Consolidated Financial Statements of

GREENLIGHT CAPITAL RE, LTD.

December 31, 2021 and 2020

GREENLIGHT CAPITAL RE, LTD.

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Greenlight Capital Re, Ltd.
Grand Cayman, Cayman Islands

Opinion on Internal Control over Financial Reporting

We have audited Greenlight Capital Re, Ltd.'s (the "Company's") internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedules listed in the accompanying index and our report dated March 8, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Item 9A, Management's Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BDO USA, LLP

Grand Rapids, Michigan U.S.A.
March 8, 2022

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Greenlight Capital Re, Ltd.
Grand Cayman, Cayman Islands

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Greenlight Capital Re, Ltd. (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated March 8, 2022 expressed an unqualified opinion thereon.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, as of December 31, 2021 and 2020, and for the three years in the period ended December 31, 2021. The Company's investment in Solasglas Investments, LP as of December 31, 2021 and 2020 was $183.6 million and $166.7 million, respectively, and its equity in net income of Solasglas Investments, LP was $18.1 million, $4.4 million and $46.1 million for the years ended December 31, 2021, 2020 and 2019, respectively. The financial statements of Solasglas Investments, LP 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 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. 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 our 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 2 and Note 7 to the Company's consolidated financial statements, the Company's loss and loss adjustment expense reserves were $524.0 million for the year ended December 31, 2021. The total reserve was made up of $190.2 million of case reserves and $333.8 million of IBNR loss reserves. Case reserves have resulted from claims notified to the Company by its clients. IBNR loss 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 loss 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 reserve balance and the recommended balance per the independent external actuary.

- Reviewing the development of prior year estimates of IBNR loss 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 loss reserves.

- Utilizing personnel with specialized knowledge and skill in actuarial services to: (i) evaluate the appropriateness of the methodology and the assumptions used by management and management’s specialist and (ii) 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.

BDO USA, LLP

We have served as the Company's auditor since 2006.
Grand Rapids, Michigan U.S.A.

March 8, 2022

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Report of Independent Registered Public Accounting Firm

The General Partner
Solasglas Investments, LP

Opinion on the Financial Statements

We have audited the accompanying statements of assets, liabilities and partners' capital of Solasglas Investments, LP (the "Partnership"), including the condensed schedules of investments, as of December 31, 2021 and 2020, the related statements of operations, changes in partners' capital and cash flows for the years ended December 31, 2021, December 31, 2020 and December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2021 and 2020, and the results of its operations, changes in its partners' capital and its cash flows for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 in conformity with U.S. generally accepted accounting principles.

Basis of Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's 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 Partnership 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 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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Ernst & Young Ltd.

We have served as the Partnership's auditor since 2018.
March 8, 2022

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED BALANCE SHEETS

December 31, 2021 and 2020
(expressed in thousands of U.S. dollars, except per share and share amounts)

	December 31, 2021	December 31, 2020
Assets		
Investments		
Investment in related party investment fund	$ 183,591	$ 166,735
Other investments	47,384	29,418
Total investments	230,975	196,153
Cash and cash equivalents	76,307	8,935
Restricted cash and cash equivalents	634,794	745,371
Reinsurance balances receivable (net of allowance for expected credit losses of $89 and $89)	405,365	330,232
Loss and loss adjustment expenses recoverable (net of allowance for expected credit losses of $47 and $47)	11,100	16,851
Deferred acquisition costs	63,026	51,014
Unearned premiums ceded	42	—
Notes receivable	—	6,101
Other assets	5,885	2,993
Total assets	$ 1,427,494	$ 1,357,650
Liabilities and equity		
Liabilities		
Loss and loss adjustment expense reserves	$ 524,010	$ 494,179
Unearned premium reserves	227,584	201,089
Reinsurance balances payable	91,224	92,247
Funds withheld	3,792	4,475
Other liabilities	7,164	5,009
Convertible senior notes payable	98,057	95,794
Total liabilities	951,831	892,793
Shareholders' equity		
Preferred share capital (par value $0.10; authorized, 50,000,000; none issued)	—	—
Ordinary share capital (Class A: par value $0.10; authorized, 100,000,000; issued and outstanding, 27,589,731 (2020: 28,260,075): Class B: par value $0.10; authorized, 25,000,000; issued and outstanding, 6,254,715 (2020: 6,254,715))	3,384	3,452
Additional paid-in capital	481,784	488,488
Retained earnings (deficit)	(9,505)	(27,083)
Total shareholders' equity	475,663	464,857
Total liabilities and equity	$ 1,427,494	$ 1,357,650

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

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2021, 2020, and 2019
(expressed in thousands of U.S. dollars, except per share and share amounts)

	2021	2020	2019
Revenues			
Gross premiums written	$ 565,393	$ 479,791	$ 523,977
Gross premiums ceded	(41)	(2,268)	(48,667)
Net premiums written	565,352	477,523	475,310
Change in net unearned premium reserves	(26,073)	(22,112)	8,270
Net premiums earned	539,279	455,411	483,580
Income (loss) from investment in related party investment fund (net of related party expenses of $5,502, $3,251, and $9,874, respectively)	18,087	4,431	46,056
Net investment income (loss)	32,065	21,101	6,211
Other income (expense), net	(880)	3,149	2,306
Total revenues	588,551	484,092	538,153
Expenses			
Net loss and loss adjustment expenses incurred	374,980	337,833	388,487
Acquisition costs	144,960	109,288	117,084
General and administrative expenses	29,369	26,401	29,822
Deposit interest expense	11,655	—	—
Interest expense	6,263	6,280	6,263
Total expenses	567,227	479,802	541,656
Income (loss) before income tax	21,324	4,290	(3,503)
Income tax (expense) benefit	(3,746)	(424)	(483)
Net income (loss)	$ 17,578	$ 3,866	$ (3,986)
Earnings (loss) per share			
Basic	$ 0.51	$ 0.11	$ (0.11)
Diluted	$ 0.51	$ 0.11	$ (0.11)
Weighted average number of ordinary shares used in the determination of earnings and loss per share			
Basic	34,204,364	36,172,216	36,079,419
Diluted	34,351,016	36,278,028	36,079,419

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

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2021, 2020, and 2019
(expressed in thousands of U.S. dollars)

	2021	2020	2019
Ordinary share capital			
Balance - beginning of period	$ 3,452	$ 3,699	$ 3,638
Issue of Class A ordinary shares, net of forfeitures	41	8	61
Repurchase of Class A ordinary shares	(109)	(255)	—
Balance - end of period	3,384	3,452	3,699
Additional paid-in capital			
Balance - beginning of period	488,488	503,547	499,726
Repurchase of Class A ordinary shares	(9,891)	(17,526)	—
Share-based compensation expense	3,187	2,467	3,821
Balance - end of period	481,784	488,488	503,547
Retained earnings (deficit)			
Balance - beginning of period	(27,083)	(30,063)	(26,077)
Repurchase of Class A ordinary shares	—	—	—
Cumulative effect of adoption of accounting guidance for expected credit losses at January 1, 2020	—	(886)	—
Net income (loss)	17,578	3,866	(3,986)
Balance - end of period	(9,505)	(27,083)	(30,063)
Total shareholders' equity	$ 475,663	$ 464,857	$ 477,183

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

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021, 2020, and 2019
(expressed in thousands of U.S. dollars)

	2021	2020	2019
Cash provided by (used in) operating activities			
Net income (loss)	$ 17,578	$ 3,866	$ (3,986)
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	(18,087)	(4,431)	(46,056)
Loss (income) from investment accounted for under the equity method	—	(843)	(700)
Net change in unrealized gains and losses on investments and notes receivable	(19,560)	(25,159)	(8,380)
Net realized (gains) losses on investments and notes receivable	(14,210)	9,234	14,150
Foreign exchange (gains) losses on investments	45	83	270
Current expected credit losses recognized on notes receivable and reinsurance assets	—	(750)	—
Share-based compensation expense	3,228	2,475	3,882
Amortization and interest expense, net of change in accruals	2,263	2,280	2,329
Depreciation expense	16	21	21
Net change in			
Reinsurance balances receivable	(75,133)	(99,937)	69,867
Loss and loss adjustment expenses recoverable	5,751	10,633	16,174
Deferred acquisition costs	(12,012)	(1,349)	264
Unearned premiums ceded	(42)	901	24,080
Other assets, excluding depreciation	(2,908)	(850)	374
Loss and loss adjustment expense reserves	29,831	23,591	(12,074)
Unearned premium reserves	26,495	21,629	(32,329)
Reinsurance balances payable	(1,023)	(30,418)	(16,553)
Funds withheld	(683)	(483)	(11,460)
Other liabilities	2,155	(1,816)	1,758
Net cash provided by (used in) operating activities	(56,296)	(91,323)	1,631
Investing activities			
Proceeds from redemptions from related party investment fund	115,835	158,347	114,077
Contributions to related party investment fund	(114,604)	(80,595)	(35,792)
Purchases of investments	(4,996)	(1,993)	(4,702)
Proceeds from sales of investments	20,755	—	—
Change in due to related party investment fund	—	—	(9,642)
Change in notes receivable	6,101	19,867	671
Non-controlling interest withdrawal from related party joint venture, net	—	—	(1,278)
Net cash provided by (used in) investing activities	23,091	95,626	63,334
Financing activities			
Repurchase of Class A ordinary shares	(10,000)	(17,781)	—
Net cash provided by (used in) financing activities	(10,000)	(17,781)	—
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	—	(122)	(290)
Net increase (decrease) in cash, cash equivalents and restricted cash	(43,205)	(13,600)	64,675
Cash, cash equivalents and restricted cash at beginning of the period	754,306	767,906	703,231
Cash, cash equivalents and restricted cash at end of the period	$ 711,101	$ 754,306	$ 767,906
Supplementary information			
Interest paid in cash	$ 4,000	$ 4,000	$ 3,933
Income tax paid in cash	3,703	—	—
Non-cash transfer of investments	—	—	36,673
Non-cash addition of right-of-use asset	—	—	323

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

1. ORGANIZATION AND BASIS OF PRESENTATION

Greenlight Capital Re, Ltd. ("GLRE") was incorporated as an exempted company under the Companies Law of the Cayman Islands on July 13, 2004. GLRE's wholly-owned subsidiary, Greenlight Reinsurance, Ltd. ("Greenlight Re"), provides global specialty property and casualty reinsurance. Greenlight Re 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, in terms of the Act. Greenlight Re commenced underwriting in April 2006. Verdant Holding Company, Ltd. ("Verdant"), a wholly-owned subsidiary of GLRE, was incorporated in 2008 in the state of Delaware. During 2010, GLRE established Greenlight Reinsurance Ireland, Designated Activity Company ("GRIL"), a wholly-owned reinsurance subsidiary based in Dublin, Ireland. GRIL is authorized as a non-life reinsurance undertaking in accordance with the provisions of the European Union (Insurance and Reinsurance) Regulations 2015. GRIL provides multi-line property and casualty reinsurance capacity to the European broker market and provides GLRE with an additional platform to serve clients located in Europe and North America. In 2020, GLRE established Greenlight Re Marketing (UK) Limited ("Greenlight Re UK") as a wholly-owned subsidiary to increase the Company's presence in the London market. As used herein, the "Company" refers collectively to GLRE and its consolidated subsidiaries.

