Consolidated Financial Statements of

GREENLIGHT REINSURANCE, LTD.

December 31, 2020 and 2019

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholder
Greenlight Reinsurance, Ltd.
Grand Cayman, Cayman Islands

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Greenlight Reinsurance, Ltd., a wholly owned subsidiary of Greenlight Capital Re, Ltd., as of December 31, 2020 and 2019, the related consolidated statements of operations, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes to the consolidated financial statements. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries at December 31, 2020, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, which statements reflect total assets of $220.1 million at December 31, 2020, (2019-$296.4 million) and total income of $6.9 million for the year then ended (2019-$60 million). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Solasglas Investments, LP, is based solely on the report of the other auditors.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Incurred But Not Reported (IBNR) Loss Reserves

As described in Note 1 and Note 7 to the Company's consolidated financial statements, the Company's loss and loss adjustment expense reserves were $466.8 million for the year ended December 31, 2020. The total reserve was made up of $166.9 million of case reserves and $299.9 million of IBNR reserves. Case reserves have resulted from claims notified to the Company by its clients. IBNR reserves relate to claims that have been incurred by insureds and reinsureds but have not yet been reported to the insurer or reinsurer, including unknown future developments on amounts already known by the insurer or reinsurer. The calculation of the IBNR reserves requires the Company's reserving actuaries to calculate a best, or "point" estimate of reserves for each contract. To calculate this estimate, a number of different actuarial methodologies and key assumptions are weighted and applied to each individual contract.

We identified the IBNR portion of the Company's loss and loss adjustment expense reserves as a critical audit matter. The Company's actuarial methodologies and key assumptions used to calculate IBNR reserves are highly subjective and can have a significant impact on the loss and loss adjustment expense reserve. Auditing these methodologies and key assumptions used involves a high degree of subjective auditor judgment due to the assessment of risk and nature and extent of specialized skill and knowledge needed to address the risk.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and effectiveness of the controls relating to management's loss reserving process, including:
  - Management's review of the completeness and accuracy of source data provided by cedents.
  - Management's review of internally selected actuarial methodologies and key assumptions used,
  - Management's review of the independent external actuarial report, which includes an independent recommended reserve balance. A comparison is performed between the Company's internal reserves balance and the recommended balance per the independent external actuary.
- Reviewing the development of prior year estimates of IBNR reserves.
- Testing the completeness and accuracy of the source information used by the Company and any additional source information used by BDO's actuarial specialists to calculate the IBNR reserves.
- Utilizing personnel with specialized knowledge and skill in actuarial services to evaluate the reasonableness of the Company's loss and loss adjustment expense reserves by developing an independent estimate and reasonable range of actuarial central estimates based on an alternative combination of methods, assumptions and/or segmentation of the data.

We have served as the Company's auditor since 2006.

BDO

Grand Cayman, Cayman Islands
March 10, 2021

GREENLIGHT REINSURANCE, LTD.
CONSOLIDATED BALANCE SHEETS

December 31, 2020 and 2019
(expressed in thousands of U.S. dollars, except per share and share amounts)

	December 31, 2020	December 31, 2019
Assets		
Investments		
Investment in related party investment fund	$ 150,857	$ 229,947
Other investments	21,373	8,182
Total investments	172,230	238,129
Cash and cash equivalents	4,318	20,454
Restricted cash and cash equivalents	716,672	714,487
Reinsurance balances receivable (net of allowance for expected credit losses of $89 and $0)	268,354	193,523
Loss and loss adjustment expenses recoverable (net of allowance for expected credit losses of $47 and $0)	19,135	33,032
Deferred acquisition costs	47,408	48,341
Notes receivable	—	14,445
Due from parent company	1,852	—
Due from affiliate	2,987	5,676
Other assets	2,302	840
Total assets	$ 1,235,258	$ 1,268,927
Liabilities and equity		
Liabilities		
Loss and loss adjustment expense reserves	466,868	445,442
Unearned premium reserves	183,830	170,428
Reinsurance balances payable	80,093	107,691
Funds withheld	6,780	12,472
Other liabilities	4,024	3,990
Due to parent company	—	8,200
Total liabilities	741,595	748,223
Shareholder's equity		
Ordinary share capital (par value $0.10; authorized, 10,000; issued and outstanding, 1,001 (2019: 1,001)	—	—
Additional paid-in capital	511,696	551,196
Retained earnings (deficit)	(18,033)	(30,492)
Total shareholder's equity	493,663	520,704
Total liabilities and equity	$ 1,235,258	$ 1,268,927

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT REINSURANCE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2020, 2019 and 2018
(expressed in thousands of U.S. dollars)

	2020	2019	2018
Revenues			
Gross premiums written	$ 444,882	$ 475,705	$ 510,681
Gross premiums ceded	(2,582)	(51,814)	(126,076)
Net premiums written	442,300	423,891	384,605
Change in net unearned premium reserves	(13,006)	(5,216)	43,439
Net premiums earned	429,294	418,675	428,044
Income (loss) from investment in related party investment fund (net of related party expenses of $3,033, $9,353 and $2,952, respectively)	3,563	43,945	(58,581)
Net investment income (loss)	19,001	4,179	(263,961)
Other income (expense), net	1,346	616	(858)
Total revenues	453,204	467,415	104,644
Expenses			
Net loss and loss adjustment expenses incurred	316,181	331,691	306,176
Acquisition costs	104,596	106,714	126,648
General and administrative expenses	19,832	19,836	17,668
Total expenses	440,609	458,241	450,492
Net income (loss)	12,595	9,174	(345,848)
Loss attributable to non-controlling interest in related party joint venture	—	—	15,521
Net income (loss) attributable to Greenlight Reinsurance, Ltd.	$ 12,595	$ 9,174	$ (330,327)

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT REINSURANCE, LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

Years ended December 31, 2020, 2019 and 2018
(expressed in thousands of U.S. dollars)

	Year ended December 31		
	2020	2019	2018
Ordinary share capital			
Beginning balance	$ —	$ —	$ —
Change in share capital	—	—	—
Ending balance	—	—	—
Additional paid-in capital			
Beginning balance	551,196	555,129	472,379
Additional paid in capital received	—	—	82,750
Additional paid in capital returned	(39,500)	(3,933)	—
Ending balance	511,696	551,196	555,129
Retained earnings (deficit)			
Beginning balance	(30,492)	(39,666)	290,661
Cumulative effect of adoption of accounting guidance for expected credit losses at January 1, 2020	(136)	—	—
Net income (loss) attributable to Greenlight Reinsurance, Ltd.	12,595	9,174	(330,327)
Ending balance	(18,033)	(30,492)	(39,666)
Non-controlling interest in joint venture			
Beginning balance	—	4,026	82,634
Change in non-controlling interest in related party joint venture	—	(4,026)	(63,087)
Income (loss) attributable to non-controlling interest in joint venture	—	—	(15,521)
Ending balance	—	—	4,026
Total shareholder's equity	$ 493,663	$ 520,704	$ 519,489

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT REINSURANCE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2020, 2019 and 2018
(expressed in thousands of U.S. dollars)

	2020	2019	2018
Cash provided by (used in) operating activities			
Net income (loss)	$ 12,595	$ 9,174	$ (345,848)
Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities			
Loss (income) from investments in related party investment fund	(3,563)	(43,945)	58,581
Net change in unrealized gains and losses on investments and notes receivable	(25,158)	(7,644)	32,597
Net realized (gains) losses on investments and notes receivable	9,234	13,613	236,887
Foreign exchange (gains) losses on investments	83	270	186
Depreciation expense	—	—	233
Net change in			
Reinsurance balances receivable	(74,920)	63,262	3,050
Loss and loss adjustment expenses recoverable	13,850	18,033	(17,104)
Deferred acquisition costs	933	(2,859)	12,850
Unearned premiums ceded	—	31,591	1,644
Due from parent company	(1,852)	7,619	(7,619)
Due from affiliate	2,689	361	(4,974)
Other assets, excluding depreciation	(1,462)	107	92
Loss and loss adjustment expense reserves	21,426	(5,092)	14,206
Unearned premium reserves	13,402	(26,360)	(45,307)
Reinsurance balances payable	(27,598)	(19,554)	(10,777)
Funds withheld	(5,692)	(21,112)	10,489
Other liabilities	34	(177)	(4,661)
Due to parent company	(8,200)	8,200	(875)
Net cash provided by (used in) operating activities	(74,199)	25,487	(66,350)
Investing activities			
Proceeds from redemptions from related party investment fund	142,747	100,060	94,606
Contributions to related party investment fund	(60,094)	(34,321)	(251,631)
Purchases of investments	(2,994)	(4,702)	(390,444)
Sales of investments	—	—	1,002,374
Payments for financial contracts	—	—	(129,907)
Proceeds from financial contracts	—	—	44,596
Securities sold, not yet purchased	—	—	340,693
Dispositions of securities sold, not yet purchased	—	—	(844,379)
Change in due to related party investment fund	—	(9,263)	—
Change in due to prime brokers and other financial institutions	—	—	(652,374)
Change in notes receivable, net	20,211	(10,602)	4,559
Non-controlling interest withdrawal from related party joint venture, net	—	(3,127)	(63,087)
Net cash provided by (used in) investing activities	99,870	38,045	(844,994)
Financing activities			
Additional paid-in capital (returned) received	(39,500)	(3,933)	82,750
Net cash provided by (used in) financing activities	(39,500)	(3,933)	82,750
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(122)	(290)	(3,369)
Net increase (decrease) in cash, cash equivalents and restricted cash	(13,951)	59,309	(831,963)
Cash, cash equivalents and restricted cash at beginning of the period (see Note 2)	734,941	675,632	1,507,595
Cash, cash equivalents and restricted cash at end of the period (see Note 2)	$ 720,990	$ 734,941	$ 675,632
Supplementary information			
Interest paid in cash	$ —	$ —	$ 11,088
Non-cash transfer of investments	—	36,673	125,008

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Greenlight Reinsurance, Ltd. (the "Company") was incorporated as an exempted company under the Companies Law of the Cayman Islands on July 13, 2004 and has a Class "D" insurer license issued in accordance with the terms of The Insurance Act, 2010 (as amended) and underlying regulations thereto (the "Act"), and is subject to regulation by the Cayman Islands Monetary Authority ("CIMA") in terms of the Act. The Company provides global specialty property and casualty reinsurance.

The Company is a wholly-owned subsidiary of Greenlight Capital Re, Ltd. (the "Parent"). The Parent's Class A ordinary shares are listed on the Nasdaq Global Select Market under the symbol "GLRE".

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and for periods prior to January 2, 2019 the Joint Venture (as defined in Note 3). All significant intercompany transactions and balances have been eliminated on consolidation.

The global pandemic related to the novel coronavirus (the "COVID-19 pandemic") is having a significant adverse impact on the property and casualty insurance and reinsurance industry. The Company has included in the loss and loss adjustment reserves, its best estimate of losses arising from the COVID-19 pandemic. However, there remains considerable uncertainty relating to the ultimate losses, which will depend on the extent and duration of economic contraction, impact of recent court rulings, and outcomes of pending court cases. Accordingly, significant estimates used in the preparation of the Company's consolidated financial statements including those associated with premiums, expected credit losses on amounts owed to us and the estimations of loss and loss adjustment expense reserves may be subject to significant adjustments in future periods.

