Risk Officer who is responsible for the risk function.

#### **The Board of Directors** (*Governing Body*)

The Board of Directors has ultimately responsibility for the Company's risk management and will approve this Risk Management Policy, including risk appetite statements, at least annually.

#### **Risk and Compliance Committee (R&CC)** (*Oversight Body*)

To oversee risk management within the Company, the Board has formed the R&CC. The objective of the R&CC is to develop and implement an organisation-wide approach to the identification, assessment, communication, and management of risk in a cost-effective manner.

The R&CC has appointed a chairman, and meetings are attended by representatives from senior management including the Chief Risk Officer. The R&CC is responsible for:

- a. Proposing to the Board of Directors the Company's approach to risk management in a manner consistent with regulatory requirements
- b. On at least an annual basis reviewing the Company's risk appetite framework and presenting it to the Board of Directors for approval
- c. Overseeing and challenging the risk management of the Company and reporting to the Board of Directors on the adequacy of processes and controls and escalating issues as necessary
- d. Monitoring the Company's overall risk profile against the approved risk appetite and tolerances
- e. Reporting movements in exposures together with any resulting risk appetite breaches and reviewing remedial action taken
- f. Performing such other responsibilities regarding the Company's risk management, processes and controls or activities, or other matters as the Board of Directors may assign to the Committee from time to time

**Audit Committee** (*Oversight Body*)

The Audit Committee is responsible inter alia for oversight of reviews conducted by the Internal Audit function that are designed to provide management and the Audit Committee with assurance regarding the Company's risk management processes and internal control systems.

**Management Committees** (*Management Committee / Body*)

The Underwriting Committee is responsible for, among other things, oversight of the Company's underwriting processes, procedures and controls, recommendation of any amendments to underwriting policy to the Board for approval and monitoring of the Company's risk exposures. The Company's Executive Committee is responsible, for among other things, oversight of the day-to-day operations of the Company (e.g. claims handling, human resources, facilities), including the assessment and monitoring of operational risk. The Audit Committee recommends the company's loss reserves to the Board for approval. The Conduct Committee reports to the R&CC and is responsible for reviewing and managing conduct risk matters on a day-to-day basis on behalf of the R&CC.

**B.3.5 Own risk and solvency assessment process**

The quarterly Own Risk and Solvency Assessment process ("ORSA") is integral to the Company's risk management framework and promotes a strong risk management culture by embedding a forward-looking assessment of the risk profile into the decision-making system.

In particular the ORSA supports the understanding of the performance prospects, risk profile and on-going solvency requirements of the Company with regard to the Company's strategy, risk appetite and target solvency requirements. Specific consideration is paid to the potential shocks or risks the Company may face over its strategic planning horizon. The outputs of the ORSA guide ongoing business planning and capital management activities.

The ORSA process encompasses:

- Assessment of current and future solvency and liquidity positions under expected conditions;
- Stress and scenario testing, including reverse stress testing, informed by an evaluation of the key emerging, emergent and emerged risks; and
- Ongoing solvency assessment, including the quality and quantity of funds necessary to ensure risk-based capital needs are met at all times, in line with internal risk appetite and regulatory expectations.

The ORSA process is evidenced and documented in an ORSA Report prepared at least annually and submitted to the Board, which has ultimate responsibility for ensuring it is conducted in accordance with policy. The Risk function has day-to-day responsibility for executing the ORSA with support from the actuarial and other functions.

## B.4 Internal control system

Risk management responsibilities are clearly defined across the Company and are segregated across three 'lines of defence' that vary in the level of independence they have from the day-to-day running of the organisation, specifically:

- The first line of defence, business risk management, describes the infrastructure of processes, systems and controls owned by members of the business charged with responsibility for day-to-day operations. Ownership for each of the identified business risks is allocated to an appropriate member of the management team and subject to quarterly self-assessment.
- The second line of defence, risk management, describes the risk oversight activity, encompassing risk assessment, monitoring and reporting, undertaken by the Risk and Compliance functions. Specific attention is given to monitoring how the risk profile of the Company compares to the Board approved appetite statements. The risk function may provide support and guidance to the first line with respect to the design of their control framework.
- The third line of defence, internal audit, describes the risk assurance work done independently of the operation of the business and the risk function to determine that controls are being operated adequately, risks assessed appropriately and that the risk management framework remains effective.

The actuarial function is responsible for the calculation of technical provisions, including ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions, assessing the sufficiency and quality of the data used in the calculation of technical provisions, comparing best estimates against experience, and informing the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions. The actuarial function is also responsible for expressing an opinion on the overall underwriting policy, expressing an opinion on the adequacy of reinsurance arrangements, and contributing to the effective implementation of the risk-management system including risk management, solvency assessments, and reserving.

The Risk Function provides independent oversight of the Company's risk profile by establishing and maintaining the frameworks, policies, and processes that support effective risk identification, assessment, monitoring, and reporting. It promotes a consistent risk management approach across the business, supports Risk Owners in understanding and managing their risks, and ensures material exposures and control issues are appropriately escalated. The function delivers regular risk reporting to senior management and the Board, facilitates key elements of the risk management cycle including the ORSA, and provides challenge to ensure that the Company operates within its defined risk appetite and maintains a sound and effective system of risk governance.

The Compliance Function performs a dual role, supporting the first line of defence while also providing independent oversight as part of the second line of defence.

The Internal Audit function acts as the third line of defence and conducts regular reviews of the Company's operations. Part of the scope of each audit is to review the relevant risks associated with the activities under audit, to test the internal controls and to provide findings to senior management, risk management and the Audit Committee with respect to any identified gaps or deficiencies in the control environment.

### **B.5 Internal audit function**

The Internal Audit ("IA") function's purpose is to help the Board and Executive Management to protect the assets, reputation and sustainability of the Company by challenging the effectiveness of the framework of controls that enable risk to be assessed and managed. It assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation's governance, risk management and internal controls. IA responsibilities are defined by the Audit Committee as part of its oversight role.

The company has adopted a "Three Lines of Defence" risk management and control structure to ensure it achieves its objectives while meeting regulatory and legal requirements. IA is the third line of defence and is independent of the company's second line functions.

Internal Audit undertakes, objectively and independent from management, the following principal activities:

- Assessing and reporting (to the Company and business unit audit and risk committees and to management as appropriate) on the effectiveness of the design and operation of the framework of controls which enable risk to be assessed and managed, including IT systems.
- Assessing the operating effectiveness of the Companies internal controls over financial reporting by testing key controls identified and documented by management.
- Investigating and reporting on cases of suspected financial crime and employee fraud and malpractice.
- Undertaking designated advisory services for management, provided that they do not threaten IA's actual or perceived independence from management.

At least annually, an internal audit plan will be submitted to senior management and the Audit Committee for review and approval. The internal audit plan is developed based on a prioritisation of the audit universe using a risk-based methodology, including input from senior management and the Audit Committee. The plan is reviewed and adjusted, as necessary, in response to changes in the organisation's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved plan will be communicated to senior management and the Audit Committee through periodic activity reports.

A written communication will be prepared and issued by the Chief Audit Executive ("CAE") - EWIL or designee following the conclusion of each audit and will be distributed as appropriate. Internal audit results will also be communicated to the Audit Committee. The internal audit report will include management's response and corrective action to be taken regarding specific issues and recommendations along with a timetable for anticipated completion. Through a standardised follow-up process, IA will be responsible for monitoring and reporting on the status of open issues to the Audit Committee and verifying that the risks identified have been addressed by management.

The CAE or designee will periodically report to senior management and the Audit Committee on internal audit's activities, purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, whistleblowing matters and other matters needed or requested by senior management and the Audit Committee.

### **B.5.1 Independence**

The independence of IA from day-to-day line management responsibility is fundamental to its ability to deliver an objective coverage of all parts of Sompo International. IA will have no direct operational responsibility or authority over any of the activities audited. Accordingly, IA will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditors' judgment. IA is not responsible for the management of risk or the implementation of an effective control framework. These areas are the responsibility of the Board and management.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. Internal Auditors must have an impartial, unbiased attitude and avoid any conflict of interest. The CAE or designee will confirm to the Board, at least annually, the independence of IA.

### **B.6 Actuarial function**

The Company provides for an Actuarial Function as specified under Article 48 of the Solvency II Directive.

The roles and responsibilities of various stakeholders in terms of completing, reviewing, and validating the tasks of the Actuarial Function are detailed below:

- Coordinating the calculation of the technical provisions and all tasks and supporting analysis surrounding this process is undertaken by members of the Actuarial Function, with review by the EWIL Chief Actuary.
- Expressing an opinion on the overall underwriting policy is undertaken by the EWIL Chief Actuary with input from the Head of Pricing and Chief Underwriting Officer.

- Expressing an opinion on the adequacy of the reinsurance arrangements is undertaken by the EWIL Chief Actuary with input from members of the Ceded Reinsurance team and Exposure Management team.
- Contributing to the effective implementation of a risk-management system is undertaken by members of the actuarial Function with oversight by the EWIL Chief Risk Officer.

The actuarial function is comprised of qualified actuaries, actuarial students, and other suitably experienced actuarial staff. The actuarial function confirms that each member of the actuarial function possesses the necessary skills, sufficient knowledge of actuarial and financial mathematics, experience and knowledge of the relevant professional standards, and is either a qualified actuary, an actuarial student, or has suitable experience of London Market and UK insurance. The Actuarial Function is provided with the necessary authority to carry out its role by the Board and is operationally independent of the Company’s other Key Functions. Additionally, the Actuarial Function has access to the necessary information systems and data sources to enable it to undertake the work required.

Solvency II requires the Actuarial Function to contribute towards the Risk Management processes in place at the Company. The EWIL Risk Management Framework is based upon the Three Lines of Defence ("LOD") model. A high-level structure is provided below:

**Risk Management Framework**



As outlined, the CRO has oversight of the Actuarial Function’s general contribution to the EWIL Risk Management framework. This is demonstrated in the EWIL Risk Register within the ORSA report, which defines the categories of key risks which the company faces and the individuals with overall responsibility for managing those risks (including members of the Actuarial Function).

## **Details on the contribution of the Actuarial Function towards the EWIL Risk Management Framework**

The EWIL Actuarial Function has input into the following wider areas of risk identification and management:

### 1. Risk Management

- The ORSA process – provision of reserving data and commentary to the CRO.
- Support the development, monitoring, management and reporting of the company's reserve risk appetite and the monitoring of emerging risks.
- Attest quarterly to the design and operating effectiveness of all actuarial related processes and controls. Also support broader operational risk management oversight through the reporting and root cause analysis of any operational incidents or near-misses.
- The Actuarial Function develops reserve-related stress scenarios for input into various risk management processes including the ORSA.

### 2. Solvency Assessments

- Internal economic capital assessments e.g. supporting data provision and review for loss distributions and certain reserving parameters, particularly around reserve volatility.
- Provision of technical provisions output (including forecast technical provisions) to the capital modelling team; ensuring consistency with the technical provisions used as part of the internal model.
- Regulatory capital assessments e.g. provision of actual and forecast technical provisions and balance sheets.
- Stress and scenario testing.
- Strategic planning.
- Review of outputs generated by the Group Internal Model (including review of reserve risk results with Capital Modelling to understand movements).
- Discussion with Capital Modelling on assumptions being derived using the Group Internal Model (and applied in the Solvency II Technical Provisions) to ensure consistency of assumptions.

### 3. Reserving

- Maintaining feedback loops via the provision and discussion of reserve performance information and metrics with a wider business audience (including underwriting, pricing, and claims teams).
- Supporting external actuaries in performing independent reviews of reserves for the purpose of Board assurance and audit.
- Preparation of memos/reports for the Board, Audit Committee and other committees as required, to inform management of reliability/adequacy of reserves and of any other reserving specific issues (on a GAAP and Solvency II basis).

## **B.7 Outsourcing**

The Company has established standards, processes, roles and responsibilities for its arrangement of services to be provided by unaffiliated third parties (“outsourcer providers”). Outsourcing arrangements are supported by individual contracts and/or service level agreements (“SLA’s”). Before an outsourcing arrangement is entered into, the Company assesses the impact of the proposed arrangement, including reviewing the qualifications of the service provider. For all material outsourcing arrangements based on the size and criticality of service, the Company applies the following due diligence and selection criteria:

- Formal reviews of the proposed outsourcing arrangements by the appropriate internal departments, including Legal;
- Request For Proposal (“RFP”) requirements provide that single source procurement may be permitted with the approval of Legal; and
- Reviews by requester and the key management personnel to ensure that no conflicts of interest exist in engaging the outsourcer.

The selection criteria process should be agreed in advance by the requester and other reviewing parties and should consider the following factors, among others:

- demonstrated quality (financial and technical abilities);
- specialised knowledge and resources;
- control framework;
- conflicts of interest;
- value-add services as differentiators;
- long-term viability and pricing;
- availability of an adequate Business Continuity Plan; and
- risks from outsourcing and mitigation.

Outsourcing arrangements that have cleared due diligence and met the appropriate selection criteria are reviewed to determine if an RFP is applicable. Where an RFP process is deemed appropriate, a reasonable number of competitive bids should be obtained to ensure quality services are being received at an appropriate price.

