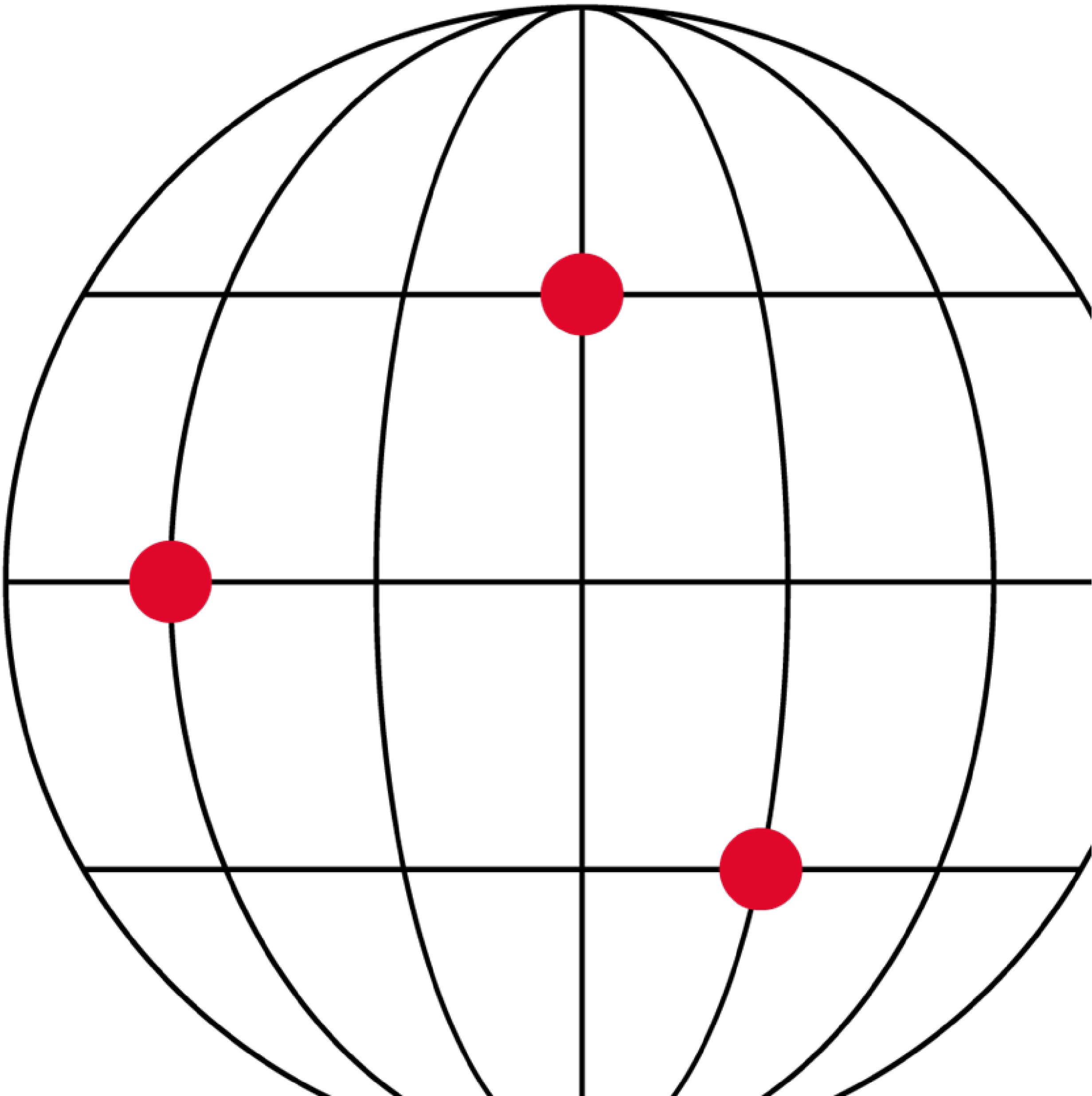
SOMPO

Endurance Worldwide Insurance Limited

Solvency and Financial Condition Report

For the year ended 31 December 2024



Contents

Summary

The Solvency and Financial Condition Report ("SFCR") is an element of the improved disclosure and reporting introduced under Solvency II, intended to strengthen market discipline for insurers and provide stakeholders with additional information over and above that contained in the annual financial statements. The purpose of the SFCR is to provide an understanding of the business and performance of the Company, its system of governance, risk profile, valuation for solvency purposes and capital management.

Basis of preparation

The SFCR has been prepared in compliance with the PRA Rulebook for Solvency II firms and Commission delegated regulation (EU) 2015/35 ("the Delegated Regulation"), being the applicable European Union regulation, retained as assimilated UK law, using the structure set out in annex XX of that document, and in accordance with the Guidelines on reporting and public disclosure (BoS-15/109) as issued by the European Insurance and Occupational Pensions Authority ("EIOPA") as adopted for use in the 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 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 85.0% 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 Canada representing 68.6% of total gross written premium. The following key performance indicators are prepared under UK GAAP basis.

Amounts in USD'000 unless stated	31 Dec 2024	31 Dec 2023	Movement
Gross written premium	1,643,357	1,576,772	66,585
Net earned premiums	475,443	412,940	62,503
Underwriting result	149,116	120,232	28,884
Net claims ratio	60.8 %	68.0 %	(7.2)%
Expense ratio	28.7 %	19.0 %	9.7 %
Combined operating ratio	89.5 %	87.0 %	2.5 %

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.

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 2024, 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 2024 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 2025 and beyond.

In 2024, the Company achieved robust premium growth of 10.7% across its insurance lines, reflecting its strategic aspiration to emerge as a leading (re)insurer. Concurrently, we expanded our insurance underwriting teams, underscoring our commitment to enhancing operational capacity. Despite facing a challenging geopolitical, economic, and risk environment, the business continued to gain traction and expand in specialised, profitable lines, reinforcing our growth trajectory and resilience.

Gross written premium in total reflects modest growth of 4.2% year on year, rising from $1,576.8m in 2023 to $1,643.4m, however the underlying growth on the overall book is moderated by the strategic renewal of the Casualty Reinsurance book to an alternative Sompo Group Company. The Insurance growth from $1,331.6m to $1,472.9m was primarily driven by a steadfast renewal book, strong rate increases and new business across many classes, notably in Commercial Casualty and Middle Market lines. The assumed reinsurance book decreased by $74.6m to $170.5m in 2024 following a strategic decision to write the Casualty book elsewhere within the group. The Company continues to write reinsurance business across a number of lines.

Net claims experience in 2024 was more favourable compared to 2023, with a claims ratio of 60.8%% for the year ending December 31, 2024, compared to 68.0%% in 2023. While the current accident year experienced increased catastrophe ("CAT") loss activity compared to 2023, this was more than offset by substantial prior-year releases. These releases were driven by strong performance in prior accident years and the release of reserves initially held against CAT losses from 2022 and 2023, following positive developments. The Company continues to benefit from its outward reinsurance program to manage exposure to such losses.

Administrative expenses, excluding acquisition costs, increased to 20.8% of net earned premium in 2024, compared to 16.1% in the previous year. This increase is driven by our strategic investments 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 generated an underwriting profit of $149.1m for the year (2023: $120.2m), representing a combined ratio of 89.5% (2023: 87.0%). The results for the year, as set out on pages 21 and 22, show a profit on ordinary activities before tax of $103.9m (2023: $157.6m profit). The year-on-year decrease of $53.7m is primarily driven by the net (un)realised losses on investments of $15.9m this year compared to a gain ($45.5m) in 2023. The current year losses are attributed to strategic investment management decisions to reinvest in higher-yielding assets, enhancing investment returns and foreign exchange losses of $8.2m (2023: Gain $11.2m) stemming from fluctuations in exchange rates, particularly the Euro and Pounds Sterling against the US Dollar, which were more pronounced than in 2023.

Investment income for the year increased compared to 2023, due primarily to a more favourable interest rate environment, with reinvestment yields increasing to 4.4% in 2024 from 3.6% in 2023. The portfolio also gained from substantial cash inflows in 2024, resulting in an approximately 19% rise in book value.

The Company closely monitors the indirect impact of risks relating to any external global events on the Company's financial condition The Company does not have material exposure to any recent external events (e.g. California Wildfires, Ukraine War, Middle East conflict), 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 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.

Headline Consumer Prices Index ("CPI") inflation in recent periods has been higher than the long-run average prior to 2019, which has increased the level of uncertainty in our reserve estimates. However, we note inflation has recently returned closer to normal levels. The drivers of insurance claims costs vary by class and include other factors such as social inflation, wage inflation, medical/legal costs (all of which can be correlated with headline CPI to a greater or lesser degree). In response, we built a bespoke inflation reserve model to estimate the potential impact of elevated inflation on the reserves. 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 2024 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 a regular 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 a regular 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 a regular 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 a regular basis.