Management has evaluated subsequent events through March 10, 2021, the date these consolidated financial statements were available to be issued.

2. SIGNIFICANT ACCOUNTING POLICIES

In the first quarter of 2020, the Company adopted ASU No. 2016-13, Financial Instruments - Credit Losses ("ASU 2016-13") which requires an entity to estimate its lifetime "expected credit loss" and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. ASU 2016-13 was effective for public business entities for annual and interim periods beginning after December 15, 2019. The financial assets included in the captions "Reinsurance balances receivable," "Loss and loss adjustment expenses recoverable" (collectively, "Reinsurance Assets") and "Notes receivable," in the Company's consolidated balance sheets are carried at amortized cost and therefore affected by ASU 2016-13. Other than the changes relating to the adoption of ASU 2016-13, there have been no changes to the Company's significant accounting policies.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of income and expenses during the period. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and certain short-term, highly liquid investments with original maturity dates of three months or less.

Restricted Cash and Cash Equivalents

The Company maintains cash and cash equivalent balances to collateralize regulatory trusts and letters of credit issued to cedents (see Notes 6 and 13).

The following table reconciles the cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the total presented in the consolidated statements of cash flows:

	December 31, 2020	December 31, 2019
	($ in thousands)	
Cash and cash equivalents	$ 4,318	$ 20,454
Restricted cash and cash equivalents	716,672	714,487
Total cash, cash equivalents and restricted cash presented in the consolidated statements of cash flows	$ 720,990	$ 734,941

Premium Revenue Recognition

The Company writes excess of loss contracts and quota share contracts, and estimates the ultimate premiums for the contract period. These estimates are based on information received from the ceding companies and actuarial pricing models used by the Company. For excess of loss contracts, the total ultimate estimated premiums are recorded as premiums written at the inception of the contract. For quota share contracts, the premiums are recorded as written in the same periods in which the underlying insurance contracts are written, and are based on cession statements from cedents. These statements are typically received monthly or quarterly depending on the terms specified in each contract. For any reporting lag, premiums written are estimated based on the portion of the ultimate estimated premiums relating to the risks underwritten during the lag period.

Premium estimates are reviewed by management at least quarterly. Such review includes a comparison of actual reported premiums to expected ultimate premiums along with a review of the aging and collection of premiums. Based on management's review, the appropriateness of the premium estimates is evaluated, and any adjustments to these estimates are recorded in the period in which they are determined. Changes in premium estimates, including premium receivable on both excess of loss and quota share contracts, are not unusual and may result in significant adjustments in any period. A significant portion of amounts included in the caption "Reinsurance balances receivable" in the Company's consolidated balance sheets represent estimated premiums written, net of commissions and brokerage, and are not currently due based on the terms of the underlying contracts. Additional premiums due on a contract that has no remaining coverage period are earned in full when written.

Certain contracts allow for reinstatement premiums in the event of a loss. Reinstatement premiums are written and earned when a triggering loss event occurs.

Premiums written are generally recognized as earned over the contract period in proportion to the risk covered. Unearned premiums represent the unexpired portion of reinsurance provided.

Reinsurance Premiums Ceded

The Company reduces the risk of future losses on business assumed by reinsuring certain risks and exposures with other reinsurers (referred to as "retrocessionaires"). The Company remains liable to the extent that any retrocessionaire fails to meet its obligations and to the extent the Company does not hold sufficient security for their unpaid obligations.

Ceded premiums are written during the period in which the risks incept and the associated expense is recognized over the contract period in proportion to the protection provided. Unearned premiums ceded represent the unexpired portion of reinsurance obtained.

Acquisition Costs

Policy acquisition costs are costs that vary with, and are directly related to, the successful production of new and renewal business, and consist principally of commissions, taxes and brokerage expenses. Acquisition costs incurred on reinsurance assumed are shown net of commissions earned on reinsurance ceded. However, if the sum of a contract's expected losses and loss expenses and deferred acquisition costs exceeds associated unearned premiums and expected investment income, a premium deficiency is determined to exist. In this event, deferred acquisition costs are written off to the extent necessary to eliminate the premium deficiency. If the premium deficiency exceeds deferred acquisition costs then a liability is accrued for the excess deficiency. There were no premium deficiency adjustments recognized during the periods presented herein.

Policy acquisition costs also include profit commissions, which are recognized on a basis consistent with our estimate of losses and loss expenses. As of December 31, 2020, $10.7 million of profit commission reserves were recoverable (December 31, 2019: $1.0 million of profit commission reserves payable). The recovery of profit commissions was related to mortgage contracts based on increases in loss reserves recorded by the Company during 2020. For the year ended December 31, 2020, net profit commission expense (income) of $(7.8) million (2019: $6.7 million, 2018: $18.0 million) was included in the caption "Acquisition costs" in the Company's consolidated statements of operations.

Funds Withheld

Funds withheld represent reinsurance balances retained as collateral by the Company on retroceded contracts. Any interest expense that the Company incurs while these funds are withheld are included under the caption "Net investment income (loss)" in the consolidated statements of operations.

Loss and Loss Adjustment Expense Reserves and Recoverable

The Company's loss and loss adjustment expense reserves are composed of:

- case reserves resulting from claims notified to the Company by its clients; and
- reserves for estimated loss and loss adjustment expenses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer ("IBNR"), including unknown future developments on loss and loss adjustment expenses which are known to the insurer or reinsurer.

These reserve estimates are based on the Company's own actuarial estimates derived from reports received from ceding companies, industry data and historical experience. These estimates are reviewed by the Company's reserving committee at least quarterly and adjusted as necessary. Since reserves are estimates, the final settlement of losses may vary from the reserves established and any adjustments to the estimates, which may be material, are recorded in the period they are determined.

Loss estimates are based upon actuarial and statistical projections, an assessment of currently available data, predictions of future developments, estimates of future trends and other factors. The final settlement of losses may vary, perhaps materially, from the reserves recorded. All adjustments to the estimates are recorded in the period in which they are determined. U.S. GAAP does not permit establishing loss reserves, which include case reserves and IBNR loss reserves, until the occurrence of an event which may give rise to a claim. As a result, only loss reserves applicable to losses incurred up to the reporting date are established, with no allowance for the establishment of loss reserves to account for expected future loss events.

Loss and loss adjustment expenses recoverable represent the amounts due from retrocessionaires for unpaid loss and loss adjustment expenses on retrocession agreements. Ceded IBNR recoverable is estimated based on the Company's actuarial estimates. These estimates are reviewed periodically and adjusted when deemed necessary. The Company may ultimately be unable to recover the loss and loss adjustment expense recoverable amounts due to the retrocessionaires' inability to pay. The Company regularly evaluates the financial condition of its retrocessionaires and records provisions for uncollectible reinsurance expenses recoverable when recovery is no longer probable.

For natural peril exposed business, loss reserves are generally established based on loss payments and case reserves reported by clients when, and if, received. Estimates for IBNR losses are added to the case reserves as the Company deems appropriate. To establish catastrophe IBNR loss estimates, the Company uses estimates communicated by ceding companies, industry data and information, knowledge of the business written and management's judgment.

For all non-natural peril business, initial reserves for each individual contract are determined on the basis of a combination of: (i) the pricing analysis of the expected loss ratio performed prior to the contract being bound; (ii) the underwriter's detailed knowledge of the cedent, its operations and future business plans; and (iii) the professional judgment and recommendation of the Chief Actuary. In the pricing analysis, the Company utilizes information both from the individual client and from industry data. This information typically includes, but is not limited to, data related to premiums, losses, exposure, business mix, industry performance and associated trends covering as much history as deemed appropriate. The level of detail within the data obtained varies greatly depending on the underlying contract, line of business, client and/or coverage provided. In all cases, the Company requests each client to provide data for each reporting period, which, depending on the contract, could be on a monthly or quarterly basis. The exact data reporting requirements are specified in the terms and conditions of each contract. Where practical, historical reserving data that is received from a client is compared to publicly available financial statements of the client to identify, confirm and monitor the accuracy and completeness of the data.

Generally, the Company obtains regular updates of premium and loss related information for the current and historical periods, which are utilized to update the initial expected loss ratio. There may be a lag between (i) claims being reported by the underlying insured to the Company's cedent and (ii) claims being reported by the Company's cedent to the Company. This lag may impact the Company's loss reserve estimates. Client reports have pre-determined due dates (for example, fifteen days after each month end). As a result, the lag depends in part upon the terms of the specific contract. The timing of the reporting requirements is designed so that the Company receives premium and loss information as soon as practicable once the client has closed its books. Accordingly, there should be a short lag in such reporting. Additionally, most of the contracts that have the potential for large single event losses have provisions that such loss notifications are provided to the Company immediately upon the occurrence of an event. Once the updated information is received, the Company uses a variety of standard actuarial methods for its analysis each quarter. Such methods may include the following:

- ***Paid Loss Development Method.*** Ultimate losses are estimated by calculating past paid loss development factors and applying them to exposure periods with further expected paid loss development. The paid loss development method assumes that losses are paid in a consistent pattern. It provides an objective test of reported loss projections because paid losses contain no reserve estimates.
- ***Reported Loss Development Method.*** Ultimate losses are estimated by calculating past reported loss development factors and applying them to exposure periods with further expected reported loss development. Since reported losses include payments and case reserves, changes in both of these amounts are incorporated in this method.
- ***Expected Loss Ratio Method.*** Ultimate losses are estimated by multiplying earned premiums by an expected loss ratio. The expected loss ratio is selected using industry data, historical company data and actuarial professional judgment. This method is typically used for lines of business and contracts where there are no historical losses or where past loss experience is not considered applicable to the current period.
- ***Bornhuetter-Ferguson Paid Loss Method.*** Ultimate losses are estimated by modifying expected loss ratios to the extent that paid losses experienced to date differ from what would have been expected to have been paid based upon the selected paid loss development pattern. This method avoids some of the distortions that could result from a large development factor being applied to a small base of paid losses to calculate ultimate losses.
- ***Bornhuetter-Ferguson Reported Loss Method.*** Ultimate losses are estimated by modifying expected loss ratios to the extent reported losses experienced to date differ from what would have been expected to have been reported based upon the selected reported loss development pattern. This method avoids some of the distortions that could result from a large development factor being applied to a small base of reported losses to calculate ultimate losses.
- ***Frequency / Severity Method.*** Ultimate losses are estimated under this method by multiplying the ultimate number of claims (i.e. the frequency multiplied by the exposure base on which the frequency has been determined), by the estimated ultimate average cost per claim (i.e. the severity). This approach enables trends and patterns in the rates of claims emergence (i.e. reporting) and settlement (i.e. closure), as well as in the average cost of claims, to be analyzed separately.

In addition, the Company may supplement its analysis with other reserving methodologies that are deemed to be relevant to specific contracts.

For each contract, the Company utilizes reserving methodologies that are deemed appropriate to calculate a best, or "point," estimate of reserves. The decision as to whether to use a single methodology or a combination of multiple methodologies depends upon the segment of the portfolio being analyzed and the judgment of the actuaries. The Company's reserving methodology does not require a fixed weighting of the various methods used. Certain methods are considered more appropriate than others depending on the type, structure, age, maturity and duration of the expected losses on the contract. For example, the ultimate incurred loss for contracts that are relatively new (and therefore have experienced little paid loss development) may be more appropriately estimated using a Bornhuetter-Ferguson reported loss method than a paid loss development method.