For any proposed outsourcing arrangement not subject to an RFP process, the requester must provide formal justification for single source procurement and obtain approval from Legal.

In all outsourcing situations where outsourcers will access the Company’s non-public information and/or systems, outsourcers will be required to sign a non-disclosure agreement.

The Company has defined key management personnel that are authorised to approve an outsourcing arrangement should the arrangement satisfy the due diligence and selection criteria. The key management personnel are recorded in the SIH Group's "Authorised Approvers" policy document and includes the requirements for adequate specifications for the services to be entered into.

A summary of critical functions/activities outsourced, and the jurisdiction in which the service providers are located, is below:

Service	Description	Jurisdiction
Policy administration*	Data Capture & Data Quality Control, for bound Policies, endorsements and Signed Line changes. Services also include report generation, audit support, file management and contract certainty checking.	India
Credit control and cash management*	Cash management and chasing, including reconciliation and ongoing reporting of aged debt and unallocated cash.	India
Claims and claims administration*	Claims review and settlement (within authority) or referral, including regular reporting and update, based on lead / follow terms.	UK
Delegated underwriting services	Chasing, upload and storage of all Delegated Underwriting Bordereaux (premiums and claims) and reporting services. Also includes the utilisation of 'BinderCloud' third party software, from the outsourced service provider.	UK and India
Investment management and accounting	Portfolio management in line with Board approved investment strategy, report generation and creation of accounting entries.	USA
Payroll	Payroll processing and payment, report generation and payslip production.	UK and Switzerland
IT helpdesk	Telephone support covering desktop and mobile devices.	USA
Delegated underwriting & claims	Delegation of claims and/or underwriting/document issuance within strict parameters and overseen by the Delegated Authority team. These arrangements are deemed critical if above a certain size or dealing with customers deemed to be high conduct risk.	Various
Cloud outsourcing	Infrastructure & data storage from Cloud service providers, deemed critical if in support of policy administration, claims, or core financial systems.	USA

\*Direct insurance and facultative reinsurance only

### ***Intragroup outsourcing arrangements***

The Company has intragroup outsourcing arrangements in place that are governed by the Group Administrative Services Agreement. Intragroup outsourcing arrangements for the year ended 31 December 2025, primarily comprise of shared support services (including IT, finance, compliance, risk, HR and internal audit services) outsourced to service companies within the Group. These intragroup outsourcing arrangements are primarily based in the UK and the USA.

### **B.8 Any other information / summary**

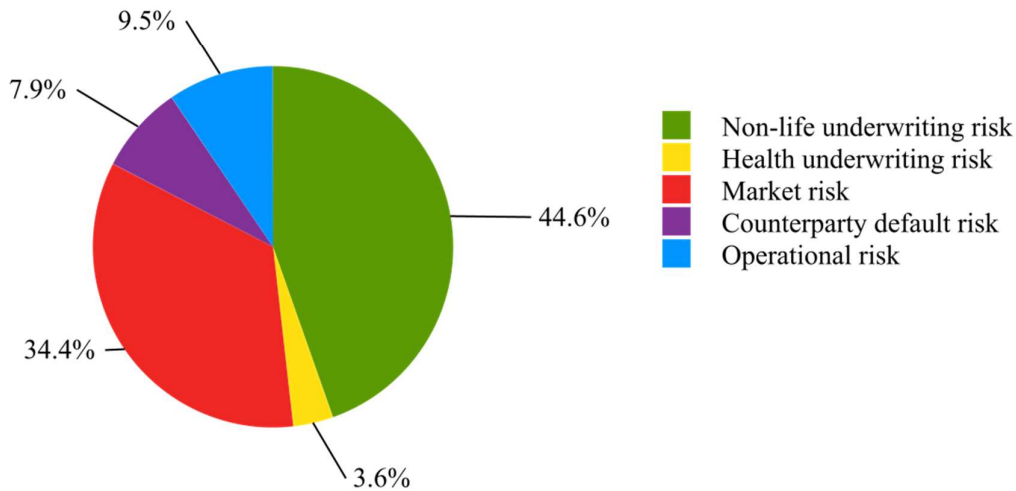
The Company considers that its system of governance is appropriate for the nature, scale and complexity of the risks inherent in its business.

## C. Risk Profile

The Company is exposed to a range of risks that arise out of its underwriting and investment activities as well as its general operations. This section summarises the current risk profile of the business, and how the Company manages these risks.

The undiversified risk profile of the Company, as determined by the Standard Formula.

### UNDIVERSIFIED SOLVENCY CAPITAL REQUIREMENT BY RISK CATEGORY



#### C.1 Underwriting Risk

The Company seeks risk through its (re)insurance underwriting activities to generate financial earnings. The main risks assumed through underwriting activity can be sub-divided into pricing risk; catastrophe risk; and reserve risk.

- **Pricing risk** is the risk of systematic mispricing which could arise due to changes in the legal or external environment, changes to the supply and demand of capital, and companies using inadequate information to make decisions. This risk could affect multiple classes across a number of underwriting years.
- **Catastrophe risk** refers to the potential for large losses to arise from multiple independent insured policies as a result of a single cause. This definition applies to all classes of business written in all territories and includes

both natural and man-made causes, for example: earthquakes, hurricanes, marine or aviation incidents, acts of terrorism, cyber events or systemic malpractice.

- **Reserve risk** describes the potential that provisions set aside to meet claims payments in respect of events that have occurred turn out to be inadequate. This risk is most pronounced for medium and long tailed business where the typical period between loss occurrence and ultimate claim settlement can be very long; in these cases, unanticipated changes in the legal landscape (e.g. tort reform) or external conditions (e.g. inflation) can have a material impact on the adequacy of claims provisions. For short-tailed business, reserve uncertainty can be significant immediately following a major event, however the typically shorter reporting and settlement periods mean this risk is unlikely to persist and compound over time.

The Company's approach to risk management for each of these is set out below.

### **C.1.1 Approach to Risk Management**

#### ***Pricing Risk***

The Company manages pricing risk through a combination of disciplined underwriting practices, clear authorities, actuarial support, and portfolio oversight. Underwriting Letters of Authority ("LOAs") set out the permitted lines of business, territories, exposure limits and any relevant underwriting restrictions, ensuring underwriters operate within clearly defined risk preferences. These are supported by pre- and post-bind peer review processes designed to reinforce underwriting discipline and consistency.

Underwriters use a range of technical and analytical tools, including contract terms such as occurrence limits, aggregate limits and reinstatement provisions, to manage exposure. Actuarial and modelling teams are fully integrated into the underwriting process and provide pricing, rate adequacy and transaction-level analysis. External specialists may be engaged where additional expertise is required.

Portfolio performance is monitored regularly through a framework that brings together insights from pricing, reserving, claims, exposure management and capital modelling. The claims team contributes to this by reviewing emerging trends and feeding back relevant insights to underwriting teams to inform risk selection and coverage considerations.

Material new business proposals or opportunities that could impact the Company's risk profile are reviewed by the Underwriting Committee, which also receives quarterly reporting on underwriting performance and risk exposures. The Actuarial Function provides an annual opinion to the Board on pricing adequacy as reflected in the Company's business plan. Where underwriting authority is delegated to third parties, oversight is maintained through defined governance processes, regular monitoring and independent audits reviewed by the Underwriting Committee.

### ***Catastrophe Risk***

The Company manages catastrophe risk through documented underwriting guidelines that set out maximum line sizes, accumulation limits and risk preferences for each class of business, with exposures monitored regularly and material variations reviewed by the Underwriting Committee. Transactions that may fall outside established risk appetite are escalated under defined referral guidelines, including referral to the Group Chief Risk Officer where appropriate.

The Company's ceded reinsurance program is reviewed at least annually to ensure alignment with business objectives, risk appetite and market conditions, with proposed changes considered by the Underwriting Committee. The Actuarial function provides an opinion to the Board on the adequacy of these arrangements, including their consistency with solvency objectives and the financial strength of counterparties.

Catastrophe risk is quantified using a combination of proprietary and commercially available models across natural catastrophe, weather, casualty, aviation, credit and other specialty exposures, supplemented by deterministic scenarios. The Exposure Management function identifies key sources of catastrophe exposure and provides regular reporting on catastrophe risk levels and accumulation metrics to management and oversight committees.

Oversight of catastrophe risk management is provided by the Risk & Compliance Committee, with day-to-day responsibility delegated to the Underwriting Committee, which receives quarterly reporting on catastrophe risk against approved limits.

### ***Reserving Risk***

The Company manages reserve risk through a structured reserving process overseen by the Actuarial function. A best estimate reserving process is in place that integrates planning, pricing and exposure information to establish a feedback loop between the reserving and underwriting processes. At least annually each class of business (including delegated business) is subject to a detailed reserve review where actuarial and statistical techniques are used to derive loss reserve estimates from the most recently available data, as well as current information on future trends in claims severity and frequency, judicial theories of liability and other factors. The Actuarial Central Estimate ("ACE") reserving team reviews and recommends any changes to key assumptions at least once each year. Proposals for changes in assumptions or for new assumptions relating to new reserve classes are reviewed by the corporate reserving team ahead of each quarterly reserving exercise.

The results of the actuarial reserve reviews are discussed regularly with underwriting leaders for each product line and are monitored against the UK GAAP booked reserve estimates to ensure that in the aggregate, across all classes, booked reserves are considered adequate, as defined in the approved risk appetite. Additionally, the best estimates are compared against experience each quarter by undertaking an analysis of actual versus expected experience as well as other appropriate validations of assumptions, methodology, and results. The quarterly reserve analysis is reviewed by and

discussed with underwriters, actuaries, claims, finance and senior management prior to submission to the Company's Reserving Committee. The Reserving Committee reviews the sufficiency of the estimated loss reserves and appraises the adequacy and effectiveness of the loss reserving practices of the Company.

In respect of individual claims and / or events where the potential for reserve development is material, reserve selections are informed by an update of the loss circumstances provided by the claims team. For large events the initial loss estimates are determined by the claims team with input from underwriting and exposure management as appropriate.

Oversight of loss reserves is provided by the Audit Committee, which meets quarterly to receive reserving information and discharge its oversight duties including monitoring reserve adequacy. Annually the actuarial function reports on the adequacy of loss provisions established both on a GAAP and economic basis through the Actuarial Function Holder Report provided to the Board.

### **C.1.2 Assessment of Risk**

As determined by the Standard Formula, underwriting risk comprises 51.4% (2024: 48.2%) of the undiversified total SCR. Whilst the primary activity of the Company is to underwrite (re)insurance business, significant levels of outwards reinsurance protection serve to materially limit the contribution of this risk to the overall risk profile of the Company.

#### ***Material Risk***

The Company's exposure to catastrophe risk is managed by comprehensive outwards reinsurance protections, including intragroup stop loss reinsurance. Retained underwriting risk primarily reflects exposure to pricing and reserve risk. The lines of business that are most exposed to these risks are reflected in the capital needs of the Company as defined by the Standard Formula. For the Company, these lines of business are:

- General liability insurance and proportional reinsurance;
- Marine, aviation and transport insurance and proportional reinsurance;
- Non-proportional casualty reinsurance; and
- Fire and other damage to property insurance and proportional reinsurance.

#### ***Concentration Risk***

Concentration risk arises out of accumulation of exposures to geo-physical, geo-political, economic, technological, societal and environmental threats. The Company conducts annual risk assessments which review the current strategies for identifying and managing these risks. An objective of the risk assessment process is to highlight any increases in risk exposures as well as any deficiencies in the Company's strategies to address these risks over the planning horizon and beyond.

### C.1.3 Sensitivity of Risk

The Company carries out various sensitivity testing as part of its risk management process, and one such test involves gross and net impact to profit with increases to loss ratios of 5%, with all other assumptions held constant, to test the sensitivity of the loss ratio assumptions to the overall Company strategy.

Amounts in USD'000	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on profit	Impact on capital and reserves	% of Solvency II surplus
2025 Loss ratio	+5%	87,874	23,959	(23,959)	(17,969)	(4.2)%
2024 Loss ratio	+5%	84,970	23,772	(23,772)	(17,829)	(4.1)%

When considered alongside the Company's own funds (section E.1) and capital requirements (section E.2), this sensitivity test shows that the Company's capital base can withstand some level of systemic mispricing, but the tests highlight the importance of vigilant oversight of our underwriting controls. Nevertheless, the potential for loss ratio deterioration is limited by the intragroup stop-loss agreement with ESIL, which owns 100% of the Company's immediate parent holding company, SWHL.

Reserve risk sensitivity tests have been performed by the Company to assess the profit/loss impact of mis-estimation of reserve liabilities. These tests assess how the variability in the initial expected loss ratio ("IELR") and the variability in how quickly claims are reported impact the reserve estimation. The IELR was flexed up and down by 10% and the development profile was flexed slower and quicker (by 3 months for short-tailed lines and 6 months for long-tailed lines) sequentially, resulting in nine difference scenarios (including the base case of unchanged assumptions).

