20240704134726

Årsredovisning
AmTrust Nordic AB

Org.nr 556671-5677

Räkenskapsår 2023-01-01 - 2023-12-31

Fastställelseintyg

Undertecknad styrelseledamot intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2024
Årsstämman beslöt att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 30 juni 2024

Axel Wiborn

AmTrust Nordic AB
556671-5677

Årsredovisning

för räkenskapsåret 2023-01-01 - 2023-12-31

Styrelsen och verkställande direktören för AmTrust Nordic AB avger härmed följande årsredovisning.

Innehåll	**Sida**
Förvaltningsberättelse	2
Resultaträkning	4
Balansräkning	5
Kassaflödesanalys	7
Tilläggsupplysningar	
Redovisningsprinciper m.m.	8
Noter	10

Styrelsens säte: Stockholm
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

AmTrust Nordic AB
556671-5677

Förvaltningsberättelse

Information om verksamheten
AmTrust Nordic AB är generalagent för AmTrust International Underwriters DAC. Bolaget är aktivt inom specialförsäkringsområdet primärt vad avser allrisk- och garantiförsäkringar, inkomst- och betalskyddsförsäkringar, leasingförsäkringar samt arbetsskadeförsäkringar. Bolaget distribuerar försäkringslösningar i Norden samt på många andra marknader inom EU.

Väsentliga händelser under räkenskapsåret
Under året blev AmTrust Nordic AB en så kallad Managing General Agent, vilket innebär större befogenheter och ansvar gentemot partners. Som MGA kan AmTrust administrera program och förhandla kontrakt å försäkringsgivarens vägnar. Bolaget öppnade under 2023 en permanent etablering i Danmark för att tillgodose behoven från den danska marknaden, och rekryterade en landsansvarig för Danmark (Bo Kristensen). Den Finländska satsningen som inleddes 2021 avslutades under mitten på 2023 eftersom de kommersiella förutsättningarna inte ansågs vara tillräckliga. Internt har vi arbetat fokuserat på att vidareutveckla våra processer och informationshantering. Detta arbete fortsätter under 2024 då vi kommer ha mer robusta och automatiserade sätt att hantera information bland annat från våra partners. Bolaget har under 2023 genomfört nyckelrekryteringar i form av en Vice Verkställande Direktör (Henrik Svantesson) samt även en ekonomichef (Marie Bark). Som tidigare meddelats ingår Amtrust Nordic i en Amtrust-kluster med bolag som bedriver liknande verksamhet. Under året har ett antal initiativ tagits för att tillvarata gruppens gemensamma intressen.

Den norska verksamheten har under året legalt omstrukturerats. Dotterbolaget har fusionerats in i moderbolaget, istället har en filial etablerats.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer
Bolaget fortsätter i stort att leverera enligt plan. Vi kan konstatera att ett antal nyckelavtal förnyats och förlängts vilket skapar en stabil långsiktig affär. Under perioden har nya konkurrenter uppenbarat sig på marknaden vilket kräver att vi fortsätter att utveckla vårt erbjudande för att bibehålla vår starka position på marknaden.

Hållbarhetsupplysningar
Frågan om hållbarhet är ständigt på vår och våra partners agenda. AmTrust Nordic har under året inkluderat Hållbarhet som ett av bolagets strategiska mål. Vi har identifierat bolagets personberoende som en de största riskerna för bolagets existens. Under året har ett flertal nyckelrekryteringar genomförts i syfte att minska personberoendet. Bolaget fortsätter på den inslagna vägen att reducera resursanvändningen inom flera av våra försäkringsprogram där vi arbetar med hårdvaror uppmanar vi våra kunder och användare att "Tänka grönt". Vi avser att öka ambitionen ytterligare. Bolaget följer koncernen AmTrusts hållbarhetsarbete. Under 2023 har bolaget tillhandahållit utbildningar för personalen inom ämnet hållbarhet.

Flerårsöversikt*	**2023**	**2022**	**2021**	**2020**
Nettoomsättning (tkr)	165 507	178 368	121 544	84 632
Resultat efter finansiella poster (tkr)	19 201	36 571	36 931	35 095
Res. i % av nettoomsättningen (%)	11,6%	20,5%	30,4%	41,5%
Avkastning på eget kapital (%)	27,1%	73,7%	69,9%	74,7%
Avkastning på total kapital (%)	18,8%	35,6%	31,4%	33,8%
Balansomslutning (tkr)	170 399	154 683	122 181	126 917
Soliditet (%)	41,6%	34,3%	37,8%	46,9%
Kassalikviditet (%)	282%	206%	192%	222%

* Definitioner av nyckeltal, se not 26

Denna document key: UIQM-YDASQ-WUZAF-JTPTK

20240702144732

Specifikation över förändring i eget kapital

	Aktiekapital	Balanserat resultat	Årets resultat	Total
Belopp vid årets ingång	100	23 935	29 054	53 089
Balanseras i ny räkning		29 054	-29 054	0
Omräkningsdifferens		-559		-559
Fusionsdifferens		2 081		2 081
Årets resultat			16 242	16 242
Belopp vid årets utgång	100	54 511	16 242	70 854

Förslag till resultatdisposition
Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	54 511
Årets resultat	16 242
	70 754

disponeras så att

till aktieägare utdelas (251 kronor per aktie)	25 100
i ny räkning överföres	45 654
	70 754

Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse. Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt. Styrelsen föreslår i utdelning 251 kr/aktie.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

Penneo document key: UIQI3-PDOW6-UDUM4-YDA5Q-WU2AE-PTHLK

Resultaträkning

	Not	2023	2022
Nettoomsättning	2,3	165 507	178 368
		165 507	**178 368**
Rörelsens kostnader			
Övriga externa kostnader	3,4,6	-40 140	-30 830
Personalkostnader	5	-96 160	-99 014
Avskrivningar och nedskrivningar (samt återföring därav) av materiella och immateriella anläggningstillgångar		-102	-35
		-136 402	**-129 879**
Rörelseresultat	6	**29 105**	**48 489**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-347	0
Övriga ränteintäkter och liknande resultatposter	7	2 901	776
Räntekostnader och liknande resultatposter	8	-12 459	-12 694
		-9 904	**-11 918**
Resultat efter finansiella poster		**19 201**	**36 571**
Bokslutsdispositioner	9	2 000	0
Resultat före skatt		**21 201**	**36 571**
Skatt på årets resultat	10,16	-4 958	-7 517
Årets resultat		**16 242**	**29 054**

UDUM4 YDASQ WUZAF PTHLK
Denna handling är undertecknad med Penneo - oberoende bevisning för dokumentens äkthet

20240702222703

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	11	625	141
		625	**141**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	12,13	50	1 248
Andra långfristiga värdepappersinnehav	15	455	1 569
Uppskjuten skattefordran	16	94	323
Andra långfristiga fordringar	17	1 024	83
		1 622	**3 223**
Summa anläggningstillgångar		**2 247**	**3 364**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		26 934	11 962
Aktuell skattefordran		8 836	1 765
Övriga fordringar		2 000	5 819
Förutbetalda kostnader och upplupna intäkter	18	1 136	264
		38 906	**19 810**
Kassa och bank		129 245	131 509
Summa omsättningstillgångar		**168 152**	**151 319**
SUMMA TILLGÅNGAR		**170 399**	**154 683**

Penneo document key: UIQI3-PDOW6-UD4-YDASQ-WU2AE-PTHLK

Balansräkning

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
		19	
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
		100	**100**
Fritt eget kapital			
Balanserat resultat		54 511	23 935
Årets resultat		16 242	29 054
		70 753	**52 989**
Summa eget kapital		**70 853**	**53 089**
Avsättningar	20		
Avsättningar för pensioner och liknande förpliktelser		555	1 729
Övriga avsättningar		39 461	26 466
		40 016	**28 195**
Kortfristiga skulder			
Leverantörsskulder		829	674
Skulder till koncernföretag		635	9 945
Övriga skulder		15 854	7 196
Upplupna kostnader och förutbetalda intäkter	21	42 211	55 584
		59 530	**73 399**
SUMMA EGET KAPITAL OCH SKULDER		**170 399**	**154 683**

Denna dokument har undertecknats digitalt av Udumma Ydasq Wuzae Ptiilk

20240704:2173

Kassaflödesanalys

	Not	2023	2022
Den löpande verksamheten			
Rörelseresultat efter finansiella poster		19 201	36 571
Justeringar för poster som inte ingår i kassaflödet m.m.			
Avskrivningar och nedskrivningar		102	0
Rearesultat från försäljning av anl tillg & verksamhet		347	0
Förändringar i avsättningar		15 767	0
		35 416	**36 571**
Betald inkomstskatt		-11 698	-6 612
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**23 718**	**29 959**
Förändringar i rörelsekapital			
Förändring av rörelsefordringar		-10 204	-2 516
Förändring av rörelseskulder		-21 353	23 376
Kassaflöde från den löpande verksamheten		**-7 839**	**50 819**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-498	0
Förvärv av finansiella anläggningstillgångar		-946	0
Infusionerade medel från dotterbolag		6 690	0
Omräkningsvarians		0	-6
Kassaflöde från investeringsverksamheten		**5 246**	**-6**
Finansieringsverksamheten			
Utbetalning LTI		0	-375
Utbetald utdelning		0	-22 000
Kassaflöde från finansieringsverksamheten		**0**	**-22 375**
Årets kassaflöde		**-2 593**	**28 438**
Likvida medel vid årets början		**131 509**	**103 286**
Kursdifferens i likvida medel		**329**	**-215**
Likvida medel vid årets slut	22	**129 245**	**131 509**

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Noter

Not 1 Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)

Koncerntillhörighet
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är AMT Intermediaries Limited (org.nr. 12352186) med säte i London. Moderföretag för hela koncernen är AmTrust Financial Services (org.nr. 04-3106389) med säte i New York, USA. Moderföretagets koncernredovisning finns tillgänglig på adress 59 Maiden Lane, 43rd Floor, New York, USA.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Intäktsredovisning
Försäljning av varor
Intäkten redovisas till verkligt värde av vad företaget fått eller kommer att få. Det innebär att företaget redovisar intäkten till nominellt värde (fakturabelopp) om företaget får ersättning i likvida medel direkt vid leveransen. Avdrag görs för lämnade rabatter.

Leasingavtal
Företaget som leasetagare
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Ersättningar till anställda
Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner.

Företaget har förmånsbestämda pensionsförpliktelser vilka uteslutande är beroende av värdet på av företaget ägda kapitalförsäkringar. Kapitalförsäkringarna redovisas som finansiell anläggningstillgång. I enlighet med förenklingsregeln i BFNAR 2012:1 redovisas pensionsförpliktelsen som en avsättning till samma värde som kapitalförsäkringens redovisade värde.

Utöver pensionsförpliktelser genom kapitalförsäkringar, har företaget avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

I bolaget finns dessutom resultatbaserade förpliktelser gentemot vissa individer som avslutat sin anställning. Då dessa förpliktelser endast utfaller om det föreligger ett positivt resultat i framtiden i försärkingsaffären och det föreligger därför en osäkerhet vad avser storleken på dessa ersättningar. Dessa ersättningar kostnadsförs därmed det år de kan fastställas.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Penneo document key: UIQI3-PQOW6-UDUM4-YDASQ-WUDAE-PTHLK

20240702-20240705

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

Inventarier, verktyg och installationer	5 år

Finansiella instrument

Bolaget redovisar och värderar finansiella instrument till anskaffningsvärde. Kundfordringar övriga kortfristiga fordringar redovisas till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade det vill säga med avdrag för befarade förluster. Leverantörsskulder och övriga kortfristiga skulder redovisas till det belopp varmed de förväntas regleras. Långfristiga fordringar och långfristiga skulder värderas efter första redovisningen till upplupet anskaffningsvärde.

Filialer i utlandet
Företagets utländska filialer redovisas enligt den så kallade dagskurs-metoden, vilket innebär att tillgångar och skulder räknas om till balansdagens kurs och intäkter och kostnader räknas om till genomsnittskurs.

Övriga avsättningar
Avsättningar redovisas när bolaget har en formell eller informell förpliktelse som en följd av tidigare händelser och det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen. Avsättningar värderas till den bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen. Om effekten av tid när betalning sker är väsentlig nuvärdesberäknas förpliktelsen.

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Uppskattningar och bedömningar
Vid upprättande av årsredovisningen har bolaget gjort bedömningar som påverkar de redovisade beloppen för tillgångar, skulder, intäkter och kostnader. Bedömningar gjorda av bolaget som har en betydande påverkan på de finansiella rapporterna avser främst redovisning av övriga ersättningar.

Övriga avstättningar avser långfristiga ersättningar till anställda. Värdet är i viss utsträckning osäker. Osäkerheten beror på att:
1) Utfästelsen är knuten till moderbolagets (AmTrust Financial Services Inc) sammanlagda värde vid realisationstidpunkten (vesting date). Då moderbolaget numer är privatägt sker värderingen av dylika utfästelser genom s k "best market practice". Fram till dess skulden är reglerad omvärderas skulden per varje balansdag och per likviddagen, där varje förändring redovisas i resultaträkningen.
2) Bolagets förpliktelse att utbetala ersättning upphör om den anställde avslutar sin anställning hos bolaget. Avsättning är gjord med antagande att hela ersättningen kommer utbetalas till den anställde.,

Not 2 Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:

	2023	2022
Sverige	35%	37%
Norge	15%	12%
Danmark	31%	36%
Polen	12%	10%
Övriga	8%	5%
	100%	**100%**

Not 3 Arvode till revisorer

	2023	2022
KPMG AB		
Revisionsuppdraget	220	235
	220	**235**

Not 4 Leasingavtal - leasetagare

Operationell leasing

	2023	2022
Kostnadsförda leasingavgifter avseende operationella leasingavtal	4 333	4 365
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal		
Ska betalas inom 1 år	2 955	3 316
Ska betalas inom 1-5 år	6 905	11 857
Ska betalas senare än 5 år	0	0
	9 860	**15 173**

Företaget har ingått följande väsentliga leasingavtal vilka redovisas som operationella leasingavtal:
Leasingkostnader avser hyresavgifter för lokal och bilar. Avtal för lokalhyra omförhandlades under 2022 och sträcker sig till 2027-05-31.

Denna dokument är undertecknat med Signicat Evidence Service

20240701-20240731

Not 5 Anställda och personalkostnader

Medelantalet anställda

	2023	2022
Män	18	11
Kvinnor	11	15
	29	**26**

	2023	2022
Löner och andra ersättningar		
Styrelse och verkställande direktör	19 833	33 362
Övriga anställda	46 113	37 521
	65 946	**70 883**
Tantiem till styrelse och verkställande direktör ingår med	17 303	26 873
Pensions- och övriga sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	916	874
Pensionskostnader för övriga anställda	6 401	4 030
Övriga sociala kostnader enligt lag och avtal	22 362	22 847
	29 679	**27 751**

	2023-12-31	2022-12-31
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0%	0%
Andel män i styrelsen	100%	100%
Andel kvinnor bland övriga ledande befattningshavare	25%	20%
Andel män bland övriga ledande befattningshavare	75%	80%

Not 6 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag inom koncernen	36%	35%
Andel av årets totala försäljning som skett till andra företag inom koncernen	100%	100%

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Not 7 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Övriga ränteintäkter	928	776
Kursdifferenser	1 973	0
	2 901	**776**

Not 8 Räntekostnader och liknande resultatposter

	2023	2022
Kursdifferenser	-12 459	-12 670
Övriga finansiella kostnader	0	-23

Not 9 Bokslutsdispositioner

	2023	2022
Erhållet koncernbidrag	2 000	0
	2 000	**0**

Denna dokument har undertecknats med Penneo - UDJN4-YDASQ-WUZAF-PTHLK

20240702-20240727

Not 10 Skatt på årets resultat

	2023	2022
Aktuell skatt	-4 729	-7 517
Förändring av uppskjuten skattefordran	-229	0
Summa redovisad skatt	**-4 958**	**-7 517**

Genomsnittlig effektiv skattesats	-	-
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	**21 201**	**36 571**
Skatt på redovisat resultat enligt gällande skattesats (20,6 %):	4 367	7 534
Skatteeffekt av:		
Övriga ej avdragsgilla kostnader	260	22
Korrigering av tidigare år	319	0
Skatteeffekt till följd av verksamheter i utlandet	41	0
Ej skattepliktiga intäkter	-29	-39
Redovisad skatt	**4 958**	**7 517**
Effektiv skattesats	23,4%	20,6%

Upplysningar om uppskjuten skattefordran och skatteskuld

Vad avser förändringen av uppskjuten skatteskuld, se not Avsättningar	-229

Not 11 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	4 493	4 878
Årets anskaffningar	498	0
Försäljningar/utrangeringar	0	-385
Utgående ackumulerade anskaffningsvärden	**4 991**	**4 493**
Ingående avskrivningar	-4 352	-4 702
Försäljningar/utrangeringar	0	350
Årets avskrivningar	-14	0
Utgående ackumulerade avskrivningar	**-4 366**	**-4 352**
Utgående redovisat värde	**625**	**141**

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Not 12 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 248	1 248
Utgående ackumulerade anskaffningsvärden	**1 248**	**1 248**
Fusion	-1 198	0
Utgående ackumulerade nedskrivningar	**-1 198**	**0**
Utgående redovisat värde	**50**	**1 248**

Not 13 Specifikation av andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
AmTrust Insurance Services Sweden AB	100%	100%	50 000	50
				50

	Org.nr.	Säte	Eget kapital*	Årets resultat*
AmTrust Insurance Services Sweden AB	556885-4300	Stockholm	14 614	235

*Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
Med Årets resultat avses resultat efter finansiella poster

Not 14 Fordringar hos koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	11 962	8 114
Tillkommande fordringar	14 972	3 848
Utgående ackumulerade anskaffningsvärden	**26 934**	**11 962**
Utgående redovisat värde	**26 934**	**11 962**

Penneo document key: UIQL5-NOOW6-UJUM4-YD49Q-WUZAL-PTHEK

20240702-1737

Not 15 Andra långfristiga värdepappersinnehav

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	1 568	2 878
Utbetalningar	-1 150	-1 162
Förändringar marknadsvärde	37	-148
Utgående ackumulerade anskaffningsvärden	**455**	**1 568**

Not 16 Uppskjuten skattefordran

	2023-12-31	2022-12-31
Ingående saldo	323	593
Återförda skattefordringar	-229	-270
	94	**323**

Se även not 10 Skatt på årets resultat.