The Company's gross aggregate reserves are the sum of the point estimate reserves of all portfolio exposures. Generally, IBNR loss reserves are calculated by estimating the ultimate incurred losses at any point in time and subtracting cumulative paid claims and case reserves. Each quarter, the Company's reserving committee, which is led by the Chief Actuary, meets to assess the adequacy of our loss reserves based on the reserve analysis and recommendations prepared by the Company's reserving department. The reserving committee reviews, discusses and puts forward a loss reserve recommendation for the Audit Committee's approval.

Additionally, an independent third-party actuarial firm performs a quarterly reserve review and annually opines on the reasonableness and adequacy of the aggregate loss reserves. The Company provides the third-party actuarial firm with its pricing models, reserving analysis and any other data. Additionally, the actuarial firm may inquire as to the various assumptions and estimates used in the reserving analysis. The actuarial firm independently creates its own reserving models based on industry loss information, augmented by specific client loss information as well as its own independent assumptions and estimates. Based on various reserving methodologies that the actuarial firm considers appropriate, it creates a loss reserve estimate for each segment in the portfolio and recommends an aggregate loss reserve, including IBNR. In the event of material differences between the Company's aggregated booked reserves and the actuarial firm's recommended reserves, the reserving committee and Audit Committee would be notified, with the reserves adjusted as deemed appropriate. To date there have been no material differences resulting from the external actuary's reviews requiring adjustments to the Company's booked reserves.

The Company does not typically experience significant claims processing backlogs, although such backlogs may occur following a major catastrophic event. At December 31, 2020 and 2019, the Company did not have a significant backlog in our claims processing.

There were no significant changes in the actuarial methodology or assumptions relating to the Company's loss and loss adjustment expense reserves during the year ended December 31, 2020.

Reinsurance Assets

Upon adoption of ASU 2016-13, the Company calculated an allowance for expected credit losses for its reinsurance balances receivable and loss and loss adjustment expenses recoverable by applying a Probability of Default ("PD") / Loss Given Default ("LGD") model that considers both the Company's collectibility history on its reinsurance assets as well as representative external loss history. The external loss history that the Company uses includes a long-term probability of liquidation study specific to insurance companies. Additionally, the life of each of the Company's reinsurance treaties is also considered as the probability of default is calculated over the contractual length of the reinsurance contracts.

The credit worthiness of a counterparty is evaluated by considering the credit ratings assigned by independent agencies and individually evaluating all the counterparties. The Company manages its credit risk in its reinsurance assets by transacting with insurers and reinsurers that it considers financially sound.

For its retrocessionaire counterparties that are unrated, the Company may hold collateral in the form of funds withheld, trust accounts and/or irrevocable letters of credit. In evaluating credit risk associated with reinsurance balances receivable, the Company considers its right to offset loss obligations or unearned premiums against premiums receivable. The Company regularly evaluates its net credit exposure to assess the ability of retrocessionaires to honor their respective obligations.

Upon adoption of ASU 2016-13, the Company recorded an allowance for expected credit loss on its Reinsurance Assets of $0.1 million with an offset to retained earnings. At December 31, 2020, the allowance for expected credit losses was $1.0 million.

Notes Receivable

Notes receivable represent promissory notes receivable from third parties. These notes are recorded at cost plus accrued interest, if any, net of valuation allowance for expected credit losses. Interest income, changes in the allowance for expected credit losses and unrealized and realized gains or losses on the notes receivable are included in the caption "Net investment income (loss)" in the Company's consolidated statements of operations.

The allowance for expected credit losses is calculated using a PD / LGD model that takes into account the Company's experience as well as representative external loss history. The expected loss percentage is calculated as the product of the PD and LGD for each period over the life of a note. The Company evaluates the financial condition of the notes receivable counterparties and monitors its exposure on a regular basis.

At December 31, 2020, there were no outstanding notes receivable. During the year ended December 31, 2020 the Company agreed to settle a promissory note that had been entered into with a reinsurance counterparty in 2015. The Company's amortized cost associated with the promissory note at the date of settlement was $13.3 million. In connection with this settlement, the Company received $19.1 million, resulting in a gain of $5.8 million that was included in "net investment income (loss)" in the Company's consolidated statements of operations.

At December 31, 2020 and 2019, respectively, no accrued interest was included in the caption “Notes receivable” in the Company’s consolidated balance sheets. When there is uncertainty as to the collection of interest contractually due, the Company places the note on non-accrual status. For notes receivable placed on non-accrual status, the notes are presented excluding any accrued interest amount. The Company resumes the accrual of interest on a note when none of the principal or interest remains past due, and the Company expects to collect the remaining contractual principal and interest. Interest collected on notes that are placed on non-accrual status is recorded as interest income when collected, provided that the recorded value of the note is deemed to be fully collectible. Where doubt exists as to the collectibility of the remaining recorded value of the notes placed on non-accrual status, the Company immediately reverses any previous accrued interest through interest income and any payments received are applied to reduce the recorded value of the notes. The allowance for expected credit losses for notes receivable is calculated on the amortized cost excluding accrued interest and interest written off due to non-accrual status.

Charge offs of notes receivable are recorded when all or a portion of the financial asset is deemed uncollectible. Full or partial charge offs are recorded as reductions to the amortized cost and deducted from the allowance in the period in which the note receivable is deemed uncollectible. In instances where the Company collects cash that it has previously charged off, the recovery will be recognized through earnings or as a reduction of the amortized cost for interest and principal, respectively.

The following table provides a roll-forward of the Company’s allowance for credit losses on notes receivable:

	Year ended December 31		
	2020	2019	2018
	($ in thousands)		
Balance at beginning of period	$ 15,000	$ 9,012	$ 9,012
Charge offs	(15,000)	—	—
Reversal of previous charge off	—	—	—
Net increase (decrease) in allowance	—	5,988	—
Balance at end of period	$ —	$ 15,000	$ 9,012

Deposit Assets and Liabilities

The Company applies deposit accounting to reinsurance contracts that do not transfer sufficient insurance risk to merit reinsurance accounting. Under deposit accounting, an asset or liability is recognized based on the consideration paid or received. The deposit asset or liability balance is subsequently adjusted using the interest method with a corresponding income or expense recorded in the Company’s consolidated statements of operations under the caption “Other income (expense).” The Company’s deposit assets and liabilities are recorded in the Company’s consolidated balance sheets in the caption “Reinsurance balances receivable” and “Reinsurance balances payable,” respectively. At December 31, 2020, deposit assets and deposit liabilities were nil and $30.8 million, respectively (December 31, 2019: nil and $56.2 million, respectively).

For the years ended December 31, 2020, 2019, and 2018, the interest income/(expense) on deposit accounted contracts was as follows:

	Year ended December 31		
	2020	2019	2018
	($ in thousands)		
Deposit interest income	$ 1,434	$ 1,371	$ 1,073
Deposit interest expense	—	212	—
Deposit interest income (expense), net	$ 1,434	$ 1,583	$ 1,073

Equity Method Accounted Investments

Investee companies that are not consolidated, but over which the Company exercises significant influence, are accounted for under the equity method of accounting. Whether the Company exercises significant influence with respect to an investee depends on an evaluation of several factors including, among others, representation on the investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the investee company. Under the equity method of accounting, an investee company's accounts are not reflected within the Company's consolidated balance sheets and statements of operations; however, the Company's share of the earnings or losses of the investee company is reflected in the caption ''Net investment income (loss)'' in the consolidated statements of operations.

When the Company's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company guaranteed the obligations of the investee company or has committed additional funding (see Note 3).

Variable Interest Entities

The Company accounts for the investments it makes in certain legal entities in which equity investors do not have (1) sufficient equity at risk for the legal entity to finance its activities without additional subordinated financial support, or (2) as a group, the holders of the equity investment at risk do not have either the power, through voting or similar rights, to direct the activities of the legal entity that most significantly impact the entity's economic performance, or (3) the obligation to absorb the expected losses of the legal entity or the right to receive expected residual returns of the legal entity. These legal entities are referred to as "variable interest entities" or "VIEs."

The Company would consolidate the results of any such entity in which it determined that it had a controlling financial interest. The Company would have a "controlling financial interest" in such an entity if the Company had both the power to direct the activities that most significantly affect the VIE's economic performance and the obligation to absorb the losses of, or right to receive benefits from, the VIE that could be potentially significant to the VIE. On a quarterly basis, the Company reassesses whether it has a controlling financial interest in any such entities.

Financial Instruments

The Company purchases "other investments" which may include investments in private and unlisted equity securities, limited partnerships and commodities, all of which are carried at fair value.

For securities classified as "other investments," any realized and unrealized gains or losses are determined on the basis of the specific identification method (by reference to cost or amortized cost, as appropriate) and included in the caption "Net investment income (loss)" in the Company's consolidated statements of operations.

Interest income and interest expense are recorded on an accrual basis.

Foreign Exchange

The reporting and functional currency of the Company and all its subsidiaries is the U.S. dollar. Transactions in foreign currencies are recorded in U.S. dollars at the exchange rates in effect on the transaction date. Monetary assets and liabilities in foreign currencies at the balance sheet date are converted at the exchange rate in effect at the balance sheet date and exchange gains and losses, if any, are included in the caption "Other income (expense), net" in the Company's consolidated statements of operations.

Other Assets

Other assets consist primarily of prepaid expenses and other receivables.

Derivative instruments

The Company's derivative financial instruments are recognized in the consolidated balance sheets at their fair values with any changes in unrealized gains and losses included in the caption "Net investment income (loss)" in the Company's consolidated statements of operations.

The Company's derivatives do not qualify as hedges for financial reporting purposes and are recorded in the consolidated balance sheets on a gross basis and not offset against any collateral pledged or received.

Other Liabilities

Other liabilities consist primarily of accruals for legal and other professional fees and employee bonuses.

Comprehensive Income (Loss)

The Company has no comprehensive income or loss, other than the net income or loss disclosed in the consolidated statements of operations.

Taxation

Under current Cayman Islands law, no corporate entity, including GLRE and Greenlight Re, is obligated to pay taxes in the Cayman Islands on either income or capital gains. The Company has an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the provisions of the Tax Concessions Law, as amended, that, in the event that the Cayman Islands enacts any legislation that imposes tax on profits, income, gains or appreciations, or any tax in the nature of estate duty or inheritance tax, such tax will not be applicable to the Company before February 1, 2025.

Segment Information

The Company has one operating segment, Property and Casualty Reinsurance.

Recent Accounting Pronouncements

Recently Issued Accounting Standards Adopted

As discussed above, the Company adopted ASU 2016-13 during the first quarter of 2020 using a modified retrospective transition method. The adoption resulted in a cumulative-effect adjustment to reduce retained earnings by $0.1 million as of January 1, 2020.

Recently Issued Accounting Standards Not Yet Adopted

In January 2020, the FASB issued ASU No. 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) - Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force) ("ASU 2020-01"). The amendments in ASU 2020-01 clarify certain interactions between the guidance to account for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative or a forward contract or purchased option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option in accordance with Topic 825, Financial Instruments. ASU 2020-01 is effective for public business entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The adoption of ASU 2020-01 is not expected to have a material impact on the Company's consolidated financial statements.

