



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 816 815 622
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: W.R. BERKLEY INSURANCE NORDIC
Forretningsadresse: Rådhusgata 17
0158 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Barbara Hirzel
Dato for fastsettelse av årsregnskapet: 01.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.12.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
TEKNISK REGNSKAP FOR SKADEFORSIKRING			
Opptjente bruttopremier	2.3.3.2	272 148 440	275 855 111
Gjenforsikringsandel av opptjente bruttopremier		262 600 614	256 106 636
Sum premieinntekter for egen regning		9 547 826	19 748 475
Andre forsikringsrelaterte inntekter		9 556 513	1 666 197
Erstatningskostnader			
Brutto erstatningskostnader		159 276 342	195 612 700
Gjenforsikringsandel av brutto erstatningskostnader		146 759 661	181 328 716
Sum erstatningskostnader for egen regning		12 516 681	14 283 984
Forsikringsrelaterte driftskostnader			
Salgskostnader		42 049 596	41 017 100
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for mottatt gjenforsikring		59 087 818	61 615 911
Mottatte provisjoner for avgitt gjenforsikring og gevinstandeler	2.3.3.4	75 031 406	75 245 140
Sum forsikringsrelaterte driftskostnader		26 106 008	27 387 871
Andre forsikringsrelaterte driftskostnader			
Resultat av teknisk regnskap		-19 518 350	-20 257 183
IKKE-TEKNISK REGNSKAP			
Netto Inntekter fra investeringer			
Inntekter fra investeringer i datterforetak, tilknyttede foretak og felleskontrollerte foretak		10 589 635	23 057 716
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		2 477 165	4 884 208
Sum netto inntekter fra investeringer		8 112 470	18 173 508
Andre inntekter og kostnader			
Andre inntekter			2 134 501
Andre kostnader		5 917 065	861 552



Resultatregnskap

Beløp i: USD	Note	2020	2019
Resultat av ikke-teknisk regnskap		2 195 405	19 446 457
Resultat før skattekostnad		-17 322 945	-810 726
Skattekostnad		1 317 375	365 524
Resultat før andre inntekter og kostnader		-18 640 320	-1 176 250
Totalresultat		-18 640 320	-1 176 250



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Investeringer			
Bygninger og andre faste eiendommer		0	0
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		0	0
Rentebærende verdipapirer		361 832 422	474 621 474
Utlån og fordringer		21 437 528	21 437 528
Finansielle eiendeler som måles til amortisert kost		383 269 950	496 059 002
Andre finansielle eiendeler			
Finansielle eiendeler som måles til virkelig verdi		0	0
Sum investeringer		383 269 950	496 059 002
Gjenforsikringsandel av brutto forsikringsforpliktelser			
Gjenforsikringsandel av ikke opptjent bruttopremie			
Sum gjenforsikringsandel av brutto forsikringsforpliktelser		0	0
Fordringer			
Forsikringstakere		103 835 332	95 091 616
Fordringer i forbindelse med direkte forretninger		103 835 332	95 091 616
Fordringer i forbindelse med gjenforsikring		45 542 716	70 773 935
Andre fordringer		9 187 554	16 236 263
Sum fordringer		158 565 602	182 101 814
Andre eiendeler			
Anlegg og utstyr	2.3.4.2	561 028	602 658
Kasse, bank		54 649 339	64 183 810
Sum andre eiendeler		55 210 367	64 786 468
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		2 850 392	4 768 203
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		2 850 392	4 768 203
SUM EIENDELER		599 896 311	747 715 487



Balanse

Beløp i: USD	Note	2020	2019
EGENKAPITAL OG FORPLIKTELSER			
Innskutt egenkapital			
Aksjekapital/eierandelskapital/garantifond		275 082 409	293 260 946
Selskapskapital		275 082 409	293 260 946
Sum innskutt egenkapital		275 082 409	293 260 946
Opptjent egenkapital			
Fond m.v.			
Sum opptjent egenkapital		0	0
Sum egenkapital		275 082 409	293 260 946
Sum ansvarlig lånekapital m.v.		0	0
Brutto forsikringsforpliktelser			
Avsetning for ikke opptjent bruttopremie		7 584 078	4 742 983
Brutto erstatningsavsetning		109 722 762	118 458 971
Sum brutto forsikringsforpliktelser		117 306 840	123 201 954
Avsetninger for forpliktelser			
Forpliktelser ved skatt			
Sum avsetninger for forpliktelser		0	0
Forpliktelser i forbindelse med direkte forsikring		17 695 184	14 523 216
Forpliktelser i forbindelse med gjenforsikring		145 874 797	154 901 982
Andre forpliktelser		29 243 039	147 738 597
Sum forpliktelser		192 813 020	317 163 795
Påløpte kostnader og mottatte ikke opptjente inntekter			
Andre påløpte kostnader og mottatte ikke opptjente inntekter		14 694 042	14 088 790
Sum påløpte kostnader og mottatte ikke opptjente inntekter		14 694 042	14 088 790
SUM EGENKAPITAL OG FORPLIKTELSER		599 896 311	747 715 485