Specifikation uppskjutna skattefordringar

Uppskjutna skattefordringar	2023-12-31	2022-12-31
Uppskjuten skatt hänförlig till temporära skillnader på pensionsavsättning	94	323
	94	**323**
Uppskjuten skattefordran netto	**94**	**323**

Not 17 Andra långfristiga fordringar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	83	77
Tillkommande fordringar	946	0
Omräkningsdifferens	-5	6
Utgående ackumulerade anskaffningsvärden	**1 024**	**83**
Utgående redovisat värde	**1 024**	**83**

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Not 18 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda leasingkostnader	992	34
Förutbetalda försäkringspremier	45	0
Övriga förutbetalda kostnader	99	230
	1 136	**264**

Not 19 Antal aktier

	2023-12-31 *Kvotvärde*	2022-12-31 *Kvotvärde*	2023-12-31 Antal	2022-12-31 Antal
A-aktier	1	1	100 000	100 000
			100 000	**100 000**

Not 20 Avsättningar

	2023-12-31	2022-12-31
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	1 729	3 049
Årets avsättningar	0	64
Under året ianspråktagna belopp	-1 174	-1 384
	555	**1 729**
Övriga avsättningar		
Belopp vid årets ingång	26 465	11 351
Årets avsättningar	19 501	17 244
Under året ianspråktagna belopp	-6 505	-2 130
	39 461	**26 465**
Specifikation övriga avsättningar		
Incitamentsprogram	39 461	26 465
	39 461	**26 465**

Not 21 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupen bonus	36 343	52 465
Upplupna semesterlöner	2 671	2 276
Övrigt	3 197	843
	42 211	**55 584**

Denna dokument är UNDERTECKNAT MED E-LEGITIMATION

20240702-124739

Not 22 Kassa och bank

	2023-12-31	2022-12-31
Kassamedel	129 245	131 509
	129 245	**131 509**

Not 23 Eventualförpliktelser

Kapitaltäckningsgaranti har upprättats till förmån för AmTrust Insurance Services Sweden AB

Not 24 Väsentliga händelser efter balansdagens slut

Bolaget har under 2024 tappat ett par viktiga kunder inom garantiförsäkringsområdet vilket över tid kommer att påverka bolaget negativt. Beskeden har lett till en översyn av bolaget framtida strategi inom affärsområdet.
Bolaget har efter årets slut beslutat att öppna en filial i Polen.
Bolaget har dess ägare givits möjligheten att etablera andra filialkontor inom EU. Bolagets ledning analyserar fn (Q2 2024) möjliga konsekvenser av dylika satsningar.
Bolaget har ingått avtal med Maiden om rättigheter till förnyelse sk renewal rights. Transaktionen förväntas täcka merparten Maiden Life Försäkrings ("Maiden LF") i Sverige, Norge och andra nordiska länder.

Not 25 Disposition av vinst eller förlust

Förslag till resultatdisposition	**2023-12-31**	**2022-12-31**
Styrelsen föreslår att till förfogande stående medel		
Balanserat resultat	54 511	23 935
Årets resultat	16 242	29 054
	70 754	**52 989**
disponeras så att		
till aktieägare utdelas (251 kronor per aktie)	25 100	0
i ny räkning överföres	45 654	52 989
	70 754	**52 989**

Not 26 Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Penneo document key: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

AmTrust Nordic AB
556671-5677

Stockholm, den dag som framgår av vår elektroniska underskrift

Axel Wibom
Ordförande, Verkställande Direktör

Fredrik Rosén
Styrelseledamot

Grady Womack
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

KPMG AB

Mikael Emil Frödin
Auktoriserad Revisor

Penneo document key: UDUM4-VDASQ-IWUZAE-P7HLK

20240630-27748

PENNEO

Signaturerna i detta dokument är juridiskt bindande. Dokumentet är signerat genom Penneo™ för säker digital signering. Tecknarnas identitet har lagrats, och visas nedan.

"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

FREDRIK ROSÉN
Underskrivare 1
Serienummer: 9ba1b89fa5c397[...]3f9bbb7d46129
IP: 137.83.xxx.xxx
2024-06-30 11:13:28 UTC

Axel Wibom
Underskrivare 1
Serienummer: c265bb3b150b8e[...]04cae2686cb54
IP: 137.83.xxx.xxx
2024-06-30 12:11:43 UTC

WOMACK, MICHAEL GRADY (SMS-validerad)
Underskrivare 1
Serienummer: USA:P:6832xxxx
IP: 130.41.xxx.xxx
2024-06-30 12:57:06 UTC

MIKAEL FRÖDIN
Underskrivare 2
Serienummer: 988d1c6b3d6ddc[...]ca1d03b364779
IP: 151.177.xxx.xxx
2024-06-30 14:16:00 UTC

Penneo dokumentnyckel: UIQI3-PDOW6-UDUM4-YDASQ-WU2AE-PTHLK

Detta dokument är digitalt signerat genom **Penneo.com.** Den digitala signeringsdatan i dokumentet är säkrad och validerad genom det datorgenererade hashvärdet hos det originella dokumentet. Dokumentet är låst och tidsstämplat med ett certifikat från en betrodd tredje part. All kryptografisk information är innesluten i denna PDF, för framtida validering om så krävs.

Hur man verifierar originaliteten hos dokumentet
Detta dokument är skyddat genom ett Adobe CDS certifikat. När du öppnar dokumentet i Adobe Reader bör du se att dokumentet är certifierat med **Penneo e-signature service <penneo@penneo.com>** Detta garanterar att dokumentets innehåll inte har ändrats.

Du kan verifiera den kryptografiska informationen i dokumentet genom att använda Penneos validator, som finns på **https://penneo.com/validator**

20240703243729

Revisionsberättelse

Till bolagsstämman i AmTrust Nordic AB, org. nr 556671-5677

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för AmTrust Nordic AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av AmTrust Nordic ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till AmTrust Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo document key: XF05B-LEE35-0XCAZ-M5VEV-OE1I0-PKXLH

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för AmTrust Nordic AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till AmTrust Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

KPMG AB

Mikael Frodin
Auktoriserad revisor

Remeo document key: XF0b8-LFF3S-0XCAZ-M5VEV-OF1I0-PKXFH

20240704-1739

PENNEO

Signaturerna i detta dokument är juridiskt bindande. Dokumentet är signerat genom Penneo™ för säker digital signering. Tecknarnas identitet har lagrats, och visas nedan.

"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

MIKAEL FRÖDIN
Undertecknare
Serienummer: 988d1c6b3d6ddc[...]ca1d03b364779
IP: 151.177.xxx.xxx
2024-06-30 14:17:05 UTC

BankID

Penneo dokumentnyckel: XF05B-LEE35-0XCAZ-M5VEV-OE1I0-PKXLH

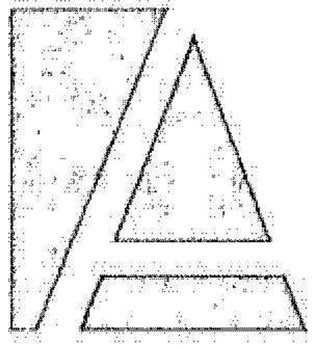
Detta dokument är digitalt signerat genom **Penneo.com.** Den digitala signeringsdatan i dokumentet är säkrad och validerad genom det datorgenererade hashvärdet hos det originella dokumentet. Dokumentet är låst och tidsstämplat med ett certifikat från en betrodd tredje part. All kryptografisk information är innesluten i denna PDF, för framtida validering om så krävs.

Hur man verifierar originaliteten hos dokumentet
Detta dokument är skyddat genom ett Adobe CDS certifikat. När du öppnar dokumentet i Adobe Reader bör du se att dokumentet är certifierat med **Penneo e-signature service <penneo@penneo.com>** Detta garanterar att dokumentets innehåll inte har ändrats.

Du kan verifiera den kryptografiska informationen i dokumentet genom att använda Penneos validator, som finns på **https://penneo.com/validator**

Addendum to support exemption under section 401(2)(f) Companies Act 2006

20240924025597



AmTrust International Insurance

An AmTrust Financial Company

AmTrust International Insurance, Ltd.

Consolidated Financial Statements

As of and for the years ended December 31, 2023 and 2022

AMTRUST INTERNATIONAL INSURANCE, LTD.

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

	Page
Audited Annual Financial Statements	
Independent Auditors' Report	2
Consolidated Balance Sheets as of December 31, 2023 and 2022	4
Consolidated Statements of Operations for the years ended December 31, 2023 and 2022	5
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023 and 2022	6
Consolidated Statements of Changes in Stockholder's Equity for the years ended December 31, 2023 and 2022	7
Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022	8
Notes to the Consolidated Financial Statements	10

20240924025598

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Stockholder and Board of Directors of
AmTrust International Insurance, Ltd.:

Opinion

We have audited the consolidated financial statements of AmTrust International Insurance, Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The consolidated financial statements of the Company as of and for the year ended December 31, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on April 27, 2023.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the incurred claims and allocated claims adjustment expenses, net of reinsurance, for each year ended from December 31, 2014 to December 31, 2022 and cumulative paid claims and allocated claims adjustment expenses, net of reinsurance, for each year ended from December 31, 2014 to December 31, 2022, and average annual percentage payout of incurred claims by age, net of reinsurance, included in tables on pages 34-37 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

New York, New York
April 24, 2024

20240924025599

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Par Value Per Share)

	December 31, 2023	December 31, 2022
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost $4,259,832; and $4,009,493; allowance for credit losses of $1,607 at December 31, 2023)	$ 4,055,786	$ 3,675,015
Equity securities, at fair value (cost $37,503; and $41,955)	28,609	33,308
Short-term investments, at fair value (amortized cost $204,370; and $181,773)	204,932	180,893
Other investments (related party $224,455; and $141,601; recorded at fair value $2,823; and $3,819)	241,887	267,797
Total investments	4,531,214	4,157,013
Cash, cash equivalents, restricted cash and restricted cash equivalents	511,627	646,125
Accrued interest and dividends	33,540	28,859
Premiums receivable, net (related party $160,794; and $325,766; allowance for credit losses of $11,274; and $8,417)	779,933	858,803
Reinsurance receivable (related party $867,163; and $1,154,532)	1,743,667	2,083,248
Prepaid reinsurance premiums (related party $38,473; and $47,202)	537,803	479,976
Income tax receivable	16,609	30,665
Deferred policy acquisition costs	309,180	324,815
Property, equipment and software, net	164,838	150,372
Goodwill	192,685	158,483
Intangible assets, net	54,899	32,293
Due from affiliates, net	250,586	342,921
Other assets	599,046	637,421
Total assets	$ 9,725,627	$ 9,930,994
LIABILITIES AND STOCKHOLDER'S EQUITY		
Liabilities:		
Loss and loss adjustment expense reserves	$ 4,566,555	$ 4,701,794
Unearned premiums	2,056,736	2,075,655
Ceded reinsurance premiums payable (related party $6,000; and $6,256)	288,415	344,779
Funds held under reinsurance treaties (related party $130,035; and $419,394)	796,123	884,395
Debt, net	97,965	93,319
Accrued expenses and other liabilities (recorded at fair value $6,188; and $0)	526,601	545,539
Total liabilities	8,332,395	8,645,481
Stockholder's equity:		
Common stock, $1 par value; 250 shares authorized, issued and outstanding in 2023 and 2022, respectively	250	250
Additional paid-in capital	2,103,457	2,104,579
Accumulated other comprehensive loss	(337,350)	(498,588)
Retained deficit	(378,426)	(327,656)
Total AmTrust International Insurance, Ltd. equity	1,387,931	1,278,585
Non-controlling interest	5,301	6,928
Total stockholder's equity	1,393,232	1,285,513
Total liabilities and stockholder's equity	$ 9,725,627	$ 9,930,994

See the accompanying Notes to the Consolidated Financial Statements.

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands)

	Years Ended December 31,	
	2023	**2022**
Revenues:		
Net earned premiums	$ 2,178,726	$ 2,117,966
Service and fee income	117,106	110,263
Net investment income	147,062	86,570
Net realized loss on investments	(10,092)	(36,698)
Net gain on sales of businesses	—	52,237
Other	37,993	44,507
Total revenues	2,470,795	2,374,845
Losses and expenses:		
Loss and loss adjustment expenses	1,474,147	1,327,993
Amortization of deferred acquisition costs	650,558	795,210
Underwriting, general, and administrative expenses	179,403	203,137
Interest expense	6,883	10,066
Interest on reinsurance funds withheld	19,796	12,292
Foreign currency loss (gain)	21,547	(46,699)
Other	154,384	149,833
Total losses and expenses	2,506,718	2,451,832
Loss before income taxes and equity in earnings of unconsolidated entities	(35,923)	(76,987)
Less: Provision for income taxes	45,139	37,032
Loss before equity in earnings of unconsolidated entities	(81,062)	(114,019)
Equity in income of unconsolidated entities	29,939	6,914
Net loss	(51,123)	(107,105)
Net loss (income) attributable to non-controlling interests	862	(5,297)
Net loss attributable to AmTrust International Insurance, Ltd.	$ (50,261)	$ (112,402)

See the accompanying Notes to the Consolidated Financial Statements.

20240924026O0

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Thousands)

	Years Ended December 31,	
	2023	2022
Net loss	$ (51,123)	$ (107,105)
Other comprehensive income (loss), net of tax:		
Foreign currency translation	51,216	(96,316)
Pension liability	(1,143)	(2,448)
Net unrealized gain (loss) on investments	111,165	(283,200)
Other comprehensive income (loss), net of tax	161,238	(381,964)
Comprehensive income (loss)	110,115	(489,069)
Comprehensive loss (income) attributable to non-controlling interest	862	(5,297)
Comprehensive income (loss) attributable to AmTrust International Insurance, Ltd.	$ 110,977	$ (494,366)

See the accompanying Notes to the Consolidated Financial Statements.

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(In Thousands)
Years Ended December 31, 2023 and 2022

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total AmTrust International Insurance, Ltd. Equity	Non-Controlling Interest	Total Stockholder's Equity
Balance, December 31, 2021	$ 250	$ 1,969,147	$ (116,624)	$(215,254)	$ 1,637,519	$ 51,866	$ 1,689,385
Net (loss) income	—	—	—	(112,402)	(112,402)	5,297	(107,105)
Foreign currency translation, net of tax	—	—	(96,316)	—	(96,316)	—	(96,316)
Capital contribution	—	135,432	—	—	135,432	(48,132)	87,300
Pension liability, net of tax	—	—	(2,448)	—	(2,448)	—	(2,448)
Net unrealized loss on investments, net of tax	—	—	(283,200)	—	(283,200)	—	(283,200)
Net distributions to non-controlling interest	—	—	—	—	—	(2,142)	(2,142)
Other change in non-controlling interest	—	—	—	—	—	39	39
Balance, December 31, 2022	250	2,104,579	(498,588)	(327,656)	1,278,585	6,928	1,285,513
Cumulative effect of change in accounting principle, net of tax [1]	—	—	—	(509)	(509)	—	(509)
Net loss	—	—	—	(50,261)	(50,261)	(862)	(51,123)
Foreign currency translation, net of tax	—	—	51,216	—	51,216	—	51,216
Pension liability, net of tax	—	—	(1,143)	—	(1,143)	—	(1,143)
Net unrealized gain on investments, net of tax	—	—	111,165	—	111,165	—	111,165
Purchases of shares of subsidiary from non-controlling interest	—	(1,122)	—	—	(1,122)	—	(1,122)
Other change in non-controlling interest	—	—	—	—	—	(765)	(765)
Balance, December 31, 2023	$ 250	$ 2,103,457	$ (337,350)	$(378,426)	$ 1,387,931	$ 5,301	$ 1,393,232

[1] Amount relates to the impact of adoption of a new accounting standard to establish allowances for expected credit losses on assets held at amortized cost, as of January 1, 2023. Refer to Note 16, "Allowance for Credit Losses" for additional information

See the accompanying Notes to the Consolidated Financial Statements.

202409240260I

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Years Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	$ (51,123)	$ (107,105)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	9,917	24,614
Net gain on sales of businesses [1]	—	(52,237)
Equity in income of unconsolidated entities	(29,939)	(6,914)
Other operating adjustments, net	36	(4,834)
Net realized loss on investments	10,092	36,698
Foreign currency loss (gain)	21,547	(46,699)
Changes in assets – (increase) decrease:		
Premiums receivables, net	170,097	363,693
Reinsurance receivable	380,502	71,162
Prepaid reinsurance premiums	(38,243)	(27,433)
Deferred policy acquisition costs	16,062	140,454
Other assets	18,765	(377)
Due from affiliates, net	14,663	17,556
Changes in liabilities – increase (decrease):		
Loss and loss adjustment expense reserves	(216,477)	(21,868)
Unearned premiums	(57,267)	(138,583)
Ceded reinsurance premiums payable	(69,739)	20,523
Funds held under reinsurance treaties	(95,783)	(131,540)
Accrued expenses and other liabilities	(83,608)	38,523
Net cash (used in) provided by operating activities	(498)	175,633
Cash flows from investing activities:		
Purchases of:		
Fixed maturity securities, available-for-sale	(1,186,193)	(1,230,050)
Equity securities	(7,887)	(253)
Other investments	(6,186)	(5,655)
Subsidiaries, net of cash received [2]	(44,837)	—
Sales of:		
Fixed maturity securities, available-for-sale (includes maturities & paydowns)	1,077,416	1,239,738
Equity securities	12,582	14,405
Other investments	4,255	91,731
Short-term investments, net	1,565	(99,246)
Property, equipment and software, net	(13,572)	(4,217)
Net cash (used in) provided by investing activities	(162,857)	6,453

AMTRUST INTERNATIONAL INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
(In Thousands)

	Years Ended December 31,	
	2023	2022
Cash flows from financing activities:		
Capital contribution [1]	—	18,268
Secured loan agreement payments	(79)	(3,175)
Contingent consideration payments		(175)
Net distributions to non-controlling interest	—	(2,142)
Net cash (used in) provided by financing activities	(79)	12,776
Effect of exchange rate changes on cash	28,936	(51,927)
Net (decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(134,498)	142,935
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning year	646,125	503,190
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of year	$ 511,627	$ 646,125
Supplemental Cash Flow Information		
Interest paid	$ 5,424	$ 14,379
Income tax payments	13,489	24,464

[1] Amounts for the year ended December 31, 2022, primarily relate to the sale of Amynta Holdings LLC and capital contributions of cash, fixed maturity securities, available-for-sale, noncontrolling interest in Tiger Capital LLC and equity in North Dearborn Building Company. See Note 12 "Stockholder's Equity"

[2] Amount for the year ended December 31, 2023, primarily relates to the acquisition of AB Group (Southend) Limited, a private limited company. See Note 18 "Acquisitions" for additional information

See the accompanying Notes to the Consolidated Financial Statements.

20240924026O2

AMTRUST INTERNATIONAL INSURANCE, LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Index

Note	Page
1. Nature of Operations	11
2. Significant Accounting Policies	11
3. Investments	19
4. Fair Value of Financial Instruments	24
5. Intangible Assets and Goodwill	26
6. Property, Equipment and Software, Net	27
7. Loss and Loss Adjustment Expense Reserves	28
8. Debt, Net	38
9. Reinsurance	39
10. Related Party Transactions	41
11. Income Taxes	45
12. Stockholder's Equity	48
13. Commitments and Contingencies	48
14. Statutory Financial Data, Risk Based Capital and Dividend Restrictions	49
15. Leases	50
16. Allowance for Credit Losses	52
17. Divestitures	52
18. Acquisitions	52
19. Subsequent Events	53

1. Nature of Operations

AmTrust International Insurance, Ltd. (the "Company" or "AII") is a class 3B insurance company formed under the laws of Bermuda. The Company is a wholly-owned subsidiary of AmTrust Financial Services, Inc. ("AFSI"), a privately held multinational insurance holding company formed under the laws of Delaware and headquartered in New York, New York. The Company and its subsidiaries offer specialty property and casualty insurance products, including workers' compensation, businessowners policy, general liability, title, legal expense, medical malpractice, and extended service and warranty coverage.

The Company transacts business primarily through five insurance subsidiaries domiciled in the United Kingdom, Europe and the United States. In addition to third-party insurance, the Company also reinsures the underwriting activities of certain companies related through common ownership.