The results of these tests are as follows:

Potential Percentage Change in Total Loss and Loss Expense Provisions			
Initial Expected Loss Ratio			
2025 Reporting Pattern	10% Lower	Unchanged	10% Higher
ST - 3 months faster	(11.2)%	(4.9)%	1.5 %
LT - 6 months faster			
Unchanged	(6.8)%	0.0 %	6.8 %
ST - 3 months slower	(1.3)%	6.1 %	13.6 %
LT - 6 months slower			
2024 Reporting Pattern	10% Lower	Unchanged	10% Higher
ST - 3 months faster	(10.0)%	(2.9)%	4.1 %
LT - 6 months faster			
Unchanged	(7.6)%	0.0 %	6.9 %
ST - 3 months slower	(4.8)%	2.8 %	10.4 %
LT - 6 months slower			

The results show, the most impactful scenario assumes higher IELRs alongside slower incurred development profiles and would give rise to a 13.6% increase in net reserves, equivalent to approximately \$237.0m in net reserves. These tests

are meant to show the sensitivity of the assumptions in the reserving method and, when considered alongside the Company's own funds (section E.1) and capital requirements (section E.2), the results show that the Company can withstand such fluctuation in the held reserves.

Compared with year-end 2024, the most material changes are driven by scenarios that stress incurred development profile assumptions. The impact of these scenarios has increased at the current year-end, as the current year of short-tailed business is now more heavily weighted towards the BF method than the IELR method, following slightly adverse claims experience to date.

Also note that the effect of the reporting pattern is becoming more important over time as the proportion of reserves in older years continues to grow. This is because the reliance on assumptions about reporting patterns increases in older years.

## **C.2 Market Risk**

Market risk describes the Company's exposure to external influences on assets resulting in financial losses or gains from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as interest rates, currency exchange rates, equity prices and credit spreads.

### **C.2.1 Approach to Risk Management**

The Company manages market risk through both a system of limits and a strategy to optimise the interaction of risks and opportunities, both of which are documented in an investment management policy. To ensure diversification of the investment portfolio and avoid excessive aggregation of risks, limits on asset types, economic sector exposure, industry exposure and individual security exposure are placed on the Company's investment portfolio and monitored on an ongoing basis.

Investment policies and guidelines, including sector limits, impairment scenario loss tolerances and performance targets are approved by the Board. The Board monitors the risk profile of the investment portfolio quarterly against these approved limits and targets.

The Company employs a range of capital-at-risk and scenario-based models, including value-at-risk and credit impairment analyses, to assess the sensitivity of the portfolio to changes in market conditions. These models consider key risk factors such as asset concentration, volatility, correlation and broader market dynamics. The Company reviews the relevance and performance of these models periodically to ensure they remain reflective of prevailing market conditions.

The Company also maintains an asset liability management strategy that involves the selection of investments with appropriate characteristics, such as duration, yield, currency and liquidity that are tailored to the anticipated cash outflow characteristics of our liabilities and the anticipated interest rate environment.

Foreign currency risk is managed by seeking to match liabilities under insurance and reinsurance policies that are payable in foreign currencies with assets such as cash and investments that are denominated in such currencies.

### ***Prudent Persons Principle***

The investment strategy is reviewed by the Board, and implemented by the Investment Function, which hires third-party investment managers to invest the assets under the direction of the 'prudent person principle' aligned with the Investment Policy, and specific guidelines for each manager. A small percentage of assets are managed internally.

Prior to hiring an investment manager, a rigorous due diligence process is followed to ensure that the manager has the adequate skills, qualifications, experience and resources to carry out the duties that they have been delegated. The investment manager guidelines prescribe the types of securities that the manager may invest in and those that are prohibited. The guidelines also set individual issuer limits based on credit quality, as well as aggregate sector and credit quality limits, ensuring adequate portfolio diversification. The investment manager is given a performance benchmark with appropriate sector exposures and duration to meet the needs of the Company.

### **C.2.2 Assessment of Risk**

As determined by the Standard Formula, market risk comprises 26.0% (2024: 34.4%) of the undiversified total SCR.

#### ***Material Risk***

The Company's market risk charge is consistent with the significant amount of surplus capital it holds. Notwithstanding the high level of investable assets, the Company maintains a defensive investment portfolio and hence investment shock scenarios indicate only moderate impairments to the value of assets.

#### ***Concentration Risk***

The Company is subject to concentration risk in its investments. In order to minimise its exposure to investment concentration risk, the Company has designed its investment portfolio to diversify risks to the extent practical, particularly with regard to interest rate, credit, structure and equity risks. To ensure diversification and to avoid excessive aggregation of risks, the Company has placed limits on asset types, economic sector exposure, industry exposure and individual security exposure which are monitored on an ongoing basis.

The table below shows the exposure of the Company's investment portfolio to asset types and currency:

Amounts in USD'000					2025					2024
	GBP	USD	EUR	AUD	Total	GBP	USD	EUR	AUD	Total
Collateralised securities	21,873	831,539	20,252	—	<b>873,664</b>	21,875	681,498	9,355	—	<b>712,728</b>
Government bonds	96,565	46,771	12,260	—	<b>155,596</b>	100,681	175,195	11,585	—	<b>287,461</b>
Corporate bonds	224,540	402,099	50,931	—	<b>677,570</b>	223,635	644,679	50,140	—	<b>918,454</b>
Derivative assets	—	3,418	—	—	<b>3,418</b>	—	—	—	13	<b>13</b>
Collective Investments Undertakings	103	23,092	84	—	<b>23,279</b>	43	22	7	—	<b>72</b>
<b>Total</b>	<b>343,081</b>	<b>1,306,921</b>	<b>83,527</b>	<b>—</b>	<b>1,733,527</b>	<b>346,234</b>	<b>1,501,394</b>	<b>71,087</b>	<b>13</b>	<b>1,918,728</b>

### C.2.3 Sensitivity of Risk

The majority of the Company's investments comprise cash and fixed income securities. The fair value of the Company's investments is inversely correlated to movements in interest rates. If interest rates fall, the fair value of the Company's fixed income securities tends to rise and vice versa.

The table below shows the potential impact on investment portfolio valuation resulting from fluctuations in interest rates, based on the portfolio duration, as follows:

Amounts in USD'000	2025		2024	
	Impact on valuation	% of Solvency II surplus	Impact on valuation	% of Solvency II surplus
Change in interest rates (basis points)				
+100 bps	(81,375)	(19.0)%	(71,157)	(16.5)%
+50 bps	(40,911)	(9.6)%	(35,857)	(8.3)%
-50 bps	40,521	9.5 %	36,148	8.4 %
-100 bps	79,507	18.6%	72,184	16.8 %

The Company manages interest rate risk by regularly monitoring the average duration of financial investments.

The Company operates internationally and therefore has exposure to foreign exchange risk. The Company endeavours to mitigate this risk by maintaining a match of assets and liabilities in their respective currencies.

The table below shows the potential impact, by currency, on the income statement and equity resulting from fluctuations in foreign exchange rates:

Amounts in USD'000					
Change in USD versus foreign currency					
<b>2025</b>	<b>GBP</b>	<b>EUR</b>	<b>AUD</b>	<b>JPY</b>	<b>Total</b>
+10%	(4,257)	2,720	231	(299)	(1,605)
+5%	(2,230)	1,424	121	(157)	(842)
-5%	2,465	(1,574)	(134)	173	930
-10%	5,203	(3,324)	(282)	366	1,963
<b>2024</b>	<b>GBP</b>	<b>EUR</b>	<b>AUD</b>	<b>JPY</b>	<b>Total</b>
+10%	6,389	2,389	1,834	89	10,701
+5%	3,346	1,252	961	46	5,605
-5%	(3,699)	(1,383)	(1,062)	(51)	(6,195)
-10%	(7,808)	(2,920)	(2,242)	(109)	(13,079)

The Company manages foreign exchange risk by buying or selling currency to rebalance its monetary assets and liabilities following each quarter end.

The Company is exposed to spread risk relating to its fixed income assets. The following table shows the potential impact on the income statement resulting in widening of yield spread.

Amounts in USD'000	Fixed Income Market Value	2025 Loss	% of Solvency II surplus	Fixed Income Market Value	2024 Loss	% of Solvency II surplus
Base	1,927,548			1,927,548		
10 bps widening		(7,170)	(1.7)%		(7,170)	(1.7)%
50 bps widening		(35,852)	(8.3)%		(35,852)	(8.3)%

While the Company does not place any limits on spread duration exposure, it does place limits on individual issuers and on industry sectors as a whole in order to manage its spread risk. The investment portfolio is monitored regularly for adherence to these limits.

### C.3 Credit Risk

Credit risk is the risk of financial loss where a counterparty, issuer or (re)insurance obligor fails to meet their financial obligations to the Company in accordance with agreed terms.

#### C.3.1 Approach to Risk Management

The Company manages credit risk arising from reinsurers, premium debtors and intragroup exposures through a combination of structured governance, counterparty standards and ongoing monitoring. Ceded reinsurance purchasing is coordinated centrally to ensure alignment with business needs and risk appetite, including the design of appropriate reinsurance structures. Reinsurance arrangements are placed only with reinsurers that meet minimum financial strength criteria, selected from a pre-approved counterparty panel. This panel is actively monitored, and counterparties that fall below required credit ratings may be removed.

The Company also maintains internal reinsurance arrangements with affiliated entities. These intragroup exposures are monitored regularly to assess their impact on the Company's capital and liquidity position under both normal and stressed conditions.

Outwards reinsurance and other counterparty risk levels are monitored by the Risk & Compliance Committee quarterly through a series of quantitative and qualitative risk metrics. Material deviations in the risk levels from predetermined risk tolerances are notified to the Risk & Compliance Committee and remedial actions to bring risk levels within appetite are considered.

### **C.3.2 Assessment of Risk**

As determined by the Standard Formula, credit risk comprises 11.8% (2024: 7.9%) of the undiversified total SCR.

#### ***Material Risk***

Credit or counterparty risk exposures other than those associated with investments arise from exposure to default by a third party. The Company is subject to credit risk primarily with respect to its reinsurers because the transfer of risk to a reinsurer does not relieve the Company of its liability to its clients. If reinsurers experience financial difficulties, the Company may not be able to recover losses. In addition, reinsurers may be unwilling to pay, even if they are able to do so. The failure of one or more of reinsurers to honour their obligations in a timely fashion would impact cash flow and reduce net income. Depending upon the amount of reinsurance purchased, such a scenario could cause a significant loss to the Company.

#### ***Concentration Risk***

When reinsurance or retrocessional reinsurance is purchased, the Company requires its reinsurers to have strong financial strength ratings. The Company evaluates the financial condition of its reinsurers and monitors its concentration of credit risk on an ongoing basis. The Company manages its credit risk in its reinsurance relationships by transacting with reinsurers that it considers financially sound and, if necessary, may hold collateral in the form of cash, trust accounts and/or irrevocable letters of credit. This collateral can be drawn on for amounts that remain unpaid beyond specified time periods on an individual reinsurer basis.

The Company identifies and accumulates credit risk exposure by entity and by credit rating to provide assurance that it is not overweight to any particular entity or to credit ratings of A- and below. The following table summarises the major counterparty exposure, on a UK GAAP basis, by Standard & Poor's or equivalent credit rating:

Amounts in USD'000						
2025	AAA	AA	A	BBB and below	Other/not rated	Total
RI share of claims outstanding	165,556	1,525,280	921	—	123,970	1,815,727
Cash and cash equivalents	11,889	—	40,147	—	5,229	57,265
Other assets	—	—	1,444	—	9,292	10,736
<b>Total</b>	<b>177,445</b>	<b>1,525,280</b>	<b>42,512</b>	<b>—</b>	<b>138,491</b>	<b>1,883,728</b>

Amounts in USD'000						
2024	AAA	AA	A	BBB and below	Other/not rated	Total
RI share of claims outstanding	129,022	1,378,847	1,389	—	5,422	1,514,680
Cash and cash equivalents	19,100	—	89,982	—	1,905	110,987
Other assets	—	—	2,146	—	505	2,651
<b>Total</b>	<b>148,122</b>	<b>1,378,847</b>	<b>93,517</b>	<b>—</b>	<b>7,832</b>	<b>1,628,318</b>

The financial assets included in the 'other/not rated' column relate to reinsurers' share of claims outstanding with unrated counterparties which are either not rated or cannot be readily allocated a credit rating.

### C.3.3 Sensitivity of Risk

The Company has analysed the impact of potential credit rating transitions and concluded that a downgrade of its largest reinsurer would not have a significant impact on its solvency.

### C.4 Liquidity Risk

Liquidity Risk represents the risks where the short-term liability obligations cannot be met by the Company due to the inability to convert assets into cash. Such a scenario can be driven by a lack of buyers in an inefficient market.

#### C.4.1 Approach to Risk Management

The Company manages liquidity risk by maintaining sufficient liquid resources to meet claims and other obligations as they fall due, including during periods of stress. The Company is exposed to daily calls on its available cash resources, principally from claims arising from its insurance activities. The Company's policy is to manage its liquidity position, allowing for encumbered assets and restricted fungibility of assets, so that it can reasonably meet a significant individual or market loss event.

Liquidity analyses are performed quarterly, with a more comprehensive assessment conducted annually to evaluate the availability and fungibility of Group funds should a major economic or market shock occur. Material events that could alter the Company's liquidity position such as major loss events or significant asset encumbrance trigger a reassessment of liquidity needs.