ANNUAL REPORT

W. R. Berkley Europe AG

For the year ended 31 December 2020

W. R. Berkley Europe AG – Annual Report 2020



Definitions

Meaning

- 31 December 2020
- Period from 1 January to 31 December 2020
- Period from 1 January to 31 December 2019
- W. R. Berkley Europe AG
- W. R. Berkley Insurance (Europe), SE
(merged with WRBEAG on January 1st, 2019)
- W. R. Berkley Corporation
- Actuarial Function Report
- Financial Market Supervisory Authority Liechtenstein
- Berkley Re UK Limited
- Berkley Offshore Underwriting Managers UK, Limited
- The Company's branches in Norway and Sweden
- Berkley Insurance Company
- Berkley European Underwriters AS
- WRBC and its subsidiaries
- EU Freedom of Service Branches in the UK
- million
- thousands

Defined Term

- "the reporting date"
- "the reporting period"
- "the prior period"
- "The Company" or "WRBEAG"
- "WRBIE"

- "WRBC"
- "AFR"
- "FMA"
- "BRUK"
- "BOUM"
- "Nordic branches"
- "BIC"
- "BEU"
- "The Group"
- "EU UK Branch"
- "m"
- "k"



Table of Contents

Definitions.....	2
1 Management Report 2020.....	4
1.1 Annual Review 2020	4
1.2 Business Overview.....	5
1.3 Governing Bodies during the 2020 Reporting Period	6
1.4 Profit and Loss Account.....	6
1.5 Balance Sheet.....	7
1.6 Branch Offices / Subsidiary Companies	7
1.7 Personnel	7
1.8 Risk Management.....	7
1.9 Events following the Balance Sheet Date	8
1.10 Outlook for 2021.....	8
2 Financial Statements.....	10
2.1 Income Statement.....	10
2.2 Balance Sheet.....	12
2.3 Notes to the Financial Statements	14
2.3.1 General.....	14
2.3.2 Accounting and Valuation Standards	14
2.3.3 Income Statement.....	15
2.3.4 Balance Sheet	17
2.3.5 Other Annotations	19
3 Actuarial Report	21
4 Auditor's Report	22



1 Management Report 2020

1.1 Annual Review 2020

Recent months have been dominated by the COVID-19 pandemic. It has altered our existences inexorably in ways we could never have envisaged and continues to do so. All had to learn to work from home, and sales organizations had to reorganize. Thanks to robust business continuity plans put in place by the Company well before the health crisis, throughout the lockdown procedures and processes were followed, with applications and systems fully functional and staff taken care of by the Company's Human Resources functions as well as by its managers. The disruptive force of COVID-19 released new energies and approaches, such as new ways of digital collaboration and keeping in touch with customers online and over video. What also gained in importance this year was the topic of innovation. As part of an initiative rolled out by the Company's ultimate parent, questions such as how we can collaborate creatively in the "new normal" where improving access to customers and offering new services will be paramount.

Work has nevertheless continued on the many other issues. The Company's Continental European branch operations continued in their progress towards developing profitable business and achieving critical mass. Despite a difficult business environment due to COVID-19, there was a solid growth of new business, fuelled by Spanish and Nordic operations. In Continental Europe there were only a limited number of claims reported related to COVID-19, which were mainly attributed to the Spanish Medical Malpractice, General Liability and Accident classes. The net loss ratios of Spain and Nordics were slightly better than planned. The technical ratios of the live portfolios in all operations were tracking in line with plan, whereas the development of the run-off business, in particular the German Motor and the Spanish Med Mal Public run-off was monitored and controlled carefully. The Continental European branches also concluded further steps in the restructuring cycle; having been the first operation to finalize its repositioning, Spain has increased its momentum, the Nordics concluded their turnaround and Germany emerged from a massive reorganisation. With the replacement of the old German policy administration software through a more state of the art system, similar to the one that was introduced some years ago in the Company's Spanish Branch, the achievement of a major milestone in the remodelling of the German Branch could be celebrated. This launch was also an important step in the Company's quest to achieve a common underwriting and claims management platform for all Continental European operations. With Norway and Sweden planning to join this platform next, a more common mode of operating as well as the roll out of successful concepts and approaches from one market to another will be much easier and another step of broadening the base of Continental Europe's profitable growth strategy.

The shift in W. R. Berkley Europe AG's sourcing of business towards WRBC owned underwriting agencies Berkley Offshore Underwriting Managers UK, Limited ("BOUM") and Berkley Re UK Limited ("BRUK") continued to increase in the year under review. Whereas in 2019 Gross Written Premium ("GWP") from BOUM and BRUK reached 62% of the Company's total GWP, at the end of 2020 BOUM and BRUK's combined GWP reached 71% of the Company's total GWP.

Given the importance of BOUM and BRUK and their on-going ability to continue operating from the United Kingdom ("UK"), the Company and its underwriting partners have spent a good deal of time preparing for BREXIT. No doubt there'll be some challenges ahead, but the Group's UK based operations and are well placed to manage the ongoing needs of their customers as they navigate this period. As a result of BREXIT, the Company's existing EU / European Economic Area ("EEA") Freedom of Establishment ("FoE") Branch needed to be converted into a UK Third Country Branch. In June 2020, an application to transition the Company's UK FoE Branch into a UK Third Country Branch, was submitted to the UK Regulators. UK Regulators are in the process of reviewing the application and based on transitional provisions granted by the British authorities the UK Branch went live on 1/1/2021.