The Class A ordinary shares of GLRE are listed on Nasdaq Global Select Market under the symbol "GLRE."

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of GLRE and the consolidated financial statements of its wholly-owned subsidiaries, Greenlight Re, GRIL, Verdant, and Greenlight Re UK. All significant intercompany transactions and balances have been eliminated on consolidation.

Significant estimates used in the preparation of the Company's consolidated financial statements, including those associated with premiums and the estimations of loss and loss adjustment expense reserves, including losses arising from the novel coronavirus (the "COVID-19 pandemic"), may be subject to significant adjustments in future periods. (See Note 7 for the significant assumptions that served as the basis for the Company's reserve estimates for the COVID-19 pandemic).

2. 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 revenue and expenses during the period. Actual results could differ from these estimates. The significant estimates reflected in the Company's consolidated financial statements include, but are not limited to, loss and loss adjustment expense reserves, premiums written, earned and receivable, variability underlying risk transfer assessments, allowances for credit losses, share-based compensation, valuation allowances associated with deferred tax assets and investment impairments.

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 Restricted 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 15).

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, 2021	December 31, 2020
	($ in thousands)	
Cash and cash equivalents	$ 76,307	$ 8,935
Restricted cash and cash equivalents	634,794	745,371
Total cash, cash equivalents, and restricted cash presented in the consolidated statements of cash flows	$ 711,101	$ 754,306

Premium Revenue Recognition

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

The Company's management reviews premium estimates 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. Management evaluates the appropriateness of the premium estimates on the basis of these reviews and records any adjustments to these estimates 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 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 with 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.

Funds Held by Cedents

The caption "Reinsurance balances receivable" in the Company's consolidated balance sheets includes amounts held by cedents. Such amounts include premiums and funds held at Lloyd's, which is held in trust at Lloyd's as security for members' underwriting activities. At December 31, 2021, funds held by cedents were $246.9 million (December 31, 2020: $127.6 million).

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 vary with, and are directly related to, the successful production of new and renewal business and consist principally of commissions, taxes, and brokerage expenses. The Company presents acquisition costs incurred on reinsurance assumed 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, the Company writes off deferred acquisition costs to the extent necessary to eliminate the premium deficiency. If the premium deficiency exceeds deferred acquisition costs, the Company accrues a liability for the excess deficiency. The Company did not recognize any premium deficiency adjustments during the periods presented.

Policy acquisition costs also include profit commissions, which the Company recognized on a basis consistent with its estimate of losses and loss expenses. At December 31, 2021, $8.3 million of profit commission reserves were recoverable, net of profit commissions payable (December 31, 2020: $10.9 million). For the year ended December 31, 2021, net profit commission expense (income) of $8.6 million, (2020: $(7.7) million, 2019: $6.7 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 is 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 for loss and loss adjustment expenses 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 that are known to the insurer or reinsurer.

The Company estimates these reserves based on reports from ceding companies, industry data, and historical experience analyzed using standard actuarial and statistical techniques.

The analysis performed includes an assessment of currently available data, predictions of future developments, estimates of future trends, and other factors. These estimates are reviewed by the Company's reserving committee at least quarterly and adjusted as necessary.

The final settlement of losses may vary, perhaps materially, from the reserves recorded. The Company recognizes all adjustments to the estimates in the period 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 that 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 be unable to recover the loss and loss adjustment expense recoverable amounts due as a result of 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 contract are determined based on a combination of (i) the pricing analysis of the expected loss ratio performed prior to binding the contract; (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 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 terms and conditions of each contract specify the data reporting requirements.

Generally, the Company obtains regular updates of premium and loss-related information for the current and historical periods and utilizes them to update the initially 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). 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 various standard actuarial methods for its analysis each quarter. Such methods typically 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. This 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. This method incorporates changes in payments and case reserves.
- ***Expected loss ratio method:*** Ultimate losses are estimated by multiplying earned premiums by an expected loss ratio. The expected loss ratio is often determined using industry data, historical company data, past pricing or reserving analysis performed, and actuarial 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) and the average cost of claims to be analyzed separately.

In addition, the Company may supplement its analysis with other reserving methodologies that it deems relevant to specific contracts.

For each contract, the Company utilizes reserving methodologies it considers appropriate to calculate a best estimate of reserves. The decision of whether to use a single methodology or a combination depends upon the portfolio segment being analyzed and the actuaries' judgment. 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 relatively new contracts (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 best 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, 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 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 client-specific loss information and 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. It 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, 2021 and 2020, 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 years ended December 31, 2021, and 2020.

Reinsurance Assets

The Company calculates 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. The PD / LGD approach considers the Company's collectibility history on its reinsurance assets and representative external loss history. In calculating the probability of default, the Company also considers the estimated duration of its reinsurance assets.

The Company evaluates each counterparty's creditworthiness based on credit ratings that independent agencies assign to the counterparty. The Company manages its credit risk in its reinsurance assets by transacting only with insurers and reinsurers that it considers financially sound. Credit ratings of the counterparties are forward-looking and consider a variety of economic scenarios. The Company's evaluation of the required allowance for reinsurance balances receivable and loss and loss adjustment expenses recoverable considers the current economic environment as well as macroeconomic outcomes.

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

At December 31, 2021, the Company has recorded an allowance for expected credit loss on its Reinsurance Assets of $0.1 million. (December 31, 2020, $0.1 million).

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, the Company recognizes an asset or liability based on its paid or received consideration. The deposit asset or liability balance is subsequently adjusted using the interest method with the corresponding income and expense recorded in the Company's consolidated statements of operations under the captions "Other income (expense)" and "Deposit interest expense," respectively. The Company records deposit assets and liabilities in its consolidated balance sheets in the caption "Reinsurance balances receivable" and "Reinsurance balances payable," respectively. At December 31, 2021, deposit assets and deposit liabilities were $3.5 million and $18.6 million, respectively (December 31, 2020: $4.6 million and $31.0 million, respectively). For the years ended December 31, 2021, 2020, and 2019, the interest income and (expense) on deposit accounted contracts were as follows:

	2021	2020	2019
		($ in thousands)	
Deposit interest income	$ —	$ 1,711	$ 2,773
Deposit interest expense	(11,655)	—	—
Deposit interest income (expense), net	$ (11,655)	$ 1,711	$ 2,773

Equity Method Accounted Investments

The Company accounts for its investments in investee companies that are not consolidated but over which the Company exercises significant influence 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. The Company's carrying value in an equity method investee company is reflected in the caption ''Other investments'' in the Company's consolidated balance sheets.

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 Notes 3 and 4).

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. 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.

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.

The Company records interest income and interest expense on an accrual basis.

Share-Based Compensation

The Company has established a stock incentive plan for directors, employees, and consultants.

The Company recognizes share-based compensation costs based on the fair value at the grant date of the award. The Company measures compensation for restricted shares and restricted stock units ("RSUs") based on the price of the Company's common shares at the grant date. For restricted shares and RSUs with service and performance vesting conditions, the expense is recognized based on management's estimate of the probability of the performance conditions being achieved based on historical results and expectations of future results. If the Company expects to meet the performance conditions, it attributes the expense to the period the requisite service is rendered. For restricted shares and RSUs with only service vesting conditions, the Company recognizes the associated expense on a straight-line basis over the vesting period, net of any estimated or expected forfeitures.

The forfeiture rate is estimated based on the Company's historical actual forfeitures relating to restricted shares and RSUs granted to employees. The forfeiture rate is reviewed annually and adjusted as necessary. The Company applies no forfeiture rate to restricted shares granted to directors, which vest over a maximum twelve-month period.

Determining the fair value of share purchase options at the grant date requires significant estimation and judgment. The Company uses the Black-Scholes option-pricing model to assist in the calculation of fair value for share purchase options. The model requires estimating various inputs such as the term, forfeiture and dividend rates, and expected volatility. In determining the grant date fair value, the Company uses the entire ten-year life of the options as the estimated term and assumes no forfeitures and no dividends paid during the life of the options. The Company bases its estimate of expected volatility on the daily historical trading data of the Company's Class A ordinary shares from the date these shares commenced trading (May 24, 2007) to the grant date.

For share purchase options issued under the employee stock incentive plan, the compensation cost is calculated and recognized over the vesting periods on a graded vesting basis (see Note 11).

Convertible Notes

The Company has determined that the senior convertible notes' cash conversion option represents an embedded derivative and has bifurcated it from the underlying contract for financial reporting purposes. For the debt component, the Company recorded a liability equivalent to the present value of comparable debt without the conversion features at the time of issuance. The remainder of the proceeds, which represented the embedded derivative, was included in the caption "Additional paid-in capital" in the Company's consolidated balance sheets

Costs incurred in issuing the convertible notes consisted primarily of underwriting, legal, accounting, and printing fees. The Company allocated the costs associated with the debt and derivative components ratably to the liability and shareholders' equity balances, respectively. The debt-related portion of these costs has been capitalized and deducted from the principal of senior convertible notes payable in the Company's consolidated balance sheets. These costs are amortized over the term of the debt and are included in the caption "Interest expense" in the Company's consolidated statements of operations. The Company has allocated a portion of the issuance costs to the embedded derivative and deducted this portion from additional paid-in capital.

A recently issued U.S. GAAP accounting standard no longer permits entities to bifurcate embedded conversion features from the underlying contract. See the below section captioned "Recently Issued Accounting Standards Not Yet Adopted" for the impact of the new accounting standard on the Company's accounting of its senior convertible notes.

Foreign Exchange

The reporting and functional currency of the Company and all its significant subsidiaries is the U.S. dollar. The Company records foreign currency transactions 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.

Derivative instruments

The Company recognizes derivative financial instruments in the consolidated balance sheets at their fair values. It includes any realized gains and losses and changes in unrealized gains and losses in the caption "Net investment income (loss)" in the consolidated statements of operations.

The Company's derivatives do not qualify as hedges for financial reporting purposes. The Company records the associated assets and liabilities in its consolidated balance sheets on a gross basis. The Company does not offset these balances against collateral pledged or received.

Other Assets

The caption “Other assets” in the Company’s consolidated balance sheets consists primarily of prepaid expenses, fixed assets, right-of-use lease assets, other receivables, and deferred tax assets.

Other Liabilities

The caption “Other liabilities” in the Company’s consolidated balance sheets consists primarily of accruals for legal and other professional fees, employee bonuses, taxes payable, and lease liabilities.

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.

Earnings (Loss) Per Share

The Company’s unvested restricted stock awards, which contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are considered “participating securities” for the purposes of calculating earnings (loss) per share. Basic earnings per share is calculated on the basis of the weighted average number of common shares and participating securities outstanding during the period. Diluted earnings (or loss) per share includes the dilutive effect of the following:

- Restricted Stock Units (“RSUs”) issued that would convert to common shares upon vesting;
- additional potential common shares issuable when in-the-money stock options are exercised, determined using the treasury stock method; and
- those common shares with the potential to be issued in connection with convertible debt and other such convertible instruments, determined using the treasury stock method.