The Company maintains a high proportion of liquid assets or assets that can be readily converted to cash without material loss in value. Liquid asset levels are monitored regularly, and the investment portfolio is predominantly held in instruments with strong liquidity characteristics, including bank deposits and money market funds.

In addition to its own resources, the Company benefits from contingent liquidity support through a Net Worth Agreement with Endurance Specialty Insurance Ltd. (ESIL'), ensuring that sufficient funds are available at all times to meet valid policyholder claims and obligations to financial creditors.

## **C.4.2 Assessment of Risk**

### ***Material Risk***

The Company's liquidity risk exposure primarily arises during periods of stress such as catastrophe events or major individual losses that require losses to be settled over a relatively short timeframe. This may be due to client needs or driven by insurance regulators in the jurisdiction of the loss event. The Company may also experience delays in the corresponding recovery of loss amounts paid from its reinsurers, potentially adding to the short-term liquidity strain.

### ***Expected Profit included in Future Premiums ("EPIFP")***

The total EPIFP has decreased from \$371.2m in 2024 to \$329.3m in 2025, driven by reductions in future premium within the technical provisions for certain Solvency II lines of business.

## **C.4.3 Sensitivity of Risk**

The Company has a liquidity risk limit framework in place to ensure that there are an appropriate level and composition of liquid funds in place to meet expected future cash outflows under normal conditions.

## **C.5 Operational Risk**

In undertaking its core underwriting and investment activity the Company accepts exposure to other risks that it does not seek and for which it is not rewarded, in particular operational risk. Operational risk refers to the loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes Regulatory and Legal risk. Regulatory risk includes the risk of non-compliance with prevailing regulatory requirements; Legal risk includes the risk of non-compliance with corporate, taxation and employee legislation in the UK, the US and other appropriate jurisdictions.

### **C.5.1 Approach to Risk Management**

If not properly managed, operational risk can cause significant losses for the Company. It is virtually impossible to eliminate these risks entirely; therefore, the Company aims to limit its operational risk losses to an acceptable risk appetite, recognising the trade-off between the benefits and costs of risk mitigation.

The Company seeks to mitigate operational risk through strong risk governance, clearly defined accountabilities and a comprehensive system of controls embedded across the business. Operational risks are assessed through the Risk & Control Self-Assessment (“RCSA”) framework, under which risk owners identify key exposures, evaluate the effectiveness of controls, and consider the potential impact of any deficiencies. RCSAs are conducted at least annually, and more frequently where required, with results reviewed by the Risk function and material themes escalated to the Risk & Compliance Committee. The Company also maintains an incident reporting process to ensure that operational risk events are identified, assessed and addressed in a timely manner, with appropriate escalation to senior management and regulators where necessary.

Oversight of compliance with regulatory requirements is undertaken by the Board, with day-to-day responsibility delegated to the Risk & Compliance Committee. The Compliance function monitors adherence to applicable regulations and minimum standards and reports regularly to the Committee.

Operational risk also arises from the use of third-party service providers. The Company operates policies and procedures designed to manage outsourcing risk, including due diligence, ongoing monitoring and clearly defined oversight responsibilities across relevant business areas. These arrangements cover key outsourced activities such as delegated underwriting, claims handling, finance operations and IT services.

Cybersecurity risk is managed through a suite of policies, procedures and technical controls aligned to the NIST Cybersecurity Framework. A dedicated IT Security team oversees the identification, protection and detection of cyber threats, and coordinates response and recovery activities. Third-party cybersecurity risk is assessed through due-diligence processes that consider IT, data protection and business continuity risks.

The Internal Audit function provides independent assurance over the adequacy and effectiveness of the Company’s operational control environment. Findings and recommendations are reported to the Audit Committee, and action plans are considered by management and the Risk function, with updates reflected in the risk register as appropriate.

### **C.5.2 Assessment of Risk**

As determined by the Standard Formula, operational risk comprises 10.8% (2024: 9.5%) of the undiversified total SCR.

#### ***Material Risk***

The Company’s operational risk exposure arises primarily from activities required to support the continued business growth and product expansion in competitive and strained market conditions and heightened regulatory conditions. There are a significant number of change initiatives underway to transform the Company’s operations and deliver improved operating efficiency and effectiveness, positioning the business to sustainably create value even in competitive trading conditions.

### C.5.3 Sensitivity of Risk

The Company has analysed its operational risk exposure and considers that any foreseeable operational event would not have a significant impact on its solvency.

### C.6 Other material risks

In addition to the risks identified above, a few key risks are outlined below:

- **Strategic Risk:** Risk includes the risk of missed business opportunities, non-achievement of corporate or Company strategy and impact on competitive positioning and the value of the Company brand. It includes the risks of making strategic decisions that do not add value, environmental conditions preventing the strategy from being executed, strategy is not executed effectively or consistently, a diminution of the reputation of the Company, and having inadequate crisis response management. The Company mitigates strategic risk through the recruitment of an appropriately experienced CEO with a proven track record of delivering on initiatives of strategic importance to the Company. This includes supporting the CEO with an experienced and aligned executive team that collectively possess the breadth and diversity of skills needed to challenge, inform and support the successful execution of the Company's strategy. The remuneration of the executive team is set to create strong alignment with the successful execution of the strategic priorities of the Company. The strategic priorities are set to be specific and measurable; consistent with the corporate mission and values; and, realistic in the context of the Company's capabilities and operating environment. To support the Company's strategic efforts, the executive team ensures that the necessary resources are in place across the Company to implement its strategic plans. This includes ensuring management information is in place to measure and monitor the execution of strategic initiatives including the ability to provide timely analysis of the Company's competitive position, market dynamics, competitive threats and changes that impact markets and business environments in which the Company operates.
- **Emerging Risks:** Emerging risk is defined as a newly developing or changing risk which is difficult to quantify, and which may have an impact on the organisation. The Company operates various emerging risk identification processes which capture and assess the potential impact and appropriate actions necessary to manage emerging risks.
- **Group Risk:** Risks to the Company arising specifically from being a part of a wider corporate group. This includes additional risks to which the Company is exposed which arise from the interrelationships that form due to ownership and management structure of the Company, including its relationship to its ultimate corporate parent, Sompo Holdings. Types of risks include material intra-group transactions and exposures and managing accumulation and contagion risks within the Group. Group risk is mitigated through the application of strong controls and a consistent risk management framework, including risk limits, across all entities in the Group. This helps mitigate any material impairment to the Group's financial position, brand and reputation.

- **Conduct Risk:** Conduct risk is defined as the risk that the Company fails to pay appropriate regard to the interest of its customers and/or fails to treat them fairly at all times. Conduct risk is managed through the application of strong internal controls, conduct policies and procedures, and through the oversight of the Conduct Committee and Product Oversight Group and the monitoring of various conduct risk metrics by the Risk & Compliance Committee.
- **Sustainability Risk:** Sustainability risk refers to the risk of material financial impact, positive or negative, caused by environmental, social, or governance factors that may affect the long-term viability and resilience of the Company. A significant sustainability risk faced by the company is climate change, which has the potential to impact the Company in the following ways:
  - Physical risk involves risk from shifts in the characteristics of natural catastrophes due to climate change that may lead to an increase in insurance payments, leading to a possible deterioration in underwriting results. The Company considers this a prospective and material risk.
  - Transition risk involves the risk associated with the transition to a decarbonised society. Technological progress or the introduction of stricter laws and regulations aimed at transitioning toward a decarbonised society could result in structural changes to industries. The Company considers this a prospective and material risk.
  - Climate-related liability risk refers to the potential for policyholders to face legal actions or regulatory proceedings in connection with their historical or ongoing contributions to climate change, their management of climate-related risks, or the accuracy and completeness of their climate-related disclosures. The Company considers this both a prospective and retrospective risk.

In addition to risks associated with climate change, the Company faces other sustainability risks, such as those associated with human rights and governance practices. Climate change and other sustainability risks are managed and mitigated through the Company's risk management framework, which is overseen by the Board of Directors, as well as through adherence to the Company's corporate values and active engagement with stakeholders.

Additionally, the Company's ultimate parent, Sompo Holdings Inc., has made sustainability and climate change key components of their Medium-Term Management Plan, which includes establishment of a Sustainability Management Office and a Chief Sustainability Officer, a Head of Sustainability at the Company's direct parent group, Sompo International Holdings Ltd., as well as the pursuit of several climate change related commitments. Most notably, the group has committed to becoming net zero in its underwriting and investments activities by 2050. To achieve these goals the Company has been working to measure and reduce its carbon footprint

associated with insurance and investment activities, engage its insurance customers and investees, and grow its portfolio of products designed to insure the transition.

### **C.7 Other information**

The Company has assessed its underwriting and investment exposures arising from the conflict. Underwriting uncertainty has increased the potential severity of losses across several Middle Eastern classes, including Crisis Management, Aviation, Marine, Energy, Property and Financial & Credit; however, based on current information, no material impact on the Company's financial strength is expected. From an investment perspective, there are no significant direct effects on the portfolio at present, though prolonged elevated oil prices may contribute to inflationary pressure and higher interest rates, which could reduce bond valuations. Higher reinvestment yields would, however, partially offset this effect. The Company continues to monitor these developments closely.

There is nothing further to report regarding the risk profile of the Company. The Company has not established any SPVs and holds no material off-balance sheet exposures.

## D. Valuation for Solvency Purposes

The 'Valuation for solvency purposes' section of this report provides a description of the basis, methods and main assumptions used in the valuation of assets, technical provisions and other liabilities for each material asset / liability class under Solvency II.

### D.1 Assets

#### D.1.1 Solvency II valuation and difference from UK GAAP valuation for each material class of asset

Amounts in USD'000	31 Dec 2025			
	UK GAAP	Re-classification	Valuation differences	Solvency II basis
Deferred acquisition costs	256,548	—	(256,548)	—
Property, plant and equipment held for own use	726	—	411	1,137
Investments (other than assets held for index-linked and unit-linked contracts)	1,726,501	14,269	—	1,740,770
Reinsurance recoverables	2,224,266	(366,557)	(528,321)	1,329,388
Deposits to cedants	192,857	—	—	192,857
Insurance and intermediaries receivables	764,133	(685,451)	—	78,682
Reinsurance receivables	350,657	(139,005)	—	211,652
Receivables (trade, not insurance)	16,311	—	—	16,311
Cash and cash equivalents	57,265	—	—	57,265
Deferred tax assets	389	—	(389)	—
Any other assets, not elsewhere shown	18,856	(15,714)	—	3,142
<b>Total assets</b>	<b>5,608,509</b>	<b>(1,192,458)</b>	<b>(784,847)</b>	<b>3,631,204</b>

Amounts in USD'000	31 Dec 2024			
	UK GAAP	Re-classification	Valuation differences	Solvency II basis
Deferred acquisition costs	236,804	—	(236,804)	—
Property, plant and equipment held for own use	3,091	—	3,543	6,634
Investments (other than assets held for index-linked and unit-linked contracts)	1,901,642	17,086	—	1,918,728
Reinsurance recoverables	1,879,973	(255,609)	(476,768)	1,147,596
Deposits to cedants	150,259	—	—	150,259
Insurance and intermediaries receivables	696,868	(681,965)	—	14,903
Reinsurance receivables	324,144	(62,009)	—	262,135
Receivables (trade, not insurance)	8,835	—	—	8,835
Cash and cash equivalents	110,987	—	—	110,987
Deferred tax assets	—	—	—	—
Any other assets, not elsewhere shown	20,494	(19,232)	—	1,262
<b>Total assets</b>	<b>5,333,097</b>	<b>(1,001,729)</b>	<b>(710,029)</b>	<b>3,621,339</b>

Unless otherwise stated, the Solvency II basis of valuation for all assets follows fair value measurement principles. There were no changes to the recognition and valuation bases over the period. Further details of the assets and explanations for material differences between Solvency II and financial statement valuation basis are set out below. The Solvency II Balance Sheet is constructed on the basis of discounted cash flows to ultimate. The concept of unearned premium and deferred costs do not therefore exist and thus both the ceded unearned premium reserve and gross deferred acquisition costs are removed from the balance sheet.

### ***Deferred acquisition costs ("DAC")***

Deferred acquisition costs are reported as assets under UK GAAP but valued at nil under Solvency II. Cashflows relating to future acquisition costs are included in the calculation of technical provisions.

### ***Property, plant and equipment held for own use***

Property, plant and equipment is held at fair value under Solvency II. The UK GAAP depreciated historic cost value is materially equivalent with the Solvency II carrying value. Management believe that the nature of the property, plant and equipment (being predominantly office equipment and fixtures and fittings) means these assets are unlikely to appreciate in value, but rather deteriorate throughout use.

The Solvency II value includes property leases that have been capitalised in accordance with IFRS 16. The Company considers that the IFRS 16 value of the right-of-use asset and liability as remeasured at balance data is materially equivalent to the exchange value required by Solvency II. Under UK GAAP these leases are classified as operating leases and are not capitalised on the Balance Sheet.