2. Significant Accounting Policies

Basis of Reporting — The consolidated financial statements are presented in U.S. dollars, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated financial statements include the accounts of the Company, entities over which the Company exercises control including majority and wholly-owned subsidiaries, and variable interest entities consolidated as primary beneficiary. Entities in which the Company has significant influence but does not exercise control and partnership and partnership-like entities in which the Company has more than minor influence over the operating and financial policies are accounted for under the equity method of accounting or at fair value under the fair value option. Intercompany transactions and balances are eliminated upon consolidation.

Reclassification — Certain prior period amounts for reinsurance related funds withheld interest expense have been reclassified from Interest expense to Interest on reinsurance funds withheld on the Consolidated Statement of Operations to conform to the current period presentation. The reclassification decreased Interest expense and increased Interest on reinsurance funds withheld by $12,292 for the twelve months ended December 31, 2022. The reclassification had no impact on previously reported Net loss.

Certain prior period amounts have been reclassified from Service and fee income to Other revenue and Other expense on the Consolidated Statement of Operations to conform to the current period presentation. For the twelve months ended December 31, 2022, the reclassification decreased Service and fee income by $17,535 and increased Other revenue and Other expense by $24,231 and $6,696, respectively. The reclassification had no impact on previously reported Net loss.

Certain prior period amounts have been reclassified from Underwriting, general, and administrative expenses to Other expense on the Consolidated Statement of Operations to conform to the current period presentation. The reclassification decreased Underwriting, general, and administrative expenses and increased Other expense by $134,746 for the twelve months ended December 31, 2022. The reclassification had no impact on previously reported Net loss.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions, which include the reserves for loss and loss adjustment expenses, are subject to considerable variability due to the inherent uncertainty in projecting ultimate claim amounts that will be reported and settled over a period of many years. In addition, estimates and assumptions associated with the recognition and amortization of intangible assets and deferred policy acquisition costs, the determination of fair value of invested assets and related impairments, and the determination of goodwill and intangible impairments and valuation of deferred tax assets require a significant degree of judgment. The methods of determining estimates and assumptions are reevaluated on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the consolidated financial statements.

Premiums — Insurance premiums are generally recognized as earned on a pro-rata basis over the contract period other than insurance premiums on specialty risk and extended service and warranty coverages, which are recognized as earned in proportion to the costs expected to be incurred in performing services over the contract period and on title insurance, which are recognized as earned as written on the effective dates of the insurance contracts. Unearned premiums represent the portion of premiums for the insurance coverage that has not yet expired. The Company presents revenues related to extended service and

202409240260 3

warranty coverage written by non-insurance affiliates as premiums, consistent with the Company's principal business of insurance.

Beginning in 2023, with the adoption of *ASU 2016-13, Financial Instruments-Credit Losses (Topic 326)*, the Company reports premium receivables net of allowance for expected credit losses. The allowance is based on the Company's ongoing review of amounts outstanding, historical collectibility data, including litigation and write-offs, current conditions and reasonable and supportable forecasts, amongst other relevant factors. Historical write-offs provide the basis for the estimation along with the risk characteristics of the receivable and the Company's business strategy, which have not changed significantly over time. The allowance contemplates the Company's contractual provisions. Credit risk is partially mitigated by the Company's ability to cease coverage of the policy upon default or delinquency of the policyholder. The Company records an allowance for disputes when there is reasonable uncertainty of the collectibility of a disputed amount during the reported period. The Company reports changes in the allowance for credit losses and disputes in Other expense on the Consolidated Statement of Operations. See Note 16. "Allowance for Credit Losses" for additional information.

Loss and Loss Adjustment Expense Reserves — Loss and loss adjustment expense ("Loss and LAE") reserves represent the estimated ultimate costs, net of recoveries, of all reported and unreported losses incurred. The reserves for unpaid Loss and LAE are estimated using individual case-basis valuations and statistical analysis and are not discounted. The estimates are continually reviewed and adjusted as necessary in the period the experience develops or new information becomes available. The changes in estimates of Loss and LAE reserves are recognized on the Consolidated Statement of Operations in the period in which estimates change or claims are paid.

Deferred Policy Acquisition Costs — Commission costs, employee compensation and payroll-related costs, premium taxes and assessments as well as underwriting and safety inspection costs that vary with and are primarily related to the successful acquisition of new or renewal insurance policies are capitalized and deferred. Deferred policy acquisition costs are charged to expenses ratably as premiums are earned. Deferred policy acquisition costs are reviewed to determine whether they are recoverable from future income. If such costs are deemed to be unrecoverable, they would be expensed and the Company may be required to establish a liability for a premium deficiency reserve. Anticipated investment income is considered in determining whether a premium deficiency relating to short duration contracts exists. Deferred policy acquisition costs are presented net of ceding commissions. The amortization of deferred policy acquisition costs was $650,558 and $795,210 for the years ended December 31, 2023 and 2022, respectively.

Reinsurance — Reinsurance agreements that meet the transfer of risk criteria are accounted for as prospective reinsurance agreements or retroactive reinsurance agreements based on whether the agreement reinsures future or past insured events covered by the underlying insurance contracts. Prospective reinsurance is reinsurance in which a reinsurer agrees to reimburse a ceding entity for losses that may be incurred as a result of future insurable events covered under insurance contracts subject to the reinsurance in exchange for ceded premiums paid to the reinsurer. Retroactive reinsurance is reinsurance in which a reinsurer agrees to reimburse a ceding entity for liabilities incurred as a result of past insurable events covered under insurance contracts subject to the reinsurance in exchange for ceded premiums paid to the reinsurer.

Prospective reinsurance premiums and Loss and LAE ceded to reinsurers are accounted for on a basis consistent with the accounting for the underlying reinsured contracts. Premiums earned and Loss and LAE incurred and ceded to reinsurers are recorded as reductions of Net earned premiums and Loss and LAE.

For retroactive reinsurance agreements, the ceded loss and LAE reserves recorded as reinsurance recoverable in excess of the premium for reinsurance is recorded as a deferred gain on retroactive reinsurance and amortized to earnings using the interest method over the estimated claims settlement period. Any related development on the ceded loss and LAE reserves recoverable under the retroactive reinsurance agreement increases the deferred gain if unfavorable, or decreases the deferred gain if favorable, and a cumulative amortization adjustment based on the change in estimate is recorded to earnings. If the premium for reinsurance exceeds the ceded loss and LAE reserves, or the related favorable development on the ceded loss and LAE reserves entirely offsets the deferred gain on retroactive reinsurance, a loss on retroactive reinsurance is recognized to earnings immediately.

Beginning in 2023, with the adoption of *ASU 2016-13, Financial Instruments-Credit Losses (Topic 326)*, the Company reports its reinsurance recoverables net of an allowance for estimated uncollectible reinsurance in Reinsurance receivables on the Consolidated Balance Sheets. The Company establishes an allowance for credit losses expected to be recognized over the life of the reinsurance recoverables.

The Company establishes an estimate of the reinsurance receivable's lifetime expected credit losses utilizing a probability of default and loss given default methodology, whereby the credit ratings of reinsurers and current and forecasted economic conditions are used in determining the probability of default. Prior to applying default factors, the Company reduces the net exposure to credit risk for any collateral for which the right of offset exists, such as funds withheld, assets held in trust and letters of credit, which are part of the reinsurance arrangements, with adjustments to include consideration of credit exposure of the collateral. The allowance is based upon the Company's ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standings and other factors. The Company utilizes external credit ratings published by Moody's Global Ratings, at the balance sheet date when determining the allowance. Where the rates are not available, the Company assigns a default credit rating. The Company reports changes in the allowance for credit losses and disputes in Other expense on the Consolidated Statement of Operations. See Note 16. "Allowance for Credit Losses" for additional information.

Ceding Commissions on Reinsurance Transactions — Ceding commissions on reinsurance transactions are commissions received from ceding gross written premiums to third-party reinsurers. The ceding commissions received cover a portion of capitalized direct acquisition costs and, when applicable, a portion of other underwriting expenses. Ceding commissions received from reinsurance transactions that represent recovery of capitalized direct acquisition costs are recorded as a reduction of Deferred policy acquisition costs and are amortized to expense in proportion to ceded earned premiums. When applicable, ceding commissions received from reinsurance transactions that represent the recovery of other underwriting expenses are recognized on the Consolidated Statements of Operations over the insurance contract period in proportion to ceded earned premiums and classified as a reduction of Underwriting, general and administrative expenses.

Investments — Fixed maturity securities classified as available-for-sale are carried at fair value, with unrealized gains and losses, net of tax effects, reported as a separate component of Accumulated other comprehensive income (loss) in Stockholder's equity. Equity securities are reported at fair value with unrealized gains and losses reported within Net realized gain (loss) on investments on the Consolidated Statement of Operations. Realized gains and losses are determined on the specific identification method.

Effective January 1, 2023, the Company adopted new accounting guidance that includes certain changes to the accounting and reporting for impairments involving available-for-sale securities, including presentation of credit-related impairments as an allowance rather than as a permanent impairment, eliminating duration of unrealized loss as a consideration when assessing recognition of an impairment, recognition of credit impairments upon purchase of securities as applicable, and requiring reversals of previously recognized credit-related impairments when applicable. The Company's updated accounting policy upon adoption for available-for-sale securities is as follows:

The Company evaluates all available-for-sale securities in an unrealized loss position on an individual security basis for expected credit losses, but the evaluation may use assumptions consistent with expectations of credit losses for a group of similar securities. Examples of criteria that the Company collectively evaluates to determine if a credit loss has occurred include the following:

- The extent to which the security's fair value is less than its amortized cost;
- Adverse conditions related to the security, industry, or geographic area, including outlook and watch status as determined by the security's rating agency;
- Credit rating and downgrades in the security's credit rating since acquisition; and
- Failure of the issuer to make scheduled principal or interest payments.

Based on the criteria above, the Company develops its best estimate of expected future cash flows for a security and discounts those cash flows to present value at the effective yield used to record interest income. The allowance is the excess of a security's amortized cost over the present value of expected cash flows or fair value. The allowance cannot exceed the unrealized loss and, therefore, can fluctuate with changes in fair value.

For available-for-sale securities in an unrealized loss position that the Company does not intend to sell or that it is more likely than not that the Company would not be required to sell before an anticipated recovery in value, the Company separates the credit loss component of the impairment from the amount related to all other factors and reports the credit loss in Net realized gain (loss) on investments on the Consolidated Statement of Operations. The Company records any impairment related to non-credit factors through Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. The allowance is adjusted for any additional credit losses and subsequent recoveries and is limited to the amount the amortized cost

202409240260 4

basis exceeds its fair value. Upon recognizing a credit-related impairment, the Company does not adjust the cost basis of the security.

For available-for-sale securities where the Company records a credit loss, a determination is made as to the cause of the impairment and whether the Company expects a recovery in the value. The Company applies write-offs against the allowance when the Company concludes the financial asset is uncollectible. For available-for-sale securities where the Company expects a recovery in value, the Company utilizes the constant effective yield method, and amortizes the investment to par.

For available-for-sale securities the Company intends to sell or that it is more likely than not that the Company will be required to sell before recovery of value, the Company includes the full amount of the impairment (or difference between the fair value and amortized cost basis of the security) in Net realized gain (loss) on investments on the Consolidated Statement of Operations. The new cost basis of the security is the previous amortized cost basis less the impairment recognized and is not adjusted for any subsequent recoveries in fair value.

The Company reports investment income accrued separately from fixed maturities, available-for-sale, and has elected not to measure an allowance for credit losses for investment income accrued as uncollectible balances are generally written off within 45 days after uncollected balances are due.

The Company has the following major types of investments:

(a) Cash, cash equivalents, restricted cash and restricted cash equivalents — Cash consists of uninvested balances in bank accounts. Cash equivalents consist of investments with original maturities of 90 days or less, primarily money market funds. Cash equivalents are carried at cost. Restricted cash consists of any cash or investment that is held for a specific purpose and therefore not available to the Company for immediate or general business use.

(b) Short-term investments — Short term investments are carried at cost, which approximates fair value, and include investments with maturities between 91 days and 1 year at date of acquisition.

(c) Fixed maturity securities, available-for-sale — Fixed maturity securities classified as available-for-sale are carried at fair value. Unrealized gains or losses on available-for-sale securities are included in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

(d) Equity securities — Equity securities are generally carried at fair value. Gains and losses, both realized and unrealized, are included in Net realized gain (loss) on investments on the Consolidated Statements of Operations.

(e) Mortgage and asset backed securities — For mortgage and asset backed securities, income is recognized using the retrospective adjustment method based on prepayments and the estimated economic life of the securities. The effective yield reflects actual payments to date plus anticipated future payments.

(f) Other investments — Other investments primarily consists of equity investments in corporate entities accounted for under the equity method, equity investments in limited partnerships, including private equity limited partnerships and real estate partnerships, and investments in term loans. The equity method of accounting is applied for investments in limited partnerships in which its ownership interest of the limited partnership enables the Company to exercise significant influence over the investee and does not result in a controlling financial interest in the investee. The proportionate share of the net income or loss of these unconsolidated investees is recognized in either Net investment income (loss) or Equity in income (loss) of unconsolidated entities on the Consolidated Statements of Operations.

Net investment income (loss) consists primarily of interest and dividends less expenses. Interest on fixed maturity securities and term loans, adjusted for the amortization of premiums or discount, is recorded as income when earned. Investment expenses are accrued as incurred. Realized gain or loss on investments are computed using the specific costs of securities sold, and, if applicable, include investment impairments.

Fair Value of Financial Instruments — The fair value of financial assets and financial liabilities are estimated based on the framework established in ASC 820 *Fair Value Measurement*. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect significant market assumptions. Additionally, valuation of fixed maturity securities is more subjective when markets are less liquid due to lack of

market-based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction could occur.

For investments that have quoted market prices in active markets, the quoted market prices are used as fair value and are included in the amounts disclosed in the Level 1 hierarchy. The quoted market prices are received from internationally recognized third-party pricing services ("pricing service"). When quoted market prices are unavailable, a pricing service is utilized to determine an estimate of fair value. This pricing method is used, primarily, for fixed maturity securities. The fair value estimates provided by the pricing service are reviewed and are generally included in the Level 2 hierarchy. If the fair value estimate provided by the pricing service is determined to not represent fair value or if quoted market prices and an estimate from pricing services are unavailable, an estimate of fair value is produced based on dealer quotations of the bid price for recent activity in positions with the same or similar characteristics to that being valued or through consensus pricing of a pricing service. Depending on the level of observable inputs, the Company will then determine if the estimate is Level 2 or Level 3.

Fixed Maturity Securities — A pricing service is utilized to estimate fair value measurements for fixed maturity securities. The pricing service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturity securities other than U.S. treasury securities generally do not trade on a daily basis, the pricing service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing. The pricing service utilized has indicated it will produce an estimate of fair value only if there is verifiable information to produce a valuation. As the fair value estimates of most fixed maturity investments are based on observable market information rather than market quotes, the estimates of fair value other than U.S. Treasury securities are included in Level 2 of the hierarchy. U.S. Treasury securities are included in the amount disclosed in Level 1 as the estimates are based on unadjusted market prices. Level 2 investments include obligations of U.S. government agencies, municipal bonds, corporate debt securities and other asset backed and mortgage-backed securities.

Equity Securities — A pricing service is utilized to estimate the fair value of the majority of equity securities. The pricing service utilizes market quotations for equity securities that have quoted market prices in active markets and their respective quoted prices are provided as fair value and are classified as Level 1. The pricing service also provides fair value estimates for certain equity securities whose fair value is based on observable market information rather than market quotes. The value of these equity securities are classified as Level 2. The Company also holds certain equity securities that are issued by privately held entities or direct equity investments that do not have an active market. The fair value of these securities is estimated primarily based on inputs such as third-party broker quotes, issuers' book value, market multiples, and other inputs. These equity securities are classified as Level 3 due to significant unobservable inputs used in the valuation.

Service and Fee Revenue — Service and fee income is recognized either when the performance obligation is satisfied and the right to receive contract consideration is unconditional or pro-rata over the contract service period by allocating estimated contract consideration to the performance obligations which are satisfied as the services are provided and transferred to the customer. The contract consideration amounts received or receivable at inception of the contract service periods are recognized as deferred revenue and reported in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

Business Combinations — Business combinations are accounted for under the acquisition method of accounting. The acquisition method of accounting requires assets acquired, liabilities assumed and any non-controlling interest in the acquiree to be recorded at their respective fair values as of the acquisition date in the consolidated financial statements. When determining fair values, valuation methods reflecting the three approaches to value: market, income and cost, are considered. The market approach is used to estimate value through the analysis of recent sales of comparable assets or business entities. The income approach is used to estimate value based on the present value of future economic benefits that are expected to be produced by an asset or business entity. The cost approach provides a systematic framework for estimating the value of tangible or intangible assets based on the economic principle of substitution: no prudent investor will purchase an existing asset for more than it will cost to create a comparable asset. The Company selects the most appropriate methods with consideration to the information available, the level of uniqueness, as well as the economics of the particular asset or liability. Insurance and reinsurance contracts are accounted for under the acquisition method as new contracts, which requires the assets and liabilities to be recorded at fair value. The acquired Loss and LAE reserves are measured in accordance with the Company's existing accounting policies for insurance and reinsurance contracts and then discounted based on expected reserve payout patterns using a current risk-free rate of interest. Based on the facts and circumstances around the acquired business, the risk-free interest rate may be adjusted based on different cash flow scenarios that use different payout and ultimate reserve assumptions deemed to be reasonably possible based upon the inherent uncertainties present in determining the amount and timing of

20240924026O5

payment of such reserves if deemed appropriate and reasonable. The difference between the acquired Loss and LAE reserves and the Company's best estimate of the fair value of such reserves at the acquisition date is recorded as a fair value adjustment, as applicable, and amortized proportionately to the changes in the acquired Loss and LAE reserves over the payout period. The Company establishes an intangible asset related to the value of business acquired, which represents the fair value of the expected future profits in net unearned premium for insurance contracts acquired. Contingent consideration is recorded at fair value based on the terms of the purchase agreement with subsequent changes in fair value recorded through earnings. The determination of fair value may require management to make significant estimates and assumptions. The purchase price is the fair value of the total consideration conveyed to the seller and the excess of the purchase price over the fair value of the acquired net assets, where applicable, is recorded as goodwill. Fair values are assigned to other intangible assets based on valuation techniques including the income and market approaches. Transaction costs associated with the acquisition of a business are expensed as incurred. The results of operations of an acquired business are included in the consolidated financial statements from the date of the acquisition.

Goodwill and Other intangible Assets — Goodwill is tested for impairment on an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. A qualitative assessment is performed for impairment testing to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If it is determined that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then no goodwill impairment exists. Otherwise, the fair value of each reporting unit is compared to its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for the amount equal to that excess limited to the total amount of goodwill of the reporting unit.

Indefinite-lived intangible assets are tested for impairment on an annual basis and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The classification of an asset as indefinite-lived is reassessed and an impairment loss is recognized for the amount of any excess of the carrying amount over the fair value of the asset.

Finite-lived intangible assets are amortized over the estimated useful life of the asset. The carrying amounts of finite-lived intangible assets are reviewed on an ongoing basis for indicators of impairment including events or changes in circumstances in which a significant adverse change in the extent, manner or length of time in which an intangible asset is being used or a significant adverse change in legal factors or in the business climate that could affect the value of an intangible asset have occurred. An impairment loss is recognized only if the carrying amount of the finite-lived intangible asset is not recoverable from its undiscounted cash flows for the amount of any excess of the carrying amount over the fair value of the asset.