Over many years, insurance buyers have been benefitting from competitive rates, generous sub limits and enhanced cover, driven by an oversupply of capacity in the market. For a number of reasons, not least an increase in claims frequency and severity and unsustainable financial performance of some insurance carriers, the landscape changed in 2020 and, principally driven by the London insurance market, the insurance industry entered a hard market cycle. Both BOUM and BRUK benefited from the hardening rate environment.

BOUM surpassed its premium target and showed better underwriting results than planned thank to its client focus, cautious underwriting approach, rigorous risk selection and the ability to capitalize on rate increase opportunities in a hardening market, in particular as regards Energy Liability.

BRUK also exceeded plan as regards its top line, with all divisions reporting strong trading conditions. The market was appreciably harder than of recent times and most of BRUK's planning assumptions turned into reality.

With technical ratios of the live-portfolios tracking in-line with expectations, progress was made in growing the Company solidly to a size that will allow sufficient contribution margins to carry the necessary expense loads and hence become profitable. During 2020, in addition to difficulties related to producing new business in some areas of Continental Europe due to COVID-19, there were challenges with run-off portfolios and some prior year developments, which made the journey towards critical mass and profitability more cumbersome than anticipated.

The Company closed the financial year 2020 with a loss of USD 18.6m. The result is positively impacted by net investment income of USD 8.1m.

1.2 Business Overview

The Company sources business through our branches in Germany, Norway, Spain, and Sweden provides capacity to BOUM and BRUK.

WRBEAG's Continental European branches write a mixed portfolio of insurance classes with a focus on their domestic country market place. Each branch has a distinctive product mix and strategy as detailed below, which generates diverse portfolio at the consolidated level.

BOUM specialises in Energy Property (construction, control of well, drilling and operating contractors, on and offshore operating packages), Energy Liability (primary and excess general products and employer's liability, on and offshore) and Special Lines classes of Asset Protection (Fine Art and Specie) and Political Risk.

BRUK writes international property and casualty treaty reinsurance as well as facultative property reinsurance.

With the completion of the WRBEAG – WRBIE merger, the legacy liabilities of WRBIE became part of WRBEAG. Claims handling of the UK & Ireland legacy business remains in the UK under an outsourcing run-off services agreement with W. R. Berkley Syndicate Limited.



1.3 Governing Bodies during the 2020 Reporting Period

[Redacted]	
William R. Berkley - Chairman	Robert C. Hewitt
James Bronner	Ira S. Ledermann
Javier Esteban	Mark Talbot
Michael Grabher	
[Redacted]	
Hans-Peter Naef – General Manager	Barbara Hirzel – Deputy General Manager
Enzo Gianluca Piscopo – Head Spanish Branch	Carl-Johan Nilsson – Head Nordic Branches
José David Jiménez García – Head German Branch	Philip Townsend – Head UK Branch
[Redacted]	
Anne Chevalier – Responsible Actuary	Szabolcs Banhidi – Actuarial Function
Dagmar Varinska – Risk and Compliance	
[Redacted]	
KPMG (Liechtenstein) AG, Vaduz	
[Redacted]	
Julie Woodward, WRBC	

1.4 Profit and Loss Account

The gross written premiums, as disclosed in section "2.3.3.1 Technical Account" on page 15, are at USD 284.0m (2019: USD 275.9m) as at the reporting date. The Company shows gross earned premium of USD 272.1m (2019: USD 277.5m) and a net earned premium of USD 19.1m (2019: USD 21.4m) in the reporting period. Gross claims incurred are at USD 159.3m (2019: USD 195.6m) as at the reporting date. The gross loss ratio remained fairly stable at a net loss ratio of 65.5% (2019: 66.7%) as at the reporting date.

The Company is ceding 90% of the net retained premium and claims via a Fixed Quota Share reinsurance agreement with Berkley Insurance Company ("BIC") and has entered into a number of proportional third party reinsurance agreements, from which it is entitled to ceding commissions. Unlike gross commissions and administrative expenses that are expensed when occurred, the recognition of these reinsurance ceding commissions gets deferred in proportion to the business ceded. As the Company's book continues to grow, the Company experiences an adverse impact on its result due to this accounting treatment.

Net investment income was USD 8.1m for the reporting period (2019: USD 18.2m), which is below the prior year. This reduction in investment income is driven by the reduction in the investment portfolio of USD 100m due to the dividend payment to the shareholder in the first quarter of 2020.



1.5 Balance Sheet

The Company's capital was reduced by the dividend approved on December 19, 2019 resulting in a decrease of USD 100m. The dividend payment was completed on February 24, 2020, leading to a reduction of USD 100m in payables to shareholder and investments.

The investments held by WRBEAG are in highly rated government and corporate bonds, which have over the past 12 months performed positively throughout 2020. Further, WRBEAG has an investment in a loan of USD 21m.

1.6 Branch Offices / Subsidiary Companies

The Company has branches in Germany, Norway, Spain, and Sweden. The Company does not have any subsidiaries.

1.7 Personnel

As at reporting date the Company had 114 (full-time equivalent) employees, compared to 121 employees in the previous year.