3. INVESTMENT IN RELATED PARTY INVESTMENT FUND

Prior to January 2, 2019, the Company and its affiliates were party to a joint venture agreement (the "venture agreement") with DME Advisors, LP ("DME Advisors") and DME Advisors LLC ("DME") under which the Company, its affiliates and DME were participants in a joint venture (the "Joint Venture") for the purpose of managing certain jointly held assets. DME, DME II (as defined below) and DME Advisors are related to the Company and each is an affiliate of David Einhorn, Chairman of the Company's Board of Directors.

On September 1, 2018, the Company entered into an amended and restated exempted limited partnership agreement (as amended by that certain letter agreement dated as of August 5, 2020, the "SILP LPA") of Solasglas Investments, LP ("SILP"), with DME Advisors II, LLC ("DME II"), as General Partner, and GRIL, (together the "GLRE Limited Partners"), and the initial limited partner (each, a "Partner"). The SILP LPA, in conjunction with a participation agreement, replaced the venture agreement and assigned and/or transferred the Company's and GRIL's invested assets in the Joint Venture to SILP. The Joint

Venture was terminated on January 2, 2019 by which date all assets were transferred to SILP. On September 1, 2018, SILP also entered into a SILP investment advisory agreement ("IAA") with DME Advisors pursuant to which DME Advisors is the investment manager for SILP.

The Company has concluded that SILP qualifies as a variable interest entity ("VIE") under U.S. GAAP. In assessing its interest in SILP, the Company noted the following:

- DME II serves as SILP's general partner and has the power of appointing the investment manager. The Company does not have the power to appoint, change or replace the investment manager or the general partner except "for cause." Neither of the GLRE Limited Partners can participate in the investment decisions of SILP as long as SILP adheres to the investment guidelines provided within the SILP LPA. For these reasons, the GLRE Limited Partners are not considered to have substantive participating rights or kick-out rights.

- DME II holds an interest in excess of 10% of SILP's net assets which the Company considers to represent an obligation to absorb losses and a right to receive benefits of SILP that are significant to SILP.

Consequently, the Company has concluded that DME II's interests, and not the Company's, meet both the "power" and "benefits" criteria associated with VIE accounting guidance, and therefore DME II is SILP's primary beneficiary. The Company's investment in SILP is presented in the Company's consolidated balance sheets in the caption "Investment in related party investment fund."

During 2019, SILP's investment portfolio was de-risked in order to reduce the Company's investment volatility in the near-term. As a result, a significant proportion of the Company's investment assets in SILP was held in cash and short-term treasuries as of December 31, 2019. On August 5, 2020, the Company entered into an amended and restated letter agreement with DME Advisors and DME II whereby the deployed Investment Portfolio can not exceed an amount equal to 50% of the Company's shareholder's equity, as reported in the Company's then most recent quarterly U.S. GAAP financial statements, adjusted monthly for investment gains and losses as reported by SILP during any intervening period.

The Company's maximum exposure to loss relating to SILP is limited to the net asset value of the Company's investment in SILP. As of December 31, 2020, the net asset value of the Company's investment in SILP was $150.9 million (2019: $229.9 million), representing 68.5% (2019: 77.6%) of SILP's total net assets. The remaining 31.5% (2019: 22.4%) of SILP's total net assets was held by GRIL and DME II. The investment in SILP is recorded at the Company's share of the net asset value of SILP as reported by SILP's third-party administrator. The Company can redeem its assets from SILP for operational purposes by providing three business days' notice to DME II. As of December 31, 2020, the majority of SILP's long investments are composed of cash and publicly-traded equity securities, which can be readily liquidated to meet the Company's redemption requests.

The Company's share of the change in the net asset value of SILP for the years ended December 31, 2020, and 2019 and the period from September 1, 2018 (commencement of operations) to December 31, 2018 was $3.6 million, $43.9 million and $(58.6) million, respectively, and shown in the caption "Income (loss) from investment in related party investment fund" in the Company's consolidated statements of operations. The change in the net asset value of SILP for the year ended December 31, 2020 was primarily driven by withdrawals made by the Company for paying claims and posting collateral to reinsurance clients.

As of December 31, 2020, the Company's investments in SILP was in excess of 10% of the Company's total shareholder's equity, with fair value of $150.9 million (2019: $229.9 million) representing 30.6% (2019: 44.2%) total shareholder's equity.

The summarized financial statements of SILP are presented below.

Summarized Statement of Assets and Liabilities of Solasglas Investments, LP

	December 31, 2020	December 31, 2019
	($ in thousands)	
Assets		
Investments, at fair value	$ 272,398	$ 162,928
Derivative contracts, at fair value	1,450	6,324
Due from brokers	92,053	68,060
Cash and cash equivalents	—	111,046
Interest and dividends receivable	59	47
Total assets	365,960	348,405
Liabilities and partners' capital		
Liabilities		
Investments sold short, at fair value	(131,902)	(47,834)
Derivative contracts, at fair value	(4,156)	(2,054)
Due to brokers	(9,179)	(1,180)
Interest and dividends payable	(429)	(828)
Other liabilities	(175)	(101)
Total liabilities	(145,841)	(51,997)
Net Assets	**$ 220,119**	**$ 296,408**
GLRE Limited Partners' share of Net Assets	**$ 150,857**	**$ 229,947**

Summarized Statement of Operations of Solasglas Investments, LP

	Year ended December 31 2020	2019	From September 1, 2018 (commencement of operations) to December 31, 2018
	($ in thousands)		
Investment income			
Dividend income (net of withholding taxes)	$ 1,365	$ 3,179	$ 2,160
Interest income	654	3,884	1,868
Total Investment income	2,019	7,063	4,028
Expenses			
Management fee	(2,808)	(4,893)	(3,100)
Interest	(798)	(2,408)	(2,627)
Dividends	(861)	(1,670)	(1,608)
Professional fees and other	(949)	(1,141)	(483)
Total expenses	(5,416)	(10,112)	(7,818)
Net investment income (loss)	(3,397)	(3,049)	(3,790)
Realized and change in unrealized gains (losses)			
Net realized gain (loss)	(61,616)	34,539	(80,996)
Net change in unrealized appreciation (depreciation)	71,948	28,515	14,789
Net gain (loss) on investment transactions	10,332	63,054	(66,207)
Net income (loss)	$ 6,935	$ 60,005	$ (69,997)
GLRE Limited Partners' share of net income (loss) (1)	**$ 4,431**	**$ 46,056**	**$ (60,573)**

[1] Net income (loss) is net of management fees and performance allocation presented below:

	Year ended December 31 2020	2019	From September 1, 2018 (commencement of operations) to December 31, 2018
	($ in thousands)		
Management fees	$ 2,684	$ 4,601	$ 2,952
Performance allocation	349	4,752	—
Total	$ 3,033	$ 9,353	$ 2,952

See Note 12 for further details on management fees and performance allocation.

4. FINANCIAL INSTRUMENTS

Purchases and sales of investments are disclosed in the Company's consolidated statements of cash flows. The following table summarizes the change in unrealized gains and losses and the realized gains and losses on financial instruments included in the caption "Net investment income (loss)" in the Company's consolidated statements of operations for the years ended December 31, 2020, 2019, and 2018:

	Year ended December 31		
	2020	2019	2018
	($ in thousands)		
Gross realized gains	$ 5,766	$ —	$ 303,674
Gross realized losses	(15,000)	(13,613)	(540,561)
Net realized gains (losses)	$ (9,234)	$ (13,613)	$ (236,887)
Change in unrealized gains and losses	$ 25,158	$ 7,644	$ (32,597)

Investments

Other Investments

The Company's "Other investments" are composed of the following:

- Private investments and unlisted equities, which consist primarily of investments related to Innovations to support technology innovators in the (re)insurance space by providing capital, risk capacity, and access to a broad insurance network, and
- Derivative financial instruments associated with the Company's Innovations investments.

At December 31, 2020, the following securities were included in the caption "Other investments":

	Cost	Unrealized gains	Unrealized losses	Fair value / carrying value
	($ in thousands)			
Private investments and unlisted equities	$ 10,914	$ 10,679	$ (1,300)	$ 20,293
Derivative financial instruments (not designated as hedging instruments)	—	1,080	—	1,080
Total other investments	$ 10,914	$ 11,759	$ (1,300)	$ 21,373

At December 31, 2019, the following securities were included in the caption "Other investments":

	Cost	Unrealized gains	Unrealized losses	Fair value / carrying value
	($ in thousands)			
Private investments and unlisted equities	$ 8,120	$ 66	$ (4)	$ 8,182
Total other investments	$ 8,120	$ 66	$ (4)	$ 8,182

Private investments and unlisted equities include securities that do not have readily determinable fair values. The carrying values of these holdings are determined based on their original cost minus impairment, if any, plus or minus changes resulting from observable price changes. At December 31, 2020, the carrying value of private investments and unlisted equities was $20.3 million (2019: $8.2 million), and incorporated upward adjustments of $9.1 million and $0.2 million during the years ended December 31, 2020, and 2019, respectively, excluding any unrealized gains or losses related to changes in foreign currency exchange rates. The net upward adjustments since the acquisition of these private investments was $9.3 million and $0.2 million, as of December 31, 2020 and 2019, respectively.

Derivative instruments include warrants issued by certain entities granting the Company the right, but not the obligation, to purchase shares at a specified price on or before the maturity date. During the year ended December 31, 2020, warrants were issued to the Company in connection with certain Innovations-related investments and were not designated as hedging instruments. The Company's maximum exposure to loss relating to these warrants is limited to their carrying amount. The carrying amount represents the fair value which is determined based on the Black-Scholes option pricing model. At December

31, 2020, the carrying value of the derivative instruments was $1.1 million. The Company had no derivative instruments during the year ended December 31, 2019.

Fair Value Hierarchy

The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The Company's derivative instruments are valued on the basis of Level 3 inputs involving the Black-Scholes option pricing model.The Company used the carrying value of the underlying stock as an input in the option pricing model. The underlying stock does not have readily determinable fair value and is determined based on its original cost minus impairment, if any, plus or minus changes resulting from observable price changes. The other assumptions applied to the option pricing model included risk free rate of 0.50% and estimated volatility of 50%.

For the derivative instruments valued on the basis of Level 3 inputs, the change in unrealized gain for the year ended December 31, 2020 of $1.1 million was included in the caption "Net investment income (loss) in the Company's consolidated statements of operations.

As of December 31, 2020 and 2019, the Company did not carry any other investments at fair value that were assigned a Level within the fair value hierarchy. The Company's investment in the related party investment fund is measured at fair value using the net asset value practical expedient, and is therefore not classified within the fair value hierarchy. (See Note 3 for further details on the related party investment fund).

Financial Instruments Disclosed, But Not Carried, at Fair Value

The caption "Notes receivable (net of allowance for expected credit loss)" represents financial instruments that are carried at amortized cost. The carrying values of the notes receivable (net of allowance for expected credit loss) approximate their fair values, which the Company has determined on the basis of Level 3 inputs.

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents as of December 31, 2020 and 2019 were composed of cash at banks.

Due to the short term nature of cash and cash equivalents, the carrying values of cash at banks approximate their fair value. Cash at banks include cash held at non-U.S. financial institutions which are not insured by the FDIC or any other deposit insurance programs.

6. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents include amounts held by the Company but pledged as security to provide collateral required by the cedents in the form of trust accounts and letters of credit (see Note 13). As of December 31, 2020 and 2019, the restricted cash and cash equivalents were composed of the following:

	December 31, 2020	December 31, 2019
	($ in thousands)	
Cash held as collateral in trust accounts	$ 579,052	$ 501,081
Cash collateral relating to letters of credit issued	137,620	213,406
Total restricted cash and cash equivalents	$ 716,672	$ 714,487

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

At December 31, 2020, the loss and loss adjustment expenses reserves included estimated amounts for several catastrophe events. For significant catastrophe events including, but not limited to, hurricanes, typhoons, floods, wildfires and pandemics, loss reserves are generally established based on loss payments and case reserves reported by clients when, and if, received. To establish IBNR loss estimates, the Company makes use of, among other things, the following:

- estimates communicated by ceding companies;
- information received from clients, brokers and loss adjusters;
- an understanding of the underlying business written and its exposures to catastrophe event related losses;
- industry data;
- catastrophe scenario modelling software; and
- management’s judgement.

The COVID-19 pandemic is unprecedented. Therefore, the Company does not have previous loss experience on which to base its estimates for loss and loss adjustment expenses related to the COVID-19 pandemic. The determination of the Company's estimate was based on:

- a review of in-force treaties that may provide coverage and incur losses;
- catastrophe and scenario modeling analyses and results shared by cedents;
- preliminary loss estimates received from clients and their analysts and loss adjusters;
- reviews of industry insured loss estimates and market share analyses; and
- management’s judgement.

Significant assumptions on which the Company's estimates of reserves for the COVID-19 pandemic losses and loss adjustment expenses are based include:

- the scope of coverage provided by the underlying policies, particularly those that provide for business interruption coverage;
- the regulatory, legislative or judicial actions and social impact that could influence contract interpretations across the insurance industry;
- the extent of economic contraction caused by the COVID-19 pandemic, particularly in the United States; and
- the ability of the cedents and insured to mitigate some or all of their losses.

While the Company believes its estimate of loss and loss adjustment expense reserves for the COVID-19 pandemic is adequate as of December 31, 2020 based on available information, actual losses may ultimately differ materially from the Company's current estimates. The Company will continue to monitor the appropriateness of its assumptions as new information becomes available and will adjust its estimates accordingly. Such adjustments may be material to the Company's results of operations and financial condition.

There were no significant changes in the actuarial methodology or reserving process related to the Company’s loss and loss adjustment expense reserves for the year ended December 31, 2020.

At December 31, 2020 and 2019, loss and loss adjustment expense reserves were composed of the following:

	2020	2019
	($ in thousands)	
Case reserves	$ 166,934	$ 207,614
IBNR	299,934	237,828
Total	$ 466,868	$ 445,442

A summary of changes in outstanding loss and loss adjustment expense reserves for all lines of business consolidated for the years ended December 31, 2020, 2019, and 2018 is as follows:

Consolidated	2020	2019	2018
		($ in thousands)	
Gross balance at January 1	$ 445,442	$ 450,534	$ 436,328
Less: Losses recoverable	(33,032)	(51,065)	(33,961)
Net balance at January 1	412,410	399,469	402,367
Incurred losses related to:			
Current year	313,694	303,494	306,006
Prior years	2,487	28,197	170
Total incurred	316,181	331,691	306,176
Paid losses related to:			
Current year	(97,796)	(114,096)	(125,281)
Prior years	(185,384)	(205,914)	(181,701)
Total paid	(283,180)	(320,010)	(306,982)
Foreign currency revaluation	2,322	1,260	(2,092)
Net balance at December 31	447,733	412,410	399,469
Add: Losses recoverable	19,135	33,032	51,065
Gross balance at December 31	$ 466,868	$ 445,442	$ 450,534

The changes in the outstanding loss and loss adjustment expense reserves for health claims for the years ended December 31, 2020, 2019, and 2018 are as follows:

Health	2020	2019	2018
		($ in thousands)	
Gross balance at January 1	$ 16,555	$ 24,341	$ 21,891
Less: Losses recoverable	—	—	—
Net balance at January 1	16,555	24,341	21,891
Incurred losses related to:			
Current year	27,019	31,680	56,804
Prior years	308	3,694	1,871
Total incurred	27,327	35,374	58,675
Paid losses related to:			
Current year	(14,536)	(16,800)	(34,696)
Prior years	(14,441)	(26,360)	(21,529)
Total paid	(28,977)	(43,160)	(56,225)
Foreign currency revaluation	—	—	—
Net balance at December 31	14,905	16,555	24,341
Add: Losses recoverable	—	—	—
Gross balance at December 31	$ 14,905	$ 16,555	$ 24,341

Loss development

Year ended December 31, 2020

During the year ended December 31, 2020, the Company experienced $2.5 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $6.5 million of adverse loss development on a multi-line contract for treaty years 2015 to 2018, resulting from deterioration in reported claims.
- $1.9 million of adverse loss development on general liability contracts, primarily relating to a 2017 treaty year contract resulting from deterioration in reported claims.
- $9.9 million of adverse loss development on motor contracts relating to the 2018 and 2019 treaty years, partially offset by $8.3 million of favorable loss development on treaty years 2015 to 2017.

Favorable developments:

- $8.4 million of favorable development on prior year property contracts primarily resulting from lower than anticipated losses relating to the 2017 and 2018 catastrophe events, partially offset by $4.3 million of adverse loss development on 2019 contracts.
- $1.9 million of favorable loss development on a professional liability contract relating to treaty year 2008 where the reported claims have been lower than those previously anticipated.
- $2.2 million of favorable loss development on solicitors' professional indemnity contracts resulting primarily from lower than expected claims on prior accident years.

The remaining development on prior year loss and LAE reserves recognized in 2020 related to several smaller adjustments made across various lines of business.

Year ended December 31, 2019

During the year ended December 31, 2019, the Company experienced $28.2 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $33.4 million of adverse loss development on non-standard automobile contracts. These unanticipated automobile losses were the result of adverse rulings that affected a significant number of loss events that occurred in Florida between 2015 and early 2018, including many claims that had previously been considered closed; and
- $3.7 million of adverse loss development on specialty health contracts arising from an unexpectedly high frequency of medical claims reported.

Favorable developments:

- $7.3 million of favorable development on prior year property and multi-line contracts primarily resulting from lower than anticipated losses relating to California wildfires.

The remaining net favorable development on prior year loss and LAE reserves recognized in 2019 related to several smaller adjustments made across various lines of business.

Year ended December 31, 2018

During the year ended December 31, 2018, the Company experienced a modest $0.2 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $9.7 million of adverse loss development on non-standard automobile contracts stemming from industry-wide issues affecting motor liability claims in Florida over accident years 2015 to 2017;
- $3.8 million of adverse loss development on solicitors professional indemnity contracts resulting primarily from several large claims being reported on prior accident years;
- $2.0 million of adverse loss development on general liability contracts, spread over treaty years 2012-2017, resulting from deterioration in claims experience; and
- $1.8 million of adverse loss development on surety business, net of retrocession recoveries, due to deterioration on several previously reported claims for one contract.

Favorable developments:

- $3.8 million of favorable prior period experience on property contracts stemming primarily from accident years 2015 and 2016 where claims experience has been better than expected;
- $6.0 million of favorable loss development, net of retrocession recoveries, relating to 2017 hurricanes as a result of claims experience being better than initially estimated.The net financial impact of the favorable loss development was partially offset by $1.6 million of return premiums relating to reinstatement premiums previously recorded; and
- $4.1 million of favorable loss development on prior period mortgage insurance contracts resulting from ongoing favorable claims experience across all prior accident years.

The remaining net favorable development on prior year loss and LAE reserves recognized in 2018 related to several smaller adjustments made across various lines of business.

Disclosures about Short Duration Contracts

The Company has one operating segment, Property & Casualty Reinsurance and categorizes its business as Property, Casualty and Other. The Company's loss development tables presented below have been disaggregated by lines of business for the years ended from December 31, 2011 to 2020.

For purposes of the loss development tables, the property business has been further disaggregated into "Property" and "Motor - Physical Damage". The casualty category has been disaggregated into "General Liability", "Motor Liability", "Professional Liability" and "Workers' Compensation". In addition, the incurred and paid claims relating to accident and health business have been presented separately as "Health". Other specialty business including financial, aviation, crop, cyber, energy and marine, which are individually insignificant to our overall business, have been grouped together as "Other". Contracts that cover more than one line of business are grouped as "Multi-line".

For each of the categories, the following tables present the incurred and paid claims development as of December 31, 2020, net of retrocession, as well as the total of incurred but not reported liabilities plus expected development on reported claims included within the net incurred claims amount. Health claims have been disaggregated and presented separately.

The information in the tables below about incurred and paid claims development for the years ended December 31, 2011 to 2019, is presented as unaudited supplementary information. Totals may not sum due to rounding.

Health

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	December 31, 2020 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2011	$ 21,962	$ 22,788	$ 22,678	$ 22,697	$ 22,507	$ 22,507	$ 22,507	$ 22,507	$ 22,507	$ 22,507	$ —
2012		2,400	2,352	2,340	2,294	2,285	2,285	2,285	2,285	2,285	—
2013			—	—	—	—	—	—	—	—	—
2014				(8)	(9)	—	33	—	42	42	65
2015					6,937	6,937	7,931	7,793	7,832	7,829	36
2016						30,546	33,566	34,360	34,260	34,210	68
2017							45,007	46,255	46,687	46,535	15
2018								56,804	60,084	59,644	141
2019									31,680	32,634	2,099
2020										27,019	12,483
									Total	$ 232,705	$ 14,905

Health

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information) ($ in thousands)									
2011	$ 18,223	$ 22,518	$ 22,678	$ 22,697	$ 22,507	$ 22,507	$ 22,507	$ 22,507	$ 22,507	$ 22,507
2012		2,244	2,352	2,340	2,294	2,286	2,286	2,286	2,286	2,286
2013			—	—	—	—	—	—	—	—
2014				16	(26)	(60)	(60)	—	(23)	(23)
2015					1,276	5,857	7,931	7,793	7,794	7,793
2016						15,339	32,979	34,256	34,162	34,142
2017							23,834	44,125	46,615	46,520
2018								34,696	58,681	59,503
2019									16,800	30,535
2020										14,536
									Total	217,800
All outstanding liabilities before 2011, net of reinsurance										—
Liabilities for claims and claims adjustment expenses, net of reinsurance (Health)										$ 14,905

Multiline

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	December 31, 2020 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2011	$ 535	$ 2,369	$ 2,821	$ 2,561	$ 2,735	$ 2,634	$ 2,634	$ 2,634	$ 2,195	$ 2,196	$ —
2012		321	1	—	—	—	—	—	—	4	—
2013			2,479	2,491	2,549	2,408	2,408	2,408	2,129	2,131	—
2014				5,658	4,930	4,527	5,660	5,824	5,141	6,132	1,518
2015					28,516	29,048	32,716	32,140	30,379	31,486	7,482
2016						55,988	61,962	59,975	60,482	62,447	19,858
2017							75,907	75,626	81,260	81,985	29,965
2018								56,835	51,364	54,926	21,082
2019									50,449	48,931	21,872
2020										68,506	50,677
									Total	$ 358,743	$ 152,453