During the year, the Company established the Conduct Committee in May 2024. The purpose of this committee is to oversee, monitor and challenge the delivery of good customer outcomes. 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 2024 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 2024**	**31 Dec 2023**	**Movement**
Eligible own funds to meet SCR	889,249	812,940	76,309
Eligible own funds to meet MCR	889,249	812,940	76,309
Solvency capital requirement	458,641	419,275	39,366
Minimum capital requirement	147,367	143,613	3,754
Ratio of own funds to SCR	193.9%	193.9%	0.0 %
Ratio of own funds to MCR	603.4%	566.1%	37.3 %

Eligible own funds have increased during the period by 9.4% along with the SCR, which also increased by 9.4%. The Solvency ratio remains aligned at 193.9% in 2024 (2023: 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 2024**	**31 Dec 2023**	**Movement**
Tier 1	889,249	812,940	76,309
Tier 2	—	—	—
Tier 3	—	—	—
	889,249	**812,940**	**76,309**

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 (2023: $346.3m and $311.9m) and a reconciliation reserve of $231.0m (2023: $154.7m). 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 2024, the Company did not recognise any deferred tax assets as Tier 3 capital (2023: 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.

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 Bank of England
12 Endeavour Square,
London, E20 1JN,
United Kingdom

SIH'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

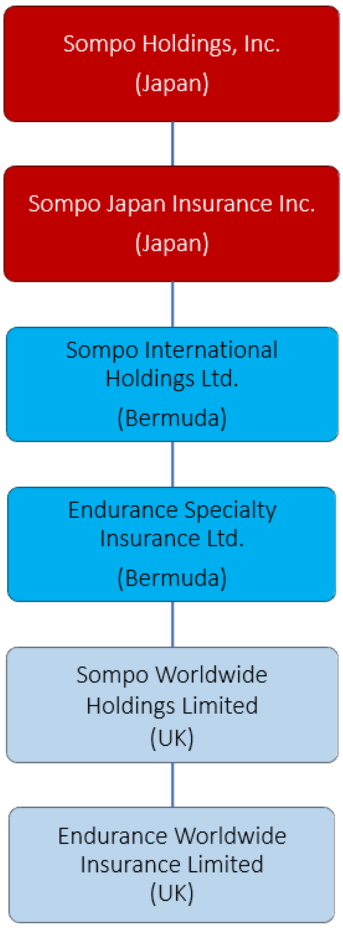
A.1.3 External auditor

Forvis Mazars LLP
30 Old Bailey
London
EC4M 7AU
United Kingdom

A.1.4 Group structure

Sompo Holdings operates worldwide and is publicly traded on the Tokyo Stock Exchange. The Company is a fully owned member of a sub-group (Sompo International Holdings Ltd, "SIH") which at 31 December 2024 wrote insurance and reinsurance business through its 22 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 Material lines of business and material geographical areas

The Company has a diversified product offering, across multiple lines of business. The following table sets out the gross premiums written by material Solvency II line of business.

Amounts in USD'000	31 Dec 2024	31 Dec 2023	Movement
Fire and other damage to property insurance	548,404	523,781	24,623
General liability insurance	579,130	496,826	82,304
Marine, aviation and transport insurance	265,241	208,261	56,980
Non-proportional casualty reinsurance	43,808	137,939	(94,131)
Income protection insurance	103,228	99,334	3,894
Other	103,546	110,631	(7,085)
Total gross written premiums	**1,643,357**	**1,576,772**	**66,585**

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.

Amounts in USD'000	31 Dec 2024	31 Dec 2023	Movement
United Kingdom	658,011	608,034	49,977
United States of America	308,192	393,953	(85,761)
Canada	161,674	112,113	49,561
Australia	129,188	141,773	(12,585)
Brazil	61,503	36,131	25,372
Mexico	31,892	20,504	11,388
Total gross written premiums	**1,350,460**	**1,312,508**	**37,952**

A.1.6 Significant events during the reporting period

The Company does not have material exposure to any recent external events (e.g. California Wildfires, Ukraine War, Middle East conflict), 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.2 Underwriting Performance

The Company has continued to focus on achieving a strong performance and in doing so, gross written premium increased by 4.2% from $1,576.8m in 2023 to $1,643.4m in 2024. The increase is predominately from the Insurance book where premium increased to $1,472.9m from $1,331.6m, driven by a resilient renewal book, strong rate increases and new business across many classes, most significantly in Commercial Casualty and Middle Market Lines. The Reinsurance book decreased by $85.7m to $136.6m in 2024 following a strategic decision to write the Casualty reinsurance book within elsewhere within the Group. The Company continues to write reinsurance business across a number of lines. The 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.

The majority of growth in gross written premiums on a solvency II line of business is from new and renewal business on the General Liability class (year on year increase of $82.3m), the Marine, Aviation and Transport class (year on year increase of $57.0m), and the Fire and Other Damage to Property class (year on year increase of $24.6m), partially offset by a reduction in the Non-proportional casualty reinsurance class (year on year decrease of $(94.1)m) owing to the strategic decision to write the Casualty book elsewhere.

Net earned premiums have increased by $62.5m. 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 underwriting result is $149.1m for the year under UK GAAP, being earned premiums, less claims incurred, less acquisition costs, including change in deferred acquisition costs, all net of reinsurance. This differs to the presentation of the table below prepared in accordance with the requirements consistent to IR.05.02, where administrative and investment management expenses have been included with "other expenses", resulting in a technical result of $47.6m.

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	**1,587,323**
Reinsurers' share	(391,710)	(384,622)	(168,947)	(90,107)	(52,667)	(9,145)	(14,682)	**(1,111,880)**
Net earned premium	152,311	161,385	71,763	48,376	33,218	2,132	6,258	**475,443**
Gross claims incurred	232,323	350,122	168,152	41,069	30,871	9,339	5,792	**837,668**
Reinsurers' share	(161,566)	(235,537)	(107,793)	(25,600)	(21,487)	(6,682)	(3,234)	**(561,899)**
Net claims incurred	70,757	114,585	60,359	15,469	9,384	2,657	2,558	**275,769**
Acquisition costs	3,361	17,041	1,571	14,444	915	(584)	492	**37,240**
Other expenses*	40,831	33,199	22,926	7,779	8,019	444	1,630	**114,828**
Technical result	**37,362**	**(3,440)**	**(13,093)**	**10,684**	**14,900**	**(385)**	**1,578**	**47,606**

*The table above is consistent with the requirements of IR.05.02, where claims management expenses are included within expenses under SII, whereas under UK GAAP they are included within net claims incurred.

Amounts in USD'000	Direct and proportional				Non-proportional			31 Dec 2023
	Fire and other damage to property	**General liability**	**Marine, aviation and transport**	**Other**	**Casualty**	**Property**	**Other**	**Total**
Gross earned premium	518,825	460,887	209,409	78,444	126,983	11,531	16,341	**1,422,420**
Reinsurers' share	(380,215)	(321,770)	(147,816)	(57,840)	(78,903)	(9,845)	(13,091)	**(1,009,480)**
Net earned premium	138,610	139,117	61,593	20,604	48,080	1,686	3,250	**412,940**
Gross claims incurred	237,118	332,244	176,752	45,017	83,612	9,459	5,709	**889,911**
Reinsurers' share	(171,736)	(226,758)	(131,980)	(28,319)	(50,201)	(8,128)	(4,067)	**(621,189)**
Net claims incurred	65,382	105,486	44,772	16,698	33,411	1,331	1,642	**268,722**
Acquisition costs	1,978	8,152	1,740	2,437	(1,278)	(634)	(451)	**11,944**
Other expenses*	26,854	21,304	14,056	8,793	8,520	471	1,331	**81,329**
Technical result	**44,396**	**4,175**	**1,025**	**(7,324)**	**7,427**	**518**	**728**	**50,945**

*The table above is consistent with the requirements of IR.05.02, where claims management expenses are included within expenses under SII, whereas under UK GAAP they are included within net claims incurred.

The Company recorded a gross claims ratio of 52.8% (2023: 62.6%) for the year ended 31 December 2024. Current accident year adverse experience was largely driven by elevated catastrophe ("CAT") loss activity which was more than offset by substantial prior-year releases. These releases were driven by strong performance in prior accident years and the release of reserves initially held against CAT losses from 2022 and 2023, following positive developments. The Company continues to benefit from its outward reinsurance program to manage exposure to such losses. The Company continues to benefit from its outward reinsurance program to manage exposure to such losses. The gross acquisition ratio at 19.5% is stable compared to prior year. The net acquisition ratio has increased marginally from 2.9% in 2023 to 7.8% in 2024.

General and administrative expenses have increased to $90.2m (2023: $66.5m) driven by our strategic investments 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, driven by higher costs relating to increased staff costs and increased professional fees as a result of the Company's continued growth strategy. Ceding commissions included within general and administrative expenses remain consistent and proportionally in line with 2023.

Amounts in USD'000	United Kingdom	USA	Canada	Australia	Brazil	Mexico	Other	31 Dec 2024 Total
Gross earned premium	661,707	309,368	150,630	108,555	56,752	25,617	274,694	1,587,323
Reinsurers' share	(445,600)	(237,899)	(102,837)	(67,060)	(39,828)	(21,289)	(197,367)	(1,111,880)
Net earned premium	216,107	71,469	47,793	41,495	16,924	4,328	77,327	475,443
Gross claims incurred	417,388	105,820	96,772	50,342	17,130	21,786	128,430	837,668
Reinsurers' share	(274,033)	(77,022)	(63,090)	(31,103)	(9,665)	(16,379)	(90,607)	(561,899)
Net claims incurred	143,355	28,798	33,682	19,239	7,465	5,407	37,823	275,769
Total expenses*	59,638	21,827	22,291	18,942	4,546	1,233	23,591	152,068
Technical result	**13,114**	**20,844**	**(8,180)**	**3,314**	**4,913**	**(2,312)**	**15,913**	**47,606**

*The table above is consistent with the requirements of IR.05.02, where claims management expenses are included within expenses under SII, whereas under UK GAAP they are included within net claims incurred.