1.8 Risk Management

The Company actively seeks to underwrite insurance risk, which it manages appropriately to produce a return to shareholders on capital employed. The Company does not actively seek risks with regard to the non-insurance risks (such as credit, market, currency, liquidity and operational risks) and therefore manages and controls these risks within an acceptable tolerance.

The Risk Management Framework is a consolidation of numerous activities, which work together to identify, assess, control and manage risks that have the potential (either individually or combined) to threaten the Company's ability to achieve its objectives and threaten the capital adequacy.

If any of the events or circumstances described as risks below occur, the Company's business results of operations and/or financial conditions could be adversely affected.

- **Risks related to the insurance industry** - cyclical changes in the insurance industry, natural and man-made catastrophes, significant competitive pressure on premium rates, claims losses exceed our reserves for claims, effects of emerging claim and coverage issues;
- **Risks related to the Company's business** - political, economic risks including foreign currency and credit risk, inability to attract key personnel, the Company might also experience difficulties with our information technology, the Company could be adversely affected if the controls and standards are not effective or our business continuity plans are not sufficiently robust; and
- **Risks related to the Company's investments** - market fluctuations of our assets invested in fixed maturity securities.

Management of the risks described above as well as uncertainties not currently known is a continuous and developing process, which is embedded in the Company's strategy and is part of the implementation of that strategy. The effective management of risk is a central principle of the Group, its culture and philosophy.



In 2020, the Company was adversely affected by the COVID-19 pandemic and it is expected that the impact will continue. However, we cannot predict the magnitude or duration of its continued impact. In response to the COVID-19 pandemic, the Company implemented remote working policies, which have resulted in disruption of our business routines, heightened risk of cyber security attacks and data security incidents, and greater dependency on internet and telecommunications access and capabilities.

In alignment with the Solvency II requirements, the Company filed with the FMA in January 2021 the Own Risk and Solvency Assessment report (ORSA) that summarizes WRBEAG risk and solvency assessment. In-depth discussions and reviews of the ORSA were performed with the Executive Management and the WRBEAG Board during 2020 and the Board approved the ORSA prior to filing. Throughout the year, quarterly risk reports give updates of the risk and solvency topics. The Company measures and quantifies material risks to which it is exposed. In order to monitor the Company's capital requirements, the Standard Formula Model is in use.

1.9 Events following the Balance Sheet Date

Since 1st January 2021, WRBEAG's branch in the United Kingdom writes UK and rest of the world business (excluding the EU/EEA), sourced from BOUM, BRUK and a Specialty Lines underwriting team. Risks located in the EU/EEA are transacted via BEU or by using a WRBEAG Liechtenstein stamp depending on certain factors.

1.10 Outlook for 2021

With COVID-19 influencing everything from the economy to customer expectations, it will dominate the outlook for 2021. Although 2021 is set to be a challenging year, there are plenty of opportunities too. Digital transformation is expected to accelerate and there should be strong efforts on rebuilding economic resilience with a focus on green infrastructure, technology and climate. A rebound in premium growth is considered likely, with continued rate hardening assisting with the recovery. With rate increases in commercial lines being the core to last year's resilience, the Company expects this positive rate momentum to continue through 2021 and beyond.

As regards the Continental European operations, from a rate increase perspective, the Company is more optimistic with regard to the Nordics and Spain relative to Germany. New business growth prospects for Casualty and Financial Lines will depend on how well economies rebound in various jurisdictions, as well as on the state of the insurance markets. Growth opportunities continue to be discerned in the area of Cyber insurance in particular for small and mid-sized commercial customers. Demand for Marine Hull and Marine Cargo insurance in Norway will be driven by the strength of its oil and resources sector.

The United Kingdom Branch, BEU and BOUM expect the greatly improved conditions to continue in 2021, with opportunities to expand, push meaningful rate increases and improve coverage terms. BRUK does not expect meaningful new reinsurance capacity to enter the market in the next 12 months and anticipate the current hardening market to both continue and accelerate.

In light of this optimistic note after months of pandemic induced challenges the Company would like to express our warmest gratitude to our entire staff for their great effort and their extraordinary dedication. However, none of this would have been possible without our loyal customers and our shareholders.



Page 9 of 22



W. R. Berkley Europe AG

Vaduz, April 2021

William R. Berkley
Chairman of the Board

Hans-Peter Naef
General Manager



2 Financial Statements

2.1 Income Statement

	Notes	2020 in USD	2019 in USD
I. Technical Account	2.3.3.1		
1. Net earned premium			
a. Gross written premium	2.3.3.2	284,007,638	275,855,111
b. Premiums ceded		(262,600,614)	(255,282,032)
c. Change in unearned premium		(11,859,198)	1,666,197
d. Change in unearned premium ceded		9,556,513	(824,604)
Total		19,104,339	21,414,672
2. Loss and loss adjustment expenses (net)			
a. Claims paid			
aa. Gross		(126,745,073)	(182,645,417)
bb. Ceded		99,925,882	142,466,795
Total		(26,819,191)	(40,178,622)
b. Change in reserve for loss and loss adjustment expenses (net)			
aa. Gross		(32,531,269)	(12,967,283)
bb. Ceded		46,833,779	38,861,921
Total		14,302,510	25,894,638
Total		(12,516,681)	(14,283,984)
3. Underwriting expenses			
a. Acquisition cost		(42,049,596)	(41,017,100)
b. Administrative expenses		(59,087,818)	(61,615,911)
c. Commissions received	2.3.3.4	75,031,406	75,245,140
Total		(26,106,008)	(27,387,870)
4. Technical result		(19,518,350)	(20,257,183)