Diluted earnings (or loss) per share contemplates a conversion to common shares of all convertible instruments only if they are dilutive with regards to earnings per share. In the event of a net loss, all RSUs, stock options, convertible debt, and participating securities are excluded from the calculation of both basic and diluted loss per share as their inclusion would be anti-dilutive.

The table below presents the shares outstanding for the calculation of earnings (loss) per share for the years ended December 31, 2021, 2020, and 2019:

	2021	**2020**	**2019**
Weighted average shares outstanding - basic	34,204,364	36,172,216	36,079,419
Effect of dilutive employee and director share-based awards	146,652	105,812	—
Weighted average shares outstanding - diluted	34,351,016	36,278,028	36,079,419
Anti-dilutive stock options outstanding	735,627	835,627	875,627
Participating securities excluded from calculation of loss per share	—	—	936,669

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 Act, 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 GLRE, Greenlight Re nor their respective operations, or to the Class A or Class B ordinary shares or related obligations, before February 1, 2025.

Verdant is incorporated in Delaware and therefore is subject to taxes in accordance with the U.S. federal rates and regulations prescribed by the U.S. Internal Revenue Service ("IRS"). Verdant's taxable income is generally expected to be taxed at a marginal rate of 21% (2020: 21%). Verdant's tax years 2018 and beyond remain open and subject to examination by the IRS.

GRIL is incorporated in Ireland and therefore is subject to the Irish corporation tax rate of 12.5% on its trading income and 25% on its non-trading income.

The Company records a valuation allowance to the extent that the Company considers it more likely than not that all or a portion of the deferred tax asset will not be realized in the future. Other than this valuation allowance, the Company has not taken any income tax positions subject to significant uncertainty that is reasonably likely to have a material impact on the Company.

Segment Information

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

Recent Accounting Pronouncements

Recently Issued Accounting Standards 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"). ASU 2020-01 clarifies interactions between the accounting guidance for (i) certain equity securities under Topic 321, (ii) investments under the equity method of accounting in Topic 323, and (iii) certain derivative instruments in Topic 815. 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 during the first quarter of 2021 had no material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In August 2020, the FASB issued ASU No. 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"). ASU 2020-06 is designed to simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments. The amendments remove the separation models in Subtopic 470-20 for certain contracts. As a result, entities will no longer present embedded conversion features separately in equity; rather, the convertible debt instrument will be accounted for as a single liability measured at its amortized cost. ASU 2020-06 also addresses the computation of earnings per share for convertible debt instruments, requiring the application of the if-converted method when calculating diluted earnings per share. The Company intends to adopt ASU 2020-06 during the first quarter of 2022, using the "modified retrospective" transition method.

The Company expects that its adoption of ASU 2020-06 will impact the accounting for its senior convertible notes (see Note 9) and will lead to a decrease in its opening shareholders' equity of approximately $2.5 million, with a corresponding increase in the carrying value of the senior convertible notes. The Company expects that in the periods in which the Company reports a net income, the number of shares outstanding for the diluted earnings per share calculation will be approximately 5.8 million higher under the if-converted method. The Company does not expect the adoption of ASU 2020-06 to have a material impact on net income, cash flows, or any other balances.

3. INVESTMENT IN RELATED PARTY INVESTMENT FUND

On September 1, 2018, the Company entered into an amended and restated exempted limited partnership agreement (as amended by the letter agreement dated as of August 5, 2020 (the "Previous SILP LPA") of Solasglas Investments, LP ("SILP"), with DME Advisors II, LLC ("DME II"), as General Partner, Greenlight Re, and GRIL, (together the "GLRE Limited Partners"), and the initial limited partner (each, a "Partner"). On September 1, 2018, SILP also entered into a SILP investment advisory agreement ("IAA") with DME Advisors. LP ("DME Advisors") pursuant to which DME Advisors is the investment manager for SILP. 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.

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 "SILP LPA"). The SILP LPA amends, restates, supersedes, and incorporates all material terms of the Previous SILP LPA, as amended as of February 26, 2019, and the letter agreements dated June 18, 2019, December 27, 2019, and August 5, 2020 (collectively, the "Amendments"). The SILP LPA also amended the definition of "Additional Investment Ratio" and each of the defined terms "Greenlight Re Surplus" and "GRIL Surplus" to clarify that each of the respectively referenced "financial statements" are "U.S. GAAP financial statements." In addition, the SILP LPA included the following proviso: "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 SILP LPA also amended the investment guidelines to reflect the amended investment guidelines adopted by the Company's Board of Directors effective as of January 1, 2021.

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, 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 presents its investment in SILP in its consolidated balance sheets in the caption "Investment in related party investment fund."

The Company's maximum exposure to loss relating to SILP is limited to the net asset value of the GLRE Limited Partners' investment in SILP. At December 31, 2021, the net asset value of the GLRE Limited Partners' investment in SILP was $183.6 million (December 31, 2020: $166.7 million), representing 78.2% (December 31, 2020: 75.7%) of SILP's total net assets. DME II held the remaining 21.8% (December 31, 2020: 24.3%) of SILP's total net assets. The investment in SILP is recorded at the GLRE Limited Partners' share of the net asset value of SILP as reported by SILP's third-party administrator. The GLRE Limited Partners can redeem their assets from SILP for operational purposes by providing three business days' notice to DME II. At December 31, 2021, the majority of SILP's long investments were composed of cash and publicly-traded equity securities, which could be readily liquidated to meet the GLRE Limited Partners' redemption requests.

The Company's share of the change in the net asset value of SILP for the years ended December 31, 2021, 2020, and 2019 was $18.1 million, $4.4 million, and $46.1 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, 2021, was primarily driven by withdrawals made by the GLRE Limited Partners for paying claims and posting collateral to reinsurance clients.

At December 31, 2021, the Company's investments in SILP was in excess of 10% of the Company's total shareholders' equity, with a fair value of $183.6 million (December 31, 2020: $166.7 million), representing 38.6% (December 31, 2020: 35.9%), of total shareholders' equity.

The Company has determined that for its fiscal year ended December 31, 2021, the Company's investment in SILP met at least one of the conditions of a significant subsidiary under SEC's Regulation S-X, Rule 3-09. Accordingly, the audited financial statements for SILP have been attached as an exhibit (Exhibit 99.1) to this Form 10-K.

The summarized financial statements of SILP are presented below.

Summarized Statement of Assets and Liabilities of Solasglas Investments, LP

	December 31, 2021	December 31, 2020
	($ in thousands)	
Assets		
Investments, at fair value	$ 297,937	$ 272,398
Derivative contracts, at fair value	2,542	1,450
Due from brokers	84,775	92,053
Interest and dividends receivable	28	59
Total assets	385,282	365,960
Liabilities and partners' capital		
Liabilities		
Investments sold short, at fair value	(132,360)	(131,902)
Derivative contracts, at fair value	(7,253)	(4,156)
Capital withdrawals payable	(10,000)	—
Due to brokers	—	(9,179)
Interest and dividends payable	(580)	(429)
Other liabilities	(358)	(175)
Total liabilities	(150,551)	(145,841)
Net Assets	**$ 234,731**	**$ 220,119**
GLRE Limited Partners' share of Net Assets	**$ 183,591**	**$ 166,735**

Summarized Statement of Operations of Solasglas Investments, LP

	Year ended December 31		
	2021	2020	2019
		($ in thousands)	
Investment income			
Dividend income (net of withholding taxes)	$ 641	$ 1,365	$ 3,179
Interest income	228	654	3,884
Total Investment income	869	2,019	7,063
Expenses			
Management fee	(3,492)	(2,808)	(4,893)
Interest	(1,055)	(798)	(2,408)
Dividends	(1,147)	(861)	(1,670)
Professional fees and other	(1,221)	(949)	(1,141)
Total expenses	(6,915)	(5,416)	(10,112)
Net investment income (loss)	(6,046)	(3,397)	(3,049)
Realized and change in unrealized gains (losses)			
Net realized gain (loss)	(3,420)	(61,616)	34,539
Net change in unrealized appreciation (depreciation)	35,482	71,948	28,515
Net gain (loss) on investment transactions	32,062	10,332	63,054
Net income (loss)	$ 26,016	$ 6,935	$ 60,005
GLRE Limited Partners' share of net income (loss) (1)	$ 18,087	$ 4,431	$ 46,056

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

	Year ended December 31		
	2021	2020	2019
		($ in thousands)	
Management fees	$ 3,492	$ 2,808	$ 4,893
Performance allocation	2,010	443	4,981
Total	$ 5,502	$ 3,251	$ 9,874

See Note 14 for further details on management fees and performance allocation.

4. FINANCIAL INSTRUMENTS

Purchases and sales of financial instruments 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, 2021, 2020, and 2019:

	Year ended December 31		
	2021	2020	2019
	($ in thousands)		
Gross realized gains	$ 14,210	$ 5,766	$ —
Gross realized losses	—	(15,000)	(14,150)
Net realized gains (losses)	$ 14,210	$ (9,234)	$ (14,150)
Change in unrealized gains and losses	$ 19,560	$ 25,909	$ 8,380

Investments

Other Investments

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

- Private investments and unlisted equities, which consist primarily of Innovations-related investments supporting technology innovators in the (re)insurance market; and
- Derivative financial instruments associated with the Company's Innovations investments.

At December 31, 2021, the Company included the following securities in the caption "Other investments":

	Cost	Unrealized gains	Unrealized losses	Fair value / carrying value
	($ in thousands)			
Private investments and unlisted equities	$ 17,411	$ 31,438	$ (1,800)	$ 47,049
Derivative financial instruments (not designated as hedging instruments)	—	335	—	335
Total other investments	$ 17,411	$ 31,773	$ (1,800)	$ 47,384

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

	Cost	Unrealized gains	Unrealized losses	Fair value / carrying value
	($ in thousands)			
Private investments and unlisted equities	$ 12,414	$ 10,679	$ (1,300)	$ 21,793
Derivative financial instruments (not designated as hedging instruments)	—	1,080	—	1,080
Other investments	12,414	11,759	(1,300)	22,873
Investment accounted for under the equity method	—	—	—	6,545
Total other investments				$ 29,418

At December 31, 2020, the investment accounted for under the equity method represented an investment in AccuRisk Holdings LLC ("AccuRisk"), a Chicago, Illinois-based managing general underwriter focused on employee and health insurance benefits. During the year ended December 31, 2021, the Company sold its investment in AccuRisk and realized a pre-tax gain of $14.2 million, which was included in the caption "Net investment income (loss)" in the Company's consolidated statements of operations.

The Company's derivative financial instruments are composed of warrants granting the Company the right, but not the obligation, to purchase shares at a specified price on or before the maturity date. The Company has not designated any of its derivative financial instruments as hedging instruments. The Company's maximum exposure to loss relating to these warrants is limited to the warrants' carrying amount.

Private investments and unlisted equity securities without readily determinable fair values

The Company measures its private investments and unlisted equity securities without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from identical or similar investments of the same issuers (the "measurement alternative"), with such changes recognized in the caption "Net investment income (loss)" in the consolidated statements of operations. The Company considers the need for impairment on a by-investment basis, based on certain indicators. Under the measurement alternative, the Company makes two types of valuation adjustments:

- When the Company observes an orderly transaction of an investee's identical or similar equity securities, the Company adjusts the carrying value based on the observable price as of the transaction date. Once the Company records such an adjustment, the investment is considered an "asset measured at fair value on a nonrecurring basis."
- If the Company determines that the investment is impaired and the fair value is less than its carrying value, it writes down the investment to its fair value.