Multiline

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information) ($ in thousands)									
2011	$ —	$ 93	$ 1,152	$ 1,383	$ 1,967	$ 2,256	$ 2,401	$ 2,418	$ 2,195	$ 2,196
2012		—	1	—	—	—	—	—	—	4
2013			71	1,058	1,862	2,225	2,353	2,376	2,129	2,131
2014				82	687	1,069	2,854	3,436	3,700	4,615
2015					53	3,000	9,622	15,285	18,264	24,004
2016						5,764	14,750	25,943	32,326	42,589
2017							9,624	26,857	38,517	52,020
2018								7,510	23,599	33,843
2019									11,675	27,058
2020										17,828
									Total	206,289
									All outstanding liabilities before 2011, net of reinsurance	—
									Liabilities for claims and claims adjustment expenses, net of reinsurance (Multiline)	$ 152,453

General Liability

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	December 31, 2020 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 20,925	$ 30,693	$ 40,756	$ 44,897	$ 61,446	$ 77,105	$ 77,105	$ 77,105	$ 77,105	$ 77,105	$ —
2012		12,626	18,133	16,921	29,554	31,145	31,161	31,274	30,902	30,924	—
2013			3,018	2,689	4,666	4,511	4,510	4,916	4,770	4,648	—
2014				1,238	1,229	1,174	1,033	1,355	1,000	1,043	570
2015					1,699	1,690	1,756	1,979	2,152	2,190	1,241
2016						6,203	6,514	7,124	7,867	8,095	1,984
2017							5,313	6,403	7,257	8,327	4,006
2018								2,322	2,859	3,366	1,405
2019									957	1,110	904
2020										1,631	1,564
									Total	$ 138,438	$ 11,674

General Liability

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 2,873	$ 11,751	$ 20,030	$ 25,018	$ 32,954	$ 77,105	$ 77,105	$ 77,105	$ 77,105	$ 77,105
2012		1,750	9,926	13,142	15,836	30,667	30,687	30,891	30,902	30,924
2013			1,371	1,917	2,298	4,191	4,274	4,652	4,770	4,648
2014				18	146	413	548	492	762	473
2015					69	293	532	551	929	949
2016						122	1,589	3,273	4,673	6,111
2017							136	1,412	2,817	4,321
2018								165	1,286	1,960
2019									26	206
2020										67
									Total	126,764
All outstanding liabilities before 2011, net of reinsurance										—
Liabilities for claims and claims adjustment expenses, net of reinsurance (General Liability)										$ 11,674

Motor Casualty

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	December 31, 2020 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 53,035	$ 57,498	$ 57,342	$ 62,921	$ 70,880	$ 70,435	$ 70,495	$ 70,495	$ 70,478	$ 70,478	$ —
2012		131,071	129,686	130,434	129,821	129,923	129,922	129,922	129,922	129,922	—
2013			161,076	158,852	154,840	154,811	154,900	154,977	154,983	154,983	—
2014				77,813	77,175	78,578	78,407	78,169	78,278	78,272	—
2015					99,681	101,424	101,135	103,404	104,914	103,920	627
2016						127,326	129,619	132,997	137,186	133,456	—
2017							144,946	146,562	151,883	150,318	—
2018								108,274	125,827	128,409	19,721
2019									125,240	129,699	7,317
2020										89,470	54,961
									Total	$ 1,168,926	$ 82,627

Motor Casualty

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 19,082	$ 36,462	$ 49,569	$ 58,244	$ 65,018	$ 70,433	$ 70,433	$ 70,433	$ 70,478	$ 70,478
2012		58,411	117,143	125,242	127,533	129,922	129,922	129,922	129,922	129,922
2013			75,168	140,816	152,408	154,794	154,900	154,977	154,983	154,983
2014				42,042	71,668	74,785	78,407	78,169	78,272	78,272
2015					63,113	97,136	99,866	100,231	104,315	103,293
2016						74,973	121,205	131,049	136,348	133,456
2017							91,036	137,506	151,883	150,318
2018								56,189	109,860	108,687
2019									57,300	122,382
2020										34,508
									Total	1,086,300
All outstanding liabilities before 2011, net of reinsurance										(33)
Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Casualty)										$ 82,594

Motor Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2020
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 3,276	$ 3,271	$ 3,343	$ 3,285	$ 3,285	$ 3,306	$ 3,306	$ 3,306	$ 3,303	$ 3,303	$ —
2012		36,985	36,129	36,008	35,998	35,922	35,922	35,922	35,922	35,922	—
2013			43,603	43,117	42,356	42,276	42,318	42,342	42,101	42,101	—
2014				16,203	16,145	16,343	16,302	16,308	16,350	16,348	—
2015					17,448	17,840	17,821	18,460	19,070	18,881	—
2016						21,081	21,397	22,036	21,909	21,236	—
2017							32,113	31,792	32,480	31,271	—
2018								31,620	36,048	35,906	2,511
2019									32,310	35,213	3,580
2020										21,564	12,832
									Total	$ 261,745	$ 18,923

Motor Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 1,418	$ 2,944	$ 3,305	$ 3,285	$ 3,285	$ 3,303	$ 3,303	$ 3,303	$ 3,303	$ 3,303
2012		16,883	34,569	35,835	35,884	35,903	35,922	35,922	35,922	35,922
2013			19,755	38,887	42,065	42,087	42,099	42,099	42,101	42,101
2014				8,931	15,068	15,836	16,302	16,308	16,348	16,348
2015					11,019	17,376	17,762	17,838	18,975	18,881
2016						12,761	20,485	21,731	21,529	21,236
2017							18,933	31,243	31,888	31,271
2018								16,617	33,315	33,394
2019									14,656	31,633
2020										8,733
									Total	242,821
	All outstanding liabilities before 2011, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Property)									$ 18,923

Other

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2020
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 6,842	$ 7,805	$ 7,480	$ 7,473	$ 7,470	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ —
2012		4,000	3,639	3,756	3,773	3,759	3,755	3,782	3,777	3,736	—
2013			1,034	1,414	1,309	1,310	1,287	1,241	1,075	1,040	—
2014				1,380	1,156	1,230	1,156	565	1,634	1,838	—
2015					3,077	3,334	4,155	3,817	3,941	4,143	—
2016						6,656	7,904	8,982	8,747	8,104	590
2017							9,890	6,020	6,456	7,582	2,090
2018								5,851	6,970	6,568	1,470
2019									14,955	15,831	9,103
2020										40,004	36,293
									Total	$ 96,313	$ 49,545

Other

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 1,162	$ 7,457	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ 7,468	$ 7,468
2012		3,092	3,298	3,676	3,683	3,684	3,688	3,735	3,735	3,736
2013			215	949	914	828	812	1,066	1,029	1,040
2014				96	485	579	736	565	1,634	1,838
2015					472	1,387	2,010	3,410	3,941	4,143
2016						1,473	3,108	5,639	7,400	7,514
2017							484	3,086	4,511	5,492
2018								962	5,275	5,098
2019									4,055	6,727
2020										3,711
									Total	46,769
							All outstanding liabilities before 2011, net of reinsurance			—
					Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)					$ 49,545

Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	December 31, 2020 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2011	$ 73,309	$ 83,261	$ 79,794	$ 80,402	$ 81,894	$ 83,012	$ 83,067	$ 83,006	$ 83,296	$ 83,308	$ —
2012		63,961	50,183	50,874	52,812	53,218	53,473	53,737	53,823	53,862	—
2013			60,912	58,960	61,742	62,458	62,448	62,388	62,728	62,266	—
2014				41,694	45,138	46,833	47,073	46,862	47,019	46,987	379
2015					27,709	30,189	31,550	30,753	30,414	30,352	361
2016						25,284	25,426	23,248	22,720	22,508	589
2017							81,695	76,392	67,015	64,066	137
2018								27,241	29,320	23,917	6,313
2019									22,951	27,226	20,105
2020										22,078	15,503
									Total	$ 436,570	$ 43,388

Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information) ($ in thousands)									
2011	$ 49,441	$ 74,383	$ 77,182	$ 79,022	$ 81,214	$ 82,370	$ 82,655	$ 83,006	$ 83,296	$ 83,308
2012		32,085	45,887	50,242	52,657	53,211	53,259	53,737	53,823	53,862
2013			34,807	55,647	58,486	60,305	61,036	61,949	62,190	62,266
2014				20,228	40,171	43,628	45,199	46,289	46,510	46,608
2015					12,933	25,383	28,732	29,692	29,893	29,991
2016						9,899	17,911	20,619	21,592	21,919
2017							43,082	55,145	62,742	63,928
2018								4,727	14,951	17,604
2019									4,064	7,121
2020										6,575
									Total	393,182
						All outstanding liabilities before 2011, net of reinsurance				—
				Liabilities for claims and claims adjustment expenses, net of reinsurance (Property)						$ 43,388

Professional Liability

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2020
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 5,570	$ 6,351	$ 6,688	$ 7,478	$ 7,480	$ 7,336	$ 7,591	$ 7,591	$ 7,591	$ 7,437	$ 31
2012		9,022	8,655	9,414	9,705	10,033	10,777	10,777	10,777	10,201	145
2013			11,646	12,559	14,133	15,954	16,801	16,981	17,035	16,643	737
2014				19,838	19,219	19,183	21,821	22,856	23,194	22,923	2,206
2015					18,917	18,919	21,513	23,000	23,240	22,490	4,446
2016						13,921	17,105	17,521	17,118	16,911	6,158
2017							10,329	9,982	9,804	10,035	5,147
2018								4,488	4,475	4,597	2,622
2019									586	611	345
2020										66	66
									Total	$ 111,913	$ 21,903

Professional Liability

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 113	$ 1,344	$ 3,433	$ 4,956	$ 6,143	$ 6,775	$ 7,239	$ 7,285	$ 7,287	$ 7,406
2012		465	2,748	5,226	7,125	8,224	9,613	9,762	9,769	10,056
2013			666	3,286	7,454	10,633	13,525	14,300	14,336	15,906
2014				1,411	5,610	10,020	14,621	16,969	16,983	20,718
2015					1,225	3,455	9,263	12,270	13,121	18,044
2016						348	2,229	5,002	8,034	10,753
2017							230	1,449	3,097	4,888
2018								242	1,142	1,975
2019									145	266
2020										—
									Total	90,010
									All outstanding liabilities before 2011, net of reinsurance	715
									Liabilities for claims and claims adjustment expenses, net of reinsurance (Professional Liability)	$ 22,618

Workers' Compensation

	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2020
	For the years ended December 31,										
Accident year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2011	$ 14,915	$ 15,233	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ —
2012		11,763	12,213	12,213	12,213	12,213	12,213	12,213	12,213	12,213	—
2013			4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751	—
2014				—	—	—	3	—	—	—	—
2015					1,014	1,010	948	950	951	919	87
2016						4,342	4,274	4,266	3,975	3,778	319
2017							10,817	10,281	9,538	8,997	1,028
2018								13,298	13,187	12,740	2,132
2019									22,903	23,455	9,868
2020										44,677	33,388
									Total	$ 128,391	$ 46,823

Workers' Compensation

	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
Accident year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2011	$ 5,004	$ 11,175	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861	$ 16,861
2012		2,359	12,213	12,213	12,213	12,213	12,213	12,213	12,213	12,213
2013			4,751	4,751	4,751	4,751	4,751	4,751	4,751	4,751
2014				—	—	—	—	—	—	—
2015					28	251	564	688	777	832
2016						613	1,920	2,782	3,274	3,459
2017							2,028	5,356	7,399	7,969
2018								4,213	8,321	10,609
2019									5,473	13,587
2020										11,288
									Total	81,569
	All outstanding liabilities before 2011, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Workers' Compensation)									$ 46,823

For any incurred and paid claims denominated in a currency other than U.S. dollars, the above tables are presented using the foreign exchange rate in effect as of the current year end date. As a result, all prior year information has been restated to reflect the exchange rates as of December 31, 2020. This treatment removes any changes in foreign currency exchange rates from distorting the claims development between the years presented.