Amounts in USD'000	United Kingdom	USA	Canada	Australia	Brazil	Switzerland	Other	31 Dec 2023 Total
Gross earned premium	570,242	391,954	97,992	52,661	33,801	26,284	249,486	1,422,420
Reinsurers' share	(384,517)	(288,948)	(67,145)	(36,217)	(28,379)	(20,240)	(184,034)	(1,009,480)
Net earned premium	185,725	103,006	12,626	16,444	5,422	6,044	65,452	394,719
Gross claims incurred	414,568	192,592	47,878	34,284	4,953	20,546	175,090	889,911
Reinsurers' share	(272,563)	(139,134)	(32,619)	(23,204)	(3,086)	(16,509)	(134,074)	(621,189)
Net claims incurred	142,005	53,458	15,259	11,080	1,867	4,037	41,016	268,722
Total expenses*	39,576	13,355	10,543	3,374	1,160	1,978	23,287	93,273
Technical result	**4,144**	**36,193**	**5,045**	**1,990**	**2,395**	**29**	**1,149**	**50,945**

*The table above is consistent with the requirements of IR.05.02, where claims management expenses are included within expenses under SII, whereas under UK GAAP they are included within net claims incurred.

The growth in gross earned premium in 2024 was seen across the top four countries, United Kingdom, USA, Canada and Australia as a whole, with the Company's insurance premium base very much London Market centric as well as increased Group focus.

A.3 Investment Performance

Net investment income increased by $35.8m versus the prior year. The increase in net investment income is due to both higher reinvestment yields as a result of a more favourable interest rate environment, and assets under management 'AUM' growth from excess cash flows. The overall portfolio structure is substantially unchanged from 2023.

Amounts in USD'000 unless stated	31 Dec 2024	31 Dec 2023	Movement
Interest income – cash and deposits	3,607	2,317	1,290
Interest income – collateralised securities	25,389	18,312	7,077
Interest income – collective investments	380	662	(282)
Interest income – corporate bonds	34,572	21,394	13,178
Interest income – government bonds	7,742	4,888	2,854
Amortisation	8,849	2,376	6,473
Investment expenses	2,459	(2,794)	5,253
Net investment income	**82,998**	**47,155**	**35,843**
Ending portfolio market value	1,918,728	1,644,563	274,165
Ending book yield	4.53%	3.64%	0.89 %

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

Returns from all asset classes except derivatives have been positive in 2023 as follows:

Amounts in USD'000 unless stated	2024		2023	
	Realised	**Unrealised**	**Realised**	**Unrealised**
Gains/(losses) – cash and deposits	168	2,015	229	537
Gains/(losses) – collateralised securities	215	(13,688)	3,297	8,393
Gains/(losses) – collective investments	—	687	—	442
Gains/(losses) – corporate bonds	2,680	(5,786)	4,112	38,917
Gains/(losses) – government bonds	2,937	(3,603)	1,955	10,113
Gains/(losses) – derivatives	(4,539)	(7,010)	(2,992)	2,659
	1,461	**(27,385)**	**6,601**	**61,061**

*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 $565.7m of securitised assets at 31 December 2024, 29.0% of the total investment portfolio (2023: $565.7m, 34.0% 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 $(8.3)m of foreign exchange losses in the year ended 31 December 2024 ($11.2m foreign exchange gains for prior year ended 31 December 2023).

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 28 September 2026. In January 2025, a new lease was signed by another Sompo Group Company for a different office location in London, where the Company plans to relocate in 2026.

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

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

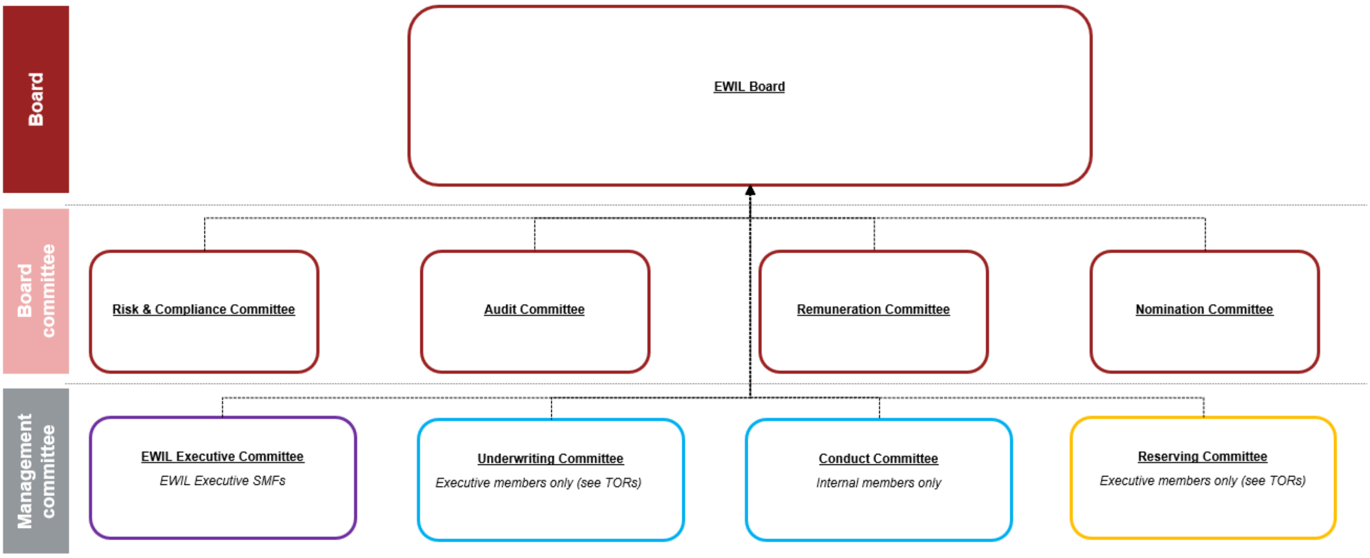
The Company adheres to high standards of corporate governance based on a framework and culture designed to ensure the responsible and effective management of the Company, its operations and to protect its customers.

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 responsible for oversight of the firm's remuneration arrangements including the adherence to regulatory requirements.
- Nomination Committee which 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 Conduct Committee was established in May 2024. The purpose of this committee is to oversee, monitor and challenge the delivery of good customer outcomes. 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 a regular 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 a regular 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 a regular 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 a regular 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.

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.

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 who is responsible for the design and operating effectiveness of the associated control framework in place to manage risk.
- The second line of defence, risk management, describes the risk oversight activity, encompassing risk assessment, monitoring and reporting, undertaken by both 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 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.

Training on the risk management system and specifically risk appetites is provided to the Board, management and all staff, as appropriate, regularly.

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. To maintain financial strength and flexibility;
2. To ensure the financial resilience of the business;
3. To ensure the operational resilience of the business; and
4. To 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 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:

- Determination of the current and future solvency and liquidity position 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 appropriately evidenced, documented and described in the ORSA report that is prepared at least annually and provided to the Board for approval. The Board has ultimate responsibility for ensuring the ORSA process is executed in accordance with this policy. The risk management function has day-to-day responsibility for conducting the ORSA process and producing ORSA reporting with assistance from the actuarial and other supporting 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 among other things, coordinating and overseeing the calculation of the Company's technical provisions, including the underlying methodologies and assumptions, as well as providing opinions on underwriting policy and the adequacy of reinsurance. The actuarial function also contributes to the implementation of the Company's risk management system, by among other things, providing inputs to the ORSA.

The Risk Management Function operates within the second line of defence and is responsible for the following activities:

- Annual strategic risk reporting to the Board;
- Maintaining the ORSA process and production of the annual/quarterly ORSA reports to the Board;
- Maintaining the emerging risk management process, including regular reporting to the R&CC;
- Supporting business risk management in developing the performance management framework;
- Maintaining the exposure management framework;
- Maintaining the risk intelligence acceptance and validation framework;
- Supporting business risk management in supporting reinsurance adequacy assessments;
- Oversight and reporting of operational risk; and
- Providing regular risk management training to the Board and company staff.

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 companies 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 significant 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 significant input by members of the Ceded Reinsurance 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

Business Management *Risk Ownership*	**Risk Function** *Risk Oversight*	**Internal Audit** *Risk Assurance*
The first line is responsible for the identification and assessment of risk, as well as the design and implementation of the controls necessary to manage those risks.	The second line is responsible for defining the risk framework, monitoring the effectiveness of risk controls, and reporting any weakness or failures to the risk oversight committees. The risk team also partners with the business in providing advice, guidance and challenge in managing their risks.	The third line independently tests the design and operation of the control framework, reporting to the Audit Committee.