The following table presents the carrying values of the private investments and unlisted equity securities carried under the measurement alternative at December 31, 2021, 2020, and 2019, and the related adjustments recorded during the years then ended.

	Year ended December 31		
	2021	**2020**	**2019**
		($ in thousands)	
Carrying value [1]	$ 47,049	$ 21,793	$ 10,682
Upward carrying value changes [2]	$ 20,814	$ 10,576	$ 200
Downward carrying value changes and impairment [3]	$ (500)	$ (1,500)	$ —

[1] The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes.
[2] The cumulative upward carrying value changes from inception to December 31, 2021, were $31.6 million.
[3] The cumulative downward carrying value changes and impairments from inception to December 31, 2021, were $2.0 million.

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 supported by little or no market activity and significant to the fair value of the assets and liabilities. The term "unobservable inputs" includes certain pricing models, discounted cash flow methodologies, and similar techniques.

Assets measured at fair value on a nonrecurring basis

At December 31, 2021, and 2020, the Company held $40.5 million and $16.5 million, respectively, of private investments and unlisted equities measured at fair value on a nonrecurring basis. The Company classifies these assets as Level 3 within the fair value hierarchy due to their illiquidity.

Derivative instruments

The Company values its derivative instruments using the Black-Scholes option pricing model based on Level 3 inputs. The Company uses the carrying value of the underlying stock as an input in the option pricing model. The underlying stock does not have a readily determinable fair value. Its carrying value 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 include a risk-free rate of 0.50% and estimated volatility of 50%. The carrying value of the derivative instruments represents the fair value.

For the derivative instruments valued on the basis of Level 3 inputs, the Company includes any change in unrealized gains or losses in the caption "Net investment income (loss)" in the consolidated statements of operations.

At December 31, 2021, and 2020, the Company did not carry any other investments at fair value with an assigned 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. It 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 "Convertible senior notes payable" represents financial instruments that the Company carries at amortized cost. The fair value of the convertible senior notes payable is estimated based on the bid price observed in an inactive market for the identical instrument (Level 2 input) (see Note 9).

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents at December 31, 2021, and 2020 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 includes cash held at non-U.S. financial institutions which are not insured by the FDIC or other deposit insurance programs.

6. RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS

Restricted cash and restricted 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 15). At December 31, 2021, and 2020, the restricted cash and cash equivalents were composed of the following:

	December 31, 2021	December 31, 2020
	($ in thousands)	
Cash held as collateral in trust accounts	$ 497,149	$ 607,751
Cash collateral relating to letters of credit issued	137,645	137,620
Total restricted cash and restricted cash equivalents	$ 634,794	$ 745,371

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

At December 31, 2021, the Company's loss and loss adjustment expense reserves included estimated amounts for several catastrophe events. For significant catastrophe events including, but not limited to, hurricanes, tornados, typhoons, floods, earthquakes, 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 modeling software; and
- management's judgment.

The COVID-19 pandemic is unprecedented, and the Company does not have previous loss experience on which to base the associated estimate for loss and loss adjustment expenses. The Company based its estimate on the following:

- 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 judgment.

Significant assumptions which served as the basis for the Company's estimates of reserves for the COVID-19 pandemic losses and loss adjustment expenses include:

- the scope of coverage provided by the underlying policies, particularly those that provide for business interruption coverage;
- the regulatory, legislative, and judicial actions that could influence contract interpretations across the insurance industry;
- the extent of economic contraction caused by the COVID-19 pandemic and associated measures, 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, 2021, 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.

The Company made no significant changes in the actuarial methodology or reserving process related to its loss and loss adjustment expense reserves for the years ended December 31, 2021, and 2020.

At December 31, 2021 and 2020, loss and loss adjustment expense reserves were composed of the following:

	December 31, 2021	December 31, 2020
	($ in thousands)	
Case reserves	$ 190,220	$ 176,805
IBNR	333,790	317,374
Total	$ 524,010	$ 494,179

A summary of changes in outstanding loss and loss adjustment expense reserves for all lines of business consolidated for the years ended December 31, 2021, 2020, and 2019 is as follows:

Consolidated	2021	2020	2019
		($ in thousands)	
Gross balance at January 1	$ 494,179	$ 470,588	$ 482,662
Less: Losses recoverable	(16,851)	(27,531)	(43,705)
Net balance at January 1	477,328	443,057	438,957
Incurred losses related to:			
Current year	389,080	333,096	357,237
Prior years	(14,100)	4,737	31,250
Total incurred	374,980	337,833	388,487
Paid losses related to:			
Current year	(152,214)	(109,509)	(167,508)
Prior years	(185,549)	(195,726)	(217,998)
Total paid	(337,763)	(305,235)	(385,506)
Foreign currency revaluation	(1,635)	1,673	1,119
Net balance at December 31	512,910	477,328	443,057
Add: Losses recoverable	11,100	16,851	27,531
Gross balance at December 31	$ 524,010	$ 494,179	$ 470,588

Loss development

Year ended December 31, 2021

During the year ended December 31, 2021, the Company experienced $14.1 million in net favorable development on prior year loss and LAE reserves. This net favorable development resulted primarily from the following:

Favorable developments:

- $14.7 million of favorable loss development on motor contracts, primarily relating to contracts that incepted in 2015 and 2016 resulting from better than expected reported claims.
- $8.9 million favorable loss development on various specialty lines of business, including crop, space, and marine and energy, as actual losses reported were better than expected.
- $5.0 million of favorable loss development on mortgage contracts resulting from lower delinquencies and fewer reported claims than initially anticipated. On a financial-impact basis, the favorable loss development on these contracts was offset by increased profit commissions, which are included in the caption “Acquisition costs” in the Company’s consolidated statements of operations.
- $3.5 million favorable loss development on a multi-line contract that incepted in 2019.

Adverse developments:

- $14.4 million of adverse development on multi-line casualty contracts primarily relating to contracts that incepted in 2014 to 2015 resulting from unfavorable development in reported claims.
- $2.9 million of adverse development on a general liability contract resulting from unfavorable development in reported claims.

- $1.2 million of adverse development on workers' compensation contracts resulting from higher than anticipated losses.

The remaining development on prior year loss and LAE reserves recognized in 2021 related to several smaller adjustments made across various lines of business.

Year ended December 31, 2020

During the year ended December 31, 2020, the Company experienced $4.7 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $7.6 million of adverse loss development on multi-line contracts that incepted from 2015 to 2018, resulting from unfavorable development in reported claims.
- $1.9 million of adverse loss development on general liability contracts, primarily relating to a contract that incepted in 2017 resulting from unfavorable development in reported claims.
- $1.9 million of adverse loss development on specialty health contracts primarily arising from a few large medical claims reported on a contract that incepted in 2019.
- $1.5 million of adverse loss development on motor contracts relating to the 2018 and 2019 treaty years, partially offset by favorable loss development on contracts that incepted from 2015 to 2017.

Favorable developments:

- $4.5 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 adverse loss development on 2019 contracts.
- $2.2 million of favorable loss development on solicitors' professional indemnity contracts resulting primarily from lower than expected claims on prior accident years.
- $1.9 million of favorable loss development on a professional liability contract relating to a contract that incepted in 2008 where the reported claims have been lower than those previously anticipated.

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 $31.3 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $39.8 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
- $3.6 million of adverse loss development on specialty health contracts arising from an unexpectedly high frequency of medical claims reported.

Favorable developments:

- $13.5 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.

The changes in the outstanding loss and loss adjustment expense reserves for health claims for the years ended December 31, 2021, 2020, and 2019 are as follows:

Health	**2021**	**2020**	**2019**
		($ in thousands)	
Gross balance at January 1	$ 17,485	$ 18,063	$ 24,502
Less: Losses recoverable	—	—	—
Net balance at January 1	17,485	18,063	24,502
Incurred losses related to:			
Current year	37,076	35,911	33,736
Prior years	(1,536)	1,321	3,569
Total incurred	35,540	37,232	37,305
Paid losses related to:			
Current year	(28,435)	(20,988)	(17,410)
Prior years	(14,652)	(16,822)	(26,334)
Total paid	(43,087)	(37,810)	(43,744)
Foreign currency revaluation	—	—	—
Net balance at December 31	9,938	17,485	18,063
Add: Losses recoverable	—	—	—
Gross balance at December 31	$ 9,938	$ 17,485	$ 18,063

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, 2012, through 2021.

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 as "Other." Contracts that cover more than one line of business, including Lloyd’s business, are grouped as "Multi-line."

For each category, the following tables present the incurred and paid claims development at December 31, 2021, net of retrocession, and 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 tables below present incurred and paid claims development for the years ended December 31, 2012 to 2020. They are 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										December 31, 2021
	For the years ended December 31,										Total IBNR plus expected development on reported
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ 24,712	$ 23,088	$ 22,780	$ 22,681	$ 22,671	$ 22,671	$ 22,658	$ 22,658	$ 22,658	$ 22,658	$ —
2013		30,544	33,841	34,203	33,960	33,945	33,945	33,944	33,935	33,935	—
2014			32,875	30,191	29,514	29,072	29,031	28,969	28,964	28,964	—
2015				34,097	33,530	34,116	33,894	33,885	33,881	33,881	—
2016					37,747	40,889	41,255	41,355	41,305	41,276	—
2017						45,007	46,455	46,687	46,535	46,208	14
2018							56,868	60,176	59,782	58,958	128
2019								33,736	35,673	35,067	392
2020									35,911	36,161	762
2021										37,076	8,641
									Total	$ 374,183	$ 9,938

Health

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 14,896	$ 22,691	$ 22,780	$ 22,679	$ 22,671	$ 22,671	$ 22,658	$ 22,658	$ 22,658	$ 22,658
2013		21,459	33,841	34,024	33,957	33,944	33,944	33,944	33,924	33,935
2014			19,056	28,515	29,117	29,038	29,032	28,970	28,960	28,964
2015				14,529	31,802	34,044	33,894	33,876	33,875	33,881
2016					21,881	39,988	41,255	41,162	41,141	41,276
2017						23,834	44,125	46,615	46,520	46,193
2018							34,696	58,713	59,640	58,830
2019								17,410	33,450	34,675
2020									20,988	35,398
2021										28,435
									Total	364,246
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Health)									$ 9,938

Multiline

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2021
	For the years ended December 31,										Total IBNR plus expected development on reported
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013		—	—	—	—	—	—	—	—	—	—
2014			2,390	2,390	2,390	2,609	2,625	2,586	2,653	4,446	2,165
2015				27,988	28,140	30,579	32,085	30,988	32,390	37,920	10,473
2016					55,829	60,136	60,855	59,906	62,366	68,335	19,211
2017						81,965	79,590	83,358	85,187	87,725	23,640
2018							59,004	51,079	53,980	54,784	15,712
2019								46,338	45,317	45,372	14,797
2020									58,929	56,062	31,522
2021										51,488	39,247
									Total	$ 406,132	$ 156,767

