Financial Statements of

GREENLIGHT REINSURANCE, LTD.

December 31, 2022 and 2021

GREENLIGHT REINSURANCE, LTD.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Greenlight Reinsurance, Ltd.

Opinion

We have audited the financial statements of Greenlight Reinsurance, Ltd., a wholly owned subsidiary of Greenlight Capital Re, Ltd. (the "Company"), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, shareholder's equity, and cash flows, for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, as of December 31, 2022 and for the year ended December 31, 2022. The Company's investment in Solasglas Investments, LP as of December 31, 2022 was $149.7 million and its equity in net income of Solasglas Investments, LP was $48.2 million for the year ended December 31, 2022. 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

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

Other Matter

The financial statements of the Company as of and for the year ended December 31, 2021 and 2020 were audited by other auditors who expressed an unqualified opinion on those statements on March 8, 2022.

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Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the 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 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 financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Loss and loss adjustment expense reserves - Refer to Notes 2 and 7 to the financial statements

Critical Audit Matter Description
The Company's estimate of loss and loss adjustment expense reserves is derived using expected trends in claim severity and frequency and other factors that may vary significantly as claims are settled. The estimate is sensitive to significant assumptions, including the initial expected loss ratio and loss development factors. The estimate is also sensitive to the selection of actuarial methods and weighting of these methods applied to project the ultimate losses, the estimation of ultimate reserves associated with catastrophic events, and other factors. Further, not all catastrophic events can be modeled using traditional actuarial methodologies, which increases the degree of judgment needed in estimating loss reserves for such events.

Auditing the Company's methods, assumptions and best estimate of the cost of the ultimate settlement and administration of claims represented by the incurred but not reported ("IBNR") claims included in recorded Loss and loss adjustment expense reserves involved especially subjective auditor judgment and an increased extent of effort, including the involvement of our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit
Our audit procedures related to loss and loss adjustment expense reserves included the following, among others

- We tested the effectiveness of controls over the valuation of the recorded loss and loss adjustment expense reserves, including the review and approval process that management has in place for significant actuarial methods and assumptions used and the approval of management's best estimate of loss and loss adjustment expense reserves.

- We tested the completeness and accuracy of the underlying data that served as the basis for the Company's actuarial analysis, including historical claims data, to test the reasonableness of key inputs to the actuarial estimate.

- With the assistance of our actuarial specialists:
  - We independently developed an estimate of the reserves for selected contracts, compared our estimates to those booked by the Company, and evaluated the differences.
  - We evaluated the Company's methodologies against recognized actuarial practices for the remaining contracts. We also evaluated the assumptions used by the Company using our industry knowledge and experience and other analytical procedures.
  - We compared the results of the quarterly reserve studies prepared by independent external actuaries to management's best estimate and evaluated the differences.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the incurred and paid claims development information for years preceding the most recent reporting period and the historical average annual percentage payout of incurred claims by age in Note 7 to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Deloitte & Touche LLP

March 8, 2023

GREENLIGHT REINSURANCE, LTD.
BALANCE SHEETS

December 31, 2022 and 2021
(expressed in thousands of U.S. dollars, except per share and share amounts)

	December 31, 2022	December 31, 2021
Assets		
Investments		
Investment in related party investment fund	$ 149,704	$ 171,716
Other investments	62,225	45,520
Total investments	211,929	217,236
Cash and cash equivalents	18,617	45,361
Restricted cash and cash equivalents	657,148	620,240
Reinsurance balances receivable (net of allowance for expected credit losses of $0.4 million and $0.1 million)	404,159	326,328
Loss and loss adjustment expenses recoverable (net of allowance for expected credit losses of $0.3 million and $1.3 million)	12,614	11,990
Deferred acquisition costs	80,208	60,147
Unearned premiums ceded	12,086	42
Due from parent company	831	2,902
Due from affiliate	34	—
Other assets	2,754	3,858
Total assets	$ 1,400,380	$ 1,288,104
Liabilities and equity		
Liabilities		
Loss and loss adjustment expense reserves	509,977	491,030
Unearned premium reserves	275,605	205,696
Reinsurance balances payable	80,759	76,323
Funds withheld	21,964	3,821
Other liabilities	5,239	5,658
Due to parent company	28,400	—
Due to affiliate	696	1
Total liabilities	922,640	782,529
Commitments and Contingencies (Note 15)		
Shareholder's equity		
Ordinary share capital (par value $0.10; authorized, 10,000; issued and outstanding, 1,001 (2021: 1,001)	—	—
Additional paid-in capital	447,571	507,696
Retained earnings (deficit)	30,169	(2,121)
Total shareholder's equity	477,740	505,575
Total liabilities and equity	$ 1,400,380	$ 1,288,104