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.
3. Reserving
   - Provision of reserve performance information and metrics to the wider business audience e.g. 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 2024 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.

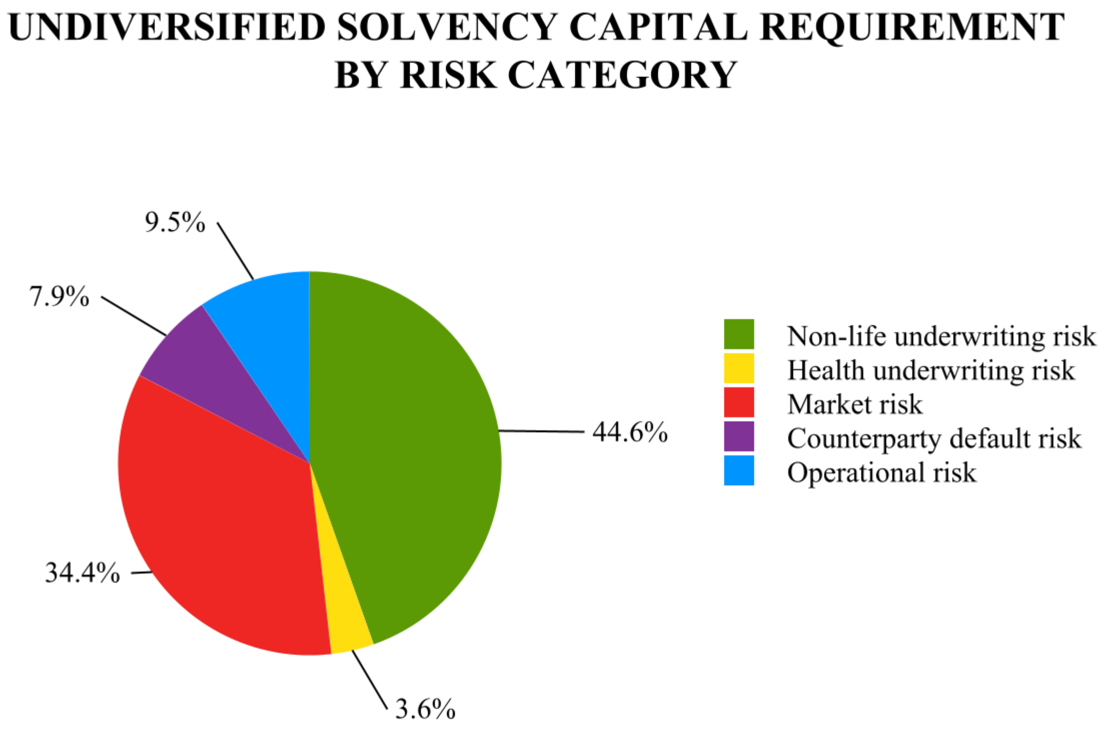
B.8 Any other information / summary

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.



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 uses a range of techniques to manage this risk as set out below:

- The Company recruits experienced underwriters with proven track-records and good standing in the market. Underwriting Letters of Authority (LOA) are the primary tool for promulgating and implementing underwriting risk preferences and limits. The LOAs document permitted lines of business, territories, maximum premium and exposure limits and the underwriters' responsibility towards the peer review process. The LOA also sets out any restrictions for classes of business or exposures that an underwriter is not permitted to underwrite. The LOAs are consistent with established underwriting strategy and guidelines and detail an underwriter's ability to legally bind contracts on behalf of the Company. The underwriting process is supported by pre- and post-bind peer reviews, as well as independent reviews, the framework and reporting of which is overseen by the Underwriting Committee.
- In addition to technical and analytical practices, underwriters use a variety of underwriting tools, including specific contract terms, to manage exposure to loss. These include occurrence limits, aggregate limits, reinstatement provisions and loss ratio caps. Exclusions and terms and conditions to eliminate particular risks or exposures deemed outside of the intent of coverage are also considered.
- The Company has fully integrated its internal actuarial and modelling staff into the underwriting and decision-making process and uses in-depth actuarial and risk analyses to evaluate transactions prior to authorisation, assessing and charting pricing changes and rate adequacy. In addition to internal actuaries and risk professionals, external specialists may also be used to provide support in developing and utilising robust risk intelligence to inform underwriting decisions.
- The Company has established a framework to enable the business to regularly assess and monitor performance drivers on a portfolio basis. The approach generates insight by integrating the analytics across a number of disciplines (including pricing, reserving, claims, capital modelling and exposure management) and engaging with underwriting teams regularly to pro-actively monitor and respond to underwriting performance trends.
- The claims team performs regular reviews of emerging claims trends and monitors changes in the legal landscape. The claims team meets with underwriting teams regularly to provide feedback on specific losses and identified trends to inform risk selection and coverage considerations. All large losses are notified to management and include underwriter commentary on the loss and underwriting response, if any.

- New business proposals, and/or opportunities that have a significant impact on the risk profile are subject to review and approval by the Underwriting Committee, including consideration of the fit of the proposal with business objectives, risk appetite and operational expertise and capabilities. Annually, business plans for the Company are reported to the Board for discussion and approval.
- Annually, the actuarial function provides an opinion to the Board on the adequacy of pricing levels reflected in the plan with due consideration to changes in the composition of the Company's portfolio, external influences, and the risks of anti-selection across the portfolio.
- Oversight of underwriting risk management is provided by the Board with day-to-day management responsibility delegated to the Underwriting Committee. The Underwriting Committee meets quarterly to receive management information and discharge its delegated oversight duties.
- Where the Company delegates underwriting authority either partially or fully to a third-party, it is exposed to the risk that the related party fails to operate within agreed guidelines or to adequately price and/or reserve for the business. The Underwriting Committee is responsible for the oversight of all delegated underwriting arrangements supported by a delegated underwriting group that meets quarterly to oversee delegated underwriting arrangement administration, processing and performance. Independent audits of delegated underwriting partners are performed regularly with findings reported to the Underwriting Committee.

Catastrophe Risk

The Company uses a range of techniques to manage this risk as set out below:

- Underwriting Risk Guidelines are documented for each class of business, including maximum line sizes, accumulation limits for single events and risk preferences. The risk profile of each class of business is regularly monitored against these guidelines. Material variations are reported to the Underwriting Committee where remediation actions are discussed.
- Referral Guidelines outline criteria for referring decisions to the Group Chief Risk Officer to ensure that risks or transactions potentially outside of risk appetite are suitably reviewed and approved.
- Ceded Reinsurance purchasing strategy is reviewed at least annually, with reference to the objectives of the business, risk appetite and prevailing market conditions or trading opportunities. Any changes to the strategy are reported to the Underwriting Committee prior to implementation. The Underwriting Committee reviews progress towards implementing the Ceded Reinsurance plan each quarter.
- Actuarial opinion is provided to the Board on the adequacy of Ceded Reinsurance arrangements with due consideration of the consistency with risk appetite, the ability to support solvency under stressed scenarios, and the standing and repute of counterparties.
- Proprietary and commercially available tools to quantify Catastrophe Risk are used to inform underwriting risk selection, portfolio design, and portfolio risk management. Tools include natural catastrophe, weather, casualty, aviation, credit, economic and other specialty risk models as well as deterministic scenarios for individual events.

- The SIH Exposure Management function identifies, at least annually, all realistic foreseeable sources of catastrophe risk and ensures suitable quantification of potential exposure. In addition, this function produces regular reporting of Catastrophe Risk to oversight and governance Committees.
- Oversight of Catastrophe Risk Management is provided by the Risk & Compliance Committee, with day-to-day responsibility delegated to the Underwriting Committee. The Underwriting Committee meets quarterly to receive management information, including monitoring catastrophe risk levels against approved risk limits.

Reserving Risk

The Company uses a range of techniques to manage this risk as set out below:

- The actuarial function maintains a best estimate reserving process 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 48.2% (2023: 49.9%) 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 10%, 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**
2024 Loss ratio	+10%	169,939	47,544	(47,544)	(35,658)	(8.3)%
2023 Loss ratio	+10%	173,112	41,294	(41,294)	(31,590)	(8.0)%

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 (formerly EWHL).

Reserve risk sensitivity tests have been performed by the Company to assess the profit/loss impact of misestimation 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		
2024 Reporting Pattern	**10% Lower**	**Unchanged**	**10% Higher**
ST - 3 months faster LT - 6 months faster	(10.0) %	(2.9) %	4.1 %
Unchanged	(7.6) %	0.0 %	6.9 %
ST - 3 months slower LT - 6 months slower	(4.8) %	2.8 %	10.4%
2023 Reporting Pattern	**10% Lower**	**Unchanged**	**10% Higher**
ST - 3 months faster LT - 6 months faster	(10.6) %	(4.5) %	1.5 %
Unchanged	(6.5) %	0.0 %	6.4 %
ST - 3 months slower LT - 6 months slower	(1.5) %	5.5 %	12.4 %

The results show that in the most severe scenario above (10% higher IELR and slower reporting of losses), the Company expects an 10.4%, or $164.0m, reserve increase. 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.

The largest difference since year end 2023 is the scenario 10% higher IELR and faster reporting of losses, with a 4.1% increase in reserves at the end of 2024 compared with a 1.5% increase at the end of 2023.