Property, Equipment and Software — Property, equipment and software are recorded at cost. Maintenance and repairs are expensed as incurred. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Building	40 years
Equipment	5 to 7 years
Computer equipment and software	3 to 5 years
Leasehold improvements	Lesser of remaining lease term or 15 years

The Company capitalizes the costs of computer software developed or obtained for internal use that are specifically identifiable, have determinable lives and relate to enhancements in functionality.

Leases — The Company enters into lease agreements as a lessee related to real estate and equipment used in the ordinary course of business and as a lessor of owned or sublessor of leased commercial office real estate. It is determined whether an arrangement is a lease on the date the contract commences. All current lease agreements are accounted for as operating leases. The Company elected to account for lease components and the associated nonlease components as single components for all real estate leases.

Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Recognized right-of-use ("ROU") assets and lease liabilities are reported within Other assets and Accrued expenses and other liabilities, respectively, on the Consolidated Balance Sheets and measured at the

present value of the future lease payments over the lease terms including options to extend or renew the lease term if the Company is reasonably certain of exercising those options. Options to extend or renew leases at market rates are not included as part of the lease term when exercise is not reasonably certain. The exercise of renewal options is at the Company's discretion. In determining the present value of lease payments, the rate implicit in the lease, if readily determinable, is utilized; otherwise, the incremental borrowing rate is used. The Company elected not to apply the recognition and measurement requirements to leases with terms of one year or less.

Lease expense is recognized on a straight-line basis over the term of the lease, which is reported in Underwriting, general and administrative expenses on the Consolidated Statement of Operations.

Commercial office and retail space is leased to lessees over lease terms that include non-cancelable lease terms and may include renewal options. The lease contracts commence at the time a lessee takes possession of the leased space. The lease contracts generally require the lessees to reimburse the Company for increases in certain operating costs and real estate taxes above the base year costs attributed to the leased space. The lease income is recognized on a straight-line basis over the lease terms which is reported in Service and fee income on the Consolidated Statement of Operations.

Income Taxes — The Company's European subsidiaries file income tax returns in their respective local jurisdictions. The Company's parent, AFSI, files a consolidated United States income tax return, which includes the Company's U.S. insurance subsidiary. Additionally, the Company has elected under section 953(d) to be treated as a U.S. taxpayer. As part of the consolidated AFSI income tax return filing, the Company is a party to a federal income tax allocation agreements amongst the includible entities. Under the tax allocation agreements, the Company pays to or receives from its subsidiaries the amount, if any, by which AFSI federal income tax liability was affected by virtue of inclusion of the subsidiary in the consolidated federal return. Beginning in tax year 2025, the Company will file a Bermuda income tax return for its Bermuda Constituent Entity Group as defined under the Bermuda Corporate Income Tax ("CIT") Legislation.

Deferred income taxes reflect the impact of "temporary differences" between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. Deferred tax assets primarily consist of book versus tax differences for premiums earned, loss and loss adjustment expense reserve discounting, policy acquisition costs, and net operating losses. Changes in deferred income tax assets and liabilities that are associated with components of other comprehensive income, primarily unrealized investment gains and losses, are recorded directly to Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. Otherwise, changes in deferred income tax assets and liabilities are included as a component of the Provision for (benefit from) income taxes on the Consolidated Statement of Operations.

Deferred tax assets are recognized to the extent it is believed that these assets are more likely than not to be realized. In assessing the more likely than not recoverability of deferred tax assets, management considers whether it is more likely than not that future taxable income will be generated during the periods in which those temporary differences become deductible. A valuation allowance is established to reduce the deferred tax assets to the amounts that are more likely than not to be realized.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by taxing authorities. The policy is to prospectively classify accrued interest and penalties in Interest expense and Underwriting, general and administrative expenses, respectively, on the Consolidated Statement of Operations related to any unrecognized tax benefits in its income tax provision.

Foreign Currency — The functional currency of each foreign operation is generally the currency of the local operating environment. Foreign currency transactions are remeasured to the functional currency and the resulting foreign exchange gains and losses are reflected in earnings. Functional currency amounts from the foreign operations are then translated into U.S. dollars. The change in unrealized foreign currency translation gain or loss during the year, net of tax, is a component of Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. The foreign currency remeasurement and translation items are calculated using current exchange rates for the items reported on the balance sheets and average exchange rates for items recorded in earnings.

Recent Accounting Pronouncements

The Company is deemed a nonpublic business entity under GAAP and adopts applicable accounting standards accordingly.

20240924026606

Recent Accounting Standards, Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new standard requires financial assets measured at amortized cost basis (including premiums receivable and reinsurance receivables) to be presented at the net amount expected to be collected by recording an allowance for credit losses, presented as a deduction from the amortized cost basis, with changes in the allowance recorded as credit loss expense based on management's current estimate of expected credit losses each period. The new standard also requires impairment relating to credit losses on available-for-sale debt securities to be presented through an allowance for credit losses with changes in the allowance recorded in the period of the change as credit loss expense or reversal of credit loss expense. Any impairment amount not recorded through an allowance for credit losses on available-for-sale debt securities is recorded through other comprehensive income.

The Company adopted the new standard as of January 1, 2023, on a modified retrospective basis. The cumulative-effect adjustment of $509, net of tax, was a reduction to the opening balance of retained earnings as of the date of adoption. The Company does not have any purchased financial assets with a more than insignificant amount of credit deterioration since original issuance. The Company adopted the required disclosures within Note 3. "Investments" and Note 16. "Allowance for Credit Losses". Results for reporting periods prior to January 1, 2023, are presented in accordance with the previous guidance.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* to provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate (LIBOR) or other reference rates expected to be discontinued due to reference rate reform. The FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* in December 2022 that extends the effective date through December 31, 2024 to permit the application of the guidance through the expected cessation date of LIBOR. The Company elected to apply the amendments prospectively to eligible contract modifications effective as of June 30, 2023. The adoption of the amendments did not have a material effect on the Company's financial position, results of operations, or cash flows. See Note 8. "Debt, Net" for additional information.

3. Investments

Available-for-Sale Securities

The amortized cost, allowance for expected credit losses, gross unrealized gains and losses, and estimated fair value of the available-for-sale securities as of December 31, 2023 and 2022 are presented below:

As of December 31, 2023	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 13,034	$ —	$ 34	$ (198)	$ 12,870
U.S. government agencies	3,773	—	—	(33)	3,740
Municipal bonds	7,065	—	—	(144)	6,921
Foreign government	672,013	—	2,113	(22,077)	652,049
Corporate bonds:					
Finance	1,086,994	(1,101)	1,633	(58,428)	1,029,098
Industrial	888,354	(440)	2,517	(55,454)	834,977
Utilities	113,788	(2)	77	(7,599)	106,264
Commercial mortgage-backed securities	328,434	(34)	1,562	(14,791)	315,171
Residential mortgage-backed securities:					
Agency backed	269,086	—	3,208	(27,759)	244,535
Non-agency backed	197,150	—	2,780	(21,089)	178,841
Collateralized loan / debt obligations	521,029	—	367	(6,409)	514,987
Asset backed securities	159,112	(30)	1,716	(4,465)	156,333
Total fixed maturity securities, available-for-sale	$ 4,259,832	$ (1,607)	$ 16,007	$ (218,446)	$ 4,055,786

As of December 31, 2022	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$ 5,056	$ 6	$ (254)	$ 4,808
Municipal bonds	7,212	—	(234)	6,978
Foreign government	665,002	211	(38,073)	627,140
Corporate bonds:				
Finance	1,004,213	1,189	(95,297)	910,105
Industrial	804,021	969	(87,454)	717,536
Utilities	122,002	—	(12,627)	109,375
Commercial mortgage-backed securities	235,608	371	(17,058)	218,921
Residential mortgage-backed securities:				
Agency backed	225,430	—	(32,859)	192,571
Non-agency backed	134,794	—	(24,225)	110,569
Collateralized loan / debt obligations	741,680	71	(23,789)	717,962
Asset backed securities	64,475	136	(5,561)	59,050
Total fixed maturity securities, available-for-sale	$ 4,009,493	$ 2,953	$ (337,431)	$ 3,675,015

Proceeds from the sale of investments, including maturities and redemptions, in available-for-sale securities during the years ended December 31, 2023 and 2022 were approximately $1,077,416 and $1,239,738, respectively.

20240924026607

A summary of available-for-sale securities as of December 31, 2023, by contractual maturity, is shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2023	
	Amortized Cost	Fair Value
Due in one year or less	$ 557,466	$ 553,719
Due after one through five years	1,833,046	1,750,606
Due after five through ten years	356,079	304,604
Due after ten years	38,431	36,991
Mortgage and asset backed securities	1,474,810	1,409,866
Total fixed maturity securities, available-for-sale	$ 4,259,832	$ 4,055,786

There were no credit impairment charges on available-for-sale securities during the year ended December 31, 2023. The Company did not recognize impairment charges on non-credit related amounts in Accumulated other comprehensive income (loss) during the twelve months ended December 31, 2023, due to the positive intent to sell. There were no credit impairment charges on available-for-sale securities during the year ended December 31, 2022. The Company did not recognize any credit impairment charges on non-credit related amounts in Accumulated other comprehensive income (loss) during the year ended December 31, 2022.

The table below summarizes the gross unrealized losses of available-for-sale securities, which are not deemed to have credit losses, by length of time the security has continuously been in an unrealized loss position as of December 31, 2023.

	Less Than 12 Months		12 Months or More		Total	
As of December 31, 2023	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities	$ 3,767	$ (44)	$ 4,700	$ (154)	$ 8,467	$ (198)
U.S. government agencies	3,740	(33)	—	—	3,740	(33)
Municipal bonds	6,285	(46)	636	(98)	6,921	(144)
Foreign government	142,098	(756)	361,316	(21,321)	503,414	(22,077)
Corporate bonds:						
Finance	123,525	(588)	759,630	(57,840)	883,155	(58,428)
Industrial	64,207	(285)	667,418	(55,169)	731,625	(55,454)
Utilities	—	—	101,550	(7,599)	101,550	(7,599)
Commercial mortgage backed securities	106,761	(1,895)	122,551	(12,896)	229,312	(14,791)
Residential mortgage backed securities:						
Agency backed	20,631	(56)	164,783	(27,703)	185,414	(27,759)
Non-agency backed	13,848	(452)	97,728	(20,637)	111,576	(21,089)
Collateralized loan / debt obligations	40,455	(45)	387,445	(6,364)	427,900	(6,409)
Asset-backed securities	18,293	(317)	39,395	(4,148)	57,688	(4,465)
Total	$ 543,610	$ (4,517)	$2,707,152	$ (213,929)	$3,250,762	$ (218,446)

As of December 31, 2023, there were 1,508 individual securities that account for the gross unrealized losses, primarily due to market interest rate and credit spread changes since their date of purchase. As of December 31, 2023, there were unrealized losses of $17,982 related to securities in unrealized loss positions for a period of twelve or more consecutive months with unrealized loss positions greater than or equal to 20% of amortized cost or cost.

The table below summarizes the gross unrealized losses of available-for-sale securities by length of time the security has continuously been in an unrealized loss position as of December 31, 2022.

	Less Than 12 Months		12 Months or More		Total	
As of December 31, 2022	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
U.S. Treasury securities	$ 2,401	$ (59)	$ 2,141	$ (195)	$ 4,542	$ (254)
Municipal bonds	6,370	(102)	608	(132)	6,978	(234)
Foreign government	317,793	(13,958)	298,590	(24,115)	616,383	(38,073)
Corporate bonds:						
Finance	582,521	(42,168)	264,522	(53,129)	847,043	(95,297)
Industrial	459,107	(38,518)	226,716	(48,936)	685,823	(87,454)
Utilities	77,555	(6,466)	31,820	(6,161)	109,375	(12,627)
Commercial mortgage backed securities	149,615	(6,566)	56,568	(10,492)	206,183	(17,058)
Residential mortgage backed securities:						
Agency backed	36,440	(3,599)	156,131	(29,260)	192,571	(32,859)
Non-agency backed	31,424	(5,036)	79,145	(19,189)	110,569	(24,225)
Collateralized loan / debt obligations	603,920	(19,907)	104,418	(3,882)	708,338	(23,789)
Asset-backed securities	25,007	(1,909)	23,120	(3,652)	48,127	(5,561)
Total	$2,292,153	$ (138,288)	$1,243,779	$ (199,143)	$3,535,932	$ (337,431)

As of December 31, 2022, there were 1,628 individual securities that accounted for the gross unrealized loss, none of which were deemed to be credit impaired.

The following table presents a roll-forward of the allowance for expected credit losses on available-for-sale securities:

	Year Ended December 31, 2023		
	Structured	**Corporate Bonds**	**Total**
Balance, beginning of period	$ —	$ —	$ —
Additions for expected credit losses on securities where no credit losses were previously recognized	218	3,454	3,672
Net reductions for expected credit losses on securities where credit losses were previously recognized	(151)	(1,888)	(2,039)
Reductions due to sales / defaults of credit-impaired securities	(3)	(23)	(26)
Balance, end of period	$ 64	$ 1,543	$ 1,607

For the year ended December 31, 2023, total change in allowance for expected credit losses included in Net realized gain (loss) on investments on the Consolidated Statement of Operations was $1,607. Credit losses for the year ended December 31, 2023 represented less than 1% of both the Company's available-for-sale securities on a pre-tax basis and shareholders' equity on an after-tax basis, respectively.

20240924002608

Equity Securities

The original cost, gross unrealized gains and losses, and estimated fair value of equity securities as of December 31, 2023 and 2022, are presented below:

As of December 31, 2023	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stock	$ 37,503	$ 60	$ (8,954)	$ 28,609
Total equity securities	$ 37,503	$ 60	$ (8,954)	$ 28,609

As of December 31, 2022	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stock	$ 29,602	$ 106	$ (8,261)	$ 21,447
Preferred stock	12,353	83	(575)	11,861
Total equity securities	$ 41,955	$ 189	$ (8,836)	$ 33,308

Proceeds from the sale of investments in equity securities during the years ended December 31, 2023 and 2022 were approximately $12,582 and $14,405, respectively.

The table below presents the portion of gains and losses for the period related to equity securities still held for the years ended December 31, 2023 and 2022:

	Years Ended December 31, 2023	2022
Net gains (losses) recognized during the period on equity securities	$ 1,021	$ (3,256)
Less: Net unrealized gains (losses) recognized during the period on equity securities sold during the period	720	(812)
Net unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date	$ 301	$ (2,444)

Investment Income

Net investment income for the years ended December 31, 2023 and 2022 was derived from the following sources:

	Years Ended December 31, 2023	2022
Fixed maturity securities, available-for-sale	$ 133,793	$ 83,082
Equity securities	750	612
Other invested assets [1]	5,731	4,834
Cash and short-term investments	8,196	1,892
Gross investment income	148,470	90,420
Investment expenses	(1,408)	(3,850)
Net investment income	$ 147,062	$ 86,570

[1] Includes recognition of net income (loss) from equity method investees.

Realized Gains and Losses

The tables below summarize the gross realized gains and losses and allowance for credit losses for the years ended December 31, 2023 and 2022.

Year Ended December 31, 2023	Gross Realized Gains	Gross Realized Losses	Net Realized Gains and (Losses)
Fixed maturity securities, available-for-sale [1]	$ 5,392	$ (16,453)	$ (11,061)
Equity securities	1,310	(289)	1,021
Other invested assets	—	(52)	(52)
Total	$ 6,702	$ (16,794)	$ (10,092)

[1] For the year ended December 31, 2023, gross realized losses include $1,607 related to allowance for credit losses

Year Ended December 31, 2022	Gross Realized Gains	Gross Realized Losses	Net Realized Losses
Fixed maturity securities, available-for-sale	$ 24,475	$ (39,379)	$ (14,904)
Equity securities	16	(3,272)	(3,256)
Other invested assets	—	(18,538)	(18,538)
Total	$ 24,491	$ (61,189)	$ (36,698)

Restricted Cash, Cash Equivalents and Investments

In order to conduct business in certain jurisdictions, the Company is required to maintain letters of credit or assets on deposit to support mandated regulatory requirements and certain third-party agreements. Trust accounts are utilized to collateralize business with reinsurance counterparties. These assets held are primarily in the form of cash or certain investment-grade securities. The fair values of restricted assets as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Restricted cash and cash equivalents	$ 102,805	$ 120,624
Restricted investments	954,031	1,152,724
Total restricted cash, cash equivalents and investments	$ 1,056,836	$ 1,273,348

Other

The Company analyzes other investments in unrealized loss positions for other-than-temporary impairment ("OTTI") each reporting period. The Company recognized OTTI charges of $0 and $18,538 for other investments during the years ended December 31, 2023 and 2022, respectively, reflected within Net realized gain (loss) on investments on the Consolidated Statement of Operations.

20240924026O9

4. Fair Value of Financial Instruments

Fair Value Hierarchy

The following tables present the level within the fair value hierarchy at which the financial assets and financial liabilities are measured on a recurring basis as of December 31, 2023 and 2022:

As of December 31, 2023	Total	Level 1	Level 2	Level 3
Financial Assets				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	$ 12,870	$ 12,870	$ —	$ —
U.S. government agencies	3,740	—	3,740	—
Municipal bonds	6,921	—	6,921	—
Foreign government	652,049	—	652,049	—
Corporate bonds:				
Finance	1,029,098	—	1,029,098	—
Industrial	834,977	—	834,977	—
Utilities	106,264	—	106,264	—
Commercial mortgage-backed securities	315,171	—	315,171	—
Residential mortgage-backed securities:				
Agency backed	244,535	—	244,535	—
Non-agency backed	178,841	—	178,841	—
Collateralized loan / debt obligations	514,987	—	514,987	—
Asset-backed securities	156,333	—	156,333	—
Total fixed maturity securities, available-for-sale	4,055,786	12,870	4,042,916	—
Equity securities	28,609	20,008	—	8,601
Short-term investments	204,932	—	204,932	—
Other investments	2,823	—	—	2,823
Total financial assets measured at fair value	$ 4,292,150	$ 32,878	$ 4,247,848	$ 11,424
Financial Liabilities				
Contingent consideration	$ 6,188	$ —	$ —	$ 6,188
Total financial liabilities measured at fair value	$ 6,188	$ —	$ —	$ 6,188

As of December 31, 2022	Total	Level 1	Level 2	Level 3
Financial Assets				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	$ 4,808	$ 4,808	$ —	$ —
Municipal bonds	6,978	—	6,978	—
Foreign government	627,140	—	627,140	—
Corporate bonds:				
Finance	910,105	—	910,105	—
Industrial	717,536	—	717,536	—
Utilities	109,375	—	109,375	—
Commercial mortgage-backed securities	218,921	—	218,921	—
Residential mortgage-backed securities:				
Agency backed	192,571	—	192,571	—
Non-agency backed	110,569	—	110,569	—
Collateralized loan / debt obligations	717,962	—	717,962	—
Asset-backed securities	59,050	—	59,050	—
Total fixed maturity securities, available-for-sale	3,675,015	4,808	3,670,207	—
Equity securities	33,308	12,828	—	20,480
Short-term investments	180,893	—	180,893	—
Other investments	3,819	—	—	3,819
Total financial assets measured at fair value	$ 3,893,035	$ 17,636	$ 3,851,100	$ 24,299

The following tables provide a summary of changes in fair value of the Level 3 financial assets and liabilities for the years ended December 31, 2023 and 2022. The transfers into and out of Level 3 were due to changes in the availability of market observable inputs. All transfers are reflected in the table at fair value as of the end of the reporting period.