For assumed contracts the Company does not generally receive claims information by accident year from the ceding insurers, but instead receives claims information by the treaty year of the contract. Claims reported by the ceding insurer to the Company may have the covered losses occurring in an accident year other than the treaty year. For the purpose of the loss development tables, some incurred and paid claims have been allocated to the accident years based on the proportion of premiums earned for each contract during such accident year.

For example, a one-year treaty incepting on October 1, 2018 (with underlying policies each having a one-year duration), would have a 24-month period over which the premiums would be earned. Therefore, claims would be allocated to accident years 2018, 2019 and 2020 based on the proportion of the premiums earned during each accident year. For illustration of this contract, any claims reported during 2018 would be allocated to the 2018 accident year. For losses reported during 2019, the claims would be allocated between 2018 and 2019 based on the percentage of premiums earned during 2018 and 2019. Similarly, for losses reported during 2020 and thereafter, the losses would be allocated to the 2020, 2021 and 2022 accident years based on the proportion of premiums earned during each of those years. However, natural catastrophe and certain other large losses are addressed separately and are assigned to the accident year in which they occurred.

The reconciliation of the net incurred and paid claims development tables to the liability for claims and claim adjustment expenses in the consolidated balance sheet is as follows:

		December 31, 2020
		($ in thousands)
Net outstanding liabilities		
Health	$	14,905
Multiline		152,453
General Liability		11,674
Motor Casualty		82,594
Motor Property		18,923
Other		49,545
Property		43,388
Professional Liability		22,618
Workers' Compensation		46,823
Liabilities for claims and claims adjustment expenses, net of reinsurance		442,923
Add: Reinsurance recoverable on unpaid claims		19,135
Add: Unallocated claims adjustment expenses		3,899
Add: Allowance for credit losses		911
Total gross liabilities for unpaid claims and claim adjustment expense	$	466,868

The average historical annual percentage payout of net incurred claims (excluding health) as of December 31, 2020 is as follows:

Years	1	2	3	4	5	6	7	8	9	10
	(Unaudited - Supplementary Information)									
Multiline	10.2 %	19.0 %	18.8 %	16.0 %	13.3 %	22.7 %	— %	— %	— %	— %
General Liability	4.5 %	12.0 %	11.1 %	10.8 %	17.3 %	27.8 %	6.9 %	8.0 %	1.6 %	— %
Motor Casualty	40.3 %	32.6 %	9.5 %	6.2 %	4.2 %	3.0 %	2.8 %	1.2 %	0.2 %	— %
Motor Property	51.4 %	42.2 %	5.1 %	0.5 %	0.4 %	0.2 %	0.2 %	— %	— %	— %
Other	36.3 %	44.3 %	12.6 %	3.0 %	2.2 %	1.0 %	0.6 %	— %	— %	— %
Property	49.7 %	34.8 %	5.9 %	3.0 %	2.8 %	2.5 %	1.0 %	0.3 %	— %	— %
Professional Liability	3.5 %	11.9 %	18.4 %	16.1 %	13.5 %	9.5 %	7.0 %	6.0 %	5.0 %	9.1 %
Workers' Compensation	27.2 %	43.4 %	22.6 %	5.5 %	0.8 %	0.5 %	— %	— %	— %	— %

The historical annual percentage payout pattern for health claims is excluded from the table above because health claims have short settlement periods and including it would skew the results presented.

As a reinsurance entity, the Company generally does not receive detailed claims frequency information or claims counts from ceding insurers and third party claim handlers. Due to the nature of the reinsurance contracts, the underlying insured reports claims to the insurer who cedes losses to the Company. The Company is contractually obligated to reimburse the ceding insurer for its share of the losses. While the Company has the right to conduct audits of the ceding insurer's claims files, the insurer is generally not obligated to provide detailed listing of claims counts or other claims frequency information to the Company. Therefore it is impracticable for the Company to present the cumulative number of reported claims by accident year.

8. RETROCESSION

The Company, from time to time, purchases retrocessional coverage for one or more of the following reasons: to manage its overall exposure, to reduce its net liability on individual risks, to obtain additional underwriting capacity and to balance its underwriting portfolio. Loss and loss adjustment expenses recoverable from retrocessionaires are recorded as assets.

For the year ended December 31, 2020, the Company's earned ceded premiums were $2.6 million (2019: $82.4 million and 2018: $127.8 million).

For the year ended December 31, 2020, loss and loss adjustment expenses incurred of $316.2 million (2019: $331.7 million and 2018: $306.2 million) reported on the Company's consolidated statements of operations are net of loss and loss expenses recovered and recoverable of $6.0 million (2019: $73.7 million and 2018: $88.9 million).

Retrocession contracts do not relieve the Company from its obligations to the insureds. Failure of retrocessionaires to honor their obligations could result in losses to the Company. At December 31, 2020, the Company's loss reserves recoverable of $18.8 million ($33.1 million) consisted of (i) $18.8 million (2019: $32.7 million) from unrated retrocessionaires which were secured by cash, letters of credit and collateral held in trust accounts for the benefit of the Company and (ii) $nil (2019: $0.4 million) from retrocessionaires rated A- or above by A.M. Best.

The Company regularly evaluates its net credit exposure to assess the ability of the retrocessionaires to honor their respective obligations. At December 31, 2020, the Company had recorded an allowance for expected credit losses of $0.9 million (December 31, 2019: nil).

9. SHARE CAPITAL

The holders of all ordinary shares are entitled to share equally in dividends declared by the Board of Directors. In the event of a winding-up or dissolution of the Company, the ordinary shareholders share equally and ratably in the assets of the Company, after payment of all debts and liabilities of the Company and after the liquidation of any issued and outstanding preferred shares. The Board of Directors is authorized to establish the rights and restrictions for preferred shares as they deem appropriate.

The Amended and Restated Memorandum and Articles of Association (the "Articles") provides that the holders of ordinary shares generally are entitled to one vote per share. The Company is subject to the Cayman Islands' Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations, 2012 (the "Insurance Regulations"). The Insurance Regulations impose a Minimum Capital Requirement ("MCR") of US$50 million and a Prescribed Capital Requirement ("PCR") on the Company of $204.8 million as of December 31, 2020. The Company's statutory capital and surplus of $491.4 million exceeded the MCR as well as the PCR.

Any dividends declared and paid from the Company to its shareholder would require approval of CIMA. As of December 31, 2020 and 2019, $286.6 million and $319.0 million, respectively, of the Company's capital and surplus was available for distribution as dividends. During the year ended December 31, 2020, $39.5 million return of additional paid in share capital was paid by the Company to its parent (2019: $3.9 million, 2018: $0.0 million).

Additional paid-in capital includes the premium per share paid by the subscribing shareholder for ordinary shares which have a par value of $0.10 each. During the year ended December 31, 2018, the Company received an additional $82.75 million in additional paid-in capital from it's parent upon issuance of one additional share.

10. NET INVESTMENT INCOME (LOSS)

A summary of net investment income (loss) for the years ended December 31, 2020, 2019, and 2018 is as follows:

	2020	2019	2018
	($ in thousands)		
Realized gains (losses)	(9,234)	(13,613)	(236,887)
Change in unrealized gains and losses	25,158	7,644	(32,597)
Investment related foreign exchange gains (losses)	39	20	938
Interest and dividend income, net of withholding taxes	4,903	14,915	33,783
Interest, dividend and other expenses	(1,865)	(4,787)	(17,977)
Investment advisor compensation on joint venture	—	—	(11,221)
Net investment related income (loss)	$ 19,001	$ 4,179	$ (263,961)
Income (loss) from investments in related party investment fund	3,563	43,945	(58,581)
Total investment income (loss)	$ 22,564	$ 48,124	$ (322,542)

Income (loss) from investments in related party investment fund reflects the equity in earnings (loss) of SILP (see Note 3) .

The realized gains (losses) for the year ended December 31, 2020, includes $15.0 million of valuation allowance charged off on a note receivable, partially offset by a gain of $5.8 million on another note receivable that was settled in excess of its carrying value.

The change in unrealized gains and losses for the year ended December 31, 2020, includes net unrealized gains of $10.2 million (2019: $0.2 million, 2018: nil) on Innovations related investments. In addition, the change in unrealized gains and losses for year ended December 31, 2020, included a net decrease in the valuation allowance of $15.0 million (2019: net increase of $6.0 million, 2018: nil) relating to notes receivable.

11. TAXATION

The Company intends to conduct all of its operations in a manner that will not cause it to be treated as engaging in a trade or business within the United States and will not cause it to be subject to current U.S. federal income taxation on its net income. However, because there are no definitive standards provided by the Internal Revenue Code, regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and as any such determination is essentially factual in nature, there can be no assurance that the IRS will not successfully assert that the Company is engaged in a trade or business within the U.S.

Federal Excise Taxes

The United States imposes an excise tax on reinsurance premiums paid to non-U.S. insurers or reinsurers with respect to risks located in the United States. The rate of tax, unless exempted or reduced by an applicable U.S. tax treaty, is 1.0% for all reinsurance premiums. The Company incurs federal excise taxes on certain of its reinsurance transactions, including amounts ceded through intercompany transactions. For the years ended 2020, 2019 and 2018, the Company incurred approximately $3.6 million, $3.6 million, and $3.1 million, respectively, of federal excise taxes, net of any refunds received. These amounts are included in the caption "Acquisition costs" in the Company's consolidated statements of operations.

12. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

DME, DME II and DME Advisors are related to the Company and each is an affiliate of David Einhorn, Chairman of the Company's Board of Directors.

The Company has entered into the SILP LPA with DME II. DME II receives a performance allocation equal to (with capitalized terms having the meaning provided under the SILP LPA) (a) 10% of the portion of the Positive Performance Change for each limited partner's capital account that is less than or equal to the positive balance in such limited partner's Carryforward Account, plus (b) 20% of the portion of the Positive Performance Change for each limited partner's capital account that exceeds the positive balance in such limited partner's Carryforward Account. The Carryforward Account for Greenlight Re and GRIL include the amount of losses that were to be recouped under the Joint Venture as well as any loss generated on the assets invested in SILP, subject to adjustments for redemptions. The loss carry forward provision contained in the SILP LPA allows DME II to earn a reduced performance allocation of 10% of profits in years subsequent to any year in which SILP has incurred a loss, until all losses are recouped and an additional amount equal to 150% of the loss is earned. On February 26, 2019, effective as of September 1, 2018, the Company entered into Amendment No. 1 to the SILP LPA. The amendment was intended to revise the mechanics for calculating the Carryforward Account and Performance Allocation (as defined in the LPA) to take into account withdrawals from and subsequent recontributions of capital to SILP, consistent with the treatment under the Joint Venture.