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 uses a range of techniques to manage this risk as set out below:

- 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 Company Board. The risk profile of the Company's investment portfolio is monitored against approved risk limits and targets quarterly by the Board.
- The Company uses a number of capital-at-risk models, which include scenario-based measures, value-at-risk and credit impairment calculations to evaluate its investment portfolio risk. Portfolio risk is affected by four primary risk factors: asset concentration, asset volatility, asset correlation and systematic risk. The Company continuously evaluates the applicability and relevance of the models used and makes adjustments as necessary to reflect actual market conditions and performance over time.
- The Company 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 34.4% (2023: 31.1%) 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	GBP	USD	EUR	AUD	2024 Total	GBP	USD	EUR	AUD	2023 Total
Collateralised securities	21,873	681,498	9,355	—	**712,726**	34,402	522,664	8,602	—	**565,668**
Government bonds	100,681	175,195	11,585	—	**287,461**	37,681	264,373	8,735	—	**310,789**
Corporate bonds	223,635	644,679	50,140	—	**918,454**	235,909	450,939	48,045	—	**734,893**
Derivative assets	—	—	—	13	**13**	—	—	—	2,776	**2,776**
Collective Investments Undertakings	43	22	7	—	**72**	14,265	16,100	71	1	**30,437**
Total	**346,232**	**1,501,394**	**71,087**	**13**	**1,918,726**	**322,257**	**1,254,076**	**65,453**	**2,777**	**1,644,563**

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	**2024**		**2023**	
Change in interest rates (basis points)	**Impact on valuation**	**% of Solvency II surplus**	**Impact on valuation**	**% of Solvency II surplus**
+100 bps	(71,157)	(16.5)%	(59,580)	(15.1)%
+50 bps	(35,857)	(8.3)%	(29,626)	(7.5)%
-50 bps	36,148	8.4 %	29,297	7.4 %
-100 bps	72,184	16.8 %	58,265	14.8 %

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 **2024**	**GBP**	**EUR**	**AUD**	**JPY**	**Total**
+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)
2023	**GBP**	**EUR**	**AUD**	**JPY**	**Total**
+10%	8,867	3,851	3,682	315	16,715
+5%	4,645	2,017	1,928	163	8,753
-5%	(4,645)	(2,017)	(1,928)	(163)	(8,753)
-10%	(8,867)	(3,851)	(3,682)	(315)	(16,715)

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**	**2024 Loss**	**% of Solvency II surplus**	**Fixed Income Market Value**	**2023 Loss**	**% of Solvency II surplus**
Base	1,927,548			1,296,077		
10 bps widening		(7,170)	(1.7)%		(4,523)	(1.2)%
50 bps widening		(35,852)	(8.3)%		(22,617)	(5.8)%

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 uses a range of techniques to manage this risk as set out below:

- The purchase of ceded reinsurance is coordinated by the Group Ceded Reinsurance Officer who works with the business and various functional areas to determine coverage needs, develop an appropriate reinsurance structure and build the submission to present to market. The Group Ceded Reinsurance Officer ensures that the data contained within the submission is both accurate and that the narrative outlining the business' strategy is relevant. All draft contracts undergo a legal review prior to binding.
- The Company avoids excessive and non-diversified use of reinsurance by doing business only with reinsurers of sufficient credit or financial strength. All reinsurance purchases are made through a pre-approved counterparty panel with the constituents selected on the basis of their financial strength rating (minimum A- rating required) and other background criteria. In the event of credit downgrades below the minimum required, approved counterparties may be removed from the panel.
- The Company additionally maintains internal quota-share reinsurance agreements with ESIL and Sompo Japan Insurance Inc, which includes quota-share, stop-loss reinsurance and excess of loss reinsurance. The Company regularly monitors the credit risk assumed through these internal transactions assessing what impact cessation of this protection would have on the capital and/or liquidity position of the Company 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 7.9% (2023: 10.0%) 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 **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
Total	**148,122**	**1,378,847**	**93,517**	**—**	**7,832**	**1,628,318**

Amounts in USD'000 **2023**	**AAA**	**AA**	**A**	**BBB and below**	**Other/not rated**	**Total**
RI share of claims outstanding	120,577	1,165,988	161	—	5,414	1,292,140
Cash and cash equivalents	8,440	—	59,604	—	—	68,044
Other assets	—	—	2,164	—	614	2,778
Total	**129,017**	**1,165,988**	**61,929**	**0**	**6,028**	**1,362,962**

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 uses a range of techniques to manage this risk as set out below:

- 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 prepared quarterly with a full analysis performed annually to consider the availability and fungibility of Group funds to support legal entity capital needs in the event of a major market or economic

shock. Any event which might change the outcome of these analyses (such as a large catastrophic loss or significant asset encumbrance) would cause the analysis to be re-run.

- The Company maintains sufficient liquid assets, or assets that can be quickly converted into liquid assets, without any significant capital loss, to meet estimated cash flow requirements. These liquid funds are regularly monitored and the majority of the Company's investments are in highly liquid assets which could be converted into cash in a short time frame and at minimal expense. Cash is generally bank deposits and money market funds.
- Contingent liquidity funding is provided by the Net Worth Agreement with ESIL to ensure that the Company has at all times sufficient cash funds or liquid assets to satisfy valid claims under the policies issued by the Company and valid claims of financial creditors as they fall due for payment.

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 increased from $342.2m in 2023 to $371.2m in 2024 due to business growth within the Solvency II technical provisions between 2023 and 2024.

C.4.3 Sensitivity of Risk

The Company has a liquidity risk limit framework in place to ensure that there is 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, as may be the case from time to time.

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 uses a range of techniques to manage this risk as set out below:

- The Company seeks to mitigate operational risks through the application of strong risk governance, processes and controls throughout its business. Individual accountability for all key business risks and controls is clear and documented in the risk register.
- Through the Risk & Control Self-Assessment (RCSA) framework, each risk owner is responsible for identifying key operational risk exposures, assessing the design and operating effectiveness of their control environment, and, to the extent any gaps or deficiencies exist, assessing the corresponding impacts and level of operational risk / exposure to the company. The RCSAs are conducted at least annually for all areas, and more frequently (bi-annually or quarterly) on a risk-based basis. RCSA reviews consider any loss incidents, material key risk indicator/key performance indicator exceptions or other relevant factors in the period. This process is facilitated by the Risk Function with material exceptions or emerging trends reported to the Risk and Compliance Committee.
- The Company has in place an incident reporting process which consists of a set of steps that is followed by risk and control owners to report and address incidents related to operational risk. The incident reporting process typically includes identifying and classifying the incident, assessing the impact / severity of the incident, investigating the root cause, and implementing corrective actions to prevent similar incidents in the future. The process also involves reporting the incident to relevant stakeholders, such as senior management, regulators, or customers, as required. The aim of the process is to ensure that incidents are promptly and effectively addressed, with a focus on minimising their impact on the organisation and its stakeholders.
- Oversight of compliance with regulatory requirements is provided by the Board with day-to-day management responsibility delegated to the Risk & Compliance Committee. The Risk & Compliance Committee meets at least quarterly to receive management information and discharge its delegated oversight duties. To support the Board in fulfilling its oversight responsibilities the compliance function monitors and reports upon the status of the business in meeting minimum standards expectations and regulatory requirements.
- In relation to outsourcing risk, the Company has established comprehensive policies and procedures to ensure that third parties, upon whom we rely for key business services on an outsourced basis including, but not limited to, delegated underwriting, claims processing, finance operations, and IT support are subject to thorough due diligence and continuous oversight. This responsibility is shared among Contract Management, Legal, IT, Internal Audit, and relevant business owners. Whilst the current framework effectively addresses outsourcing risk, the Company is actively working on enhancing these processes to strengthen oversight and optimise integration across all departments involved.
- In relation to cybersecurity risk, the Company has adequate cybersecurity measures in place to identify, protect and detect security threats, as well as a robust process for responding and recovering from successful cyber-

attacks. A series of detailed policies, procedures and standards are in place which collectively set out the Company's management and control of cybersecurity risk, coordinated and overseen by a dedicated IT Security team which serves as a central point of contact regarding all cyber security concerns. The Company's information security procedures and controls are aligned with and organised around the NIST Cybersecurity Framework. In relation to the management of cyber / information security exposure arising from third parties, the Company's due diligence process incorporates an initial risk assessment process where operational risks (including IT, data protection and BCP risks) are considered amongst other key risks, prior to the agreement of the contract. The risk assessment is repeated at the renewal or auto-renewal of the contract.

- The internal audit function is responsible for performing an independent review of the adequacy and effectiveness of the Company's internal controls. The audit function considers the operational risk self-assessment to develop its audit universe and annual risk-based audit plan. In executing the audit plan a feedback loop exists where the recommendations arising from review of the control environment are considered by management and the risk function and, as appropriate, reflected in the risk register. All findings are reported to the Audit Committee.

C.5.2 Assessment of Risk

As determined by the Standard Formula, operational risk comprises 9.5% (2023: 9.0%) 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 a major 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 potential impacts that various environmental, social, and governance (ESG) factors could have on the long-term viability and resilience of the Company, as well as the potential impacts that the Company could have on the environment and society. As a subset of sustainability risk, the Company is exposed to ESG risk, which is the risk of material financial impact, positive or negative, caused by environmental, social or governance factors.