	Notes	2020 in USD	2019 in USD
Technical result		(19,518,350)	(20,257,183)
II. Non-Technical Result			
1. Investment income			
a. Income from other investments		9,651,919	15,946,373
b. Income from reversal of impairments		913,166	7,111,343
c. Realised gains on investments		24,550	-
Total		10,589,635	23,057,716
2. Investment expense			
a. Investment management and interest expenses		(557,090)	(1,917,942)
b. Depreciation and impairments of investments		(656,360)	(1,996,894)
c. Realised losses on investments		(1,263,715)	(969,372)
Total		(2,477,165)	(4,884,208)
3. Other expenses		(5,917,065)	(861,552)
4. Result on ordinary activities		(17,322,945)	(2,945,227)
5. Taxes			
a. Income Taxes		(102,107)	2,134,501
b. Other Taxes		(1,215,268)	(365,524)
6. Loss for the year		(18,640,320)	(1,176,250)



2.2 Balance Sheet

Assets

	Notes	31 December 2020 in USD	31 December 2019 in USD
A. Investments			
I Other investments	2.3.4.1		
1. Bonds and fixed income securities		361,832,422	474,621,474
2. Other loans		21,437,528	21,437,528
Total		383,269,950	496,059,001
B. Other receivables			
I Receivables from direct insurance business			
1. Receivables from policyholders		103,835,332	95,091,616
Total		103,835,332	95,091,616
II Reinsurance business receivables			
1. from affiliated companies		35,142,626	34,823,933
2. from other parties		10,400,090	35,950,002
Total		45,542,716	70,773,935
III Other receivables			
1. Receivables from affiliated companies		5,679,894	16,158,672
2. Receivables from other parties		3,507,660	77,591
Total		9,187,554	16,236,263
Total		158,565,602	182,101,814
C. Other assets			
I Fixed assets	2.3.4.2	561,028	602,658
II Cash on hand and at bank		54,649,339	64,183,810
Total		55,210,367	64,786,467
D. Accrued items			
I Accrued interest and rent		2,394,459	3,936,872
II Other accrued items		455,933	831,331
Total		2,850,392	4,768,203
Total Assets		599,896,311	747,715,485



Liabilities and Equity

	Notes	31 December 2020 in USD	31 December 2019 in USD
A. Equity			
I Called up share capital	2.3.4.3	8,327,625	8,327,625
II Organisation Fund	2.3.4.4	4,198,125	4,198,125
III Capital reserves	2.3.4.5	325,981,851	325,520,068
V Loss carryforward		(44,784,872)	(43,608,622)
VI Net Loss for the year		(18,640,320)	(1,176,250)
Total		275,082,409	293,260,946
B. Technical Reserve			
I Unearned premium reserve			
1. Gross		108,173,499	92,933,799
2. Less amounts ceded		(100,589,421)	(88,190,816)
Total		7,584,078	4,742,983
II Reserves for loss and loss adjustment expenses			
1. Gross		610,745,415	553,872,474
2. Less amounts ceded		(501,022,653)	(435,413,503)
Total		109,722,762	118,458,971
Total		117,306,840	123,201,954
C. Other payables			
I Payables from direct insurance business			
1. From other parties		17,695,184	14,523,216
Total		17,695,184	14,523,216
II Payables on reinsurance business			
1. Payable to affiliated companies		121,306,939	117,100,708
2. Payable to other creditors		24,567,858	37,801,275
Total		145,874,797	154,901,982
III Other liabilities			
1. Liabilities arising from social security		230,555	254,932
2. Other payables to affiliated companies		21,698,622	14,160,988
3. Other liabilities against third parties		7,313,862	6,322,677
Total		29,243,039	147,738,597
Total		192,813,020	317,163,795
D. Other Provisions			
I Other Provision		11,963,658	10,975,610
Total		11,963,658	10,975,610
E. Accruals			
I Other accruals		2,730,384	3,113,180
Total		2,730,384	3,113,180
Total Liabilities and Equity		599,896,311	747,715,485



2.3 Notes to the Financial Statements

2.3.1 General

The accounts have been set up in accordance with the provisions of the Liechtenstein Persons and Company Act (PGR) and the Insurance Regulatory Act; "VersAG" and the related Decree (insurance regulatory Decree; "VersAV").

2.3.2 Accounting and Valuation Standards

The following principal accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Company's annual accounts.

2.3.2.1 Foreign currencies

The accounting currency of the Company is the United States Dollar (USD). The assets and liabilities of the branches in Germany, Norway and Sweden and Spain are translated using the current/non-current method, considering the lower of cost or market principle for non-current assets and liabilities. Equity is translated at historical rates and exchange differences are recognized in profit or loss.

2.3.2.2 Investments

Fixed income securities and loans are valued at the lower of amortised cost or market value.

2.3.2.3 Tangible fixed assets

Fixed assets are capitalised and are depreciated on a straight-line basis over the following periods:

Furniture and fittings	-	10 years
Computer equipment	-	3 to 5 years

2.3.2.4 Cash at bank

Cash at bank comprise cash balances and call deposits with maturities of nine months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Company in the management of its short-term commitments.