In accordance with the SILP LPA, DME Advisors constructs a levered investment portfolio as agreed by the Company (the "Investment Portfolio" as defined in the SILP LPA). On September 1, 2018, SILP entered into the IAA with DME Advisors which entitles DME Advisors to a monthly management fee equal to 0.125% (1.5% on an annual basis) of each limited partner's Investment Portfolio. The IAA has an initial term ending on August 31, 2023 subject to an automatic extension for successive three-year terms.

As of December 31, 2020, the Company had entered into a letter agreement with DME Advisors and DME II whereby during the period from June 1, 2019 to June 30, 2021, cash, cash equivalents and/or U.S government issued securities will not be subject to any management fee or performance allocation. For a detailed breakdown of management fees and performance compensation for the year ended December 31, 2020 and 2019, refer to Note 3 of the consolidated financial statements.

On January 7, 2021, the Company entered into an amended LPA agreement with DME Advisors and DME II which amends, restates, supersedes and incorporates all material terms of the SILP LPA. Refer to Note 15 "Subsequent Events" for further details.

Pursuant to the SILP LPA and the IAA, the Company has agreed to indemnify DME, DME II and DME Advisors for any expense, loss, liability, or damage arising out of any claim asserted or threatened in connection with DME Advisors serving as the Company's or SILP's investment advisor. The Company will reimburse DME, DME II and DME Advisors for reasonable costs and expenses of investigating and/or defending such claims, provided such claims were not caused due to gross negligence, breach of contract or misrepresentation by DME, DME II or DME Advisors. There were no indemnification amounts incurred by the Company during any of the periods presented.

Green Brick Partners, Inc.

David Einhorn also serves as the Chairman of the Board of Directors of Green Brick Partners, Inc. ("GRBK"), a publicly traded company. As of December 31, 2020, SILP, along with certain affiliates of DME Advisors, collectively owned 47.6% of the issued and outstanding common shares of GRBK. Under applicable securities laws, DME Advisors may be limited at times in its ability to trade GRBK shares on behalf of SILP.

Collateral Assets Investment Management Agreement

Effective January 1, 2019, the Company (and its affiliates) entered into a collateral assets investment management agreement (the "CMA") with DME Advisors, pursuant to which DME Advisors manages certain assets of the Company that are not subject to the SILP LPA and are held by the Company to provide collateral required by the cedents in the form of trust accounts and letters of credit. In accordance with the CMA, DME Advisors receives no fees and is required to comply with the collateral investment guidelines. The CMA can be terminated by any of the parties upon 30 days' prior written notice to the other parties.

Due to / from Parent

At December 31, 2020 and 2019, the amount due from / due to parent is non-interest bearing, unsecured and is repayable on demand.

Due to / from Affiliates

At December 31, 2020, the Company had $3.0 million (2019: $5.7 million) due from affiliates which is non-interest bearing, unsecured and is repayable on demand.

The Company has entered into a quota share retrocession agreement with GRIL whereby the Company assumes from GRIL a quota share portion of certain specified reinsurance contracts written by GRIL. For the year ended December 31, 2020, the Company assumed $41.9 million (2019: $22.9 million) of written premiums from GRIL.

The Company has entered into a retrocession agreement with GRIL whereby the Company provides an aggregate stop loss protection to GRIL in return for premiums ceded by GRIL to the company. For the year ended December 31, 2020, GRIL ceded $0.6 million (2019: $0.7 million) of written premiums to the Company. During the year ended December 31, 2020, the threshold for coverage was breached which resulted in $5.7 million losses incurred by the Company to GRIL (2019: $4.1 million).

At December 31, 2020, included in the caption "Reinsurance Balances Receivable" on the Company's consolidated balance sheet was $24.6 million (2019: $12.9 million) net receivable from GRIL on the above mentioned retrocession agreements and $36.4 million of funds provided by the Company to GRIL to support certain reinsurance contracts with Lloyd's syndicates.

13. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Trusts

At December 31, 2020, the Company had one letter of credit facility, which automatically renews each year unless terminated by either party in accordance with the applicable required notice period:

	Maximum Facility Limit	Termination Date	Notice period required for termination
	($ in thousands)		
Citibank Europe plc	275,000	August 20, 2021	120 days prior to termination date

Effective August 26, 2020, the Company amended the credit facility to reduce the maximum facility limit from $400.0 million to $275.0 million. As of December 31, 2020, an aggregate amount of $135.3 million (December 31, 2019: $204.5 million) in letters of credit were issued under the above credit facility. As of December 31, 2020, total cash and cash equivalents with a fair value in the aggregate of $137.6 million (December 31, 2019: $213.4 million) were pledged as collateral against the letters of credit issued and included in the caption "Restricted cash and cash equivalents" in the Company's consolidated balance sheets . The credit facility contains customary events of default and restrictive covenants, including but not limited to, limitations on liens on collateral, transactions with affiliates, mergers and sales of assets, as well as solvency and maintenance of certain minimum pledged equity requirements, and restricts issuance of any debt without the consent of the letter of credit provider. Additionally, if an event of default exists, as defined in the letter of credit facility, Greenlight Re will be prohibited from paying dividends to its parent company. The Company was in compliance with all the covenants of the credit facility as of December 31, 2020 and 2019.

The Company issues letters of credit on behalf of GRIL, from the above facilities, for the benefit of GRIL's insureds. The collateral pledged as security relating to these letters of credit is also provided by the Company. In the event that GRIL's insureds draw upon any letters of credit, GRIL shall be obligated to reimburse the Company the amount of the letters of credit drawn by the insured. As of December 31, 2020, $10.7 million of letters of credit were issued by the Company on behalf of GRIL (2019: $9.7 million) and no letters of credits were drawn by GRIL's insureds for the years ended December 31, 2020 and 2019.

The Company has also established regulatory trust arrangements for certain cedents. As of December 31, 2020, collateral of $579.1 million (December 31, 2019: $501.1 million) was provided to cedents in the form of regulatory trust accounts and included in the caption "Restricted cash and cash equivalents" in the Company's consolidated balance sheets.

Lease Obligations

Greenlight Re has entered into lease agreements for office space in the Cayman Islands that expired on December 31, 2020. The Company and the landlord have agreed to extend the lease until December 31, 2021 while negotiating a new lease agreement. The Company has determined that the current arrangement qualifies as a short term lease. The short-term lease expense for the year ended December 31, 2020 was $0.5 million (2019: $0.5 million).

Schedule of Commitments and Contingencies

As of December 31, 2020, other than the short-term lease obligation of $0.5 million, the Company had no commitments and contingencies.

Litigation

From time to time in the normal course of business, the Company may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation, the outcomes of which determine the rights and obligations under the Company's reinsurance contracts and other contractual agreements. In some disputes, the Company may seek to enforce its rights under an agreement or to collect funds owed to it. In other matters, the Company may resist attempts by others to collect funds or enforce alleged rights. While the final outcome of legal disputes cannot be predicted with certainty, the Company does not believe that any existing dispute, when finally resolved, will have a material adverse effect on the Company's business, financial condition or operating results.

14. SEGMENT REPORTING

The Company has one operating segment, Property & Casualty Reinsurance.

Substantially all of the business is sourced through reinsurance brokers. The following table sets forth the premiums generated through our largest brokers and their subsidiaries and affiliates:

	Year ended December 31					
	2020		2019		2018	
	($ in thousands)					
Guy Carpenter (Marsh)	$ 177,945	40.0 %	$ 257,660	54.2 %	$ 322,975	63.2 %
Trean Re	108,325	24.4	85,323	17.9	45,446	8.9
Aon Benfield	23,720	5.3	35,581	7.5	36,863	7.2
	$ 309,990	69.7 %	$ 378,564	79.6 %	$ 405,284	79.3 %
All other brokers and direct placements	134,892	30.3	97,141	20.4	105,397	20.7
Total	$ 444,882	100.0 %	$ 475,705	100.0 %	$ 510,681	100.0 %

The following tables provide a breakdown of the Company's gross premiums written by line and class of business, and by geographic area of risks insured for the periods indicated:

Gross Premiums Written by Line of Business
Year ended December 31
($ in thousands)

	2020		2019		2018	
Property						
Commercial	$ 14,874	3.3 %	$ 16,906	3.6 %	$ 11,240	2.2 %
Motor	31,063	7.0	51,956	10.9	65,934	12.9
Personal	18,359	4.1	12,427	2.6	14,145	2.8
Total Property	64,296	14.4	81,289	17.1	91,319	17.9
Casualty						
General Liability	8,696	2.0	6,044	1.3	3,438	0.7
Motor	120,698	27.1	206,005	43.3	249,358	48.8
Professional	2,552	0.5	265	0.1	5,666	1.1
Workers' Compensation	82,191	18.5	50,366	10.6	24,028	4.7
Multiline	53,240	12.0	55,370	11.6	40,965	8.0
Total Casualty	267,377	60.1	318,050	66.9	323,455	63.3
Specialty						
Accident & Health	42,026	9.4	34,540	7.3	69,071	13.5
Financial	24,740	5.6	23,057	4.9	16,612	3.3
Marine	5,208	1.2	2,608	0.6	3,318	0.7
Other	41,235	9.3	16,161	3.4	6,906	1.4
Total Specialty	113,209	25.5	76,366	16.1	95,907	18.8
	$ 444,882	100.0 %	$ 475,705	100.0 %	$ 510,681	100.0 %

Gross Premiums Written by Geographic Area of Risks Insured
Year ended December 31
($ in thousands)

	2020		2019		2018	
U.S. and Caribbean	$ 364,896	82.0 %	$ 394,052	82.8 %	$ 453,839	88.9 %
Worldwide (1)	78,379	17.6	80,563	16.9	56,771	11.1
Asia (2)	1,607	0.4	1,090	0.2	(46)	—
Europe	—	—	—	—	117	—
	$ 444,882	100.0 %	$ 475,705	100.0 %	$ 510,681	100.0 %

(1) "Worldwide" is composed of contracts that reinsure risks in more than one geographic area and may include risks in the U.S.

(2) The negative balance represents the reversal of premiums due to premium adjustments, termination of contracts or premium returned upon novation or commutation of contracts.

15. SUBSEQUENT EVENT

On January 7, 2021, the Company and DME II, entered into the Second Amended and Restated Exempted Limited Partnership Agreement, effective as of January 1, 2021 (the "Restated SILP LPA").

The Restated SILP LPA agreement amends, restates, supersedes and incorporates all material terms of the SILP LPA, as amended as of February 26, 2019, and the letter agreements dated as of June 18, 2019, December 27, 2019 and August 5, 2020 (collectively, the "Amendments"). The Restated SILP LPA agreement also amended the definition of "Additional Investment Ratio" and amended each of the defined terms "Greenlight Re Surplus" and the "GRIL Surplus" so as to clarify that the each of the respectively referenced "financial statements" are "U.S. GAAP financial statements." In addition, the Restated

SILP LPA agreement included the following: “The Investment Portfolio of each Partner will not exceed the product of (a) such Partner’s surplus (Greenlight Re Surplus or GRIL Surplus, as the case may be) multiplied by (b) the Investment Cap (50%), and the General Partner will designate any portion of a Partner’s Investment Portfolio as Designated Securities to effectuate such limit.”. The Restated SILP LPA also amended the investment guidelines to reflect the amended investment guidelines adopted by the board of directors of the Company effective as of January 1, 2021.