A significant ESG 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 material prospective 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 material prospective 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. 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 diversity and inclusion or human rights. 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.

C.7 Other information

The Company does not have material exposure to any recent external events (e.g. California Wildfires, Ukraine War, Israel/Hamas conflict), 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 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.

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 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
Total assets	**5,333,097**	**(1,001,729)**	**(710,029)**	**3,621,339**

Amounts in USD’000				**31 Dec 2023**
	UK GAAP	**Re-classification**	**Valuation differences**	**Solvency II basis**
Deferred acquisition costs	216,283	—	(216,283)	—
Property, plant and equipment held for own use	4,610	—	9,352	13,962
Investments (other than assets held for index-linked and unit-linked contracts)	1,632,564	11,999	—	1,644,563
Reinsurance recoverables	1,662,329	(310,811)	(443,468)	908,050
Deposits to cedants	86,674	—	—	86,674
Insurance and intermediaries receivables	703,906	(643,565)	—	60,341
Reinsurance receivables	376,356	(56,690)	—	319,666
Receivables (trade, not insurance)	7,752	—	—	7,752
Cash and cash equivalents	68,044	—	—	68,044
Deferred tax assets	—	—	—	—
Any other assets, not elsewhere shown	17,824	(14,164)	—	3,660
Total assets	**4,776,342**	**(1,013,231)**	**(650,399)**	**3,112,712**

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 2024, financial investments comprised of $18.1m priced using Level 1 (active markets for identical assets) and $1900.6m were priced using Level 2 inputs, 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 unincepted 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 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[1]	(26,348)	4,018	(22,330)	(10,551)	(32,881)
Total	**1,887,540**	**63,924**	**1,951,464**	**(1,147,596)**	**803,868**

[1] The negative Gross best estimate and reinsurance recoveries 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 2023
	Gross best estimate	**Risk margin**	**Gross total**	**Reinsurance**	**Net total**
Fire and other damage to property insurance	384,959	13,466	398,425	(151,233)	247,192
General liability insurance	667,586	24,623	692,209	(381,263)	310,946
Marine, aviation and transport insurance	177,610	8,158	185,768	(134,185)	51,583
Non-prop. marine, aviation and transport reinsurance	13,278	157	13,435	(8,141)	5,294
Non-proportional casualty reinsurance	324,623	16,705	341,328	(152,802)	188,526
Non-proportional property reinsurance	64,991	1,169	66,160	(52,741)	13,419
Other	(18,711)	2,777	(15,934)	(27,685)	(43,619)
Total	**1,614,336**	**67,055**	**1,681,391**	**(908,050)**	**773,341**

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 paid and reported loss data, segmented into homogeneous risk groups. The main projection methods used include the loss development, Bornhuetter-Fergusson (which is a Bayesian estimation approach) and the Initial Expected Loss method. The selected ultimate loss may be based on one particular method, or a weighting between several methods and professional judgment. For some recent catastrophe events and specified large losses, incurred but not reported ("IBNR") will 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% from year end 2023, previously 6%) 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 have revised our approach to calculating the risk margin. Instead of separating the calculations into motor and non-motor categories, we now compute the risk margin based on the total lines of business.

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, US Dollars is used; instances where this is the case are deemed to be immaterial. ENID loadings are derived using the Company's Economic Capital Model ("ECM") 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 unincepted premium at 31 December 2024 was derived using January 2025 plan premium.

Process development

- The reserving class structure used in the Solvency II technical provisions calculation has been aligned to the UK GAAP reserving classes.
- The calculation using the business plan to parameterise key assumptions and produce future planned inceptions for legally obliged business has been migrated to Microsoft SQL server from Microsoft Access. All aspects of the technical provision model now sit in Microsoft SQL.

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 2024, with growth in recent periods coming from Casualty, Property, and Energy. Growth and the addition of new classes of business generally add uncertainty and risk. These risks are mitigated by significant purchases of reinsurance, the extensive industry expertise of the underwriting teams for these new classes and growth areas, and regular performance monitoring via quarterly best estimate reserve analyses.
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. Early indications show the 2020 and post-accident year loss ratios are trending below historical experience, which provides some comfort around the robustness of the plan loss ratios on more recent years.
3. *Claim inflation:* Headline CPI inflation in the period between mid-2021 and mid-2024 was significantly higher than the long-run average prior to 2019. However, it should be noted that drivers of insurance claims costs vary by class and include other factors such as social inflation, wage inflation, medical/legal costs (all of which can be correlated with headline CPI to a greater or lesser degree). In response to this elevated inflation, we built an inflation reserve model to estimate the potential impact on the reserves and IELRs. 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 contemplated in the Company's reserves. There is much uncertainty around these forecasts of future calendar year inflation.

4. *Professional Lines:* The book contains a significant amount of professional liability business, where ultimate results can be sensitive to adverse trends, such as a worsening legal climate regarding security class actions and litigation impacting financial institutions. The Professional Lines book can be exposed to specific and systemic risks such as cladding and opioids. The Claims team analyses cladding exposure on a quarterly basis and shares the results of this analysis with the reserving team. The Claims team has assessed the Company's exposure to opioids is 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 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. *Covid-19:* There is uncertainty over the longer-term impact of Covid-19 related to court shutdowns/slowdowns which may impact claim settlement patterns, so we have been relatively cautious about reflecting favourable signals on long-tailed lines within the booked reserves. Generally favourable claims experience on 2020 and 2021 related to lower economic activity during those years also increases uncertainty when selecting assumptions based on the Company's history. The Company also has some exposure to US Covid litigation (concerning policy wording triggers and exclusions) that is being monitored; US court rulings to date have generally been in favour of insurers.
7. *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.
8. *Legally obliged business:* The business plan writing pattern is used to estimate unincepted legally obliged business, but it is possible that actual legally obliged business is materially different to the plan estimate.
9. *Assumptions on unearned and legally obliged business:* The expected performance of unexpired bound exposure is reliant 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.
10. *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.
11. *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 with the SII

TP. Material changes in interest rates and market expectations could cause material movements in the discount component in future valuations.

12. *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.
13. *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 TPs process. This classification is highly dependent on the quality of UPR information by class of business, underwriting year, currencies, LOD/non LOD (for ceded). Although the total SII TPs 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 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[1]	219,015	(245,363)	4,018	(22,330)
Total	**3,083,953**	**(1,196,413)**	**63,924**	**1,951,464**

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	134,070	(170,969)	4,018	(32,881)
Total	**1,308,239**	**(568,295)**	**63,924**	**803,868**

[1] The negative Gross best estimate and reinsurance recoveries 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 2023**
Gross	**UK GAAP (net of DAC)**	**Solvency II differences**	**Risk margin**	**Solvency II basis**
Fire and other damage to property insurance	593,016	(208,057)	13,466	398,425
General liability insurance	1,023,019	(355,433)	24,623	692,209
Marine, aviation and transport insurance	367,765	(190,155)	8,158	185,768
Non-prop. marine, aviation and transport reinsurance	19,986	(6,708)	157	13,435
Non-proportional casualty reinsurance	452,912	(128,289)	16,705	341,328
Non-proportional property reinsurance	106,290	(41,299)	1,169	66,160
Other	197,076	(215,787)	2,777	(15,934)
Total	**2,760,064**	**(1,145,728)**	**67,055**	**1,681,391**

Amounts in USD'000				**31 Dec 2023**
Net	**UK GAAP (net of DAC)**	**Solvency II differences**	**Risk margin**	**Solvency II basis**
Fire and other damage to property insurance	236,263	(2,537)	13,466	247,192
General liability insurance	412,303	(125,980)	24,623	310,946
Marine, aviation and transport insurance	158,602	(115,177)	8,158	51,583
Non-prop. marine, aviation and transport reinsurance	11,113	(5,976)	157	5,294
Non-proportional casualty reinsurance	248,240	(76,419)	16,705	188,526
Non-proportional property reinsurance	36,684	(24,434)	1,169	13,419
Other	98,828	(145,224)	2,777	(43,619)
Total	**1,202,033**	**(495,747)**	**67,055**	**773,341**

Net Solvency II technical provisions at 31 December 2024 are 61.4% (2023: 64.3%) 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 2024 technical provisions, from GAAP basis to Solvency II basis, are the profit from Unearned Premium Reserve, profit from unincepted business, incepted future premiums (net of acquisition costs) and discounting benefit, which reduce the GAAP technical provisions by (26.7)%, (1.2)%, (13.3)% and (8.3)% respectively. This is partially offset by items driving an increase in the 31 December 2024 technical provisions, including expenses, ENIDs and risk margin, which increase the GAAP technical provisions by 6.6%, 1.1% and 4.9%, 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, 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 Unincepted*. This adjustment reflects the expected profit on unincepted / 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 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 97% 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.

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 unincepted 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 will vary for the type of reinsurance contract (quota share, excess of loss, and stop loss) and will include consideration of net / gross ratios and reinsurance loss ratios, as well as more mechanical approaches (e.g. for quota share).