	Balance as of December 31, 2022	Net income (loss)	Other comprehensive income (loss)	Purchases and issuances	Sales and settlements	Net transfers (out of) into Level 3	Balance as of December 31, 2023
Fixed maturity securities, available-for-sale	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Equity securities	20,480	473	—	—	(12,352)	—	8,601
Other investments	3,819	—	—	—	(996)	—	2,823
Contingent consideration	—	—	—	(6,188)	—	—	(6,188)
Total	$ 24,299	$ 473	$ —	$ (6,188)	$ (13,348)	$ —	$ 5,236

20240924026610

	Balance as of December 31, 2021	Net income (loss)	Other comprehensive income (loss)	Purchases and issuances	Sales and settlements	Net transfers (out of) into Level 3	Balance as of December 31, 2022
Fixed maturity securities, available-for-sale	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Equity securities	8,619	(493)	—	12,354	—	—	20,480
Other investments	5,894	(351)	—	—	(1,724)	—	3,819
Contingent consideration	(175)	—	—	—	175	—	—
Total	$ 14,338	$ (844)	$ —	$ 12,354	$ (1,549)	$ —	$ 24,299

The following methods and assumptions are used in estimating the fair value of financial instruments:

- *Fixed maturity and equity securities:* As of December 31, 2023, the Level 3 securities consisted primarily of private equity securities. The fair values of these equity securities as of December 31, 2023 were measured using valuation techniques including non-binding broker quotes and third-party valuation firm indications of value that relied primarily upon unobservable inputs.
- *Other investments:* As of December 31, 2023, Level 3 consisted of investments required to be measured and reported at fair value and investments for which the Company has elected the fair value option of accounting. The fair value of these investments was measured using valuation techniques that relied upon unobservable inputs.
- *Short-term investments:* The carrying value of short-term investments approximate their respective fair value and are classified as Level 2 in the fair value hierarchy, with the exception of U.S. Treasuries, which are classified as Level 1 in the fair value hierarchy.
- *Contingent consideration*: The fair value of contingent consideration is based on a discounted cash flow methodology and is classified as Level 3 in the fair value hierarchy. The discount rate used for the contingent consideration is 13%.

5. Intangible Assets and Goodwill

The composition of intangible assets is summarized as follows:

December 31, 2023	Gross Balance	Accumulated Amortization	Net Value	Useful Life
Trademarks	$ 1,273	$ 91	$ 1,182	7 years
Distribution relationships	87,834	43,291	44,543	4 to 18 years
Licenses	9,174	—	9,174	Indefinite
Total intangible assets	$ 98,281	$ 43,382	$ 54,899	

December 31, 2022	Gross Balance	Accumulated Amortization	Net Value	Useful Life
Distribution relationships	$ 108,836	$ 85,251	$ 23,585	5 to 18 years
Licenses	8,708	—	8,708	Indefinite
Total intangible assets	$ 117,544	$ 85,251	$ 32,293	

Finite lived intangible assets are generally amortized under the straight-line method. Amortization expense for these finite lived intangible assets for the years ended December 31, 2023 and 2022 was $5,801 and $6,717, respectively.

The estimated aggregate amortization expense for each of the next five years is:

2024	$	7,582
2025		6,523
2026		6,523
2027		6,509
2028		4,403
Thereafter		14,185
Total amortization of other intangible assets with finite lives	$	45,725

Reporting units for goodwill impairment testing are identified in accordance with ASC 350-20-35 *Intangibles - Goodwill and Other*. The Company generally combines reporting units, which are a component of an operating segment, when they have similar economic characteristics, nature of services, types of customer, distribution methods and regulatory environment. For the years ended December 31, 2023 and 2022, the Company had three reporting units that are tested for goodwill impairment. Goodwill is tested for impairment annually as of October 1st. As a result of the impairment tests performed as of October 1, 2023 and 2022, the Company did not recognize any goodwill impairment losses during the years ended December 31, 2023 and 2022, respectively.

The changes in the carrying amount of goodwill for the years ended December 31, 2023 and 2022 are as follows:

		Total
Goodwill as of December 31, 2021	$	166,896
Foreign currency translation and other		(8,413)
Goodwill as of December 31, 2022	$	158,483
Goodwill acquired [1]		30,259
Foreign currency translation and other		3,943
Goodwill as of December 31, 2023	$	192,685

[1] See Note 18 "Acquisitions" for additional information

6. Property, Equipment and Software, net

Property, equipment and software, net consist of the following:

	December 31, 2023	**December 31, 2022**
Land	$ 733	$ 696
Building	174,572	164,859
Software	11,096	6,054
Computer equipment	2,711	2,378
Other equipment	21,797	7,763
Leasehold improvements	7,568	7,469
Property, equipment and software, gross	218,477	189,219
Less: Accumulated depreciation and amortization	(53,639)	(38,847)
Property, equipment and software, net	$ 164,838	$ 150,372

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was $7,876 and $8,339, respectively.

0002409240263 11

7. Loss and Loss Adjustment Expense Reserves

The following table provides a reconciliation of the beginning and ending balances for Loss and LAE reserves, reported in the accompanying Consolidated Balance Sheets as of December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
Loss and LAE reserves, at beginning of period	$ 4,701,794	$ 4,847,077
Less: Reinsurance recoverables at beginning of period	1,847,836	1,866,517
Net Loss and LAE reserves, at beginning of period	2,853,958	2,980,560
Incurred related to:		
Current period	1,460,984	1,351,493
Prior period	13,163	(23,500)
Total incurred during the period	1,474,147	1,327,993
Paid related to:		
Current period	(496,534)	(373,327)
Prior period [1]	(893,752)	(973,451)
Total paid during the period	(1,390,286)	(1,346,778)
Effect of foreign exchange rates	61,653	(107,817)
Net Loss and LAE reserves, at end of period	2,999,472	2,853,958
Plus: Reinsurance recoverables at end of period	1,567,083	1,847,836
Loss and LAE reserves, at end of period	$ 4,566,555	$ 4,701,794

[1] Amount for the year ended December 31, 2022 reflects reduction in loss reserves of $142,870 related to the French Medical Malpractice Quota Share (the "FMM QS"), partially offset by ceded reserves of $24,743 and $10,390 settled with Maiden Reinsurance Ltd. ("Maiden Reinsurance") and Swiss Reinsurance Company Ltd. ("Swiss Re"), respectively, as part of a commutation agreement. See Note 9. "Reinsurance" for additional information.

The Loss and LAE reserves, gross of related reinsurance recoverables, decreased $135,239 and $145,283 during the years ended December 31, 2023 and 2022, respectively.

The Company had adverse prior period reserve development of $13,163 during the year ended December 31, 2023 and a favorable prior period reserve development of $23,500 during the year ended December 31, 2022. Consistent with prior periods, the actuarial process was driven by updated incurred and paid loss data, continued review of actuarial diagnostics, and actuarial analyses based on updated data for the periods.

Driving the adverse activity in the current year was greater than expected loss emergence within certain small commercial lines of business, notably General Liability and Auto Liability. The Regional General Liability portfolio, comprised primarily of habitational loss exposures, continues to exceed original severity expectations, partially driven by larger social inflationary trends impacting the industry. Additionally, greater than expected loss emergence occurred in the General Liability - Contractors' (Construction Defect) exposed business written in the US on both US and European entities, much of which is now in run-off. Losses on the runoff Insurance Specialty Constructions Group ("ISG") program (terminated in 2019) which covers housing developments primarily in California continue to exceed the reported claim expectation and is impacted by rising costs in goods and services related to home construction. A significant portion of the losses on this business have been generated by Construction Wrap policies which have an extended reporting pattern.

Much of the Auto Liability portfolio is in run-off, with the exception of the Special Programs and trucking transportation portfolios. COVID-19 related court shutdowns and slowdowns have continued to adversely impact claim closure rates, which have caused severities to increase above expectation. Auto Liability has been particularly challenging post COVID-19 due to elevated inflationary trends and rising severities, both in property damages and bodily injury claims. Open claims on prior years were significantly impacted by supply chain limitations and auto part shortages, with the resulting inflationary trends not fully contemplated in the original pricing and reserving. Furthermore, the combination of court slowdowns impacting adjudicating prior year open cases concurrent with rising bodily injury severities, both in medical costs and adverse judgments, impacted prior years causing adverse development to be reflected over prior estimates. Adverse activity in the period in the run-off Public Entity portfolio was the result of a small number of adverse claim judgments. Lastly, the European portfolio was impacted by greater than expected loss emergence within the Medical Malpractice line of business. Medical Malpractice results deteriorated on the oldest underwriting years due to continued outstanding open inventory, which is in the process of adjudication and previously slowed by COVID-19, and recent settlements exceeding adjuster expectations.

Partially offsetting the adverse activity in the current period was continued favorable emergence on the active Retail Workers' Compensation lines of business due to continued positive macroeconomic trends (e.g., lower frequencies recorded across the industry and benign medical inflationary trends) and the Company's ongoing claims initiatives. These initiatives include, but are not limited to, closer monitoring and review of legal spend and engaging in more cost-effective benefit providers, which have benefited both current and prior years. Furthermore, Workers' Compensation reserves on business acquired for years prior to 2017 has continued to perform better than expectations and resulted in favorable development. Additionally, favorable activity was reflected in the Directors and Officers ("D&O") and Cyber Liability lines of business, which are both written on a claims-made form. D&O loss activity has been better than expectation on prior years, and Cyber Liability has recorded no material losses from the prior accident years.

Favorable development related to the Worker Protection program exposures in Dubai is also reflected. Given the short reporting tail and less than expected economic upheaval in the job market post COVID-19, lower ultimate loss estimates are continued to be reflected. Lastly, favorable activity in the European-based mortgage and credit, professional indemnity, and warranty lines was recorded based on favorable claims outcomes and results which have exceeded pricing expectations.

For the year ended December 31, 2022, the Company's favorable prior period reserve development of $23,500 was driven by continued favorable emergence on both active Retail and Programs Workers' Compensation line of business due to continued favorable macroeconomic trends, (e.g., lower frequencies recorded across the industry) in addition to the Company's ongoing claims initiatives. These initiatives include, but are not limited to, closer monitoring and review of legal spend and engaging more cost-effective benefits providers which have benefited current and prior years. Furthermore, Workers' Compensation reserves on business acquired for years prior to 2015 has continued to perform better than expectations and resulted in favorable development.

Favorable activity was also reflected in the Cyber Liability line of business, which is written on a claims-made form with no notable losses from the prior accident years, and in the Directors and Officers line of business, which is running favorably to expectations with low notifications for prior year losses. Favorable development related to the Worker Protection program exposures in Dubai was also reflected. Given the short reporting tail and less than expected economic upheaval in the job market post COVID-19, lower ultimate loss estimates was also reflected.

Partially offsetting the favorable activity in the current period was adverse loss emergence within the Excess and Surplus Professional Liability, General Liability and runoff Auto Liability lines of business assumed from the U.S. Excess and Surplus Professional Liability lines were impacted by both frequency and severity of claims exceeding original pricing expectations, particularly on the Lawyers portfolio where the Company is in the process of implementing several underwriting improvements. Adverse development in the General Liability and Auto Liability reflect rising claims severities beyond original pricing expectations, partially offset by favorable frequency trends.

Additionally, losses in the Company's UK Structural Defects segment have also seen severity increases commensurate with a higher inflationary and unfavorable legal environment.

Lastly, adverse experience was reflected in the international Title portfolio given a small number of high-severity claims and the French Medical Malpractice book, of which adverse experience was reflected in conjunction with the transaction to novate the portfolio's liabilities.

20240924026I2

In setting its reserves, the Company utilizes a combination of Company loss development factors and industry-wide loss development factors. In the event that the losses develop more favorably or adversely than the industry, as a whole, the liabilities for unpaid Losses and LAE may decrease or increase. The Company's management believes that its use of both historical experience and industry-wide loss development factors as well as consideration of known changes in the current environment provide a reasonable basis for estimating future losses. In either case, future events beyond the control of management, such as changes in or judicial interpretations of law and inflation, may favorably or unfavorably impact the ultimate settlement of the Loss and LAE reserves.

The Company monitors inflation developments and potential impacts on all lines of business. The anticipated effect of inflation is implicitly considered when estimating Loss and LAE reserves through the Company's actuarial assumptions of higher than historical severity trend and selection of ultimate loss and expense above the Company's initial projection for the year. Catastrophe activity in 2023 and 2022 did not have a material impact on the loss ratio. The Company considers anticipated changes in claim costs due to inflation in estimating the ultimate claim costs. Additionally, the Company notes inflation has had a muted impact on the Workers' Compensation line of business. While Core Consumer Price Index ("CPI") inflation measures have continued to increase, medical inflation has increased at a lower rate than the broader CPI. The lower inflation rate offset the additional exposure caused by increased wage growth, ultimately limiting adverse impacts of inflation on the Workers' Compensation line of business.

Increasing average severities of claims may be caused by several factors that vary with the individual type of policy written and not necessarily economic inflation, which the Company monitors monthly. The Company projects future average severities based on historical trends adjusted for implemented changes in underwriting standards, claims handling and/or operational changes, policy provisions, as well as general economic trends. The Company monitors those anticipated trends based on actual development and makes modifications, if necessary.

The following is information about the incurred and paid claims for the year ended December 31, 2023, net of reinsurance, as well as cumulative claim frequency and the total of incurred-but-not-reported liabilities plus expected development on reported claims included within the net incurred claim amounts. Additionally, incurred and paid claims information is presented for the years ended December 31, 2014 through December 31, 2022 as supplementary information.

The Company's reserves primarily relate to short-duration contracts ("SDC"). Characteristics including type of coverage, geography, and claim development are considered when determining an appropriate level of disaggregation related to SDCs. The following table indicates the level of disaggregation included herein:

Reportable Segment and Lines of Business
North American - Property & Casualty
International Specialty Risk - Medical Malpractice
International Specialty Risk - Non-Medical Malpractice

The Company determined certain exposures are either insignificant or have development characteristics associated with the exposures that are not representative of the Company's case reserve and claim settlement philosophies. The excluded exposures generally include loss portfolio transfers of liabilities that have development characteristics unlike the Company's ongoing business (e.g., a loss portfolio transfer of exposures that do not represent the current hazard mix or class severities).

The Company records reserves for estimated losses under insurance policies and for loss adjustment expenses related to the investigation and settlement of policy claims. The Company's reserves for Loss and LAE represent the estimated cost of all reported and unreported Loss and LAE incurred and unpaid at any given point in time based on known facts and circumstances. In establishing its reserves, the Company does not use loss discounting, which would involve recognizing the time value of money and offsetting estimates of future payments by future expected investment income. The Company estimates its reserves for Loss and LAE using case-by-case valuations and actuarial analysis. The allocated loss adjustment expenses included in this disclosure are also referred to as defense and cost containment ("DCC") expenses.

The Company utilizes various generally accepted actuarial methods, including paid and incurred loss development factor approaches, expected loss ratio methods and paid and incurred Bornhuetter-Ferguson approaches to estimate its reserves for Loss and LAE. Embedded within these actuarial methods are loss development assumptions selected by either a review of specific loss development history, industry loss development characteristics, or a combination of both depending on the line of business and the maturity of the loss experience to date.

Loss development factors are a key assumption underlying many of the actuarial methods utilized. Loss development factors are the ratio of losses at successive evaluations for a defined group of claims (e.g., accident year, accident quarter, etc.). Loss development factors may be dependent on a number of elements, including frequency and severity of claims, length of time to achieve ultimate settlement of claims, case reserving practices, projected inflation of medical costs and wages (for workers' compensation), insurance policy coverage interpretations, judicial determinations and existing laws and regulations. The predictive ability of loss development factors is dependent on consistent underwriting, claims handling, and predictable legislatively and judicially imposed legal requirements. To a lesser extent, broad macroeconomic factors, such as inflation and its sustained divergence from historical levels, may impact the predictive ability of loss development factors.

The Company generally relies upon the expected loss ratio ("ELR") approach for only the most recent accident periods for which claim experience may be too immature or volatile to rely upon for a projection of ultimate Loss and LAE. The ELR is generally based on the business plan, trended historical results, or recent industry trends, all supplemented by discussions with various stakeholders including underwriting and claims. The ELR, when applied to earned premiums for an accident period, will provide an indication for estimated incurred claims and allocated claim adjustment expenses for the period.

The Bornhuetter-Ferguson method ("BFM") is a weighted blend of the loss development factor method and the ELR method. The BFM splits the ultimate claims into two components: actual reported (or paid) claims to date and expected unreported (or unpaid) claims. As experience matures, more weight is given to actual claims experience while the expected claims component becomes gradually less important.

The Company's actuarial department projects ultimate loss estimates and resulting unpaid claim and allocated claim adjustment expense reserve levels using the methodologies outlined above. The assumptions the Company employs in these methodologies are subject to regular review and update as experience matures. Management establishes the Loss and LAE and DCC reserves by assessing the results of the actuarial techniques as prepared by both the internal and external actuarial resources, followed by a review of specific underwriting, claims handling and other operational considerations. In utilizing its judgment, management makes certain assumptions regarding the Company's business, including, among other things, frequency of claims, severity of claims and claim closure rates. Management's estimation process has been generally consistent over time.

In order to establish the adjusting and other reserves, the Company reviews its past adjustment expenses in relation to past claims and estimates its future costs based on expected claims activity and duration.

Because the Company determines its reserves based on assumptions that may give significant weight to industry incurred development patterns, the Company's ultimate losses may differ substantially from estimates produced by the above methods.

The information presented below reflects acquired business on a retrospective basis, which include the historical development from acquired businesses both before and after their respective acquisition dates.

The Company presents loss development for International Specialty Risk (Medical Malpractice and Non-Medical Malpractice) operations for all accident years using month-end exchange rate as of December 31, 2023. Although this approach requires restating all prior accident year information, the changes in exchange rates do not impact incurred and paid loss development trends.

The Company calculates the average annual percentage payout based on the historical information contained within each claims development table. First, the Company converts cumulative paid claims and allocated claim adjustment expenses, net of reinsurance into incremental payment amounts (e.g., 0-12 months, 12-24 months, etc.) for each accident year and then divides each incremental payment amount by the current evaluation of incurred claims and allocated claim adjustment expenses, net of reinsurance in order to determine the historical annual percentage payout for each incremental period for each accident year. The Company averages available observations of annual percentage payout for each incremental period across accident years to determine the historical average annual percentage.

0002409240261S

Note that the historical average annual percentage payout may sum to an amount different than 100%. This may be due to the length of the development pattern; for example, very long tailed lines of business may have payout periods that are in excess of the number of years included in the tables below. Furthermore, fluctuation in the annual percentage payout for individual incremental periods due to the uncertainty inherent in the loss settlement process may even cause the sum of the average annual payout percentage to exceed 100%.

North American Property & Casualty

The Company's North American Property & Casualty business are cessions from an intercompany reinsurance pooling arrangement with Technology Insurance Company, Inc. ("TIC") which it assumed from U.S. property casualty insurance affiliates ("Pool Affiliates") and a US-based subsidiary. The North American Property & Casualty consists of Retail and Program business written and grown organically since 1998, as well as large acquired portfolios (both renewal rights and existing liabilities from periods pre-acquisition). The Pool Affiliates focuses on writing smaller, niche business typically underserved by the broader insurance market which includes exposures related to Workers' Compensation, Auto Liability and General Liability. The Company typically assumes policies for Auto Liability and General Liability, which have limits of $1 million when originally written by the Pool Affiliates, reducing the severity of impact of any particular claim to the overall portfolio. See Note 10. "Related Party Transactions" for additional information on the Company's intercompany reinsurance pooling arrangement with TIC.