Cash at bank are carried at nominal value in the balance sheet.

2.3.2.5 Technical provisions

Reserves for loss and loss adjustment expenses are accrued when insured events occur and are based on the estimated ultimate cost of settling the claims, using claims adjuster reports and individual case estimates.

A provision is also included for claims incurred but not reported, which is developed on the basis of past experience adjusted for current trends and other factors that modify past experience.

The establishment of the appropriate level of reserves is an inherently uncertain process involving estimates and judgments made by management, and therefore there can be no assurance that ultimate claims and claim adjustment expenses will not exceed the loss reserves currently established. These estimates are regularly reviewed, and adjustments for differences between estimates and actual payments for claims and for changes in estimates are reflected in income in the period in which the estimates are changed or payments are made.



2.3.3 Income Statement

2.3.3.1 Technical Account

2020 USD	Motor Insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Other Direct	Casualty Reinsurance Proportional	Property Reinsurance Proportional	Total
Gross written premium	(30,075)	54,461,231	24,122,976	93,274,715	7,334,457	62,392,802	42,651,531	284,007,638
Gross earned premium	(668,463)	54,935,065	22,742,803	85,953,772	7,349,431	61,952,812	42,592,020	272,148,440
Claims Incurred	(4,648,050)	(24,884,931)	(10,372,194)	(40,143,666)	(3,355,625)	(67,886,213)	(8,685,662)	(159,276,342)
Expenses Incurred*	(1,468,513)	(13,742,933)	(12,825,873)	(32,980,419)	(4,022,433)	(17,447,077)	(18,651,067)	(101,137,415)
Total Gross	(6,785,026)	15,408,101	(255,265)	11,929,687	(37,627)	(23,780,478)	15,255,291	11,734,683
Ceded earned premium	742,416	(52,260,231)	(20,774,159)	(79,163,169)	(6,687,489)	(55,353,006)	(39,548,463)	(25,944,100)
Ceded claims recovered	4,123,238	24,399,058	8,702,885	35,651,494	3,211,187	62,914,616	7,754,182	146,759,661
Reinsurance commission earned	(68,764)	11,782,811	6,433,758	2,576,228	2,472,791	18,777,975	9,867,597	75,031,406
Reinsurer's share	4,796,890	(16,075,364)	(5,634,515)	(17,749,346)	(1,003,511)	26,339,585	(21,926,774)	(31,253,033)
Technical Result	(1,988,136)	(667,260)	(5,889,780)	(5,819,659)	(1,041,138)	2,559,107	(6,671,483)	(19,518,250)

2019 USD	Motor Insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Other Direct	Casualty Reinsurance Proportional	Property Reinsurance Proportional	Total
Gross written premium	27,545,779	47,725,625	24,942,375	73,554,238	5,499,036	57,544,832	39,043,226	275,855,111
Gross earned premium	32,413,029	47,954,540	25,598,756	69,623,820	6,009,288	58,778,752	37,143,123	277,521,309
Claims Incurred	(49,742,288)	(13,102,113)	(15,544,432)	(32,165,976)	(901,439)	(70,126,958)	(14,033,393)	(195,612,700)
Expenses Incurred*	(14,937,541)	(10,191,457)	(11,804,495)	(29,383,029)	(3,648,143)	(20,978,102)	(12,690,242)	(102,633,012)
Total Gross	(32,266,802)	24,660,970	(1,747,171)	8,075,725	2,459,706	(32,326,308)	10,419,488	(20,724,403)
Ceded earned premium	(28,553,054)	(46,358,988)	(23,554,486)	(64,589,369)	(5,283,602)	(53,393,758)	(34,373,377)	(256,106,656)
Ceded claims recovered	42,375,772	18,186,373	14,639,009	27,834,116	1,483,243	63,723,146	13,087,058	181,328,715
Reinsurance commission earned	7,934,450	13,383,520	8,586,813	18,975,034	1,566,081	15,524,921	9,273,322	75,245,140
Reinsurer's share	21,757,167	(14,789,095)	(328,665)	(17,780,220)	(1,234,279)	25,855,308	(12,012,996)	467,220
Technical Result	(10,509,634)	9,871,874	(2,075,836)	(9,704,505)	225,427	(6,471,000)	(1,593,508)	(20,257,183)

* net of other technical income



2.3.3.2 Premium written by region

The Company's branches in Germany, Norway, Spain and Sweden generated gross written premiums of USD 82.7m for the reporting period (2019: USD 104.5m).

In addition, WRBEAG entered into binding authority agreements with BOUM and BRUK respectively, generating additional gross written premiums of USD 201.1m for the reporting (2019: USD 171.1m). BRUK writes international property, casualty treaty reinsurance and facultative reinsurance. BOUM specialises in Energy Property (construction, control of well, drilling and operating contractors, on- and offshore operating packages) and Energy Liability (primary and excess general, products and employer's liability, on- and offshore) as well in Special Lines classes of Asset Protection (Fine Art and Specie) and Political Risk.

The remaining USD 0.2m in gross written premium are from the former WRBIEL branches, which are in run-off.