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

A description of the Company's intragroup outward reinsurance programs is included in Section B of this report. The Company's third-party 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 contacts on an individual policy basis
- Various excess of loss reinsurance programs for a number of insurance and reinsurance classes

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

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

At the end of 2024, we revised our approach to calculating the risk margin. Instead of separating the calculations into motor and non-motor categories, we now compute the risk margin based on the total lines of business.

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 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
Total liabilities	**4,500,256**	**(1,001,729)**	**(766,435)**	**2,732,092**

Amounts in USD'000	UK GAAP	Re-classification	Valuation differences	31 Dec 2023 Solvency II basis
Technical provisions	2,976,347	(661,062)	(633,894)	1,681,391
Deferred tax liabilities	1,208	—	19,932	21,140
Insurance and intermediaries payables	25,165	—	—	25,165
Reinsurance payables	856,646	(352,169)	—	504,477
Payables (trade, not insurance)	47,894	—	9,831	57,725
Derivative liabilities	—	—	—	—
Any other liabilities, not elsewhere shown	116,337	—	(106,464)	9,873
Total liabilities	**4,023,597**	**(1,013,231)**	**(710,595)**	**2,299,771**

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 represents 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 $212.5m (2023: $176.2m) 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 $5.7m in favour of certain ceding companies to meet collateral obligations for $5.4m in letters of credit outstanding.

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 2024 the amount due from the reinsurer in this category is $2.1m (2023: $2.2m), 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 2024	31 Dec 2023	Movement
Tier 1	889,249	812,940	76,309
Tier 2	—	—	—
Tier 3	—	—	—
Total own funds	**889,249**	**812,940**	**76,309**

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 (2023: $346.3m and $311.9m) and a reconciliation reserve of $231.0m (2023: $154.7m). 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 2024, 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 2024**	**31 Dec 2023**	**Movement**
Net assets under UK GAAP	832,841	752,745	80,096
Valuation differences on technical provisions under Solvency II	68,793	80,607	(11,814)
Valuation differences on lease assets	1,667	(479)	2,146
Valuation difference on deferred tax asset	(14,054)	(19,932)	5,878
Excess of assets over liabilities under Solvency II	**889,247**	**812,941**	**76,306**

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
- General Business Risk margins: revaluations under the cost of capital (4% effective 31 December 2023, previously 6%) approach for the impact of the uncertainty associated with the probability-weighted cash flows or the compensation the Company needs in order to bear the risk of holding additional funds to meet cash flows.

The deferred tax asset 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 2024 (2023 nil). This deferred tax asset can be recognised in full against the forecast future profits of the Company and all timing differences are expected to reverse within a one-year time horizon. The business undertakes a formal business planning process each year with approval from the Board and the latest approved plan shows strong future profits for the company. As a result of the robust governance around the planning process, the outputs are appropriate for deferred tax recognition purposes.

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 2024	31 Dec 2023	Movement
Non-life underwriting risk	265,032	254,572	10,460
Health underwriting risk	21,663	15,105	6,558
Market risk	204,409	167,778	36,631
Counterparty default risk	46,665	54,260	(7,595)
Operational risk	56,626	48,430	8,196
Total diversification benefit	(135,754)	(120,870)	(14,884)
Loss absorbing capacity of deferred taxes	—	—	—
Solvency Capital Requirement	**458,641**	**419,275**	**39,366**
Minimum Capital Requirement	**147,367**	**143,613**	**3,754**

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 2024 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 9.0% while the MCR has seen a similar increase of 3.0% during the reporting period. These increased capital requirements are predominately driven by the Market risk module as result of an increase in the mark to market value of the investment portfolio followed by an increase in underwriting risk modules driven by an increase in business volumes and technical reserves.

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

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 2024

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 2025.

Signed by:
J Thaker
6B1C00B394AC48E...

J K Thaker

Director and Chief Executive Officer

9 April 2025

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 2024.

- 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 2024 ('**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 2024 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;
- 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 Prudential Regulation Authority ('PRA') and the Financial Conduct Authority.

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 Financial Conduct Authority 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 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 financial statements;
- 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. 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.

Forvis Mazars LLP
Forvis Mazars LLP (Apr 9, 2025 16:40 GMT+1)

Forvis Mazars LLP
Chartered Accountants
30 Old Bailey
EC4M 7AU
9 April 2025

Appendix 1 – Quantitative reporting templates

The templates are provided as an appendix to this document. The Company is required to disclose the following templates as set out in the Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards, currently retained as UK regulation, with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

Template code	**Template name**
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

Solvency and Financial Condition Report

Disclosures

31 December

2024

(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 2024
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

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IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life insurance and reinsurance 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
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	6,634
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,918,728
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	1,918,644
R0140	*Government Bonds*	287,461
R0150	*Corporate Bonds*	918,454
R0160	*Structured notes*	0
R0170	*Collateralised securities*	712,729
R0180	*Collective Investments Undertakings*	72
R0190	*Derivatives*	13
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	1,147,596
R0280	*Non-life and health similar to non-life*	1,147,596
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	150,259
R0360	Insurance and intermediaries receivables	14,903
R0370	Reinsurance receivables	262,135
R0380	Receivables (trade, not insurance)	8,835
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	110,987
R0420	Any other assets, not elsewhere shown	1,262
R0500	**Total assets**	3,621,340

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	1,951,464
R0510	*Technical provisions - non-life*	1,951,464
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	1,887,540
R0544	*Best estimate - non-life*	1,887,540
R0546	*Best estimate - life*	0
R0552	Risk margin - total	63,923
R0554	*Risk margin - non-life*	63,923
R0556	*Risk margin - life*	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	14,744
R0790	Derivatives	7,210
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	52,673
R0830	Reinsurance payables	636,401
R0840	Payables (trade, not insurance)	58,970
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	0
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	10,630
R0900	**Total liabilities**	2,732,091
R1000	**Excess of assets over liabilities**	889,249

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			US	CA	AU	BR	MX	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	599,594	179,846	6,272	7,284	0	0	792,996
R0120	Gross - Proportional reinsurance accepted	54,851	118,267	133,390	115,206	57,297	31,095	510,106
R0130	Gross - Non-proportional reinsurance accepted	3,566	10,080	22,012	6,698	4,205	797	47,358
R0140	Reinsurers' share	437,599	237,045	104,467	68,943	40,135	23,532	911,720
R0200	Net	220,412	71,147	57,208	60,245	21,367	8,360	438,740
	Premiums earned							
R0210	Gross - Direct Business	547,644	183,604	6,909	6,736	0	0	744,894
R0220	Gross - Proportional reinsurance accepted	72,367	115,928	124,832	94,325	52,668	24,765	484,886
R0230	Gross - Non-proportional reinsurance accepted	41,695	9,835	18,888	7,494	4,084	852	82,848
R0240	Reinsurers' share	445,600	237,899	102,837	67,060	39,828	21,289	914,512
R0300	Net	216,107	71,469	47,793	41,496	16,924	4,328	398,117
	Claims incurred							
R0310	Gross - Direct Business	352,172	51,386	438	1,583	0	0	405,579
R0320	Gross - Proportional reinsurance accepted	54,448	51,222	88,460	46,660	14,930	21,449	277,170
R0330	Gross - Non-proportional reinsurance accepted	10,769	3,212	7,874	2,098	2,200	337	26,490
R0340	Reinsurers' share	274,033	77,022	63,090	31,103	9,665	16,379	471,292
R0400	Net	143,356	28,798	33,683	19,239	7,465	5,407	237,947
R0550	**Net expenses incurred**	59,638	21,827	22,291	18,942	4,546	1,233	128,477

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations									
				Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance - personal lines	Motor vehicle liability insurance - non-personal lines	Motor vehicle other motor insurance - personal lines	Motor vehicle other motor insurance - non-personal lines	Marine, aviation and transport insurance	Fire and other damage to property insurance - personal lines	Fire and other damage to property insurance - non-personal lines
		C0010	C0015	C0110	C0120	C0130	C0140	C0141	C0150	C0151	C0160	C0170	C0180
	Income												
	Premiums written												
R0110	Gross written premiums		1,643,357	6,147	103,228	0	0	0			265,241	0	548,404
R0111	Gross written premiums - insurance (direct)		803,901	887	23,727	0	0	0			110,284	0	258,056
R0113	Gross written premiums - accepted reinsurance		839,456	5,260	79,501	0	0	0			154,957	0	290,348
R0160	Net written premiums		531,325	4,787	63,655	0	0	0			91,985	0	155,922
	Premiums earned and provision for unearned												
R0210	Gross earned premiums		1,587,322	2,411	73,604	0	0	0			240,710	0	544,021
R0220	Net earned premiums		475,442	1,146	35,000	0	0	0			71,762	0	152,311
	Expenditure												
	Claims incurred												
R0610	Gross (undiscounted) claims incurred		837,667	984	30,049	3	0	0			177,571	0	254,794
R0611	Gross (undiscounted) direct business		415,569	583	3,701	0	0	0			66,099	0	110,801
R0612	Gross (undiscounted) reinsurance accepted		422,098	335	26,651	0	0	0			102,053	0	121,523
R0690	Net (undiscounted) claims incurred		275,768	475	14,514	-2	0	0			59,320	0	82,470
R0730	Net (discounted) claims incurred	275,768	275,768										
	Analysis of expenses incurred												
R0910	Technical expenses incurred net of reinsurance ceded	152,068											
R0985	Acquisition costs, commissions, claims management costs	50,558	50,558	277	13,573	0	0	0			5,343	0	7,287
	Other expenditure												
R1140	Other expenses	9,656											
R1310	**Total expenditure**	461,342											