The Pool Affiliates target writing small, niche Workers' Compensation exposures in generally low-hazard occupations across the Retail and Programs portfolio and often bundled with other coverages through package policies. This has been the core strategy for the Pool Affiliates' organic business and re-underwriting goals for acquired businesses. In the past twelve months, the core Workers' Compensation line of business has experienced overall favorable development, particularly Accident Years 2016 and subsequent. The favorable development has been driven by macroeconomic conditions and ongoing claims initiatives. These initiatives include renegotiating benefit provider contracts, enhanced subrogation efforts, more effective nurse case management, legal cost-containment via actively monitored legal referrals to lower cost/better outcome providers, and reduction in allocated loss adjustment expenses ("ALAE") expenditures related to marginal benefit items such as surveillance. Incurred amounts are growing year-over-year, particularly 2022 and subsequent, given the continued growth in the portfolio's exposure as the Company increases its market share.

The Pool Affiliates write Commercial Auto policies on a standalone basis and bundled with other coverage through package policies. For example, the Pool Affiliates may write Commercial Auto with Workers' Compensation, General Liability, or Property Coverage. When pricing a particular risk, the Pool Affiliates focus on overall profitability and may be willing to accept more (or less) pricing adequacy in a certain coverage and less (or more) pricing adequacy on another line. The Pool Affiliates' results have been impacted by adverse trends impacting the broader commercial auto industry, including increasing frequency and severity of claims above expectation. As such, the Pool Affiliates curtailed writing in the Small Commercial Auto segment beginning in 2019 and has since focused on building specialty in the trucking and transportation business, included in the triangles below.

The Company typically assumes policies that have limits of $1 million, when originally written by the pool Affiliates, to limit the severity of impact of any particular claim to the overall line of business. However, as the Pool Affiliates grew in both Retail and Specialty Program - Commercial Auto business, the Pool Affiliates underwrote a small number of large, mono-line auto programs at limits higher than the traditional $1 million cap. These policies had a disproportionate impact on the adverse loss experience embedded in the triangle.

The Pool Affiliates has either terminated or non-renewed most of the retail mono-line auto policies and focused on achieving rate increases on renewed policies generally sold in concert with other coverages. The Pool Affiliates continue to write a Specialty Programs portfolio which focuses on specific niche exposures where managing general agents have particular underwriting expertise. Both company and industry frequency and severity trends have proven greater than initial expectations. However, the Company believes the updated actuarial assumptions better reflect the current economic environment, which has been significantly challenging post COVID-19 due to elevated inflationary trends and rising severities, both in property damages and bodily injury claims. Similar to the industry, recent accident year loss costs were significantly impacted by supply chain limitations and auto part shortages, with the resulting inflationary trends not fully contemplated in the original pricing and reserving. Furthermore, the combination of court slowdowns impacting adjudicating prior year open cases concurrent with rising bodily injury severities, both in medical and adverse judgements, impacted prior years causing adverse development to be reflected over prior estimates.

The General Liability line of business written through the Retail and Programs policies may contain a mix of exposures from retail operations, contractors, manufacturers, and other premises. The propensity for loss from these exposures is driven by judicial and economic developments that are difficult to forecast. Additionally, claims may be reported as many as three years or more after an occurrence and the Pool Affiliates may not receive the information required to set an accurate reserve in a timely manner.

General Liability has been the line of business most subject to re-underwriting and review since bringing in additional actuarial and management resources in early 2015. During the year ended December 31, 2023, the Pool Affiliates experienced adverse development in between Accident Years 2014 and 2021, most of which was related to development within the Pool Affiliates' Premises and Operations Package policies. Construction Defect exposed contractors' risks written on both an admitted and non-admitted (Excess and Surplus) basis, and higher limit Excess and Surplus professional liability policies where claim severities exceeded initial expectations, also contributed to the adverse experience reflected. Accident Year 2022 has shown favorable development given secular reduced frequency trends across most liability lines in concert with a greater mix of claims-made related D&O and Cyber coverages, which are supported by favorable market and rate conditions. Contributing to adverse experience in Accident Years 2021 and prior are broader industry headwinds that continue to put pressure on both prior and current years' results, including social inflation, nuclear verdicts (i.e., those with elevated jury awards versus historical, particularly in jurisdictions where the certain Pool Affiliate has a strong presence), and litigation funding. These elements have also combined to lower closure rates across most liability lines, which has given prior years' claims longer to linger open and able to capitalize on adverse market conditions which have led to higher incidence of unfavorable settlements. Cost of goods inflation has driven costs of claims higher, particularly in those related to Construction Defect where historically the Pool Affiliates has had a higher exposure risk than present.

The Pool Affiliates have re-underwritten or terminated many General Liability related programs, Retail exposures, and Excess and Surplus lines that have contributed to the adverse experience. The Company typically assumes policies that have limits of $1 million, when originally written by Pool Affiliates, limiting the severity of impact of any particular claim to the overall lines of business. However, some Construction Defect related policies earning in Accident Years 2018 and prior offered limits up to $5 million where a combination of a higher severity and longer tail reporting period than anticipated contributed to adverse development recognized. The Pool Affiliates' claims and legal teams currently have several claims initiatives underway to aid in reduction of individual claims severities, including legal provider reviews and faster and stronger claims reserving to improve settlement rates.

20240924026l4

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Year Ended December 31, 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	December 31, 2023: Total of Incurred-but not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2014	$ 673,678	$ 645,789	$ 678,488	$ 626,936	$ 675,143	$ 684,201	$ 710,456	$ 707,210	$ 707,521	$ 728,694	$ (858)	124,281
2015	—	767,264	787,658	711,095	748,375	759,133	783,085	789,894	795,341	819,428	(6,975)	149,781
2016	—	—	832,779	708,975	728,853	763,545	780,888	792,182	806,447	838,859	(13,561)	151,633
2017	—	—	—	678,985	668,885	685,321	666,057	669,223	683,961	707,812	41,436	143,396
2018	—	—	—	—	388,972	353,077	320,142	319,064	321,997	363,950	69,227	133,739
2019	—	—	—	—	—	296,835	288,963	289,815	296,395	306,221	22,997	107,798
2020	—	—	—	—	—	—	302,200	290,701	285,167	292,965	34,111	77,162
2021	—	—	—	—	—	—	—	403,443	389,660	397,366	74,193	102,722
2022	—	—	—	—	—	—	—	—	518,679	485,186	164,173	122,276
2023	—	—	—	—	—	—	—	—	—	570,606	361,609	103,967
										Incurred claims and allocated claim adjustment expenses, net of reinsurance		$5,511,087

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

Accident Year	For the Year Ended December 31, 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2014	$ 85,697	$ 242,901	$ 375,886	$ 491,066	$ 581,991	$ 637,182	$ 671,177	$ 684,329	$ 698,784	$ 721,072
2015	—	106,719	286,681	439,148	574,681	673,620	721,222	755,176	785,176	812,739
2016	—	—	121,851	306,033	460,182	609,811	686,571	745,365	795,202	836,624
2017	—	—	—	94,016	248,870	302,457	397,179	475,762	540,146	605,407
2018	—	—	—	—	48,368	(50,734)	44,171	118,461	175,550	233,677
2019	—	—	—	—	—	45,433	101,776	153,956	197,384	245,153
2020	—	—	—	—	—	—	34,556	96,806	150,472	206,287
2021	—	—	—	—	—	—	—	44,905	135,659	220,538
2022	—	—	—	—	—	—	—	—	59,864	179,886
2023	—	—	—	—	—	—	—	—	—	66,580
									Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance	$ 4,127,963
									All outstanding liabilities before 2014, net of reinsurance	27,956
									Liabilities for claims and claim adjustment expenses, net of reinsurance	$ 1,411,080

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
North American Property & Casualty	12.8%	18.5%	16.9%	15.8%	11.5%	7.8%	8.1%	5.3%	1.0%	1.3%

International Specialty Risk - Medical Malpractice

In 2010, the Company entered the Medical Malpractice line of business, primarily in Italy. Initial results recorded have developed adversely (Accident Years 2018 and prior) before leveling off; however, over time the Company has developed greater market knowledge, underwriting experience, and knowledge of various class and region distinctions, as well as numerous hospital and legal partnerships that allow it to exercise more leverage in the adjudication of claims. The favorable development observed subsequent to 2018 was primarily related to single doctors' exposures, which have tended to be lesser exposed to losses versus public hospitals, as well as ongoing favorable experience due to ongoing claims initiatives focusing on faster adjudication and settlement. Additionally, the Company observed a reduced frequency of reported claims on the 2020 and 2021 Accident Years related to treatment delays due to COVID-19.

The triangles below are the result of improved data processing and allocation procedures developed in 2021. In particular, prior disclosure did not include reported claim counts due to complexities of data obtained from third-party reporting. In 2021, automated data feeds allowed the Company to produce claim count information.

The Medical Malpractice business is written on a claims-made coverage and data is recorded on an underwriting year basis. Accident Year in these triangles is, therefore, the result of an allocation that primarily relies on report notice.

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

	For the Year Ended December 31,										December 31, 2023	
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total of Incurred-but not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2014	$ 111,279	$ 110,829	$ 125,490	$ 134,791	$ 136,574	$ 144,933	$ 137,824	$ 144,701	$ 147,177	$ 155,694	$ 11,295	7,792
2015		95,410	107,728	112,173	105,174	98,847	92,216	98,620	105,115	116,993	7,696	7,590
2016			105,191	114,554	108,010	101,284	93,767	97,164	98,416	100,476	2,974	6,034
2017				114,704	107,628	103,664	90,969	89,100	88,899	89,574	4,413	5,803
2018					135,773	125,638	94,820	85,977	84,899	87,299	792	5,492
2019						134,179	110,046	110,643	116,468	113,931	(7,367)	5,079
2020							103,072	91,032	94,102	87,961	(5,883)	5,673
2021								97,603	83,802	82,877	2,015	5,262
2022									77,175	70,865	1,882	4,552
2023										71,512	23,510	1,091
										Incurred claims and allocated claim adjustment expenses, net of reinsurance	$ 977,182	

20240924026135

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

For the Year Ended December 31,

Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2014	$ 1,135	$ 9,778	$ 26,345	$ 39,663	$ 48,114	$ 63,684	$ 82,575	$ 93,984	$ 104,809	$ 117,923
2015	—	487	9,033	22,735	32,130	43,071	54,190	61,673	73,566	87,417
2016	—	—	675	8,501	19,454	30,731	40,465	47,817	58,580	68,996
2017	—	—	—	426	3,687	11,145	24,516	34,053	42,705	49,953
2018	—	—	—	—	272	4,126	11,262	18,724	27,401	36,382
2019	—	—	—	—	—	350	10,906	22,512	34,783	44,829
2020	—	—	—	—	—	—	286	7,306	13,171	24,417
2021	—	—	—	—	—	—	—	962	7,223	12,689
2022	—	—	—	—	—	—	—	—	375	4,851
2023	—	—	—	—	—	—	—	—	—	535
									Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance	**$ 447,992**
									All outstanding liabilities before 2014, net of reinsurance	83,348
									Liabilities for claims and claim adjustment expenses, net of reinsurance	**$ 612,538**

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
International Specialty Risk - Medical Malpractice	0.6%	6.7%	9.5%	10.6%	8.6%	8.7%	10.1%	8.8%	7.1%	5.2%

International Specialty Risk - Non-Medical Malpractice

International Casualty, Non-Medical Malpractice primarily consists of the Company's Professional Indemnity, Legal Expenses, Structural Defects, and Other Liability exposures. The Company has typically focused on Professional Indemnity coverage for solicitors in the UK and structural defects within the UK, French, and Scandinavian territories.

Professional Indemnity has largely performed according to or better than expectation for most years, with releases noted in the past twelve months for large accounts where initial pricing was strong with better than expected results on COVID-19 impacted years. Additionally, coverages related to Before-the-Event and After-the-Event legal coverages have generally developed favorably in recent calendar periods. However, Structural Defects has been the primary driver of adverse experience in the recent few calendar years, and in particular, those exposures related to fire and safety issues. Costs related to claims and investigations related to "cladding", or external building sheathing, which has proven to be extremely flammable and the source of both existing loss claims as well as claims to remediate buildings in accordance with building codes. Claims are now reserved more cautiously given this recent experience, and much of this portfolio has now been put into run-off. There have been several improvements made to processes amongst Management, Legal and Claims regarding the fire and safety issue claims. Claims have a dedicated team now working on these claims and believe that the underlying position is stabilizing/ improving both in terms of numbers of claims and the reserved position. Additionally, Construction-Defect related policies written in the Irish entity for US-based exposures have developed adversely in the last calendar period, much of which is now in run-off. Losses on the runoff ISG program (terminated in 2019) which covers housing developments primarily in California continue to exceed the reported claim expectation and is impacted by rising costs in goods and services related to home construction. A significant portion of the losses on this business have been generated by Construction Wrap policies which have an extended reporting pattern.

Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

	For the Year Ended December 31,										December 31, 2023	
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total of Incurred-but not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2014	$ 18,295	$ 25,644	$ 46,612	$ 47,214	$ 49,271	$ 51,966	$ 54,886	$ 49,206	$ 50,759	$ 51,255	2,218	NP
2015		17,302	45,263	44,143	46,513	49,320	55,900	50,295	52,130	52,136	1,355	NP
2016			40,721	40,563	44,232	52,366	60,572	60,803	67,101	64,267	4,394	NP
2017				47,874	41,683	56,319	59,477	66,149	79,903	79,799	11,025	NP
2018					50,208	50,280	51,588	48,464	55,711	61,319	7,367	NP
2019						42,629	45,357	45,340	50,532	51,757	8,536	NP
2020							38,143	36,969	40,872	39,307	11,816	NP
2021								48,755	44,871	44,280	23,196	NP
2022									50,315	45,047	29,225	NP
2023										40,854	35,613	NP
										Incurred claims and allocated claim adjustment expenses, net of reinsurance	$ 530,021	

NP - Not practicable

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance

	For the Year Ended December 31,									
Accident Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2014	$ 5,627	$ 15,018	$ 23,411	$ 30,839	$ 37,721	$ 43,926	$ 47,246	$ 41,853	$ 43,420	$ 45,364
2015		7,139	13,249	19,575	29,691	36,572	41,439	39,467	41,275	43,374
2016			4,892	10,444	19,958	29,647	37,220	40,524	43,580	48,991
2017				5,260	10,969	20,358	27,862	33,889	39,869	50,701
2018					5,647	9,694	16,781	23,623	29,843	37,553
2019						3,738	9,416	17,189	22,179	26,987
2020							3,115	5,459	8,415	12,842
2021								2,584	4,379	7,849
2022									1,885	4,353
2023										1,573
									Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance	$ 279,587
									All outstanding liabilities before 2014, net of reinsurance	5,239
									Liabilities for claims and claim adjustment expenses, net of reinsurance	$ 255,673

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
International Specialty Risk -Non-Medical Malpractice	7.8%	9.1%	13.1%	14.1%	11.9%	9.8%	7.3%	5.7%	5.1%	4.6%

0002409240261 6

The following table presents a reconciliation of net incurred and paid claims development tables to the liability for claims and claim adjustment expenses for the years ended December 31, 2023 and 2022.

	As of December 31,	
	2023	2022
Net liability for unpaid Losses and LAE:		
Insurance presented in the tables above:		
North American Property & Casualty	$ 1,411,080	$ 1,284,585
International Specialty Risk - Medical Malpractice	612,538	600,107
International Specialty Risk - Non-Medical Malpractice	255,673	252,985
Insurance not presented in the tables above:		
Other short-duration lines	534,333	527,364
Reserves related to National Council on Compensation Insurance pooling arrangement	69,992	68,163
Unallocated claims adjustment expense	115,856	120,754
Total net liability for unpaid Losses and LAE	2,999,472	2,853,958
Reinsurance recoverable on loss and loss adjustment expenses:		
Reinsurance recoverable	1,567,083	1,847,836
Total reinsurance recoverable on loss and loss adjustment expense	1,567,083	1,847,836
Total gross liability for unpaid Loss and LAE	$ 4,566,555	$ 4,701,794

8. Debt, Net

Debt, net of unamortized financing costs, consisted of the following as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Secured loan agreements	$ 97,965	$ 93,319

Aggregate scheduled maturities of outstanding debt as of December 31, 2023 are:

2024	$ 110
2025	116
2026	121
2027	92,187
2028	130
Thereafter	5,556
Total scheduled payments	98,220
Unamortized deferred financing costs[1]	(255)
Total debt, net	$ 97,965

[1] Amortized to interest expense using the effective yield method over the remaining lives of the underlying debt obligations.

The following is a summary of interest expense, including the amortization of financing costs, related to the outstanding debt and letters of credit for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
Secured loan agreements	$ 3,454	$ 3,468
Other	1,168	6,592
Total interest expense, net	$ 4,622	$ 10,060

Secured Loan Agreements

On September 18, 2015, the Company entered into a seven-year mortgage agreement in the aggregate principal amount of $10,250 to finance the purchase of a building in New York. The mortgage initially bore interest at an annual rate equal to 3.75%, with a maturity date of September 18, 2022. On July 20, 2022, the Company exercised the option to extend the initial maturity date to August 10, 2032. At that time, the Company amended and restated the note into a ten-year mortgage agreement in the aggregate principal amount of $6,266 with monthly installment payments of principal and interest. The mortgage bears interest at an annual rate equal to 4.13% until August 10, 2027, at which time the onward rate is the greater of (i) 4.13% or (ii) 2.75% above the weekly average yield on five year treasuries. The final payment upon maturity will equal the then outstanding principal balance of the mortgage plus any accrued and unpaid interest.

On January 12, 2017, the Company entered into a ten-year secured loan agreement with Teachers Insurance and Annuity Association of America in the aggregate amount of £72,313 (or $92,061 at December 31, 2023) to finance the purchase of a commercial office building in London, England. The loan bears interest at an annual rate of 3.45% and matures on January 15, 2027. The loan requires quarterly interest payments for the term of the loan, with the principal and any accrued interest to be paid at maturity.

Letters of Credit

During the year ended December 31, 2023, the Company terminated $235,000 of its outstanding stand-by letters of credit that were used to support credit for the reinsurance provided by the Company to TIC that are no longer required for reinsurance collateral obligations.

The Company also has outstanding letters of credit with JPMorgan Chase Bank, N.A., ("JPM") as Administrative Agent and Issuing Bank amounting to $9,723 and $10,712 as of December 31, 2023 and 2022, respectively, obtained though AFSI's credit facility with JPM ("Credit Agreement").

Fees payable with respect to the letter of credit is charged to the Company by AFSI, being the applicant of the letters of credit, includes an arranger fee (0.125%) and a commission fee (1.750%).

The letters of credit contains certain restrictive covenants that are the same with AFSI's Credit Agreement with JPM, customary for facilities of this type (subject to negotiated exceptions and baskets), including restrictions on indebtedness, liens, fundamental changes, acquisitions, restricted payments, related party transactions and dispositions. There are also financial covenants that require AFSI to maintain a minimum consolidated net worth and specify a maximum consolidated leverage ratio. AFSI was in compliance with all of its covenants as of December 31, 2023.