Multiline

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013		—	—	—	—	—	—	—	—	—
2014			—	—	145	566	1,092	1,413	1,995	2,281
2015				32	2,838	10,031	16,154	19,103	24,815	27,448
2016					5,867	16,639	27,198	33,103	42,816	49,124
2017						9,578	27,427	39,748	54,170	64,084
2018							8,150	20,791	32,369	39,072
2019								11,057	23,505	30,575
2020									12,538	24,540
2021										12,241
									Total	249,366
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Multiline)									$ 156,767

General Liability

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	December 31, 2021 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2012	$ 12,626	$ 18,133	$ 16,921	$ 29,554	$ 31,145	$ 31,161	$ 31,274	$ 30,902	$ 30,924	$ 30,833	$ —
2013		3,018	2,689	4,666	4,511	4,510	4,916	4,770	4,648	4,465	—
2014			1,238	1,229	1,174	1,033	1,355	1,000	1,041	1,128	114
2015				1,699	1,690	1,756	1,979	2,152	2,190	2,608	552
2016					6,203	6,519	7,124	7,867	8,095	8,923	2,359
2017						5,432	6,527	7,381	8,451	9,634	3,928
2018							2,909	3,446	3,955	4,619	1,808
2019								1,003	1,130	1,198	891
2020									1,673	1,673	1,601
2021										13,332	13,229
									Total	$ 78,413	$ 24,482

General Liability

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information) ($ in thousands)									
2012	$ 1,750	$ 9,926	$ 13,142	$ 15,836	$ 30,667	$ 30,687	$ 30,891	$ 30,902	$ 30,924	$ 30,833
2013		1,371	1,917	2,298	4,191	4,274	4,652	4,770	4,648	4,465
2014			18	146	413	548	492	762	473	1,014
2015				69	293	532	547	925	945	2,056
2016					122	1,589	3,277	4,670	6,109	6,565
2017						136	1,412	2,824	4,385	5,707
2018							165	1,286	2,296	2,810
2019								26	227	307
2020									71	72
2021										103
									Total	53,931
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (General Liability)									$ 24,482

Motor Casualty

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	December 31, 2021 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$132,284	$131,196	$131,896	$131,202	$131,305	$131,302	$131,302	$131,302	$131,302	$ 131,302	$ —
2013		182,833	179,930	174,744	174,782	174,848	174,925	174,931	174,931	174,931	—
2014			93,718	92,844	94,688	94,385	94,147	94,192	94,192	94,192	—
2015				128,199	130,410	129,991	132,853	134,951	133,640	132,904	405
2016					166,389	169,294	174,037	179,801	175,915	172,182	563
2017						187,109	188,754	195,258	193,077	187,662	1,616
2018							150,700	170,016	174,467	171,842	6,255
2019								168,154	171,803	171,420	5,766
2020									96,902	96,539	9,360
2021										102,807	46,051
									Total	$1,435,781	$ 70,015

Motor Casualty

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 58,585	$ 118,142	$ 126,622	$ 128,913	$ 131,302	$ 131,302	$ 131,302	$ 131,302	$ 131,302	$ 131,302
2013		86,558	159,200	171,855	174,658	174,848	174,925	174,931	174,931	174,931
2014			49,994	86,297	89,687	94,385	94,147	94,192	94,192	94,192
2015				81,093	125,645	129,174	129,571	133,673	132,340	132,499
2016					97,325	157,948	170,658	178,800	175,033	171,619
2017						115,204	170,157	188,225	186,105	186,047
2018							83,652	143,267	156,593	165,587
2019								99,043	155,332	165,653
2020									42,777	87,179
2021										56,756
									Total	1,365,766
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Casualty)									$ 70,015

Motor Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2021
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ 36,985	$ 36,129	$ 36,008	$ 35,998	$ 35,922	$ 35,922	$ 35,922	$ 35,922	$ 35,922	$ 35,922	$ —
2013		46,189	45,629	44,728	44,656	44,695	44,719	44,478	44,478	44,478	—
2014			18,870	18,797	19,056	19,000	19,006	19,021	19,021	19,021	—
2015				22,035	22,516	22,505	23,263	23,939	23,715	23,638	—
2016					27,853	28,279	29,090	29,051	28,465	28,231	—
2017						39,986	39,621	40,394	39,448	39,146	31
2018							42,336	47,209	47,115	46,915	1,260
2019								43,103	45,795	45,712	3,365
2020									23,556	23,497	1,813
2021										27,316	12,353
									Total	$333,877	$ 18,822

Motor Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 16,902	$ 34,588	$ 35,854	$ 35,903	$ 35,922	$ 35,922	$ 35,922	$ 35,922	$ 35,922	$ 35,922
2013		21,112	41,066	44,363	44,431	44,476	44,476	44,478	44,478	44,478
2014			10,305	17,621	18,420	19,000	19,006	19,021	19,021	19,021
2015				13,859	22,013	22,505	22,595	23,839	23,715	23,638
2016					16,725	27,023	28,609	28,851	28,465	28,231
2017						23,091	37,058	39,711	38,971	39,115
2018							23,576	40,118	45,086	45,655
2019								25,103	38,672	42,346
2020									10,880	21,684
2021										14,963
									Total	315,055
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Property)									$ 18,822

Other

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	December 31, 2021 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ 3,974	$ 3,591	$ 3,756	$ 3,773	$ 3,759	$ 3,755	$ 3,782	$ 3,777	$ 3,736	$ 3,803	$ —
2013		2,492	2,875	2,840	2,821	2,801	2,755	2,586	2,552	2,685	—
2014			4,768	3,525	1,776	1,701	1,084	2,125	2,329	2,295	—
2015				4,794	6,769	6,898	4,519	4,230	4,132	3,794	—
2016					8,364	10,406	9,147	9,135	8,110	6,809	391
2017						9,091	6,015	6,451	7,576	5,244	1,549
2018							6,166	7,520	7,282	5,358	1,289
2019								19,179	20,477	18,399	7,249
2020									50,672	44,054	21,019
2021										57,479	47,370
									Total	$149,919	$ 78,867

Other

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 3,000	$ 3,251	$ 3,676	$ 3,683	$ 3,684	$ 3,688	$ 3,735	$ 3,735	$ 3,736	$ 3,803
2013		213	1,828	2,426	2,339	2,323	2,578	2,540	2,552	2,685
2014			197	659	1,124	1,282	1,084	2,125	2,329	2,295
2015				472	1,387	2,010	3,399	3,930	4,132	3,794
2016					1,473	3,108	5,648	7,383	7,496	6,419
2017						484	3,084	4,536	5,477	3,695
2018							962	5,588	5,594	4,070
2019								5,409	9,120	11,150
2020									5,786	23,034
2021										10,108
									Total	71,052
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)									$ 78,867

Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2021
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ 63,961	$ 50,183	$ 50,874	$ 52,812	$ 53,218	$ 53,473	$ 53,737	$ 53,823	$ 53,862	$ 53,830	$ —
2013		60,957	59,007	61,791	62,509	62,496	62,436	62,779	62,802	62,743	363
2014			41,742	45,155	46,846	47,086	46,876	47,031	46,999	46,944	308
2015				27,877	30,357	31,755	30,958	30,619	30,557	30,477	326
2016					25,640	26,154	24,034	23,505	23,196	23,065	335
2017						84,798	78,458	69,071	65,852	65,732	902
2018							28,235	30,308	25,088	24,632	5,346
2019								22,619	27,094	26,448	15,723
2020									21,768	21,196	9,200
2021										37,161	30,965
									Total	$392,229	$ 63,468

Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 32,085	$ 45,887	$ 50,242	$ 52,657	$ 53,211	$ 53,259	$ 53,737	$ 53,823	$ 53,862	$ 53,830
2013		34,807	55,677	58,537	60,357	61,087	62,000	62,242	62,317	62,380
2014			20,230	40,173	43,641	45,212	46,302	46,522	46,619	46,636
2015				12,938	25,452	28,848	29,818	30,025	30,129	30,151
2016					9,945	18,211	21,060	22,048	22,397	22,731
2017						43,291	56,412	64,256	65,723	64,830
2018							5,365	15,733	18,556	19,286
2019								4,057	7,046	10,725
2020									6,447	11,995
2021										6,196
									Total	328,761
	All outstanding liabilities before 2012, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Property)									$ 63,468

Professional Liability

Incurred claims and allocated claim adjustment expenses, net of reinsurance

(Unaudited - Supplementary Information)

($ in thousands)

Accident year	For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	December 31, 2021 Total IBNR plus expected development on reported claims
2012	$ 11,479	$ 11,483	$ 12,039	$ 12,485	$ 12,679	$ 13,415	$ 13,415	$ 12,836	$ 12,345	$ 12,255	$ 57
2013		12,704	13,607	15,164	16,850	17,688	17,866	17,663	17,305	17,068	596
2014			19,645	19,032	18,995	21,605	22,630	22,960	22,693	22,236	1,767
2015				18,793	18,794	21,375	22,842	23,075	22,332	22,110	2,679
2016					13,869	17,075	17,451	17,048	16,840	17,151	5,349
2017						10,275	9,963	9,785	10,009	10,569	4,700
2018							4,485	4,472	4,593	5,059	1,820
2019								586	611	783	239
2020									66	66	66
2021										2,822	2,787
									Total	$110,120	$ 20,060

Professional Liability

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance

(Unaudited - Supplementary Information)

($ in thousands)

Accident year	For the years ended December 31, 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2012	$ 544	$ 3,747	$ 6,530	$ 9,027	$ 10,489	$ 12,035	$ 12,205	$ 11,933	$ 12,221	$ 12,198
2013		726	3,557	7,939	11,417	14,396	15,184	14,993	16,549	16,472
2014			1,399	5,558	9,925	14,479	16,803	16,814	20,509	20,469
2015				1,212	3,420	9,179	12,162	13,010	17,896	19,431
2016					346	2,215	4,974	7,984	10,692	11,802
2017						229	1,442	3,096	4,872	5,870
2018							242	1,141	1,986	3,239
2019								145	266	544
2020									—	—
2021										35
									Total	90,060
									All outstanding liabilities before 2012, net of reinsurance	698
									Liabilities for claims and claims adjustment expenses, net of reinsurance (Professional Liability)	$ 20,759

Workers' Compensation

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2021
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2012	$ 11,763	$ 12,213	$ 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	4,751	—
2014			—	—	—	3	—	—	—	—	—
2015				1,014	1,010	948	950	951	919	919	67
2016					4,342	4,275	4,266	3,975	3,778	3,729	208
2017						10,883	10,347	9,604	9,064	8,799	418
2018							13,614	13,503	13,058	12,672	856
2019								22,928	23,480	23,685	6,030
2020									44,677	46,297	22,833
2021										58,346	35,071
									Total	$171,411	$ 65,483

Workers' Compensation

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2012	$ 2,359	$ 12,213	$ 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	4,751
2014			—	—	—	—	—	—	—	—
2015				28	251	564	688	777	832	851
2016					613	1,920	2,782	3,274	3,459	3,521
2017						2,028	5,356	7,399	8,005	8,381
2018							4,213	8,321	10,783	11,817
2019								5,473	13,601	17,656
2020									11,288	23,463
2021										23,275
									Total	105,927
All outstanding liabilities before 2012, net of reinsurance										—
Liabilities for claims and claims adjustment expenses, net of reinsurance (Workers' Compensation)										$ 65,483