### ***Investments (other than assets held for index-linked and unit-linked contracts)***

Under Solvency II, Investments are valued at fair value including accrued interest using the following valuation hierarchy as set out in Article 10 of the Delegated Regulation.

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities, per Article 10(2) of the Delegated Regulation.
- Level 2: Quoted prices for similar assets in markets that are active, quoted prices for identical or similar assets in markets that are not active or inputs that are observable either directly or indirectly, per Article 10(3) of the Delegated Regulation.
- Level 3: Unobservable inputs are used to measure fair value by use of valuation techniques, per Article 10(5) of the Delegated Regulation.

At 31 December 2025, financial investments totalling \$1,740.8m were priced using Level 2 inputs (quoted prices for similar assets in markets that are active) i.e. pricing service or index provider. The pricing services or index providers may use current market trades for securities with similar quality, maturity and coupon.

### ***Derivatives***

The Company uses forward foreign exchange derivatives in order to hedge its exposure to foreign currencies. The derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently stated at fair value through the profit and loss non-technical account, using valuation techniques for which all significant inputs are based on observable market data.

There are no differences between the Solvency II valuation and the UK GAAP valuation of derivative assets and liabilities.

### ***Insurance and intermediaries receivables, and reinsurance receivables***

Receivables include only items past due and recoveries in respect of paid claims. These are fair valued at an amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction, in accordance with Rule 2 of the Valuation Part of the PRA Rulebook for Solvency II firms (formerly Article 75 of Directive 2009/138/EC).

Receivables not yet due are reclassified and form part of the technical provisions calculation under Solvency II. For items past due and recoveries in respect of paid claims, the UK GAAP carrying value is equal to the Solvency II carrying value.

### ***Cash and cash equivalents***

Cash and cash equivalents are valued at fair value as reported to the Company by the relevant financial institution at the end of the period, per Article 10(2) of the Delegated Regulation.

There are no significant estimates or judgments used in valuing the cash holdings.

There are no differences between the Solvency II valuation and the UK GAAP valuation of deposits with cash and cash equivalents.

### ***Deferred tax assets***

Deferred tax is provided in full on all temporary differences arising between the Solvency II valuation and the tax bases of assets and liabilities. Deferred tax is calculated by tax jurisdiction such that applicable national tax rates are used for those calculations. Deferred tax assets and liabilities are netted off if the counterparty is the same tax authority and there is an ability to settle net. To the extent that there is a deferred tax asset, this will be recognised provided future taxable profits are considered sufficiently probable. This is subject to ongoing review to reflect future profit projections.

## D.1.2 Changes to the recognition and valuation bases used, or on estimations during the reporting period

There have been no changes to the recognition, valuation or estimation methods used during the period.

## D.2 Technical provisions

General insurance business technical provisions for solvency are calculated to reflect values based on best-estimate cash flows, adjusted to reflect the time value of money using a risk-free discount rate term structure, with the addition of a risk margin.

General insurance business (non-life) technical provisions are comprised of the following components:

- Discounted best estimate of i) future cash-flows relating to incepted earned business (claims provisions) and ii) future cash flows relating to incepted unearned business (premium provisions) and unaccepted business for which the (re)insurer is 'legally obliged' as at the valuation date.
- Discounted best estimate of loss and loss expense cash-flows relating to both earned and unearned business and both gross business and outwards reinsurance. This includes allowance for very low probability extreme events referred to as Events not in Data ("ENID") and for all expenses incurred in running-off the existing business (assuming a going-concern), including a share of the relevant overhead expenses.
- Risk margin calculated using a cost of capital approach. This approach requires the risk margin to be calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the current obligations over their lifetime.

### D.2.1 Technical provisions analysed by each material line of business

Amounts in USD'000	31 Dec 2025				
	Gross best estimate	Risk margin	Gross total	Reinsurance	Net total
Fire and other damage to property insurance	541,337	15,362	556,699	(246,799)	309,900
General liability insurance	1,183,132	37,336	1,220,468	(721,120)	499,348
Marine, aviation and transport insurance	238,879	11,626	250,505	(122,591)	127,914
Non-prop. marine, aviation and transport reinsurance	19,576	393	19,969	(8,255)	11,714
Non-proportional casualty reinsurance	300,837	12,110	312,947	(162,313)	150,634
Non-proportional property reinsurance	74,711	1,528	76,239	(43,536)	32,703
Other <sup>1</sup>	(4,499)	4,646	147	(24,774)	(24,627)
<b>Total</b>	<b>2,353,973</b>	<b>83,001</b>	<b>2,436,974</b>	<b>(1,329,388)</b>	<b>1,107,586</b>

<sup>1</sup> The negative Gross and Net best estimate is due to the recognition of subrogation rights included within Credit and Suretyship line of business relating to Aircraft non-payment insurance claims.

Amounts in USD'000	31 Dec 2024				
	Gross best estimate	Risk margin	Gross total	Reinsurance	Net total
Fire and other damage to property insurance	464,892	12,873	477,765	(200,821)	276,944
General liability insurance	865,339	26,028	891,367	(531,559)	359,808
Marine, aviation and transport insurance	222,780	8,974	231,754	(196,035)	35,719
Non-prop. marine, aviation and transport reinsurance	15,359	91	15,450	(14,678)	772
Non-proportional casualty reinsurance	303,832	11,233	315,065	(161,171)	153,894
Non-proportional property reinsurance	41,686	707	42,393	(32,781)	9,612
Other <sup>2</sup>	(26,348)	4,018	(22,330)	(10,551)	(32,881)
<b>Total</b>	<b>1,887,540</b>	<b>63,924</b>	<b>1,951,464</b>	<b>(1,147,596)</b>	<b>803,868</b>

### *Description of bases, methods and main assumptions used*

#### *Best Estimate Liabilities*

The projection of both Solvency II best estimate liabilities and UK GAAP booked reserves utilises financial data, including earned premiums and paid and reported loss data, segmented into homogeneous risk groups. The main projection methods reviewed include the Initial Expected Loss method, the Bornhuetter-Ferguson method (which is a Bayesian estimation approach), and the loss development method. The selected ultimate loss may be based on one particular method, or a weighting between several methods, and professional judgment. For catastrophe events and specified losses, incurred but not reported (“IBNR”) may also be based upon qualitative information and recommendations from the claims department and the business units.

Where applicable, reinsurance recoveries on the gross IBNR are estimated based on the Company’s reinsurance program. The Company’s reinsurance recoverables include amounts from both third party and intragroup reinsurance and proportional and non-proportional reinsurance arrangements.

#### *Risk Margin*

The risk margin is calculated using a ‘cost-of-capital’ approach. It is calculated as the present value of the cost of capital rate (a prescribed 4%) applied to all future SCRs required to support the transferred liabilities through to run-off, established on a going concern basis. The initial capital requirement with respect to initial balance sheet business (as at the model calibration date) is estimated using the Standard Formula model. This capital requirement is assumed to reduce over time in line with the square-root of the expected run-off of the claims component (including ENIDs) of the Solvency II technical provisions net of reinsurance. At the end of 2024, we revised our approach to calculating the risk

<sup>2</sup> The negative Gross and Net best estimate is due to the recognition of subrogation rights included within Credit and Suretyship line of business relating to Aircraft non-payment insurance claims.

margin to be based on the total lines of business instead of separating the calculations into motor and non-motor categories.

### *Assumptions and Parameters*

The key parameters and assumptions used in estimation of technical provisions are set by reserving, capital modelling, finance, and financial planning and analysis functions. These key assumptions and parameters include: initial expected loss ratios ("IELR"s), claims emergence and payment patterns, premium payment and receipt patterns, expenses (unallocated loss adjustment expenses, investment expenses, general & administrative expenses) that would be incurred in running off the existing business, ENID loadings, reinsurance counterparty default, and currency-specific yield curves (used for discounting) prescribed by the PRA. Where yield curves for a given currency are not available, the US Dollar yield curve is used; instances where this is the case are deemed to be immaterial. ENID loadings are derived using the Company's Group Capital Model ("GCM") and are selected based on consideration of truncated reserve risk and underwriting risk distributions. Additionally, contracts due to incept after the Solvency II technical provisions valuation date but bound before the valuation date are classified as legally obliged and included in the Solvency II technical provisions. The legally obliged unincurred premium at 31 December 2025 was derived using January 2026 plan premium.

### *Process development*

A process update is implemented to enhance the allocation method, transitioning to a simplified approach. This change aims to improve accuracy and streamline workflows. The overall impact of this update on pre-existing results is immaterial.

## **D.2.2 Uncertainty associated with the value of technical provisions**

While the estimation of the technical provisions reflects all available information and data as at the valuation date, the ultimate settlement value of claims may deviate, in some cases materially, from the estimated amounts.

### *General uncertainty*

Key areas of uncertainty include:

1. *Growth and mix*: Premium volumes have increased substantially from under \$100m gross earned premium (GEP) in 2014 to more than \$1.6bn GEP in 2025, with growth over this period coming from Casualty, Property, and Energy. Over the last three years, there has been growth in Accident and Health, Casualty, Energy, and regional UK business offset by reductions in Professional Lines and Inwards Reinsurance. Growth and the addition of new classes of business generally adds uncertainty and risk, particularly for long-tailed classes like Casualty and Professional Lines. These risks are mitigated by purchases of reinsurance, the extensive industry expertise of the pricing and underwriting teams for these new classes and growth areas, regular performance

monitoring via quarterly best estimate reserve analyses, and strong feedback loops between the underwriting, pricing, claims, and reserving teams.

2. *Current accident year*: For most classes, particularly long-tailed classes, the current accident year selected ultimate loss ratio is based to some extent on plan or pricing loss ratios (with extensive independent review by the reserving function), which adds an element of subjectivity and uncertainty to our ultimate loss selections. Once the Plan loss ratios have been established, the Plan Review Subcommittee is responsible for assessing their ongoing appropriateness as reserving IELRs in subsequent quarters and implementing adjustments as needed. The Plan Review sub-committee is a collective group with members from the Actuarial, Claims, Finance, Pricing, Risk and Underwriting teams with the primary objective of reviewing and monitoring of plan loss ratios and the appropriateness of reserves held.
3. *Claim inflation*: Reserve uncertainties associated with claims inflation arise from both economic and social factors. Economic inflation reflects general price increases, such as rising medical costs, repair expenses, and wage growth, which directly impact claim severity over time. Social inflation, on the other hand, stems from changes in societal attitudes, litigation trends, and jury behaviour, often leading to larger settlements and expanded liability interpretations. These dynamics introduce significant unpredictability because reserve estimates must predict future inflation levels, which may differ materially from assumptions due to unexpected economic shifts or evolving legal and social environments. This makes it more challenging to accurately project ultimate claim costs and maintain reserve adequacy. Our reserves include an explicit provision on older years for unanticipated economic inflation that occurred between mid-2021 and mid-2024, based on an inflation reserve model that applies inflation forecasts for key claims drivers to future calendar year reserve payments by year and major portfolio. This model also informs claims inflation assumptions used to derive IELRs for more recent years.
4. *Liability business (Casualty and Professional Lines)*: Reserving for casualty business, including professional lines, involves significant uncertainty due to the long-tail nature of claims, where losses may take years to fully develop and settle. Factors such as social and economic inflation, evolving legal and regulatory environments, and shifts in litigation trends can materially impact future claim costs. Further complexity is added through exposure to large and infrequent claims, heightened sensitivity to legal interpretations and defence costs, and exposure to systemic risks, including cladding, opioids, and car financing claims. The claims and reserving teams analyse cladding and car financing exposure on a quarterly basis and include an appropriate provision within the ultimates. The Company's exposure to opioids has been assessed as minimal. The ceded reinsurance program, including significant proportional protection and casualty clash cover, along with the experience and strong track record of the underwriting team, helps to somewhat mitigate the exposure for this book of business to these and other systemic issues.
5. *Watchlist claims*: While the booked IBNR includes specific IBNR provisions for some watchlist claims, the ultimate outcome of the claims on the watchlist is a source of uncertainty. Strong feedback loops between the

claims and reserving teams and significant outward reinsurance help to mitigate the impact of the watchlist claims that ultimately emerge.

6. *UK Motor*: The reinsurance book contains UK Motor exposure; sources of uncertainty for this book include the long-tailed nature of the business, life expectancy for PPO claimants, future judicial and legislative changes, the variability of results for different ceding reinsureds, PPO propensities, and the impact of changes in the Ogden rate.
7. *Delegated Business*: There is uncertainty associated with delegated business due to difficulties accessing structured granular bordereaux data. This can introduce uncertainty in the split of the reserves by accident year and between non-catastrophe and catastrophe claims, which in turn can introduce uncertainty when deriving actuarial assumptions for setting reserves. Strong feedback loops between the claims, pricing, and reserving teams help mitigate this uncertainty as claims handlers are able to provide valuable insights to validate bordereaux data (which improves confidence in reserving data and assumptions), and pricing teams are able to supplement reserving assumptions with case-pricing data.
8. *Climate Change*: A significant risk faced by the company is climate change, which has the potential to impact the Company in the following ways:
  - Physical risk involves risk from shifts in the characteristics of natural catastrophes due to climate change that may lead to an increase in insurance payments and a possible deterioration in underwriting results. The Company considers this a prospective material risk.
  - Transition risk involves the risk associated with the transition to a decarbonised society. Technological progress or the introduction of stricter laws and regulations aimed at transitioning toward a decarbonised society could result in structural changes to industries. The Company considers this a prospective material risk.
  - Liability risk involves customers who may have contributed to climate change or who have failed to ensure that their companies were sufficiently protected from the effects of climate change. Based on identified exposure, notifications, and current information, the Company considers this an immaterial risk.
  - Climate change risks are managed and mitigated through the Company's risk management framework, which is overseen by the board of directors, as well as through adherence to the Company's corporate values and active engagement with stakeholders.
9. *Legally obliged business*: the business plan writing pattern is used to estimate unincurred legally obliged business, but it is possible that actual legally obliged business is materially different to the plan estimate.
10. *Assumptions on unearned and legally obliged business*: the expected performance of unexpired bound exposure relies on assumptions used in the GAAP reserve process or the latest business plan. Any changes in future claims, underwriting, or internal business environments could cause material deviations from expected experience.