2.3.3.3 Related party transactions

The Company has a 90:10 fixed quota share reinsurance agreement with BIC. The impact of that agreement is as follows:

	Total USD 2020	of which internal QS	Total USD 2019	of which internal QS
Gross written premium	284,007,638	-	275,855,111	-
Gross earned premium	272,148,440	-	277,521,309	-
Claims Incurred	(159,276,342)	-	(195,612,700)	-
Expenses Incurred	(101,137,414)	-	(102,633,012)	-
Total Gross	11,734,684	-	(20,724,403)	-
Ceded earned premium	(253,044,101)	(178,364,249)	(256,106,636)	(181,858,370)
Ceded claims recovered	146,759,661	116,620,600	181,328,716	152,532,256
Reinsurance commission earned	75,031,406	62,419,848	75,245,140	61,343,113
Reinsurer's share	(31,253,034)	676,199	467,220	32,016,999
Technical Result	(19,518,350)	676,199	(20,257,183)	32,016,999

2.3.3.4 Commissions received

The Company has entered into a number of proportional reinsurance agreements and is entitled to commissions on the business ceded to reinsurers. The recognition of these commissions is deferred in proportion to the business ceded. The impact of the deferral is presented in the table below.

	31 December 2020 in USD	31 December 2019 in USD
Ceded commissions	80,188,070	76,628,922
Deferral of ceded commissions	<u>-5,156,664</u>	<u>-1,383,782</u>
Total	<u>75,031,406</u>	<u>75,245,140</u>



2.3.4 Balance Sheet

2.3.4.1 Other Investments

The Company has invested in a portfolio of fixed income securities. The amount of appreciation from initial cost to book value as at the reporting date is USD 3.1m (2019: USD 1.8m). The table provides an overview by category and the book and market values.

Investment Category	31 December 2020		31 December 2019	
	USD Book Value	USD Market Value	USD Book Value	USD Market Value
Government Securities	152,051,183	154,700,538	225,067,609	226,191,602
Corporate Bonds	209,781,239	214,260,755	216,756,601	218,186,508
Asset Backed Securities	-	-	29,210,231	29,378,474
Liquidity Funds	-	-	3,587,033	3,587,032
Other Loans	21,437,528	21,437,528	21,437,527	21,437,528
Total	383,269,950	390,398,821	496,059,001	498,781,144

The Company maintains a trust fund in favor of the National Association of Insurance Commissioners (NAIC). This trust fund is funded with USD 5.5m of the Company's corporate bonds pursuant to the regulatory requirements to retain the Company's International Insurers Department listing in the United States.

The reduction of the investments is due to the payment of a dividend of USD 100m in February 2020.



2.3.4.2 Fixed assets

The net value of assets and depreciation as at reporting date is as follows:

2020	Furniture & Fittings in USD	Computer Equipment in USD	Total in USD
at cost			
Opening balance	867,255	542,059	1,409,314
Additions	117,998	51,249	169,247
Disposals	-	-	-
Closing as per 31 Dec 2020	<u>985,253</u>	<u>593,308</u>	<u>1,578,561</u>
Depreciation			
Opening balance	(415,930)	(390,726)	(806,656)
Additions	(114,826)	(96,706)	(211,532)
Disposals	655	-	655
Closing as per 31 Dec 2020	<u>(530,101)</u>	<u>(487,432)</u>	<u>(1,017,533)</u>
Net book value as per 31 Dec 2020	<u>455,152</u>	<u>105,876</u>	<u>561,028</u>
<hr/>			
2019	Furniture & Fittings in USD	Computer Equipment in USD	Total in USD
at cost			
Opening balance	775,212	486,387	1,261,599
Additions	92,043	55,672	147,715
Disposals	-	-	-
Closing as per 31 Dec 2019	<u>867,255</u>	<u>542,059</u>	<u>1,409,314</u>
Depreciation			
Opening balance	(322,791)	(345,516)	(668,307)
Additions	(123,040)	(46,439)	(169,479)
Disposals	29,901	1,229	31,130
Closing as per 31 Dec 2019	<u>(415,930)</u>	<u>(390,726)</u>	<u>(806,656)</u>
Net book value as per 31 Dec 2019	<u>451,325</u>	<u>151,333</u>	<u>602,658</u>



2.3.4.3 Share capital

The share capital of EUR 7,500,000 (USD 8,327,625) consists of 5,000 shares with a nominal value of EUR 1,500 and is fully paid up.

2.3.4.4 Organization fund

According to the Liechtenstein Insurance Law, the Financial Market Authority can require an insurance company to setup a special fund within equity for organisational setup. The Organization fund has been set at EUR 3,750,000 (USD 4,198,125).

The organization fund and the share capital are translated at historical rates to USD.

2.3.4.5 Capital reserves

A reclassification of the Restricted Stock Units "RSU" Equity Reserve has increased the Capital Reserve by USD 461,783 to USD 325,981,851.

2.3.5 Other Annotations

2.3.5.1 Remuneration of the supervisory board members and executives

The total remuneration in 2020 of the supervisory board was USD 3.3k and USD 1,464k to the executives registered in the trade register Liechtenstein.

2.3.5.2 Remuneration of the auditors

The remuneration of the auditor, KPMG (Liechtenstein) AG, is USD 394,589 for the reporting period (2019: USD 434,424).