9. Reinsurance

In the ordinary course of business, the Company assumes and cedes premiums to other insurers through pro-rata and excess of loss reinsurance agreements on a treaty or facultative basis. The Company generally purchases reinsurance to reduce its net liability on individual risks and to protect against catastrophe losses and volatility. The Company structures its reinsurance programs by analyzing its tolerance for risk in each line of business and on an overall consolidated basis, based on a number of factors, including market conditions, pricing, competition and the inherent risks associated with each business type.

Third-party reinsurance agreements do not relieve the Company from direct obligations to beneficiaries. Thus, a credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer fails to meet the obligations assumed under any reinsurance agreement. To reduce its exposure to reinsurance credit risk, the Company evaluates the financial condition of its reinsurers and places its reinsurance with a diverse group of companies and syndicates that it believes to be financially sound. The Company uses certain financial measures to select and retain its reinsurers, such as requiring them to be fully collateralized, maintain minimum surplus of $500,000 or have a financial strength rating of "A-" or better from A.M. Best Company, Inc. or Standard & Poor's Corporation ("external rating agencies"). The Company carefully monitors the credit quality of its reinsurers and may approve exceptions to these criteria when warranted The Company holds substantial collateral under related reinsurance agreements in the form of funds withheld, Trusts, and letters of credit.

0002409240261 7

The following is a summary of reinsurance financial data reflected in the Consolidated Statement of Operations:

	Years Ended December 31,	
	2023	2022
Net earned premiums:		
Direct	$ 1,130,133	$ 1,167,498
Assumed	1,641,132	1,485,238
Ceded	(592,539)	(534,770)
Total Net earned premiums	$ 2,178,726	$ 2,117,966
Loss and loss adjustment expenses:		
Direct	$ 851,241	$ 857,965
Assumed	1,073,304	969,017
Ceded	(450,398)	(498,989)
Total Loss and loss adjustment expenses	$ 1,474,147	$ 1,327,993

Reinsurance recoverables include amounts recoverable on both paid and unpaid claims and claim adjustment expenses and were as follows:

	Years Ended December 31,	
	2023	2022
Reinsurance recoverables on unpaid claims and claim adjustment expense	$ 1,567,083	$ 1,847,836
Reinsurance recoverables on paid claims and claim adjustment expense	176,584	235,412
Reinsurance receivable	$ 1,743,667	$ 2,083,248

Of the total reinsurance receivables at December 31, 2023, 66% were ceded to reinsurers that were rated by external rating agencies. Of the total rated reinsurers, 48% were rated A- or better. The remaining 52% of reinsurance receivables were comprised of the following: 18% rated below A-, and 34% from companies not rated by external rating agencies. In cases where the reinsurer is not rated, their recoverables have been collateralized to mitigate credit risk to the Company.

French Medical Malpractice Quota Share

On September 9, 2022, AFSI entered into a 100% quota share agreement for the entirety of the Company's gross French Medical Malpractice ("FMM") exposure (the "FMM QS"). Upon execution, the Company paid $164,623 to reinsure FMM loss reserves of $142,870 and, as a result, recognized a loss on the transaction of $21,753 in Loss and Loss Adjustment Expense in the Consolidated Statement of Operations for the year ended December 31, 2022. Immediately prior to the execution of the FMM QS, the Company commuted historic quota share agreements covering the FMM business with Maiden Reinsurance and Swiss Re ("the Commutation Agreement"). Under the Commutation Agreement, the Company agreed to settle FMM reserves of approximately $24,743 ceded by the Company to Maiden Reinsurance and $10,390 ceded by the Company to Swiss Re. As a result of the commutation, the Company recorded a gain of $4,863 reported as a reduction to Loss and Loss Adjustment Expense in the Consolidated Statement of Operations for the year ended December 31, 2022. For further description of the Commutation Agreement and European Quota Share, see Note 10. "Related Party Transactions".

Following the execution of the FMM QS, the Company and reinsurer applied to the Central Bank of Ireland for approval for a Section 13 portfolio transfer of the business to a Finland-domiciled insurance carrier subsidiary of the reinsurer, to achieve legal finality. On July 14, 2023, the Company received regulatory approval and transferred the FMM business.

Reinsurance Agreements with Swiss Re

Effective July 1, 2023, the Company renewed the 50% quota share agreement with Swiss Re for the Company's international business on a funds withheld basis.

10. Related Party Transactions

Significant Transactions with AmTrust Financial Services, Inc.

Reinsurance Agreements and Assets in Trust

In 2017, the Company reinsured the underwriting activities of certain companies related through common ownership ("the AmTrust Ceding Insurers"), net of unaffiliated inuring reinsurance. Each of the agreements between the AmTrust Ceding Insurers and the Company were commuted, at book value, when the Company, TIC, and the U.S. property casualty insurance affiliates ("Pool Affiliates") entered into an intercompany reinsurance pooling agreement ("Pooling Agreement") effective October 1, 2017.

Under the Pooling Agreement, TIC assumes the Pool Affiliates' respective insurance business obligations and retrocedes to the Company. The quota share agreement has a continuous term with a one year termination notice period and covers all policies issued by TIC. The Company pays a ceding commission equal to its proportionate share of TIC's acquisition cost including a proportionate share of the reinsurance purchased by TIC, which inures to the Company's benefit.

The Company has reciprocal reinsurer status granted by Delaware's Department of Insurance for the years ended December 31, 2023 and 2022. The Company's status as a reciprocal reinsurer does not require collateral for its obligations to TIC for underwriting years 2023 and 2022 for as long as the Company continues to meet the qualification criteria and makes annual renewal applications to the Delaware Department of Insurance.

The reinsurance agreement is collateralized by assets in trust accounts, funds withheld, or letters of credit for the underwriting years not covered by the Company's reciprocal reinsurer status. At December 31, 2023 and 2022, the net balance due to the Company by TIC under the Pooling Agreement totaled $111,686 and $275,105, respectively and is included in Premiums receivable, net in the Consolidated Balance Sheets.

Due from Affiliates

The Due from affiliate balance represents balances receivable, net of payables, with companies under common control of AFSI and consisted of the following at December 31, 2023 and 2022:

As of December 31, 2023	Principal	Accrued Interest	Total
Secured promissory notes receivable	$ 43,418	$ 800	$ 44,218
Loans receivable from AFSI, net	194,759	623	195,382
Other net receivables (payables)	23,952	(12,966)	10,986
Net balances due from (to) affiliate	$ 262,129	$ (11,543)	$ 250,586

As of December 31, 2022	Principal	Accrued Interest	Total
Secured promissory notes receivable	$ 43,418	$ 1,000	$ 44,418
Loans receivable from AFSI, net	266,210	2,361	268,571
Other net receivables (payables)	41,840	(11,908)	29,932
Net balances due from (to) affiliate	$ 351,468	$ (8,547)	$ 342,921

Secured Promissory Notes Receivable

During 2016, a group of 6 affiliated companies collectively issued a promissory note to the Company in the amount of $50,000. These companies used proceeds from the note to purchase real estate investment properties. The note is collateralized by the properties acquired and guaranteed by certain other affiliated entities including AFSI. The note receivable accrues interest of 4.0% per annum and the interest is due to the Company quarterly in arrears. As of December 31, 2023, the principal amount outstanding was $43,418. The remaining promissory note matures on December 20, 2031, with all unpaid principal and

202409240261 8

interest due on the maturity date. The Company recorded interest income of $1,761 for the years ended December 31, 2023 and 2022, respectively.

Loans Receivable From AFSI, net

On March 24, 2017, the Company entered into a loan agreement with AFSI under which the balance due from AFSI at December 31, 2016 was converted to a loan receivable upon signing of the loan agreement. Under this loan agreement, AFSI may borrow up to an aggregate principal amount of $300,000 from the Company. The loan to AFSI is unsecured and bears interest at an annual rate equal to 2.05%. The loan matures on the earlier of December 31, 2024 or the date that the Company requests repayment. All unpaid principal and interest are due on the maturity date. As of December 31, 2023 and 2022, the loan balance and related accrued interest totaled $0 and $73,911, respectively. The Company recorded interest income of $1,107 and $2,461 for the years ended December 31, 2023 and 2022, respectively.

On February 26, 2018, RIC a wholly-owned subsidiary of the Company entered into a loan agreement with the Company's parent in the aggregate principal amount of $76,000. The loan is unsecured and matures on February 26, 2028 or the date the lender requests payment with 30 days prior written notice. On October 26, 2022, RIC assigned the outstanding loan amount of $74,336 to its parent Company, AMT Investments LLC, which is also a wholly owned subsidiary of the Company. The amended loan agreement bears interest at a fixed annual rate of 3.28%. During the years ended December 31, 2023 and 2022, the Company recorded interest income of $2,472 and $3,103, respectively.

On February 27, 2018, in conjunction with the sale of a previously held for sale subsidiary, a wholly-owned subsidiary of the Company entered into a loan agreement with AFSI in the aggregate principal amount of $53,114. The loan is unsecured, bears interest at a rate equal to the short-term federal funds rate on the last day of each calendar quarter, and is payable together with outstanding interest on December 31, 2028. On June 30, 2021, the loan agreement was amended adding the existing $9,084 other balance between the parties to be part of the loan principal. During the years ended December 31, 2023 and 2022, the loan balance and related accrued interest totaled $62,198. The Company recorded interest income of $2,068 and $1,024, respectively.

Other balances due from affiliate are in relation to operating transactions yet to be settled and are unsecured, interest free, and due on demand included in Due from affiliates, net in the Consolidated Balance Sheets.

Significant Transactions with Maiden Holdings, Ltd.

The Company has various reinsurance and service agreements with Maiden Holdings, Ltd. ("Maiden"). Maiden is a publicly held Bermuda insurance holding company (Nasdaq: MHLD) formed by Michael Karfunkel, George Karfunkel and Barry Zyskind, principal stockholders, and, respectively, the former chairman of the board of directors of AFSI, a director of AFSI, and the current Chairman and Chief Executive Officer of AFSI. As of December 31, 2023, Barry Zyskind, owned or controlled approximately 4.5%, of the issued and outstanding capital stock of Maiden. Mr. Zyskind serves as the non-executive chairman of Maiden's board of directors. The following section describes the agreements in place between the Company and Maiden.

Reinsurance Agreements with Maiden Holdings, Ltd.

In 2007, AFSI and Maiden entered into a master agreement, as amended, which included the Maiden Quota Share between the Company and Maiden Reinsurance Ltd. ("Maiden Reinsurance"), Maiden's Bermuda subsidiary. Under the Maiden Quota Share, the Company retroceded to Maiden Reinsurance certain lines of business assumed by the Company from TIC as well as its Irish and United Kingdom insurance company subsidiaries. The Maiden Quota Share remained in place until January 1, 2019, at which time the parties agreed to terminate it on a cut-off basis with respect to Workers' Compensation, General Liability, Umbrella Liability, Professional Liability insurance coverages in the Company's North America P&C business segment and extended warranty and specialty risk insurance coverages in the Company's Specialty Risk and Extended Warranty business segment that are produced in the U.S. ("Terminated Business"). Additionally, the parties agreed to terminate, on a run-off basis, the remaining covered business ceded under the Maiden Quota Share.

Maiden Reinsurance transferred $575,000 to the Company on a funds withheld basis, to fund statutory deposit requirements resulting from Maiden Reinsurance's unauthorized reinsurer status. Interest at a fixed annual interest rate of 3.5%,

adjustable annually, is payable on the funds withheld balance. As of December 31, 2023, the funds withheld balance was approximately $130,035.

In July 2019, Maiden Reinsurance and a third party Bermuda reinsurer entered into an Adverse Development Cover Agreement effective as of January 1, 2019 (the "ADC Agreement"), by which the Bermuda reinsurer, assumed from Maiden Reinsurance claims payable by Maiden Reinsurance to the Company under the Maiden Quota Share in excess of a retention of $2,178,500 up to an aggregate limit of $600,000. In connection with the ADC Agreement, the Company entered into (i) a Master Collateral Agreement with Maiden Reinsurance and the Bermuda reinsurer dated as of July 31, 2019 (described below); (ii) a Commutation Agreement and Release with Maiden Reinsurance effective as of July 31, 2019 with respect to certain workers' compensation reserves ceded by the Company to Maiden Reinsurance pursuant to the Maiden Quota Share; and (iii) a Post-Termination Endorsement No. 1 to the Maiden Quota Share.

Pursuant to the Commutation Agreement, the Company and Maiden Reinsurance agreed to settle Maiden Reinsurance's liability under the Maiden Quota Share for (a) all losses incurred in accident year 2017 and 2018 under workers' compensation policies issued by the Company in California, and (b) all losses incurred in accident year 2018 under workers' compensation policies issued by the Company in New York, in each case as of December 31, 2018.

Pursuant to Post-Termination Endorsement No.1, Maiden Reinsurance agreed that the loss corridor applicable to the Company's liability for losses falling within the Specialty Program portion of the covered business only ("the Specialty Program Loss Corridor") is capped at $40,500. In effect, the upper band of the Specialty Program Loss Corridor was reduced to 83.7%. This amendment to the Specialty Program Loss Corridor was considered an amendment to a reinsurance agreement that requires the Company to reassess risk transfer. If the Specialty Program ultimate net loss amounts exceed the 83.7% limit in future periods, the Company will determine whether to account for the Specialty Program recoveries from Maiden Reinsurance as retroactive reinsurance or under the deposit method of accounting.

Effective March 16, 2020, the Company and Maiden Reinsurance entered into a Post-Termination Endorsement No. 2 whereby Maiden Reinsurance provided additional collateral to the Company to secure Maiden Reinsurance's obligations through the run-off of the Maiden Quota Share. The collateral requirement increased from 105% to 110%, which could decrease to 107.5% and then 105% at lower reserve thresholds if Maiden Reinsurance maintains a certain risk based capital ratio. As of December 31, 2023, the collateral requirement was 107.5%.

European Quota Share

In 2011, the Company, through its subsidiaries AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU"), entered into a reinsurance agreement with Maiden Reinsurance (the "European Quota Share"), by which AEL and AIU ceded certain percentages of European medical liability business to Maiden Reinsurance. On February 12, 2019, AEL, AIU and Maiden Reinsurance agreed to terminate this reinsurance agreement on a run-off basis, effective January 1, 2019. In January 2019, Maiden Reinsurance transferred $54,709 to AIU, on a funds withheld basis, to fund collateral requirements. AIU paid interest to Maiden Reinsurance on the funds withheld balance at a fixed interest rate of 0.5%. The funds withheld balance was exhausted as part of the Commutation Agreement effective July 11, 2022, discussed below.

Effective March 16, 2020, as a result of Maiden Reinsurance's re-domestication from Bermuda, a Solvency II equivalent jurisdiction, to Vermont, which is not, AEL, AIU and Maiden Reinsurance entered into a Post-Termination Endorsement No. 1 whereby Maiden Reinsurance provided additional collateral to AEL and AIU to secure Maiden Reinsurance's obligations to each of them through the run-off of the agreement. The collateral requirement increased from 100% of total unearned premium and loss reserves to the greater of (i) 120% of total unearned premium and loss reserves or (ii) the collateralization level that would result in the same solvency coverage ratio obtained if Maiden Reinsurance were still domesticated in Bermuda.

On May 12, 2020, AIU and Maiden Reinsurance entered into a Post-Termination Endorsement No. 2 (with effect from January 1, 2020) to confirm AIU's right to utilize and retain the withheld funds for the purposes of "Collateral", as defined in the Solvency II Directive and provide AIU with entitlement to the funds in the event of default or non-performance of obligations under the European Quota Share by Maiden Reinsurance.

On July 11, 2022, the Company and Maiden Reinsurance entered into a Commutation and Release as of July 1, 2022, with respect to the FMM reserves of approximately $24,743 ceded by the Company to Maiden Reinsurance pursuant to the European

0002409240261 9

Quota Share. The Company and Maiden Reinsurance agreed to settle Maiden Reinsurance's liability for the business for approximately $28,269.

On July 31, 2020, AEL and AIU transferred their respective Italian medical liability businesses covered by the European Quota Share to the Company's Italian insurance company subsidiary, AmTrust Assicurazioni S.p.A.

Maiden Collateral for Proportionate Share of Reinsurance Obligations

Effective December 1, 2008, the Company and Maiden Reinsurance entered into a Reinsurer Trust Assets Collateral agreement whereby Maiden Reinsurance is required to provide AII the assets required to secure Maiden's proportional share of AII's obligations to the AmTrust Ceding Insurers. On December 13, 2023, a request was made to close the trust account. As of December 31, 2023, there were no assets held in the reinsurance trust account.

In addition, pursuant to the European Quota Share, Maiden Reinsurance is required to provide AEL and AIU the assets required to secure AEL's and AIU's obligations. As of December 31, 2023, assets held in the reinsurance trust account was approximately $148,795. Maiden Reinsurance retains ownership of the collateral in the trust accounts.

On July 31, 2019, the Company, AII, TIC, Maiden Reinsurance and a third party Bermuda reinsurer entered into a Master Collateral Agreement whereby AII released to the third party Bermuda reinsurer $445,000 in collateral from the reinsurance trust accounts referenced above as the premium payment pursuant to the ADC Agreement, which were replaced with $445,000 of letters of credit provided by the Bermuda reinsurer, which, as of December 31, 2023 have been increased to $491,648. The Bermuda reinsurer will be required to increase the letters of credit to cover adverse development of up to $600,000 in the aggregate. In the event it is necessary for AII to draw down on the collateral, AII will use Maiden Reinsurance's collateral prior to drawing on the Bermuda reinsurer's letters of credit. In addition, Maiden Reinsurance has collateralized the existing reinsurance obligations at 107.5%. The aggregate amount of collateral from Maiden Reinsurance, including letters of credit, trusts and funds withheld balances was approximately $775,216, as of December 31, 2023.

Significant Transactions with Amynta

On February 28, 2018, AFSI completed the transfer to Amynta Holdings LLC ("Amynta") of a majority interest in the portion of their U.S. based fee businesses that (a) acted as managing general agents for the distribution, underwriting and procurement of property and casualty insurance on behalf of certain of the Company's affiliates and other insurance carriers and (b) designed, developed, marketed and acted as third party administrators for programs for service contracts, limited warranties and replacement plans (the "U.S. based fee business"). The newly formed joint venture referred to as "The Amynta Group" was owned 48.9% by MH JV Holdings L.P., an investment vehicle owned by affiliates of Madison Dearborn Partners ("MDP"), 4.1% by members of Amynta's senior management and 47.0% by AFSI, including 15% owned by the Company, as of December 31, 2021. The Company's ownership interest in Amynta was an equity method investment.

Upon the closing of the transaction, AFSI and Amynta entered into a five-year agreement whereby AFSI remained a provider of insurance coverage related to warranty and service contracts and remained an underwriter of policies offered via Amynta's managing general agents.

Effective February 16, 2022, the Company, along with various affiliates ("AmTrust Parties"), entered into a purchase agreement with Amynta whereby the Company sold back to Amynta the Company's equity interest at fair value in exchange for cash, deferred payments, and preferred stock issued by an Amynta affiliate. The transaction received regulatory approval and closed on March 4, 2022. See Note 17. "Divestitures" for more information.