11. *Cashflow patterns*: Actual cash flow timings may vary from those predicted based on previous experience applied to ultimate reserves. The variation may be because the ultimate reserves have changed or because the timing of cash flows is uncertain.
12. *Yield curve spot rates*: In recent years there have been material movements of interest rates across several major currencies in response to elevated inflation. This has contributed to a greater discount component within the SII Technical Provisions. Material changes in interest rates and market expectations could cause material movements in the discount component in future valuations.
13. *Future loss occurring during ("LOD") RI cost*: The business plan and latest ceded unearned premium reserves are used to estimate the reinsurance cost to cover the runoff of unexpired exposures. A key reliance is placed on the business plan RI assumptions such as program terms and inception dates, earning profiles, and underwriting year and class of business splits.
14. *Future premiums cashflow transferred to GAAP*: We allocate the future not yet due premiums cashflow into earned (claims provisions) and unearned (premium provisions) during the Technical Provisions process. This classification is highly dependent on the quality of Unearned Premium Reserve ("UPR") information split by class of business, underwriting year, currencies, Losses-Occurring-During ("LOD") / non-LOD (for ceded). Although the total SII Technical Provisions amount is not impacted, the Claims Provisions flows into the Solvency Capital Requirement ("SCR") Reserves Risk calculation. Poor information could result in over/understating the Reserves Risk.

### D.2.3 Differences between Solvency II valuation and UK GAAP valuation of Technical Provisions analysed by each material line of business

Amounts in USD'000				31 Dec 2025	
Gross	UK GAAP (net of DAC)	Solvency II differences	Risk margin	Solvency II basis	
Fire and other damage to property insurance	789,474	(248,137)	15,362	556,699	
General liability insurance	1,583,882	(400,750)	37,336	1,220,468	
Marine, aviation and transport insurance	435,310	(196,431)	11,626	250,505	
Non-prop. marine, aviation and transport reinsurance	23,809	(4,233)	393	19,969	
Non-proportional casualty reinsurance	381,539	(80,702)	12,110	312,947	
Non-proportional property reinsurance	103,850	(29,139)	1,528	76,239	
Other	286,468	(290,967)	4,646	147	
<b>Total</b>	<b>3,604,332</b>	<b>(1,250,359)</b>	<b>83,001</b>	<b>2,436,974</b>	

Amounts in USD'000				31 Dec 2025
Net	UK GAAP (net of DAC)	Solvency II differences	Risk margin	Solvency II basis
Fire and other damage to property insurance	317,214	(22,676)	15,362	309,900
General liability insurance	619,880	(157,868)	37,336	499,348
Marine, aviation and transport insurance	208,522	(92,234)	11,626	127,914
Non-prop. marine, aviation and transport reinsurance	6,465	4,856	393	11,714
Non-proportional casualty reinsurance	172,208	(33,684)	12,110	150,634
Non-proportional property reinsurance	29,171	2,004	1,528	32,703
Other <sup>1</sup>	151,151	(180,423)	4,646	(24,626)
<b>Total</b>	<b>1,504,611</b>	<b>(480,025)</b>	<b>83,001</b>	<b>1,107,587</b>

Amounts in USD'000				31 Dec 2024
Gross	UK GAAP (net of DAC)	Solvency II differences	Risk margin	Solvency II basis
Fire and other damage to property insurance	687,404	(222,512)	12,873	477,765
General liability insurance	1,261,227	(395,888)	26,028	891,367
Marine, aviation and transport insurance	445,830	(223,050)	8,974	231,754
Non-prop. marine, aviation and transport reinsurance	22,509	(7,150)	91	15,450
Non-proportional casualty reinsurance	385,135	(81,303)	11,233	315,065
Non-proportional property reinsurance	62,833	(21,147)	707	42,393
Other <sup>1</sup>	219,015	(245,363)	4,018	(22,330)
<b>Total</b>	<b>3,083,953</b>	<b>(1,196,413)</b>	<b>63,924</b>	<b>1,951,464</b>

Amounts in USD'000				31 Dec 2024
Net	UK GAAP (net of DAC)	Solvency II differences	Risk margin	Solvency II basis
Fire and other damage to property insurance	300,870	(36,799)	12,873	276,944
General liability insurance	508,702	(174,922)	26,028	359,808
Marine, aviation and transport insurance	178,145	(151,400)	8,974	35,719
Non-prop. marine, aviation and transport reinsurance	(2,141)	2,822	91	772
Non-proportional casualty reinsurance	177,211	(34,550)	11,233	153,894
Non-proportional property reinsurance	11,382	(2,477)	707	9,612
Other <sup>1</sup>	134,070	(170,969)	4,018	(32,881)
<b>Total</b>	<b>1,308,239</b>	<b>(568,295)</b>	<b>63,924</b>	<b>803,868</b>

Net Solvency II technical provisions at 31 December 2025 are 73.6% (2024: 61.4%) of net UK GAAP provisions. The differences between GAAP and Solvency II basis technical provisions are discussed further below. The items driving a reduction in the 31 December 2025 technical provisions, from GAAP basis to Solvency II basis, are the profit from

<sup>1</sup> The negative technical provisions on a Solvency II basis, is due to the recognition of subrogation rights included within Credit and Suretyship line of business relating to Aircraft non-payment insurance claims.

Unearned Premium Reserve, profit from unaccepted business, accepted future premiums (net of acquisition costs) and discounting benefit, which reduce the GAAP technical provisions by (26.4)%, (1.2)%, (2.5)% and (8.4)% respectively. This is partially offset by items driving an increase in the 31 December 2025 technical provisions, including expenses, ENIDs, and risk margin, which increase the GAAP technical provisions by 7.4%, 1.1% and 5.5%, respectively.

### ***UK GAAP to Solvency II Technical Provisions Differences***

The methods and assumptions used in the valuation of technical provisions under Solvency II are broadly consistent with the methods and assumptions used under UK GAAP. The transition from UK GAAP to Solvency II technical provisions consists of the following differences:

- *Removal of margin.* The Solvency II technical provisions are intended to reflect a best estimate and as such any margin of prudence in the UK GAAP technical provisions must be removed. Margin by class of business and accident year is determined by a separate actuarial analysis and deducted from the booked gross and net IBNR.
- *Reinsurance bad debt.* An allowance for counterparty default risk, as it relates to outwards reinsurance recoveries.
- *Profit from Unearned Premium Reserve (net of DAC).* The Solvency II balance sheet is based on discounted cash flows to ultimate; the concept of UPR / accrual accounting does not exist. Under Solvency II, the UPR (net of DAC) is eliminated and it's replaced by the expected profit on the unearned premium.
- *Profit from Unaccepted.* This adjustment reflects the expected profit on unaccepted / legally obliged business included in the Solvency II technical provisions.
- *Incepted future premiums.* Future premiums due to/from incepted business which includes the cost of future reinsurance purchased for in-force gross business.
- *ENID Loadings.* An allowance for low probability extreme events not included under UK GAAP.
- *Additional Expenses.* Future expenses related to the run-off of the technical provisions as of the valuation date. The expenses include Unallocated Loss Adjustment Expenses ("ULAE"), investment and general & administrative expenses.
- *Discounting.* The Solvency II technical provisions are produced on a discounted cash flow basis. This amount reflects the benefit of discounting the Solvency II technical provisions.
- *Risk Margin.* An allowance for the amount insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations.

### ***Value of Technical Provisions for each material line of business***

General Liability, Fire and Other Damage, and Non-proportional Casualty business represent over 98% of the Company's net technical provisions. The main methods and assumptions applied in the calculation of the technical provisions for these segments are described in Section D.2 above. All assumptions are applied in a consistent manner for each line of business although the underlying values may differ by line (e.g. there is a higher discount benefit in General Liability compared to Fire and Other Damage as claims in General Liability take longer to settle).

#### **D.2.4 Recoverables from reinsurance contracts and Special Purpose Vehicles ("SPV"s)**

The Company values reinsurance recoverables using standard actuarial methods.

Future premium cash flows for incepted outwards reinsurance policies are taken directly from the GAAP balance sheet. Future premium cash flows for unaccepted outwards reinsurance policies are estimated using business planning information.

Future outwards reinsurance claims cash flows in respect of earned inwards policies are estimated as part of the Company's reserving process. The approach used considers net:gross premium and incurred ratios and net:gross loss ratios from business planning information (which considers contract type).

Future outwards reinsurance claims cash flows in respect of unearned and unaccepted inwards policies are calculated using recovery rates parameterised from business planning and other sources.

The Company's outwards reinsurance programs are listed below.

- Whole account quota share for insurance business
- Various other quota share reinsurance contracts covering insurance and reinsurance lines
- Various facultative reinsurance contracts on an individual policy basis
- Various excess of loss reinsurance programs for a number of insurance and reinsurance classes
- Various intragroup contracts, including intragroup stop loss reinsurance

The Company does not have any third-party reinsurance protection from SPVs.

#### **D.2.5 Material changes in valuation methodology since prior reporting period**

There are no other material changes to assumptions other than routine review of IELRs, development profiles, and G&A expenses.

#### **D.2.6 Confirmations**

The Company has not requested, and does not have in place, approvals to use the matching adjustment, volatility adjustment, risk-free interest rate-term structure or the deduction on technical provisions. Therefore, no adjustments have been made relating to these measures.

### **D.3 Other liabilities**

#### **D.3.1 Solvency II valuation and difference UK GAAP valuation for each material class of liabilities**

Amounts in USD'000				31 Dec 2025
	UK GAAP	Re-classification	Valuation differences	Solvency II basis
Technical provisions	3,860,880	(700,095)	(723,811)	2,436,974
Deferred tax liabilities	2,660	—	12,430	15,090
Insurance and intermediaries payables	52,029	(4,337)	—	47,692
Reinsurance payables	629,134	(488,026)	—	141,108
Payables (trade, not insurance)	39,563	—	40	39,603
Derivative liabilities	1,654	—	—	1,654
Any other liabilities, not elsewhere shown	133,444	—	(125,552)	7,892
<b>Total liabilities</b>	<b>4,719,364</b>	<b>(1,192,458)</b>	<b>(836,893)</b>	<b>2,690,013</b>

Amounts in USD'000				31 Dec 2024
	UK GAAP	Re-classification	Valuation differences	Solvency II basis
Technical provisions	3,320,757	(693,333)	(675,960)	1,951,464
Deferred tax liabilities	690	—	14,054	14,744
Insurance and intermediaries payables	56,774	(4,101)	—	52,673
Reinsurance payables	940,696	(304,295)	—	636,401
Payables (trade, not insurance)	57,094	—	1,876	58,970
Derivative liabilities	7,210	—	—	7,210
Any other liabilities, not elsewhere shown	117,035	—	(106,405)	10,630
<b>Total liabilities</b>	<b>4,500,256</b>	<b>(1,001,729)</b>	<b>(766,435)</b>	<b>2,732,092</b>

Liabilities other than technical provisions are valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction, in accordance with Rule 2 of the Valuation Part of the PRA Rulebook for Solvency II firms (previously, Article 75 of Directive 2009/138/EC); no adjustment is made to take account of the own credit standing of the Company. There are no significant estimates or judgments used in valuing other liabilities.

### *Deferred tax liabilities*

Deferred tax is provided in full on all temporary differences arising between the Solvency II valuation and the tax bases of assets and liabilities. The deferred tax balances in the Solvency II balance sheet differ from those already recognised in the UK GAAP balance sheet as a result of valuation differences between the UK GAAP and Solvency II balance sheet and consequential impact on recognition of deferred tax. The largest impact arises from the revaluation of technical provisions

***Insurance and intermediaries payables, reinsurance payables, and payables (trade, not insurance)***

Payables represent amounts past due to (re)insurers and intermediaries under current (re)insurance contracts, and other general payables. The amounts payable include premiums, underwriting expenses, fees, taxes and profit commissions.

Aside from reclassifications, there are no differences between the Solvency II valuation and the UK GAAP valuation of payables.

***Payables (trade, not insurance)***

The Solvency II value of payables (trade, not insurance) includes property leases that have been capitalised in accordance with IFRS 16. Under UK GAAP these leases are classified as operating leases and are not capitalised on the Balance Sheet.