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 at the current year-end date. As a result, all prior year information has been restated to reflect the exchange rates at December 31, 2021. This treatment prevents 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. Some incurred and paid claims have been allocated to the accident years for the loss development tables 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 catastrophes 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, 2021
	($ in thousands)
Net outstanding liabilities	
Health	$ 9,938
Multiline	156,767
General Liability	24,482
Motor Casualty	70,015
Motor Property	18,822
Other	78,867
Property	63,468
Professional Liability	20,759
Workers' Compensation	65,483
Liabilities for claims and claims adjustment expenses, net of reinsurance	508,602
Add: Reinsurance recoverable on unpaid claims	11,100
Add: Unallocated claims adjustment expenses	4,261
Add: Allowance for credit losses	47
Total gross liabilities for unpaid claims and claim adjustment expense	$ 524,010

The average historical annual percentage payout of net incurred claims (excluding health) at December 31, 2021, 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	41.2 %	32.6 %	8.9 %	6.1 %	4.1 %	3.0 %	2.8 %	1.2 %	— %	0.1 %
Motor Property	51.9 %	41.7 %	4.9 %	0.7 %	0.4 %	0.2 %	0.2 %	— %	— %	— %
Other	33.5 %	44.6 %	15.5 %	3.0 %	2.0 %	1.0 %	0.4 %	— %	— %	— %
Property	49.7 %	34.8 %	5.9 %	3.0 %	2.8 %	2.5 %	1.0 %	0.3 %	— %	— %
Professional Liability	3.5 %	12.5 %	18.4 %	16.3 %	13.3 %	9.0 %	5.6 %	4.2 %	3.0 %	14.2 %
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 a detailed listing of claims counts or other claims frequency information. Therefore it is impracticable for the Company to present the cumulative number of reported claims by accident year.

8. RETROCESSION

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

For the year ended December 31, 2021, the Company’s earned ceded premiums were insignificant (2020: $3.2 million and 2019: $72.8 million). For the year ended December 31, 2021, loss and loss adjustment expenses recovered and change in losses recoverable were insignificant (2020: $5.9 million and 2019: $60.7 million).

Retrocession contracts do not relieve the Company from its obligations to its cedents. Failure of retrocessionaires to honor their obligations could result in losses to the Company. At December 31, 2021, the Company’s loss reserves recoverable of $11.1 million (December 31, 2020: $16.9 million) consisted of (i) $8.4 million (December 31, 2020: $12.6 million) recoverable from unrated retrocessionaires, of which $8.2 million (December 31, 2020: $11.9 million) were secured by cash, letters of credit and collateral held in trust accounts for the benefit of the Company and (ii) $2.8 million (December 31, 2020: $4.3 million) recoverable 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, 2021, the Company had recorded an allowance for expected credit losses of $0.1 million (December 31, 2020: $0.1 million).

9. SENIOR CONVERTIBLE NOTES

On August 7, 2018, the Company issued $100.0 million of senior unsecured convertible notes (the "Notes"), which mature on August 1, 2023. The Notes bear interest at 4%, payable semi-annually on February 1 and August 1 of each year beginning February 1, 2019.

Note holders have the option, under certain conditions, to redeem the Notes prior to maturity.

If a holder redeems the Notes, the Company shall have the option to settle the conversion obligation in cash, ordinary shares of the Company, or a combination thereof pursuant to the terms of the indenture governing the Notes. The Company has therefore bifurcated the Notes into liability and equity components.

At December 31, 2021, the Company's share price was lower than the conversion price of $17.19 per share.

The Company's effective borrowing rate for non-convertible debt at the time of issuance of the Notes was estimated to be 6.0%, which equated to an $8.2 million discount. At December 31, 2021, and 2020, the unamortized debt discount was $2.6 million and $4.2 million, respectively. The debt discount also represents the portion of the Note's principal amount allocated to the equity component.

The Company incurred issuance costs in connection with the issuance of the Notes. At December 31, 2021, the unamortized portion of these costs attributed to the debt component was $1.0 million (December 31, 2020: $1.6 million), which the Company expects to amortize through the maturity date. The Company netted the portion of these issuance costs attributed to the equity component against the gross proceeds allocated to equity, resulting in the Company including $7.9 million in the caption "Additional paid-in capital" in the Company's consolidated balance sheets.

The carrying value of the Notes at December 31, 2021, including accrued interest of $1.7 million, was $98.1 million (December 31, 2020: $95.8 million). At December 31, 2021, the Company estimated the fair value of the Notes to be $97.5 million (December 31, 2020: $83.6 million) (see Note 4 Financial Instruments).

For the year ended December 31, 2021, the Company recognized interest expenses of $6.3 million (2020: $6.3 million; 2019: $6.3 million) in connection with the interest coupon, amortization of issuance costs, and amortization of the discount.

The Company was in compliance with all covenants relating to the Notes at December 31, 2021, and 2020. At December 31, 2021, the Company had a remaining obligation for interest and principal payments of $4.0 million and $104.0 million during 2022 and 2023, respectively.

10. 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. At December 31, 2021, no preferred shares were issued or outstanding.

The Third Amended and Restated Memorandum and Articles of Association, as revised by special resolution on July 10, 2008 (the "Articles"), provide that the holders of Class A ordinary shares generally are entitled to one vote per share. However, except upon unanimous consent of the Board of Directors, no Class A shareholder is permitted to vote a number of shares which would cause any United States person to own (directly, indirectly, or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the total voting power of all issued and outstanding ordinary shares. The Articles further provide that the holders of Class B ordinary shares generally are entitled to ten votes per share. However, holders of Class B ordinary shares, together with their affiliates, are limited to voting that number of Class B ordinary shares equal to 9.5% of the total voting power of the total issued and outstanding ordinary shares.

Pursuant to the Shareholders' Agreement, dated August 11, 2004, by and among the Company and certain of its shareholders (the "Shareholders' Agreement"), the holders of at least 50% of the outstanding Registrable Securities (as defined in the Shareholders' Agreement), may, subject to certain conditions, request to have all or part of their Registrable Securities to be registered. The Shareholders' Agreement requires, among other things, that the Company use its commercially reasonable best efforts to have a registration statement covering such Registrable Securities to be declared effective. The registration rights granted pursuant to the Shareholders' Agreement are not deemed to be liabilities; therefore, there has been no recognition in the Company's consolidated financial statements of the registration rights granted pursuant to the Shareholders' Agreement.

At December 31, 2021, the Company has an effective Form S-3 registration statement on file with the SEC for an aggregate principal amount of $200.0 million in securities.

On October 29, 2020, the Company's shareholders approved an amendment to the stock incentive plan to increase the number of Class A ordinary shares available for issuance by 3.0 million shares from 5.0 million to 8.0 million. At December 31, 2021, 3,128,276 (December 31, 2020: 3,474,888) Class A ordinary shares remained available for future issuance under the Company's stock incentive plan. The Compensation Committee of the Board of Directors administers the stock incentive plan.

The Board has adopted a share repurchase plan. The timing of such repurchases and the actual number of shares repurchased will depend on various factors, including price, market conditions, and applicable regulatory and corporate requirements. On March 26, 2020, the Board of Directors extended the share repurchase plan to June 30, 2021. It increased the number of shares authorized to be repurchased to 5.0 million Class A ordinary shares or securities convertible into Class A ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. In addition, the Board of Directors also authorized the Company to repurchase up to $25.0 million aggregate face amount of the Company's 4.0% Convertible Senior Notes due 2023 (the "Notes") in privately negotiated transactions, in open market repurchases, or pursuant to one or more tender offers. The Company did not repurchase any Notes under the repurchase plan.

On May 4, 2021, the Board of Directors approved a new share repurchase plan effective from July 1, 2021, until June 30, 2022, authorizing the Company to repurchase up to $25 million of Class A ordinary shares or securities convertible into Class A ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. The Company is not required to repurchase any of the Class A ordinary shares. The repurchase plan may be modified, suspended, or terminated at the election of our Board of Directors at any time without prior notice.

The Company repurchased 1,079,544 Class A ordinary shares during the year ended December 31, 2021 (2020: 2,547,097). All Class A ordinary shares repurchased are canceled immediately upon repurchase.

The following table is a summary of ordinary shares issued and outstanding:

	2021		2020		2019	
	Class A	Class B	Class A	Class B	Class A	Class B
Balance – beginning of year	28,260,075	6,254,715	30,739,395	6,254,715	30,130,214	6,254,715
Issue of ordinary shares, net of forfeitures	409,200	—	67,777	—	609,181	—
Repurchase of ordinary shares	(1,079,544)	—	(2,547,097)	—	—	—
Balance – end of year	27,589,731	6,254,715	28,260,075	6,254,715	30,739,395	6,254,715

Additional paid-in capital includes the premium per share paid by the subscribing shareholders for Class A and B ordinary shares, which have a par value of $0.10 each. It also includes the earned portion of the grant-date fair value of share-based awards that have not yet vested.

Statutory Capital and Surplus

Greenlight Re is subject to the Cayman Islands' Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations, (2018 Revision) (the "Insurance Regulations"). The Insurance Regulations impose a Minimum Capital Requirement ("MCR") of $50.0 million and a Prescribed Capital Requirement ("PCR") on Greenlight Re which was $222.6 million at December 31, 2021 (2020: $204.8 million). At December 31, 2021, Greenlight Re's statutory capital and surplus of $503.9 million exceeded the MCR as well as the PCR. For the years ended December 31, 2021, 2020, and 2019, Greenlight Re's net income was $15.9 million, $12.6 million, and $9.2 million, respectively.

Greenlight Re is not required to prepare separate statutory financial statements for filing with CIMA. There were no material differences between Greenlight Re's GAAP capital, surplus, and net income and its statutory capital, surplus, and net income at December 31, 2021 and 2020.

At December 31, 2021, the Company was not restricted from payment of dividends to the Company's shareholders. However, since most of the Company's capital and retained earnings are invested in its subsidiaries, a dividend from one or more of the Company's subsidiaries would likely be required to fund a dividend to the Company's shareholders. Any dividends declared and paid from Greenlight Re to the Company would require approval of CIMA. During the year ended December 31, 2021, $4.0 million of dividends (2020: $39.5 million, 2019: $3.9 million) were declared or paid by Greenlight Re to the Company, which the Company used to pay interest on the Notes. At December 31, 2021 and 2020, $281.3 million and $286.6 million, respectively, of Greenlight Re's capital and surplus was available for distribution as dividends.

GRIL is obligated to maintain a minimum level of statutory capital. At December 31, 2021 and 2020, GRIL met such requirements. At December 31, 2021 and 2020, GRIL's statutory capital was $65.2 million and $57.1 million, respectively. At December 31, 2021, GRIL's statutory minimum capital required under Solvency II was approximately $10.6 million (2020: $6.9 million). GRIL's statutory net income (loss) was $3.8 million, $(2.6) million, and $0.8 million for the years ended December 31, 2021, 2020, and 2019, respectively. The amount of dividends that GRIL is permitted to distribute is limited to its retained earnings. The Central Bank of Ireland has powers to intervene if a dividend payment were to breach regulatory capital requirements. At December 31, 2021 and 2020, none of GRIL's capital and surplus was available for distribution as dividends.