11. Income Taxes

The provision for income taxes consists of the following for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
Current expense:		
Federal	$ 5,278	$ 8,132
Foreign	38,520	(1,347)
Total current tax expense	43,798	6,785
Deferred expense (benefit):		
Federal	1,882	19,537
Foreign	(541)	10,710
Total deferred tax expense	1,341	30,247
Total income tax expense	$ 45,139	$ 37,032

The following table is a reconciliation of the statutory income tax expense to the effective tax rate for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
Loss before income taxes and equity in earnings of unconsolidated entities	$ (35,923)	$ (76,987)
Tax at federal statutory rate (21%)	(7,544)	(16,167)
Tax effects resulting from:		
Bermuda CIT	(78,266)	—
Permanent adjustments	32,713	41,336
Foreign rate differential	52,813	5,638
Valuation allowance [1]	47,383	7,793
Tax credits	(5,718)	(2,405)
Other, net [2]	3,758	837
Total income tax expense	$ 45,139	$ 37,032
Effective tax rate	(754.3)%	(52.8)%

[1] 2023 valuation allowance includes a DTA valuation allowance of $78,266 for Bermuda CIT
[2] 2022 adjustments primarily reflect deferred tax assets related to the purchase of non-controlling interest of Tiger Capital See Note 18 "Acquisitions" for additional information

20240924026 20

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities as of December 31, 2023 and 2022 are shown below:

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Net operating loss carryforward	$ 294,049	$ 270,531
Unearned premiums	46,030	48,266
Bad debt	503	946
Loss and LAE reserves	64,214	55,367
ROU lease liability	5,707	5,852
Unrealized loss on investments	67,438	78,435
Intangible assets	423	424
Other	12,160	17,181
Total gross deferred tax assets	490,524	477,002
Valuation allowance	(303,160)	(254,770)
Total deferred tax assets	187,364	222,232
Deferred tax liabilities:		
Deferred acquisition costs	(28,673)	(24,817)
ROU asset	(5,602)	(5,756)
Depreciation	—	(976)
Other	(9,053)	(12,643)
Total deferred tax liabilities	(43,328)	(44,192)
Deferred tax asset, net	$ 144,036	$ 178,040

Net deferred tax assets are included in Other assets in the Consolidated Balance Sheets. The likelihood of realizing deferred tax assets is reviewed periodically. Any adjustments required to the valuation allowance are made in the period during which developments requiring an adjustment become known.

On December 27, 2023, legislation implementing a CIT in Bermuda was enacted. The Bermuda income tax rules are intended to align as closely as possible to the global anti-base erosion rules established by the Organization for Economic Co-operation and Development ("OECD") to support consistent and predictable tax outcomes. Key provisions of the CIT include, but are not limited to, certain Bermuda tax resident entities and Bermuda permanent establishments that are constituent entities of a multinational group with consolidated annual revenue of at least €750 million in at least two of the four preceding fiscal years, subject to certain exemptions. The legislation is effective for fiscal years beginning on or after January 1, 2025 and has a 15% statutory income tax rate. As a result of transition provisions of the new legislation and income tax profile of the Company, the Company established a Bermuda CIT provision of $78,266 and a corresponding DTA valuation allowance of $78,266 for the year ended December, 31, 2023. The Company does not expect the Bermuda CIT legislation to have a material future effect on the Company's financial position, results of operations or cashflows. As more guidance is issued, the Company will continue to evaluate the impact of Bermuda CIT on the Company's income tax profile.

The majority of the Company's deferred tax asset of $294,049 (tax effected), derived from foreign Net Operating Losses ("NOLs"), have no expiration.

As of December 31, 2023, the Company's valuation allowance of $303,160 is comprised of $280,171 on foreign NOLs and $22,989 within Accumulated other comprehensive income (loss). As of December 31, 2022, the Company's valuation allowance of $254,770 was comprised of $253,914 on foreign NOLs and $856 within Accumulated other comprehensive income (loss).

Earnings of certain foreign subsidiaries have been indefinitely reinvested in foreign operations. Therefore, no provision has been made for any U.S. taxes or foreign withholding taxes that may be applicable upon any repatriation or disposition. The

determination of any unrecognized deferred tax liability for temporary differences related to investments in certain foreign subsidiaries is not practicable. As of December 31, 2023 and 2022, the financial reporting basis in excess of the tax basis for which no deferred taxes have been recognized was approximately $267,003 and $474,757, respectively.

The Company's major taxing jurisdictions include the U.S. (federal and state), the United Kingdom, Ireland and Italy. The years subject to potential audit vary depending on the tax jurisdiction. Generally, the statute of limitation is open for tax years ended December 31, 2017 and forward. The Company was selected for audit in the U.S. for tax years 2017, 2018 and 2019. The audit began in 2020 and is still ongoing.

Listed below are the tax years that remain subject to examination by major tax jurisdictions:

	Open Tax Years
United States	2017 - 2022
United Kingdom	2022
Ireland	2019 - 2022
Italy	2017 - 2022

As permitted by ASC 740-10 Income Taxes, interest and penalties, if any, are recognized related to unrecognized tax benefits. The Company has recorded interest and penalties in Interest expense and Underwriting, general and administrative expenses on the Consolidated Statements of Operations. The Company did not generate additional unrecognized tax benefits as of December 31, 2023. The below unrecognized tax benefits were generated in tax year 2019. No significant changes to the unrecognized tax benefits in total are anticipated in the next 12 months.

A reconciliation of the total amounts of gross unrecognized tax benefits is as follows:

	Years Ended December 31,	
	2023	2022
Gross unrecognized tax benefits at January 1	$ 2,799	$ 4,293
Decreases in tax positions for prior years	(1,548)	(1,494)
Gross unrecognized tax benefits at December 31	$ 1,251	$ 2,799

On August 16, 2022, the Inflation Reduction Act ("IRA") was enacted, implementing numerous changes to tax laws including a new 15% corporate alternative minimum tax. The IRA requires corporations whose average annual adjusted financial statement income exceeds $1,000,000 for any three consecutive tax years preceding the tax year ending with the relevant tax year to compute two separate calculations for federal income tax purposes and pay the greater of the corporate alternative minimum tax or their regular tax liability (regular tax liability plus BEAT liability). The IRA became effective for tax years beginning after December 31, 2022. As of December 31, 2023, the Company did not meet the $1,000,000 minimum financial statement income requirement.

Pillar Two established by the OECD introduces a new global minimum tax of 15% for multinational enterprises, in every jurisdiction in which they operate. Pillar Two rules are intended to be effective January 1, 2024, and January 1, 2025, for different aspects of the directive. While the U.S. has not yet adopted the Pillar Two rules, various other governments around the world are enacting legislation. As currently designed, Pillar Two will ultimately apply to the Company's worldwide operations. These rules are not expected to have a material impact on the Company's tax provision or effective tax rate. The Company will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

20240924026211

12. Stockholder's Equity

Additional Paid-In Capital

In 2022, AFSI contributed the following additional paid-in capital to the Company: (1) equity interest of $48,132 in Tiger Capital LLC, a subsidiary of the Company that owns an equity interest in a limited partnership investing in life settlement contracts; (2) equity interest of $2,300 in North Dearborn, a limited partnership that owns an office building in Chicago, Illinois and in which the Company already held a 45% interest and (3) cash of $18,268 and available-for-sale securities of $66,731. See Note 17. "Acquisitions" for additional information.

Accumulated Other Comprehensive Income (Loss)

The following table summarizes Accumulated other comprehensive income (loss) for the year ended December 31, 2023 and 2022:

	Foreign Currency Translation	Unrealized Gains (Losses) on Investments	Pension Liability	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2021	$ (114,898)	$ 7,034	$ (8,760)	$ (116,624)
Other comprehensive loss before reclassification	(96,316)	(362,710)	(3,361)	(462,387)
Income tax benefit	—	79,510	913	80,423
Net current-period other comprehensive loss	(96,316)	(283,200)	(2,448)	(381,964)
Balance, December 31, 2022	$ (211,214)	$ (276,166)	$ (11,208)	$ (498,588)
Other comprehensive income (loss) before reclassification	51,216	143,299	(1,527)	192,988
Income tax (expense) benefit	—	(32,134)	384	(31,750)
Net current-period other comprehensive income (loss)	51,216	111,165	(1,143)	161,238
Balance, December 31, 2023	$ (159,998)	$ (165,001)	$ (12,351)	$ (337,350)

During the years ended December 31, 2023 and 2022, amounts reclassed from Accumulated other comprehensive income (loss) into net income were included in Net realized gain (loss) on investments on the Consolidated Statements of Operations.

13. Commitments and Contingencies

Litigation

The Company's insurance subsidiaries are named as defendants in various legal actions arising principally from claims made under insurance policies and contracts. Those actions are considered in estimating the Loss and LAE reserves. The Company is also a party in various commercial and employment disputes, including claims both by and against the Company. Management believes the resolution of these actions will not have a material adverse effect on the financial position or results of operations.

In view of the inherent difficulty of assessing the potential outcome of legal proceedings, governmental, regulatory and legislative investigations and inquiries, claims and litigation and similar matters and contingencies, the Company generally cannot predict what the eventual outcome of the pending matters will be or the timing of any resolution of such matters. Unless specified below, the Company cannot reasonably estimate a potential range of loss, if any, with respect to the matters disclosed below due to, among other factors, the complexity of the matters involved and, in many instances, the relatively early stage of the proceedings. The Company also is not able to predict at this time the impact, if any, that any such matters might have on how its business is conducted, on its competitive position or on its financial position, results of operations or cash flows. As the process to resolve any pending matters progresses, management will continue to review the latest information available and

assess its ability to predict the outcome of such matters and the effects, if any, on the operations and financial condition and to accrue for and disclose such matters as and when required.

As of December 31, 2023, the Company is not involved presently in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company or its properties.

Employment Agreements

The Company has employment agreements with 19 of its key executives and employees. The agreements terminate on varying dates through 2026, contain annual minimum levels of compensation, and contain bonuses based on the Company achieving certain financial targets. The annual future minimum compensation payments in the aggregate through 2026 are as follows:

2024	$	6,355
2025		2,326
2026		573
Future minimum compensation payments	$	9,254

Funding Commitments

As of December 31, 2023, the Company had commitments of $6,539 to further fund its Other investments. See Note 2, "Significant Accounting Policies" for additional information.

14. Statutory Financial Data, Risk Based Capital and Dividend Restrictions

The Company's insurance subsidiaries file financial statements in accordance with statutory accounting practices ("SAP") prescribed or permitted by domestic insurance regulatory authorities. The differences between statutory financial statements and financial statements prepared in accordance with GAAP vary between jurisdictions. The principal differences relate to (1) acquisition costs incurred in connection with acquiring new business that are charged to expense under SAP but under GAAP are deferred and amortized as the related premiums are earned; (2) limitations on net deferred tax assets created by the tax effects of temporary differences; (3) unpaid losses and LAE, and unearned premium reserves that are presented gross of reinsurance with a corresponding asset recorded; (4) fixed maturity portfolios that are carried at fair value instead of amortized cost and changes in fair value are reflected directly in unassigned surplus, net of related deferred taxes; and (5) certain assets designated as "non-admitted assets" that are charged against surplus under SAP.

Bermuda

The Company is required to annually file a Capital and Solvency Return and must abide by the requirement that available statutory capital and surplus be equal to or exceed the value of both its Minimum Margin of Solvency and the Enhanced Capital Requirement ("ECR"). As of December 31, 2022, the available statutory capital and surplus was equal to or exceeded the value of its Minimum Margin of Solvency and the ECR. The 2023 Capital and Solvency Return will be filed with the Bermuda Monetary Authority on or before April 30, 2024 and the ECR based on the Economic Balance Sheet will not be available until this filing is complete.

Europe

The Company's European entities prepare financial statements in accordance with local regulatory requirements. These statutory accounting practices differ from U.S. GAAP primarily by charging policy acquisition costs to expense as incurred and establishing future policy benefit liabilities using different actuarial assumptions, as well as valuing investments and certain assets and accounting for deferred taxes on a different basis.

A capital adequacy and risk management regulation called "Solvency II", implemented by the European Commission, applies to the Company's businesses across the European Union. Following the United Kingdom's exit from the European Union on January 31, 2020, the Company's businesses in the United Kingdom have followed the Solvency II regulation as

202409240262 2

prescribed by the Prudential Regulation Authority. Over time this may begin to diverge from the Solvency II regulation implemented by the European Commission. Solvency II imposes requirements with respect to capital structure, technical provisions, solvency calculations, governance, disclosure and risk management.

All of the Company's international insurance subsidiaries have capital levels that exceed their respective regulatory minimum requirements, and none have utilized prescribed or permitted practices that vary materially from the practices prescribed by the regulatory bodies for the years ended December 31, 2023 and 2022, respectively. The declaration of dividends for the Company's U.K. and European entities is restricted to profits available for distribution as a matter of respective jurisdictional law and in certain entities requires consent of local regulators. The European dividends included in the total below represent the estimated maximum potential dividend available based on the most recent solvency returns submitted to local regulators. Any final dividends would still be subject to regulatory approval.

United States

Property and casualty insurance companies in the United States are subject to certain Risk-Based Capital ("RBC") requirements that establish the minimum amount of statutory capital and surplus that must be maintained by each company, as specified by the National Association of Insurance Commissioners. The minimal capital requirements are determined by using a formula that focuses on the material risks to which the insurance company is exposed, and are designed to ensure that obligations to shareholders can be fulfilled. As of December 31, 2023 and 2022, the statutory capital and surplus of Company's insurance subsidiary domiciled in the United States exceeded the RBC requirements.

The payment of dividends or distributions to the Company from its foreign and U.S. insurance subsidiary is restricted by the insurance laws and regulations in the jurisdictions in which they are domiciled. Ordinary dividends or distributions, for which no regulatory approval is generally required, are limited to amounts determined by a formula, which varies by jurisdiction. Certain jurisdictions may impose limits if the entity is in breach of local minimum capital, solvency or liquidity requirements or the payment would cause a breach of those requirements. In addition to these limitations, the Company also takes into consideration expected earnings, business growth and capitalization of the subsidiaries, and liquidity requirements of the individual operating companies, prior to payment of dividends or distributions from subsidiaries. As of December 31, 2023, the estimated amount of dividends or distributions available to be paid in the subsequent calendar year, without prior regulatory approval, total approximately $191,736.

15. Leases

Lessee

The table below presents operating lease ROU assets and lease liabilities:

	December 31, 2023	December 31, 2022
Operating lease ROU assets	$ 25,600	$ 25,447
Operating lease liabilities	26,206	26,100
Weighted – average remaining lease term	34 years	33 years
Weighted – average discount rate	5.0 %	5.0%

The table below presents the contractual maturities of the operating lease liabilities as of December 31, 2023:

2024	$	4,647
2025		4,064
2026		3,682
2027		3,251
2028		1,962
2029 and thereafter		44,610
Total undiscounted future minimum lease payments	$	62,216
Less: Discount		(36,010)
Total operating lease liabilities	$	26,206

The table below presents the components of lease expense and other operating lease information:

	Years Ended December 31,	
	2023	**2022**
Operating lease cost	$ 5,264	$ 4,659
Short-term lease cost	2,203	1,176
Sublease income	(301)	(1,205)
Total lease costs included in Underwriting, general and administrative expenses	$ 7,166	$ 4,630
Cash payments included in the measurement of lease liabilities reported in operating cash flows	$ 5,271	$ 4,822
Right-of-use assets obtained in exchange for new lease liabilities	2,652	1,866

There were no material changes to lease transactions between related parties during the years ended December 31, 2023 and 2022, respectively.

Lessor

Operating lease income related to lease payments was $3,266 and $3,998 for the years ended December 31, 2023 and 2022, respectively.

Future minimum rents to be received over the next five years and thereafter for operating leases in effect at December 31, 2023 are as follows:

2024	$	4,316
2025		2,912
2026		4,955
2027		4,758
2028		2,985
2029 and thereafter		3,496
Total	$	23,422

0002409240262

16. Allowance for Credit Losses

Premiums Receivable, net

The following table presents a roll-forward of the allowance for expected credit losses related to Premiums receivable, net:

	Year Ended December 31, 2023
Balance, beginning of period	$ 8,417
Cumulative effect of adoption [1]	509
Current period provision for expected credit losses [2]	3,504
Write-offs of uncollectible premiums receivable [3]	(1,156)
Balance, end of period	$ 11,274

[1] The Company adopted the new accounting guidance on its effective date of January 1, 2023 using a modified retrospective method, which requires a cumulative effect adjustment to retained earnings in the period of adoption.
[2] The Company reports changes in the allowance for credit losses and disputes in Other expense on the Consolidated Statement of Operations.
[3] A write-off does not generally result in an incremental loss to the Company. Prior to a write-off occurring, the Company increases (or decreases) the allowance for credit loss to reflect the Company's expectation of the credit loss to be incurred. Accordingly, when a write-off occurs, the Company reverses the allowance for the same amount, resulting in no incremental loss to the Company.

Reinsurance Receivable

The Company adopted the new accounting guidance on its effective date of January 1, 2023 using a modified retrospective method, that requires a cumulative effect adjustment to retained earnings in the period of adoption. There were no allowance for credit losses on reinsurance receivable as of December 31, 2023.

17. Divestitures

Gains or losses are recognized upon the divestiture of controlling interest in a subsidiary or group of assets operated as a business. Any gains or losses are recorded in Net gain on sales of businesses on the Consolidated Statement of Operations.

Sale of Amynta

Effective February 16, 2022, AFSI, along with its two subsidiaries and the Company, entered into a purchase agreement with Amynta whereby the Company and the two AFSI subsidiaries would sell to Amynta their respective equity interests at fair value in exchange for cash, deferred payments, and preferred stock issued by an Amynta affiliate. The transaction received regulatory approval and closed on March 4, 2022. The sale of Amynta equity interests were net settled among the parties and resulted in a net cash payment and preferred stock at closing, as well as future cash payments to the Company. The Company recorded a pre-tax gain of $54,316 reported in Net gain on sales of businesses in the Consolidated Statement of Operations.

18. Acquisitions

Acquisition of Non-Controlling Interests of Tiger Capital, and Equity of North Dearborn Building Company

On April 29, 2022, AFSI transferred its 50% equity interest in 800 Superior, LLC, an AFSI subsidiary that owns an office building in Cleveland, Ohio, and $2,000 to a third party in exchange for a) the third party's non-controlling 50% equity interests in 4455 LBJ Freeway, LLC, an AFSI subsidiary that owns an office building in Dallas, Texas, b) the third party's noncontrolling 50% equity interest in Tiger Capital LLC, and c) the third party's 45% equity interest in North Dearborn. The aggregate fair value of the equity interests AFSI received is $22,000. Upon closing the transaction, the AFSI contributed its purchased 50% noncontrolling equity interest in Tiger Capital LLC of $48,132 and 45% equity interest in North Dearborn of $2,300 to the Company. See Note 12. "Stockholder's Equity" for additional information.

Acquisition of AB Group (Southend) Limited

On March 31, 2023, the Company entered into a share purchase agreement to acquire all of the outstanding shares of AB Group Limited, a private limited company operating as a wholesale broker that sells rental and investment property insurance in the United Kingdom. The acquisition received regulatory approval and closed on July 1, 2023. The total consideration of $52,493 was comprised of $41,298 in cash at closing net of cash received, deferred payments of $6,478 and earn-out payments of $4,717. As a result of the transaction, the Company recorded $30,259 of goodwill and $27,219 of intangible assets. The goodwill is not deductible for income tax purposes. The intangible assets acquired primarily consist of customer relationships that have a life of 15 years.

19. Subsequent Events

The Company has evaluated subsequent events through April 24, 2024 and determined there have been no events that have occurred that would require adjustments to the disclosures in the consolidated financial statements.