***Any other liabilities, not elsewhere shown***

Included within any other liabilities is an amount relating to deferred RI commission, which is valued at nil under Solvency II akin to DAC.

**D.3.2 Changes to the recognition and valuation bases used, or on estimations during the reporting period**

There have been no changes to the recognition, valuation or estimation methods used during the period.

**D.4 Alternative methods for valuation**

There are no alternative methods of valuation used by the Company to value assets or liabilities.

**D.5 Any other information**

The Company has letters of credit ('LoC') issued by various banks totalling \$259.3m (2024: \$212.5m) in favour of certain ceding companies in support of claims reserves in accordance with contractual and statutory obligations, these are predominantly covered by a credit facility with Mizuho and MUFG which is uncollateralised.

The Company also held collateralised LoCs whereby the Company had pledged cash and cash equivalents and fixed maturity investments of \$8.5m in favour of certain ceding companies to meet collateral obligations for \$5.6m in letters of credit outstanding.

At 31 December 2025, the Company held collateral with Barclays Bank amounting to \$2.0m in respect of its forward foreign exchange derivative contracts. The collateral is held as security against mark to market movements on these contracts and is repayable when positions are closed.

At year-end 2025, a balance of \$467.2m from ESIL was held in a Trust Fund pledged to EWIL to support recoveries under the Quota share reinsurance treaties. This replaced the prior year's funds withheld arrangement, where recoveries were offset against premiums and recorded as 'Deposit received from reinsurers'.

The Company is in receipt of a letter of credit in respect of a 100% quota share cover for adverse development with a third-party reinsurer effective from 1 July 2011. At 31 December 2025, the amount due from the reinsurer in this category is \$1.4m (2024: \$2.1m), which is collateralised by an irrevocable letter of credit from an “A-” rated credit institution.

Except for the letters of credit noted above there is nothing further to report regarding information on the valuation of the Company's assets and liabilities for solvency purposes.

## E. Capital Management

### E.1 Own funds

Objectives when managing capital are:

- to comply with the capital adequacy requirements of the Solvency II regime as implemented in the UK and meet the expectations of the PRA as to operating levels of own funds.
- to safeguard the Company's ability to continue as a going concern so that it can maintain policyholder protection;
- to identify, quantify, monitor and control the risk profile with respect to the defined risk appetite and target level of capital;
- to obtain and retain the ratings necessary to trade with its preferred policyholder base; and
- to deploy capital on opportunities to underwrite business profitably.

Own funds are monitored quarterly by the Company's Risk & Compliance Committee against the latest capital requirements, as well as modelled over the Company's three-year business planning horizon. In addition, own funds are governed through the Company's Capital Management policy which stipulates the considerations required before any dividends can be proposed.

#### E.1.1 Own funds classified by tiers

Amounts in USD'000	31 Dec 2025	31 Dec 2024	Movement
Tier 1	941,191	889,249	51,942
Tier 2	—	—	—
Tier 3	—	—	—
<b>Total own funds</b>	<b>941,191</b>	<b>889,249</b>	<b>51,942</b>

Tier 1 own funds consists of ordinary share capital and share premium account relating to ordinary share capital of \$346.3m and \$311.9m respectively (2024: \$346.3m and \$311.9m) and a reconciliation reserve of \$283.0m (2024: \$231.0m). These basic own fund items are immediately available to absorb losses and have no duration restrictions. The reconciliation reserve consists of excess of assets over liabilities, after the deduction of basic own funds items.

At 31 December 2025, there were no deferred tax assets recognised on the Solvency II Balance sheet and therefore no Tier 3 own funds are recognised.

All Tier 1 own funds are eligible to cover the Minimum Capital Requirement and all own funds are eligible to cover the Solvency Capital Requirement.

The Company has no basic own-fund items that are subject to Rules 4.1 and 4.2 of the Transitional Measures Part of the PRA Rulebook for Solvency II firms, formerly the transitional arrangements referred to in Article 308b (9) and (10) of Directive 2009/138/EC.

### **E.1.2 Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities**

Amounts in USD'000	31 Dec 2025	31 Dec 2024	Movement
Net assets under UK GAAP	889,145	832,841	56,304
Valuation differences on technical provisions under Solvency II	64,105	68,793	(4,688)
Valuation differences on lease assets	371	1,667	(1,296)
Valuation difference on deferred tax	(12,430)	(14,054)	1,624
<b>Excess of assets over liabilities under Solvency II</b>	<b>941,191</b>	<b>889,247</b>	<b>51,944</b>

Valuation differences on technical provisions under Solvency II includes:

- the impact of the revaluation of the UK GAAP premium receivables, UPR, loss and loss expense provisions and related items to reflect values based on best-estimate cash flows, adjusted to reflect the time value of money using a risk-free discount rate term structure; and
- In accordance with PRA Solvency UK regulations, the Technical Provisions include a risk margin, which reflects the cost of transferring the liabilities to a third party. This risk margin is determined based on the cost of capital needed to cover the run-off of the Technical Provisions throughout their duration.

The deferred tax valuation difference between UK GAAP and Solvency II is due to the tax impact of the risk margin and technical provision differences. The net Solvency II deferred tax asset was nil for 2025 (2024: nil).

### **E.2 Solvency Capital Requirement ("SCR") and Minimum Capital Requirement ("MCR")**

The Company applies the Standard Formula, without modification for undertaking specific parameters. The Company has used the simplification described in article 111 of the Delegated Regulation in the calculation of the risk mitigating effect for Counterparty default risk as the most pragmatic approach given general data availability. The SCR is subject to supervisory assessment by the PRA.

Amounts in USD'000	31 Dec 2025	31 Dec 2024	Movement
Non-life underwriting risk	317,763	265,032	52,731
Health underwriting risk	17,267	21,663	(4,396)
Market risk	169,517	204,409	(34,892)
Counterparty default risk	77,174	46,665	30,509
Operational risk	70,619	56,626	13,993
Total diversification benefit	(138,900)	(135,754)	(3,146)
Loss absorbing capacity of deferred taxes	—	—	—
<b>Solvency Capital Requirement</b>	<b>513,440</b>	<b>458,641</b>	<b>54,799</b>
<b>Minimum Capital Requirement</b>	<b>179,257</b>	<b>147,367</b>	<b>31,890</b>

The MCR is calculated in accordance with chapter VII of Title I of the Delegated Regulation. The final amount is derived from a formula consisting of:

- a linear calculation that uses the Company's net written premiums and best estimate technical provisions as data inputs;
- the linear calculation's relation to the Solvency Capital Requirement; and
- an absolute floor as described in Rule 3.2 of the Minimum Capital Requirement Part of the PRA Rulebook for Solvency II Firms, formerly Article 129(1)(d) of Directive 2009/138/EC and in Article 253 of the Delegated Regulation.

For year-end 2025, following the calculations specified in the Delegated Regulation, the calculation of the Company's linear MCR is more than 0.25 times the Solvency Capital Requirement but less than cap which is 0.45 times the SCR and so the MCR is equal to the linearly calculated MCR based on net written premiums and best estimate technical provisions.

The SCR has prudently not been adjusted for the loss absorbing capacity of deferred taxes due to uncertainty on how any shock loss would impact the current business plan which does not allow us to produce reliable post shock future profit forecasts.

### **E.2.1 Material changes to the SCR and to the MCR over the reporting period, and the reasons for any such change**

The SCR has increased by approximately 12.0% while the MCR has seen an increase of 22.0% during the reporting period. These increased capital requirements are predominately driven by the underwriting risk modules as a result of increased business volumes and technical reserves. This is partly offset by a reduction in the Market risk module as driven by the Currency risk module as a result of active asset and liability management.

**E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement**

Not applicable.

**E.4 Differences between the Standard Formula and any internal model used**

Not applicable.

**E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement**

The Company has complied continuously with both the MCR and SCR throughout the reporting period.

**E.6 Any other information**

During the year, the Company declared and paid interim dividends totalling \$50.0m (2024: nil) on the ordinary shares. There is nothing further to report regarding information on capital management.

## Approval by the Board of Directors of the Solvency and Financial Condition Report

Financial year ended 31 December 2025

The Directors are responsible for preparing the Solvency and Financial Condition Report in accordance with applicable law and regulations. The Reporting Part of the PRA Rulebook for Solvency II firms requires the Company to have in place a policy of ensuring the ongoing appropriateness of any information disclosed and to ensure that its SFCR is approved by the Directors.

We certify that:

1. the Solvency and Financial Condition Report (“SFCR”) has been properly prepared in all material respects in accordance with the PRA rules and Solvency II Regulations; and
2. we are satisfied that:
  - a. throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the insurer; and
  - b. it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply to 31 December 2026.

Signed by:

*Adam Golding;*

CA8429D263BC4D5...

Adam Golding;

A. Golding

Director and Chief Financial Officer

2 April 2026

**Report of the external independent auditor to the Directors of Endurance Worldwide Insurance Limited (“the Company”) pursuant to Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook applicable to Solvency II firms**

**Report on the Audit of the relevant elements of the Solvency and Financial Condition Report**

**Opinion**

Except as stated below, we have audited the following documents prepared by Endurance Worldwide Insurance Limited as at 31 December 2025.

- The ‘Valuation for solvency purposes’ and ‘Capital Management’ sections of the Solvency and Financial Condition Report of Endurance Worldwide Insurance Limited (‘the Company’) as at 31 December 2025 (‘the Narrative Disclosures subject to audit’); and
- Company templates IR.02.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21 and IR.28.01.01 (‘the Templates subject to audit’).

The Narrative Disclosures subject to audit and the Company Templates subject to audit are collectively referred to as the ‘relevant elements of the Solvency and Financial Condition Report’.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- The ‘Business and performance’, ‘System of governance’ and ‘Risk profile’ elements of the Solvency and Financial Condition Report;
- Company templates IR.05.02.01.01, IR.05.04.02 and IR.19.01.21.AY; and,
- the written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (‘the Statement of Directors’ Responsibilities’).

To the extent the information subject to audit in the relevant elements of the Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800 “Special Considerations—Audits of Financial Statements prepared in accordance with Special Purpose Frameworks” and ISA (UK) 805 “Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement.” Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC’s Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the PRA. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Conclusions Relating to Going Concern**

In auditing the Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate.

Our audit procedures to evaluate the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the process relating to the directors' going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the company's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in the future performance forecasts by reviewing supporting evidence in relation to these key assumptions and assessing the directors' consideration of severe but plausible downside scenarios and considering the existence of contradictory evidence in relation to key assumptions;
- Testing the accuracy and functionality of the model used to prepare the directors' forecasts;
- Considering the historical accuracy of forecasts prepared by the directors and the directors' assessment of the regulatory solvency coverage and liquidity position in the forward-looking scenarios considered, which have been derived from the company's Own Risk and Solvency Assessment;
- Reviewing management's assessment of the impact of the Middle East conflict on the company;
- Evaluating the appropriateness of the directors' disclosures in the SFCR on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Solvency and Financial Condition Report is authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Directors for the Solvency and Financial Condition Report**

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based as detailed below:

- Modification of Group Supervision Rules 4.2 and 4.4
- Waiver of the application of Group Supervision Rules 5 to 19 for Solvency II firms
- Modification of the Solvency II UK Firms- Reporting Rules 2.2 (1), 2.5A, 2.5B and Chapter 2A and 7).

The Directors are also responsible for:

- such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error;
- overseeing the Company's financial reporting process; and
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report**

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and the insurance sector in which it operates, we considered that non-compliance with the following laws and regulations have a material impact on the relevant elements of the Solvency and Financial Condition Report: permissions and supervisory requirements of the PRA and the FCA .

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities including the PRA, the FCA and the HM Revenue & Customs (HMRC);
- Reviewing minutes of directors' meetings in the year and up to the date of issue of the audit report; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct impact on the preparation of relevant elements of the Solvency and Financial Condition Report such as the Solvency II regulations and the UK tax legislation.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the relevant elements of the Solvency and Financial Condition Report (including the risk of management override of

controls) and determined that the principal risks were related to posting manual entries to manipulate own funds against the Solvency Capital Requirement or Minimum Capital Requirement, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of Technical Provisions and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Considering significant transactions outside the normal course of business;
- Reviewing minutes of meetings of boards of directors and other committees up to date of the issue of the audit report to identify any potential management bias affecting the Solvency and Financial Condition Report;
- Performing journal entries testing based on defined risk criteria to address the risks of fraud related to management override of controls and incorporating unpredictable procedures in our audit; and
- Reviewing significant accounting estimates for evidence of management bias.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Report on Other Legal and Regulatory Requirements – Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Use of the Audit Report

This report, including the opinion, has been prepared for the Directors of the Company to enable them to comply with their obligations under External Audit Rule 2.1 of the Solvency II Firms Sector of the PRA Rulebook.

Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the Solvency and Financial Condition Report and for no other purpose. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors and the PRA for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Andrew Heffron

Forvis Mazars LLP

Chartered Accountants

30 Old Bailey

EC4M 7AU

02 April 2026

## Appendix 1 – Quantitative reporting templates

The templates are provided as an appendix to this document. The Company is required to disclose the templates specified in the PRA Rulebook: Solvency II Reporting Reform Instrument 2024 (Annex A, Article 4, Chapter 3 – Public Disclosure: SFCR). These requirements align with the UK retained Commission Implementing Regulation (EU) 2015/2452 on SFCR procedures, formats and templates.