11. SHARE-BASED COMPENSATION

The Company has a stock incentive plan for directors, employees, and consultants, administered by the Compensation Committee of the Board of Directors.

Employee and Director Restricted Shares

For the year ended December 31, 2021, the Company issued 334,312 (2020: 306,264, 2019: 235,701) Class A ordinary shares to employees pursuant to the Company's stock incentive plan. These shares contain certain restrictions relating to, among other things, vesting, forfeiture in the event of termination of employment and transferability. The restricted shares cliff vest three years after the date of issuance, subject to the grantee's continued service with the Company. During the vesting period, the holder of the restricted shares retains voting rights and is entitled to any dividends declared by the Company.

For the year ended December 31, 2021, the Company also issued to non-employee directors an aggregate of 74,769 (2020: 71,330, 2019: 77,556) restricted Class A ordinary shares as part of their remuneration for services to the Company. Each of these restricted shares issued to non-employee directors contains similar restrictions to those issued to employees and will vest on the earlier of the first anniversary of the date of the share issuance or the Company's next annual general meeting, subject to the grantee's continued service with the Company.

For the year ended December 31, 2021, 20,592 (2020: 226,093, 2019: 37,502) restricted shares were forfeited by grantees due to vesting conditions not being met. For the year ended December 31, 2021, the Company reversed $0.1 million of stock compensation expense (2020: $0.7 million, 2019: $0.2 million) relating to the forfeited restricted shares.

The Company recorded $2.4 million of share-based compensation expense, net of forfeiture reversals, relating to restricted shares for the year ended December 31, 2021 (2020: $1.0 million, 2019: $2.8 million). At December 31, 2021, there was $2.7 million (2020: $1.9 million, 2019: $2.7 million) of unrecognized compensation cost relating to non-vested restricted shares (excluding any restricted shares with performance conditions that the Company does not expect will be met). The Company expects to recognize these costs over a weighted average period of 1.8 years (2020: 1.5 years, 2019: 1.6 years). For the year ended December 31, 2021, the total fair value of restricted shares vested was $1.6 million (2020: $3.3 million, 2019: $3.1 million).

The following table summarizes the activity for unvested outstanding restricted share awards during the years ended December 31, 2021, and 2020:

	Number of non-vested restricted shares	Weighted average grant date fair value
Balance at December 31, 2019	516,187	$ 14.03
Granted	377,594	6.84
Vested	(163,288)	17.00
Forfeited	(226,093)	10.85
Balance at December 31, 2020	504,400	9.11
Granted	409,081	9.11
Vested	(139,482)	11.53
Forfeited	(20,592)	8.35
Balance at December 31, 2021	753,407	$ 8.68

Employee and Director Stock Options

For the years ended December 31, 2021, 2020, and 2019, no Class A ordinary share purchase options were granted or exercised by directors or employees. For the year ended December 31, 2021, 100,000 (2020: 40,000) stock options expired and 80,000 (2020: 80,000) stock options vested. When the Company grants stock options, it reduces the corresponding number from the shares authorized for issuance as part of the Company's stock incentive plan.

The Board of Directors does not currently anticipate that the Company will declare any dividends during the expected term of the options. The Company uses graded vesting for expensing employee stock options. The total compensation cost expensed relating to stock options for the year ended December 31, 2021, was $0.4 million (2020: $0.6 million, 2019: $0.9 million). At December 31, 2021, the total compensation cost related to non-vested options not yet recognized was $0.3 million (2020: $0.7 million), which will be recognized over a weighted-average period of 1.2 years (2020: 1.8 years), assuming the grantee completes the service period for vesting of the options.

Employee and director stock option activity during the years ended December 31, 2021, 2020, and 2019 was as follows:

	Number of options outstanding	Weighted average exercise price	Weighted average grant date fair value	Intrinsic value ($ in millions)	Weighted average remaining contractual term
Balance at December 31, 2018	935,627	$ 23.05	$ 10.00	$ —	6.4 years
Expired	(60,000)	28.44	6.25		
Balance at December 31, 2019	875,627	22.68	10.25	—	5.8 years
Expired	(40,000)	32.42	10.39		
Balance at December 31, 2020	835,627	22.22	10.25	—	5.1 years
Expired	(100,000)	21.25	10.32		
Balance at December 31, 2021	735,627	$ 22.35	$ 10.23	$ —	4.7 years

The following table summarizes information about options exercisable for the periods indicated:

	December 31, 2021	December 31, 2020	December 31, 2019
Number of options exercisable	575,627	595,627	555,627
Weighted-average exercise price	$ 22.67	$ 22.63	$ 23.54
Weighted-average remaining contractual term	4.5	4.5	4.9
Intrinsic value ($ in millions)	$ —	$ —	$ —

During the year ended December 31, 2021, 80,000 (2020: 80,000, 2019: 80,000) options vested which had a weighted average grant date fair value of $9.60 (2020: $9.60, 2019: $9.60).

Employee Restricted Stock Units

The Company issues RSUs to certain employees as part of the stock incentive plan.

These RSUs contain restrictions relating to vesting, forfeiture in the event of termination of employment, transferability, and other matters. Each RSU grant cliff vests three years after the date of issuance, subject to the grantee's continued service with the Company. On the vesting date, the Company converts each RSU into one Class A ordinary share and issues new Class A ordinary shares from the shares authorized for issuance as part of the Company's stock incentive plan. For the year ended December 31, 2021, the Company issued 58,123 (2020: 60,622, 2019: 48,535) RSUs to employees pursuant to the Company's stock incentive plan. For the year ended December 31, 2021, no RSUs were forfeited (2020: nil; 2019: 24,165).

The Company recorded $0.4 million of share-based compensation expense relating to RSUs for the year ended December 31, 2021 (2020: $0.4 million, 2019: $0.2 million). At December 31, 2021, the total compensation cost related to non-vested RSUs not yet recognized was $0.5 million (2020: $0.4 million), which the Company expects to recognize over a weighted-average period of 1.8 years (2020: 1.8 years).

Employee RSU activity during the years ended December 31, 2021, and 2020 was as follows:

	Number of non-vested RSUs	Weighted average grant date fair value
Balance at December 31, 2019	63,582	$ 13.76
Granted	60,622	6.72
Vested	(7,482)	21.65
Forfeited	—	—
Balance at December 31, 2020	116,722	9.60
Granted	58,123	9.18
Vested	(20,711)	15.90
Forfeited	—	—
Balance at December 31, 2021	154,134	$ 8.59

Performance Restricted Shares

Prior to 2021, the Company issued Class A ordinary shares to the Chief Executive Officer ("CEO") pursuant to the Company's stock incentive plan. These shares contain performance and service conditions and certain restrictions relating to, among other things, vesting, forfeiture in the event of termination of the CEO's employment, and transferability. These restricted shares cliff vest five years after the date of issuance, subject to the performance condition being met and the CEO's continued service with the Company.

During the year ended December 31, 2020, the Company's compensation committee accelerated the vesting of 72,545 shares that vested immediately. The modification resulted in $0.5 million of incremental compensation cost during the year ended December 31, 2020.

As the performance conditions associated with these restricted shares have not been met, the Company recognized no compensation cost relating to the unvested shares for the year ended December 31, 2021, and 2020.

The performance restricted share activity during the years ended December 31, 2021, and 2020 was as follows:

	Number of non-vested performance restricted shares	Weighted average grant date fair value
Balance at December 31, 2019	356,900	$ 11.10
Granted	145,089	6.72
Vested	(72,545)	6.72
Forfeited	(236,295)	10.58
Balance at December 31, 2020	193,149	10.10
Granted	—	—
Vested	—	—
Forfeited	—	—
Balance at December 31, 2021	193,149	$ 10.10

Stock Compensation Expense

For the years ended December 31, 2021, 2020, and 2019, the combined stock compensation expense (net of forfeitures), which was included in the caption "General and administrative expenses" in the Company's consolidated statements of operations, was $3.2 million, $2.5 million and $3.9 million, respectively.

12. NET INVESTMENT INCOME (LOSS)

A summary of net investment income (loss) for the years ended December 31, 2021, 2020, and 2019 is as follows:

	2021	2020	2019
		($ in thousands)	
Realized gains (losses)	$ 14,210	$ (9,234)	$ (14,150)
Change in unrealized gains and losses	19,560	25,909	8,380
Investment-related foreign exchange gains (losses)	(45)	39	20
Interest and dividend income, net of withholding taxes	200	5,419	16,059
Interest, dividend, and other expenses	(1,860)	(1,875)	(4,798)
Income (loss) from equity method investment	—	843	700
Net investment-related income (loss)	32,065	21,101	6,211
Income (loss) from investments in related party investment fund	18,087	4,431	46,056
Total investment income (loss)	$ 50,152	$ 25,532	$ 52,267

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

For the year ended December 31, 2021, the Company realized a $14.2 million pre-tax gain on disposal of the AccuRisk investment (see Note 4).

"Change in unrealized gains and losses" for the year ended December 31, 2021, includes net unrealized gains of $19.5 million (2020: $10.2 million, 2019: $0.2 million) on Innovations-related investments. For the year ended December 31, 2020, the change in unrealized gains and losses also included a net decrease in the valuation allowance of $15.0 million (2019: net increase of $6.0 million) relating to notes receivable.

13. TAXATION

Each of the Company and Greenlight Re 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 "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 or Greenlight Re is engaged in a trade or business within the U.S.

At December 31, 2021, the Company recorded a gross deferred tax asset of $3.2 million (2020: $3.5 million) and a deferred tax asset valuation allowance of $2.7 million (2020: $3.0 million). The net deferred tax asset is included in the caption "Other assets" in the Company's consolidated balance sheets. The Company has determined that it is more likely than not to fully realize the recorded deferred tax asset (net of the valuation allowance) in the future. The Company based this determination on the expected timing of the reversal of the temporary differences and the likelihood of generating sufficient taxable income to realize the future tax benefit.

At December 31, 2021, GRIL had a net operating loss carryforward of $25.8 million (2020: $30.0 million) which can be carried forward indefinitely.

The following table sets forth our current and deferred income tax benefit (expense) on a consolidated basis for the years ended December 31, 2021, 2020, and 2019:

	2021	2020	2019
	($ in thousands)		
Current tax (expense) benefit	$ (3,997)	$ (48)	$ (43)
Deferred tax (expense) benefit	(3)	5	(8)
Decrease (increase) in deferred tax valuation allowance	254	(381)	(432)
Income tax (expense) benefit	$ (3,746)	$ (424)	$ (483)

For the year ended December 31, 2021, the income tax expense of $3.7 million resulted from Verdant's gain on the sale of its AccuRisk investment. At December 31, 2021, Verdant had no net operating loss carryforward (2020: $2.4 million).

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. Unless exempted or reduced by an applicable U.S. tax treaty, the tax rate is 1.0% for all reinsurance premiums. The Company incurs federal excise taxes on certain reinsurance transactions, including amounts ceded through intercompany transactions. For the years ended 2021, 2020, and 2019, the Company incurred approximately $3.3 million, $3.6 million, and $3.8 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.

14. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

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

The Company has entered into the SILP LPA (as described in Note 3 of the consolidated financial statements). 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 includes the amount of investment losses to be recouped, including any loss generated on the assets invested in SILP, subject to adjustments for redemptions. The loss carry-forward provision 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.

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.

For a detailed breakdown of management fees and performance compensation for the years ended December 31, 2021, 2020, and 2019, refer to Note 3 of the consolidated financial statements.

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 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. The Company incurred no indemnification amounts during 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. At December 31, 2021, SILP, along with certain affiliates of DME Advisors, collectively owned 34.3% of the issued and outstanding common shares of GRBK. Under applicable securities laws, DME Advisors may sometimes be limited in its ability to trade GRBK shares held in SILP. At December 31, 2021, SILP held 2.7 million shares of GRBK.

Service Agreement

The Company has entered into a service agreement with DME Advisors, pursuant to which DME Advisors provides certain investor relations services to the Company for compensation of five thousand dollars per month (plus expenses). The agreement automatically renews annually until terminated by either the Company or DME Advisors for any reason with 30 days prior written notice to the other party.

Collateral Assets Investment Management Agreement

Effective January 1, 2019, the Company (and its subsidiaries) 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.

15. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Trusts

At December 31, 2021, 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, 2022	120 days before the termination date

At December 31, 2021, an aggregate amount of $136.8 million (December 31, 2020: $135.3 million) in letters of credit was issued under the credit facility. At December 31, 2021, the Company had pledged total cash and cash equivalents with a fair value in the aggregate of $137.6 million (December 31, 2020: $137.6 million) 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 credit facility covenants at December 31, 2021 and 2020.

The Company has also established regulatory trust arrangements for certain cedents. At December 31, 2021, collateral of $497.1 million (December 31, 2020: $607.8 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

The Company has determined that its lease agreements for office space qualify as operating lease arrangements. At the commencement date, the Company determines the lease term by assuming the exercise of those renewal options deemed to be reasonably certain. The exercise of lease renewal options is at the Company's sole discretion, and these options do not contain any material residual value guarantees or material restrictive covenants. The Company’s weighted-average remaining operating lease term is approximately 4.5 years at December 31, 2021.

As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 6.0%, representing its incremental borrowing rate based on information available at the commencement date, to determine the present value of lease payments. The incremental borrowing rate is based on a borrowing with a term similar to that of the associated lease. The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing.

At December 31, 2021, the right-of-use assets and lease liabilities relating to the operating leases were $2.4 million and $2.5 million, respectively. The operating and short-term lease expenses for the year ended December 31, 2021, were $0.4 million and $0.3 million, respectively (2020: $0.2 million and $0.5 million).

At December 31, 2021, the commitment for operating lease liabilities for future annual periods was as follows:

Year ending December 31,		($ in thousands)
2022	$	587
2023		623
2024		639
2025		656
2026		354
Thereafter		—
Total lease payments		2,859
Less Imputed Interest		(400)
Present value of lease liabilities	$	2,459

Litigation

From time to time, in the ordinary course of business, the Company may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation. The outcomes of these procedures 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 collect funds owed. In other matters, the Company may resist attempts by others to collect funds or enforce alleged rights. While the Company cannot predict the outcome of legal disputes 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.

16. SEGMENT REPORTING

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

Substantially all of the Company's business is sourced through reinsurance brokers. The following table sets forth the premiums generated through our largest brokers and their subsidiaries and affiliates (totals may not sum due to rounding):

	Year ended December 31					
	2021		2020		2019	
	($ in thousands)					
Guy Carpenter (Marsh)	$ 178,336	31.5 %	$ 195,274	40.7 %	$ 297,150	56.7 %
Aon Benfield	139,044	24.6	29,032	6.0	41,071	7.8
BMS Group	63,958	11.3	112,659	23.5	85,323	16.3
Total of largest brokers	$ 381,338	67.4 %	$ 336,965	70.2 %	$ 423,544	80.7 %
All other brokers and direct placements	184,055	32.6	142,826	29.8	100,433	19.3
Total	$ 565,393	100.0 %	$ 479,791	100.0 %	$ 523,977	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					
	2021		2020		2019	
	($ in thousands)					
Property						
Commercial	$ 10,853	1.9 %	$ 11,190	2.3 %	$ 14,165	2.7 %
Motor	29,953	5.3	33,054	6.9	59,402	11.3
Personal	12,141	2.1	14,219	3.0	12,390	2.4
Total Property	52,947	9.4	58,463	12.2	85,957	16.4
Casualty						
General Liability	18,037	3.2	4,228	0.9	2,401	0.5
Motor Liability	118,251	20.9	127,379	26.5	233,591	44.6
Professional Liability [(1)]	316	0.1	204	—	(448)	(0.1)
Workers' Compensation	62,188	11.0	82,189	17.1	50,369	9.6
Multi-line	180,321	31.9	88,237	18.4	76,461	14.6
Total Casualty	379,113	67.1	302,237	63.0	362,374	69.2
Other						
Accident & Health	31,612	5.6	56,284	11.7	39,175	7.5
Financial	66,612	11.8	23,231	4.8	23,087	4.4
Marine	10,652	1.9	770	0.2	160	—
Other Specialty	24,457	4.3	38,806	8.1	13,224	2.5
Total Other	133,333	23.6	119,091	24.8	75,646	14.4
	$ 565,393	100.0 %	$ 479,791	100.0 %	$ 523,977	100.0 %

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

Gross Premiums Written by Geographic Area of Risks Insured

	Year ended December 31					
	2021		2020		2019	
	($ in thousands)					
U.S. and Caribbean	$ 316,015	55.9 %	$ 390,000	81.3 %	$ 435,458	83.1 %
Worldwide [1]	240,285	42.5	84,204	17.5	84,728	16.2
Asia	4,609	0.8	5,587	1.2	3,804	0.7
Europe [2]	4,484	0.8	—	—	(13)	—
	$ 565,393	100.0 %	$ 479,791	100.0 %	$ 523,977	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 balances represent the reversal of premiums due to premium adjustments, termination of contracts, or premium returned upon novation or commutation of contracts.

SCHEDULE I

GREENLIGHT CAPITAL RE, LTD.
SUMMARY OF INVESTMENTS — OTHER THAN INVESTMENTS IN RELATED PARTIES
AS OF DECEMBER 31, 2021

(expressed in thousands of U.S. dollars)

Type of Investment	Cost	Fair Value	Balance Sheet Value
		($ in thousands)	
Other investments			
Private investments and unlisted equities	$ 17,411	$ 47,049	$ 47,049
Derivative financial instruments (not designated as hedging instruments)	—	335	335
Total other investments	17,411	47,384	47,384
Total investments	$ 17,411	$ 47,384	$ 47,384

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEETS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

	December 31, 2021	December 31, 2020
	($ in thousands)	
Assets		
Cash and cash equivalents	$ 485	$ 7
Investment in subsidiaries	576,287	551,790
Notes receivable (net of allowance for expected credit losses)	—	10,706
Total assets	$ 576,772	$ 562,503
Liabilities and equity		
Liabilities		
Convertible senior notes payable	$ 98,057	$ 95,794
Other liabilities	150	—
Due to subsidiaries	2,902	1,852
Total liabilities	101,109	97,646
Shareholders' equity		
Share capital	3,384	3,452
Additional paid-in capital	481,784	488,488
Retained earnings (deficit)	(9,505)	(27,083)
Total shareholders' equity	475,663	464,857
Total liabilities and equity	$ 576,772	$ 562,503

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENT OF OPERATIONS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

	Year ended December 31		
	2021	2020	2019
	($ in thousands)		
Revenue			
Net investment income	$ 22	$ 141	$ 522
Total revenues	22	141	522
Expenses			
General and administrative expenses	4,263	3,485	6,496
Interest expense	6,263	6,280	6,263
Total expenses	10,526	9,765	12,759
Net income (loss) before equity in earnings of consolidated subsidiaries	(10,504)	(9,624)	(12,237)
Equity in earnings of consolidated subsidiaries	28,082	13,490	8,251
Consolidated net income (loss)	$ 17,578	$ 3,866	$ (3,986)

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENTS OF CASH FLOWS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

	Year ended December 31		
	2021	2020	2019
	($ in thousands)		
Cash provided by (used in) operating activities			
Net income (loss)	$ 17,578	$ 3,866	$ (3,986)
Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities			
Equity in earnings of consolidated subsidiaries	(28,082)	(13,490)	(8,251)
Net change in unrealized gains and losses on investments	—	—	(200)
Share-based compensation expense	2,813	2,124	3,686
Amortization and interest expense, net of change in accruals	2,263	2,280	2,329
Net change in			
Due from subsidiaries	—	8,200	(8,200)
Other liabilities	150	(1,611)	1,611
Due to subsidiaries	1,050	(3,346)	(2,421)
Net cash provided by (used in) operating activities	(4,228)	(1,977)	(15,432)
Investing activities			
Sale of investments	—	1,000	—
Change in note receivable	10,706	(237)	11,496
Contributed surplus to subsidiaries, net	4,000	19,000	3,935
Net cash provided by (used in) investing activities	14,706	19,763	15,431
Financing activities			
Repurchase of Class A ordinary shares	(10,000)	(17,781)	—
Net cash provided by (used in) financing activities	(10,000)	(17,781)	—
Net increase (decrease) in cash and cash equivalents	478	5	(1)
Cash and cash equivalents at beginning of the year	7	2	3
Cash and cash equivalents at end of the year	$ 485	$ 7	$ 2
Supplementary information			
Non cash consideration from (to) subsidiaries, net	$ (415)	$ (351)	$ (196)

SCHEDULE III

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY INSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

(expressed in thousands of U.S. dollars)

Year	Segment	Deferred acquisition costs, net	Reserves for losses and loss adjustment expenses	Unearned premiums – gross	Net premiums earned	Total investment related income (loss)	Net losses, and loss adjustment expenses	Amortization of deferred acquisition costs	Other operating expenses	Gross premiums written
2021	Property & Casualty	$ 63,026	$ 524,010	$ 227,584	$ 539,279	$ 50,152	$ 374,980	$ 144,960	$ 29,369	$ 565,393
2020	Property & Casualty	$ 51,014	$ 494,179	$ 201,089	$ 455,411	$ 25,532	$ 337,833	$ 109,288	$ 26,401	$ 479,791
2019	Property & Casualty	$ 49,665	$ 470,588	$ 179,460	$ 483,580	$ 52,267	$ 388,487	$ 117,084	$ 29,822	$ 523,977

SCHEDULE IV

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY REINSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

(expressed in thousands of U.S. dollars)

Year	Segment	Direct gross premiums	Premiums ceded to other companies	Premiums assumed from other companies	Net written premiums	Percentage of amount assumed to net
2021	Property & Casualty	$ —	$ 41	$ 565,393	$ 565,352	100 %
2020	Property & Casualty	$ —	$ 2,268	$ 479,791	$ 477,523	100 %
2019	Property & Casualty	$ —	$ 48,667	$ 523,977	$ 475,310	110 %