IR.05.04.02

Non-life income and expenditure : reporting period

		Non-life insurance and accepted proportional reinsurance obligations								Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts
		General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property		
		Employers Liability	Public & products Liability	Professional Indemnity	Other general liability										
		C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0310	C0320	C0330	C0340	C0525	C0545
	Income														
	Premiums written														
R0110	Gross written premiums	0	251,280	273,812	54,038	60,232				8,700	43,808	15,966	12,501		
R0111	Gross written premiums - insurance (direct)	0	103,898	245,838	32,189	29,021									
R0113	Gross written premiums - accepted reinsurance	0	147,382	27,974	21,849	31,210				8,700	43,808	15,966	12,501		
R0160	Net written premiums	0	94,018	85,531	16,614	15,754				5,647	-10,201	4,525	3,087		
	Premiums earned and provision for unearned														
R0210	Gross earned premiums	0	214,823	288,575	42,609	62,469				5,649	85,885	15,291	11,277		
R0220	Net earned premiums	0	63,007	87,976	10,402	12,231				2,688	33,217	3,570	2,132		
	Expenditure														
	Claims incurred														
R0610	Gross (undiscounted) claims incurred	0	130,472	174,435	56,937	553				2,210	13,932	3,602	-7,875		
R0611	Gross (undiscounted) direct business	0	60,298	161,502	11,503	1,084									
R0612	Gross (undiscounted) reinsurance accepted	0	79,154	21,287	16,377	8,717				1,668	30,871	4,124	9,339		
R0690	Net (undiscounted) claims incurred	0	43,104	51,389	28,005	13,598				768	-9,556	-2,252	-6,064		
R0730	Net (discounted) claims incurred														
	Analysis of expenses incurred														
R0910	Technical expenses incurred net of reinsurance ceded														
R0985	Acquisition costs, commissions, claims management costs	0	14,925	5,907	1,696	724				812	843	-238	-590		
	Other expenditure														
R1140	Other expenses														
R1310	**Total expenditure**														

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		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	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
	Best estimate																	
	Premium provisions																	
R0060	Gross	112	-3,925	-7	0		-22,863	-11,744	23,701	-16,416				139	2,524	-2,882	4,967	-26,394
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	283	-1,292	14	0		-65	-58,902	-15,482	8,269				150	-212	-371	8,058	-59,550
R0150	**Net Best Estimate of Premium Provisions**	-171	-2,632	-21	0		-22,797	47,158	39,184	-24,685				-12	2,736	-2,511	-3,091	33,156
	Claims provisions																	
R0160	Gross	-396	14,080	251	0		245,643	476,635	841,637	-20,927				742	301,308	18,241	36,720	1,913,934
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	526	14,621	111	0		196,100	259,723	547,041	-14,132				2,002	161,383	15,049	24,723	1,207,146
R0250	**Net Best Estimate of Claims Provisions**	-922	-541	140	0		49,543	216,912	294,596	-6,795				-1,260	139,926	3,192	11,997	706,788
R0260	**Total best estimate - gross**	-284	10,155	244	0		222,780	464,892	865,339	-37,343				880	303,832	15,359	41,686	1,887,540
R0270	**Total best estimate - net**	-1,093	-3,174	119	0		26,746	264,071	333,780	-31,480				-1,272	142,661	681	8,906	739,944
R0280	**Risk margin**	108	2,641	5	0		8,974	12,873	26,028	1,088				177	11,233	91	707	63,923
R0320	**Technical provisions - total**	-176	12,796	249	0		231,754	477,764	891,366	-36,255				1,057	315,065	15,449	42,394	1,951,464
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	809	13,329	124	0		196,035	200,821	531,559	-5,863				2,153	161,171	14,678	32,781	1,147,596
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	-985	-533	124	0		35,719	276,943	359,807	-30,392				-1,096	153,894	771	9,613	803,867

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
R0100	Prior											1,010	1,010	1,010
R0160	-9	7,038	30,557	43,712	14,525	6,997	1,205	9,929	5,905	5,950	243		243	126,061
R0170	-8	26,640	42,357	31,232	12,306	10,075	14,474	12,335	4,384	11,188			11,188	164,990
R0180	-7	20,143	51,867	32,884	22,798	12,457	8,773	6,434	16,562				16,562	171,918
R0190	-6	7,187	30,820	34,746	17,260	23,774	30,046	19,239					19,239	163,072
R0200	-5	6,765	56,774	63,549	41,566	16,670	16,223						16,223	201,547
R0210	-4	28,015	72,816	42,888	38,080	27,767							27,767	209,565
R0220	-3	38,883	154,461	99,667	70,037								70,037	363,047
R0230	-2	49,289	178,093	86,820									86,820	314,202
R0240	-1	36,393	113,302										113,302	149,696
R0250	0	59,904											59,904	59,904
R0260												Total	422,295	1,925,012

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year 0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
R0100	Prior											22,726	13,296
R0160	-9	0	0	0	0	0	0	0	0	0	2,805		2,279
R0170	-8	0	0	0	0	0	0	0	0	17,385			15,836
R0180	-7	0	0	0	0	0	0	0	40,231				36,338
R0190	-6	0	0	0	0	0	0	30,314					27,004
R0200	-5	0	0	0	0	0	46,774						41,547
R0210	-4	0	0	0	0	103,008							93,455
R0220	-3	0	0	0	212,792								194,233
R0230	-2	0	0	344,514									311,997
R0240	-1	0	482,775										433,804
R0250	0	771,581											695,435
R0260												Total	1,865,224

IR.19.01.21.22
Gross premium

		C0570	C0580
		Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0160	N-9	153,766	0
R0170	N-8	220,212	0
R0180	N-7	220,336	0
R0190	N-6	247,924	0
R0200	N-5	295,516	0
R0210	N-4	502,083	0
R0220	N-3	864,120	0
R0230	N-2	1,093,445	0
R0240	N-1	1,295,072	0
R0250	N	1,368,362	0

IR.23.01.01

Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	346,320	346,320		0	
R0030	Share premium account related to ordinary share capital	311,920	311,920		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	231,009	231,009			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds after deductions**	889,249	889,249	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	889,249	889,249	0	0	0
R0510	Total available own funds to meet the MCR	889,249	889,249	0	0	
R0540	Total eligible own funds to meet the SCR	889,249	889,249	0	0	0
R0550	Total eligible own funds to meet the MCR	889,249	889,249	0	0	
R0580	**SCR**	458,641				
R0600	**MCR**	147,367				
R0620	**Ratio of Eligible own funds to SCR**	193.89%				
R0640	**Ratio of Eligible own funds to MCR**	603.42%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	889,249
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	658,240
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	231,009

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	113,342
R0080	Equity risk	0
R0090	Property risk	1,659
R0100	Spread risk	121,142
R0110	Concentration risk	37,453
R0120	Currency risk	68,007
R0125	Other market risk	
R0130	Diversification within market risk	-137,194
R0140	**Total Market risk**	204,409
	Counterparty default risk	
R0150	Type 1 exposures	20,283
R0160	Type 2 exposures	29,482
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-3,101
R0180	**Total Counterparty default risk**	46,665
	Life underwriting risk	
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	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	0
R0290	Health non SLT risk	21,663
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	0
R0320	**Total Health underwriting risk**	21,663
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	264,392
R0340	Non-life catastrophe risk	0
R0350	Lapse risk	18,416
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-17,775
R0370	**Non-life underwriting risk**	265,032
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	56,626
R0424	Other risks	
R0430	**Total Operational and other risks**	56,626
R0432	**Total before all diversification**	752,464
R0434	Total before diversification between risk modules	594,394
R0436	Diversification between risk modules	-135,754
R0438	**Total after diversification**	458,641
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	458,641
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	458,641
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

		C0010
R0010	MCR_{NL} Result	147,367

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	2,290
R0030	Income protection insurance and proportional reinsurance	0	54,498
R0040	Workers' compensation insurance and proportional reinsurance	119	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	26,746	82,136
R0080	Fire and other damage to property insurance and proportional reinsurance	264,071	168,100
R0090	General liability insurance and proportional reinsurance	333,780	179,064
R0100	Credit and suretyship insurance and proportional reinsurance	0	15,128
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	0
R0140	Non-proportional health reinsurance	0	3,692
R0150	Non-proportional casualty reinsurance	142,661	8,767
R0160	Non-proportional marine, aviation and transport reinsurance	681	4,296
R0170	Non-proportional property reinsurance	8,906	2,531

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCR_L Result	0

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

		C0070
R0300	Linear MCR	147,367
R0310	SCR	458,641
R0320	MCR cap	206,388
R0330	MCR floor	114,660
R0340	Combined MCR	147,367
R0350	Absolute floor of the MCR	4,383
R0400	**Minimum Capital Requirement**	147,367