<b>Template code</b>	<b>Template name</b>
IR.02.01.01	Balance sheet
IR.05.02.01.01	Premiums, claims and expenses by country
IR.05.04.02	Non-life income and expenditure : reporting period
IR.17.01.01	Non-life technical provisions
IR.19.01.21.AY	Non-life insurance claims
IR.23.01.01	Own funds
IR.25.04.01	Solvency Capital Requirement
IR.28.01.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

# Endurance Worldwide Insurance Limited

## Solvency and Financial Condition Report

### Disclosures

31 December

**2025**

(Monetary amounts in USD thousands)

**General information**

Entity name	Endurance Worldwide Insurance Limited
Entity identification code and type of code	LEI/549300R308B2LY4WM705
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

**List of reported templates**

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

## IR.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	1,137
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,740,772
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	1,714,074
R0140	<i>Government Bonds</i>	155,596
R0150	<i>Corporate Bonds</i>	677,570
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	880,909
R0180	<i>Collective Investments Undertakings</i>	23,279
R0190	<i>Derivatives</i>	3,418
R0200	<i>Deposits other than cash equivalents</i>	0
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	0
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	1,329,388
R0280	<i>Non-life and health similar to non-life</i>	1,329,388
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	192,857
R0360	Insurance and intermediaries receivables	78,682
R0370	Reinsurance receivables	211,652
R0380	Receivables (trade, not insurance)	16,311
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	57,265
R0420	Any other assets, not elsewhere shown	3,142
R0500	<b>Total assets</b>	<b>3,631,204</b>

		Solvency II value
		C0010
<b>Liabilities</b>		
R0505	Technical provisions - total	2,436,974
R0510	<i>Technical provisions - non-life</i>	2,436,974
R0515	<i>Technical provisions - life</i>	0
R0542	Best estimate - total	2,353,973
R0544	<i>Best estimate - non-life</i>	2,353,973
R0546	<i>Best estimate - life</i>	0
R0552	Risk margin - total	83,001
R0554	<i>Risk margin - non-life</i>	83,001
R0556	<i>Risk margin - life</i>	0
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	15,090
R0790	Derivatives	1,654
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	47,693
R0830	Reinsurance payables	141,108
R0840	Payables (trade, not insurance)	39,601
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>	0
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0
R0880	Any other liabilities, not elsewhere shown	7,893
R0900	<b>Total liabilities</b>	<b>2,690,014</b>
R1000	<b>Excess of assets over liabilities</b>	<b>941,191</b>

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Top 5 countries (by amount of gross premiums written)						Total Top 5 and home country
Home Country	US	AU	CA	BR	MX		
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>							
R0110 Gross - Direct Business	633,173	179,715	5,638	1,584	264	1,140	821,513
R0120 Gross - Proportional reinsurance accepted	70,036	117,487	123,711	104,297	28,619	29,003	473,152
R0130 Gross - Non-proportional reinsurance accepted	12,730	16,580	5,740	24,978	3,156	1,026	64,210
R0140 Reinsurers' share	479,397	243,812	82,159	83,963	23,648	24,848	937,827
R0200 Net	236,542	69,970	52,930	46,895	8,391	6,321	421,049
<b>Premiums earned</b>							
R0210 Gross - Direct Business	607,589	171,247	6,231	2,972	588	850	789,477
R0220 Gross - Proportional reinsurance accepted	62,828	104,920	123,935	108,554	24,662	27,970	452,869
R0230 Gross - Non-proportional reinsurance accepted	12,309	13,579	5,413	25,657	3,712	785	61,455
R0240 Reinsurers' share	465,410	222,497	82,951	91,069	22,212	23,495	907,634
R0300 Net	217,317	67,249	52,627	46,113	6,751	6,110	396,166
<b>Claims incurred</b>							
R0310 Gross - Direct Business	498,149	143,480	3,640	-376	94	15	645,003
R0320 Gross - Proportional reinsurance accepted	23,903	64,004	42,867	75,522	33,329	-11,733	227,893
R0330 Gross - Non-proportional reinsurance accepted	-12,904	4,719	2,337	12,454	1,321	-113	7,814
R0340 Reinsurers' share	358,080	165,707	29,155	57,399	20,925	-9,623	621,643
R0400 Net	151,068	46,496	19,688	30,202	13,820	-2,207	259,067
R0550 Net expenses incurred	79,718	20,066	28,339	24,505	3,302	1,305	157,235





IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
<b>Best estimate</b>																		
<b>Premium provisions</b>																		
R0060	Gross	58	-1,200	0	0		-18,761	8,197	41,187	-21,224				27	1,120	-1,450	8,455	16,406
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	524	-907	12	0		-7,853	-54,251	-9,727	31,241				-14	-810	-204	3,606	-38,384
R0150	<b>Net Best Estimate of Premium Provisions</b>	-466	-293	-11	0		-10,908	62,447	50,914	-52,466				40	1,930	-1,246	4,849	54,790
<b>Claims provisions</b>																		
R0160	Gross	-6,568	17,166	241	0		257,640	533,141	1,141,945	6,008				995	299,717	21,026	66,256	2,337,567
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	110	10,132	124	0		130,444	301,049	730,847	-17,543				1,093	163,124	8,460	39,930	1,367,771
R0250	<b>Net Best Estimate of Claims Provisions</b>	-6,678	7,034	117	0		127,195	232,092	411,098	23,551				-99	136,593	12,566	26,326	969,795
R0260	<b>Total best estimate - gross</b>	-6,511	15,966	241	0		238,879	541,337	1,183,132	-15,216				1,021	300,837	19,576	74,711	2,353,973
R0270	<b>Total best estimate - net</b>	-7,144	6,740	105	0		116,287	294,539	462,012	-28,915				-59	138,524	11,320	31,175	1,024,585
R0280	<b>Risk margin</b>	263	2,700	11	0		11,626	15,362	37,336	1,595				76	12,110	393	1,528	83,001
R0320	<b>Technical provisions - total</b>	-6,248	18,666	253	0		250,505	556,700	1,220,468	-13,622				1,097	312,947	19,968	76,239	2,436,974
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	634	9,225	136	0		122,591	246,799	721,120	13,698				1,080	162,313	8,255	43,536	1,329,388
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	-6,881	9,441	117	0		127,913	309,901	499,348	-27,320				18	150,634	11,713	32,704	1,107,587

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year										In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior										2,196	2,196	2,196	
R0160	-9	27,269	44,284	32,301	13,377	10,953	15,706	12,083	4,881	11,684	6,840	6,840	179,379	
R0170	-8	20,718	53,579	33,893	24,296	15,549	10,294	7,119	17,584	11,954		11,954	194,986	
R0180	-7	7,686	31,084	37,307	21,233	25,518	32,573	20,452	16,881			16,881	192,734	
R0190	-6	6,720	57,300	63,076	40,682	17,025	17,049	15,523				15,523	217,375	
R0200	-5	27,708	74,695	44,567	39,399	28,532	19,482					19,482	234,384	
R0210	-4	39,251	147,232	103,478	71,406	51,500						51,500	412,866	
R0220	-3	46,919	179,596	89,170	62,928							62,928	378,613	
R0230	-2	36,791	116,761	142,229								142,229	295,781	
R0240	-1	61,409	132,719									132,719	194,128	
R0250	0	144,148										144,148	144,148	
R0260												<b>Total</b>	<b>606,400</b>	<b>2,446,590</b>

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year											Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior										26,704	17,170	
R0160	-9	0	0	0	0	0	0	0	21,263	28,791		26,185	
R0170	-8	0	0	0	0	0	0	44,709	44,626			41,079	
R0180	-7	0	0	0	0	0	32,870	38,656				33,580	
R0190	-6	0	0	0	0	50,155	42,377					37,843	
R0200	-5	0	0	0	109,173	95,706						85,471	
R0210	-4	0	0	238,803	185,078							167,164	
R0220	-3	0	369,690	286,413								259,316	
R0230	-2	566,514	396,363									356,420	
R0240	-1	840,958	596,967									539,191	
R0250	0	840,422										765,319	
R0260												<b>Total</b>	<b>2,328,736</b>

Gross premium			
	C0570	C0580	
	Gross earned premium at reporting reference date	Estimate of future gross earned premium	
R0160	N-9	227,250	0
R0170	N-8	228,798	0
R0180	N-7	258,322	0
R0190	N-6	305,734	0
R0200	N-5	513,435	0
R0210	N-4	885,827	0
R0220	N-3	1,121,183	0
R0230	N-2	1,332,923	0
R0240	N-1	1,412,107	0
R0250	N	1,354,351	0



IR.25.04.21

**Solvency Capital Requirement**

**Net of loss absorbing capacity of technical provisions**

	C0010
<b>Market risk</b>	
R0070 Interest rate risk	91,770
R0080 Equity risk	0
R0090 Property risk	284
R0100 Spread risk	118,846
R0110 Concentration risk	48,658
R0120 Currency risk	28,320
R0125 Other market risk	
R0130 Diversification within market risk	-118,362
R0140 <b>Total Market risk</b>	<b>169,517</b>
<b>Counterparty default risk</b>	
R0150 Type 1 exposures	26,858
R0160 Type 2 exposures	54,958
R0165 Other counterparty risk	
R0170 Diversification within counterparty default risk	-4,642
R0180 <b>Total Counterparty default risk</b>	<b>77,174</b>
<b>Life underwriting risk</b>	
R0190 Mortality risk	
R0200 Longevity risk	
R0210 Disability-Morbidity risk	
R0220 Life-expense risk	
R0230 Revision risk	
R0240 Lapse risk	
R0250 Life catastrophe risk	
R0255 Other life underwriting risk	
R0260 Diversification within life underwriting risk	
R0270 <b>Total Life underwriting risk</b>	<b>0</b>
<b>Health underwriting risk</b>	
R0280 Health SLT risk	0
R0290 Health non SLT risk	17,267
R0300 Health catastrophe risk	0
R0305 Other health underwriting risk	
R0310 Diversification within health underwriting risk	0
R0320 <b>Total Health underwriting risk</b>	<b>17,267</b>
<b>Non-life underwriting risk</b>	
R0330 Non-life premium and reserve risk (ex catastrophe risk)	317,053
R0340 Non-life catastrophe risk	0
R0350 Lapse risk	21,231
R0355 Other non-life underwriting risk	
R0360 Diversification within non-life underwriting risk	-20,521
R0370 <b>Non-life underwriting risk</b>	<b>317,763</b>
R0400 <b>Intangible asset risk</b>	
<b>Operational and other risks</b>	
R0422 Operational risk	70,619
R0424 Other risks	
R0430 <b>Total Operational and other risks</b>	<b>70,619</b>
R0432 <b>Total before all diversification</b>	<b>795,865</b>
R0434 Total before diversification between risk modules	652,341
R0436 Diversification between risk modules	-138,900
R0438 <b>Total after diversification</b>	<b>513,440</b>
R0440 Loss absorbing capacity of technical provisions	
R0450 Loss absorbing capacity of deferred tax	
R0455 Other adjustments	
R0460 <b>Solvency capital requirement including undisclosed capital add-on</b>	<b>513,440</b>
R0472 Disclosed capital add-on - excluding residual model limitation	
R0474 Disclosed capital add-on - residual model limitation	
R0480 <b>Solvency capital requirement including capital add-on</b>	<b>513,440</b>
R0490 Biting interest rate scenario	
R0495 Biting life lapse scenario	

IR.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR<sub>NL</sub> Result

C0010

179,257

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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C0020

C0030

- R0020 Medical expense insurance and proportional reinsurance
- R0030 Income protection insurance and proportional reinsurance
- R0040 Workers' compensation insurance and proportional reinsurance
- R0050 Motor vehicle liability insurance and proportional reinsurance
- R0060 Other motor insurance and proportional reinsurance
- R0070 Marine, aviation and transport insurance and proportional reinsurance
- R0080 Fire and other damage to property insurance and proportional reinsurance
- R0090 General liability insurance and proportional reinsurance
- R0100 Credit and suretyship insurance and proportional reinsurance
- R0110 Legal expenses insurance and proportional reinsurance
- R0120 Assistance and proportional reinsurance
- R0130 Miscellaneous financial loss insurance and proportional reinsurance
- R0140 Non-proportional health reinsurance
- R0150 Non-proportional casualty reinsurance
- R0160 Non-proportional marine, aviation and transport reinsurance
- R0170 Non-proportional property reinsurance

0	4,011
6,740	43,163
105	0
0	0
0	0
116,287	80,020
294,539	151,633
462,012	178,751
0	23,759
0	0
0	0
0	0
0	872
138,524	14,352
11,320	4,470
31,175	11,173

Linear formula component for life insurance and reinsurance obligations

R0200 MCR<sub>L</sub> Result

C0040

0

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations


Overall MCR calculation

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR
- R0400 **Minimum Capital Requirement**

C0070

179,257
513,440
231,048
128,360
179,257
4,708
179,257