2.3.5.3 Employees

At reporting date the Company had 114 employees. The following table provides an overview of employees by category:

Full Time Equivalent	Employees	
	31.12.2020	31.12.2019
Underwriting	51	53
Claims	13	15
All other	50	53
Total	114	121

2.3.5.4 Leasing commitments

The total amount of leasing and other commitments at the end of the year was USD 6.2m for the reporting period (2019: USD 7.4m).



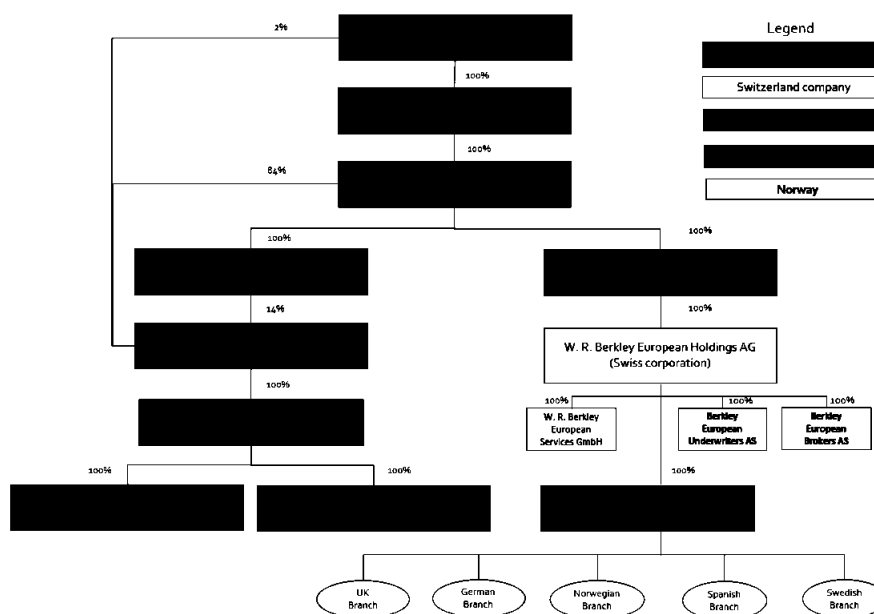
2.3.5.5 Events following the Balance Sheet Date

In order to facilitate BOUM and BRUK to write UK and international business after BREXIT, WRBEAG has set up a branch in the UK.

The UK Branch will be operational on 1 January 2021.

2.3.5.6 Group structure

The structure chart below explains the ownership and legal links between the Company, its ultimate parent undertaking WRBC and its related undertakings BOUM and BRUK:



WRBEAG is an indirectly wholly owned subsidiary of W. R. Berkley Corporation, Delaware, United States of America. As of 31 December 2020, W. R. Berkley Corporation prepares consolidated Annual Report consisting of the Financial Statements and Financial Report, in which WRBEAG is included. The consolidated Annual Report is published and available under <https://www.berkley.com/>. This releases WRBEAG from preparing consolidated financial accounts.



3 Actuarial Report

Referring to Art. 36c sub 1) b) first sentence of the Liechtenstein Law on Supervision of Insurance Undertakings (Versicherungsaufsichtsgesetz, "VersAG") I confirm as Accountable Actuary of WRBEAG, as defined in Art. 18b of the VersAG, that the technical reserves as set out below have been calculated on the basis of generally accepted actuarial principles and are in line with Liechtenstein regulatory requirements detailed in the VersAG and Art.29 of the Liechtenstein Ordinance on the Law on Supervision of Insurance Undertakings (Versicherungsaufsichtsverordnung, "VersAV").

WRBEAG is licensed to underwrite direct insurance in several lines of business. WRBEAG is not licensed to underwrite credit insurance. Therefore, Equalization Reserves are not required.

This statement is subject to the Reliance and Limitations as detailed in the Reserve Report.

The technical reserves below were booked in line with the recommendation in the Reserve Report and the Update Memo as listed above.

B. Technical Reserve	31 December 2020
	in USD
I Unearned premium reserve	
1. Gross	108,173,499
2. Less amounts ceded	<u>(100,589,421)</u>
Total	7,584,078
II Reserve for loss and loss adjustment expenses (incl IBNR)	
1. Gross	610,745,415
2. Less amounts ceded	<u>(501,022,653)</u>
Total	109,722,762

Anne Chevalier
Responsible Actuary of W. R. Berkley Europe AG



KPMG (Liechtenstein) AG

Aeulestrasse 2

LI-9490 Vaduz

+41 58 249 70 40

kpmg.li

Report of the Statutory Auditor on the Financial Statements to the General Meeting of Shareholders of

W.R. Berkley Europe AG, Vaduz

As statutory auditor, we have audited the financial statements (balance sheet, income statement and notes) and the management report of W. R. Berkley Europe AG for the year ended 31 December 2020.

These financial statements and the management report are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Liechtenstein profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements and the management report are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the results of operations in accordance with Liechtenstein law. Furthermore, the financial statements and the management report comply with Liechtenstein law and the company's articles of incorporation.

The management report is consistent with the financial statements. In our opinion, the management report does not include material misleading information.

We recommend that the financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Lars Klossack
Chartered Accountant
Auditor in Charge

Benjamin Marte
Chartered Accountant

Vaduz, 1 April 2021