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

GREENLIGHT REINSURANCE, LTD.
STATEMENTS OF OPERATIONS

For the years ended December 31, 2022, 2021, and 2020
(expressed in thousands of U.S. dollars)

	2022	2021	2020
Revenues			
Gross premiums written	$ 507,870	$ 505,583	$ 444,882
Gross premiums ceded	(23,618)	(64)	(2,582)
Net premiums written	484,252	505,519	442,300
Change in net unearned premium reserves	(56,251)	(21,534)	(13,006)
Net premiums earned	428,001	483,985	429,294
Income (loss) from investment in related party investment fund (net of related party expenses of $8,548, $5,079 and $3,033, respectively)	48,227	16,789	3,563
Net investment income (loss)	13,423	17,796	19,001
Other income (expense), net	(7,783)	(1,002)	1,346
Total revenues	481,868	517,568	453,204
Expenses			
Net loss and loss adjustment expenses incurred	284,520	335,945	316,181
Acquisition costs	139,184	134,263	104,596
General and administrative expenses	19,157	19,793	19,832
Deposit interest expense	6,717	11,655	—
Total expenses	449,578	501,656	440,609
Net income (loss)	$ 32,290	$ 15,912	$ 12,595

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

GREENLIGHT REINSURANCE, LTD.
STATEMENTS OF SHAREHOLDER'S EQUITY

For the years ended December 31, 2022, 2021, and 2020
(expressed in thousands of U.S. dollars)

	2022	2021	2020
Ordinary share capital			
Balance - beginning of period	$ —	$ —	$ —
Change in share capital	—	—	—
Balance - end of period	—	—	—
Additional paid-in capital			
Balance - beginning of period	507,696	511,696	551,196
Additional paid in capital returned	(60,125)	(4,000)	(39,500)
Balance - end of period	447,571	507,696	511,696
Retained earnings (deficit)			
Balance - beginning of period	(2,121)	(18,033)	(30,492)
Cumulative effect of adoption of accounting guidance for expected credit losses at January 1, 2020	—	—	(136)
Net income (loss)	32,290	15,912	12,595
Balance - end of period	30,169	(2,121)	(18,033)
Total shareholder's equity	$ 477,740	$ 505,575	$ 493,663

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

GREENLIGHT REINSURANCE, LTD.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020
(expressed in thousands of U.S. dollars)

	2022	2021	2020
Cash provided by (used in) operating activities			
Net income (loss)	$ 32,290	$ 15,912	$ 12,595
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	(48,227)	(16,789)	(3,563)
Net change in unrealized gains and losses on investments and notes receivable	(9,858)	(19,559)	(25,158)
Net realized (gains) losses on investments and notes receivable	—	—	9,234
Foreign exchange (gains) losses	4,452	38	83
Current expected credit losses recognized on notes receivable and reinsurance assets	282	—	—
Net change in			
Reinsurance balances receivable	(71,197)	(57,974)	(74,920)
Loss and loss adjustment expenses recoverable	(640)	7,145	13,850
Deferred acquisition costs	(20,061)	(12,739)	933
Unearned premiums ceded	(12,044)	(42)	—
Due from parent company	2,071	(1,050)	(1,852)
Due from affiliate	(34)	2,987	2,689
Other assets, excluding depreciation	1,104	(1,556)	(1,462)
Loss and loss adjustment expense reserves	7,774	24,162	21,426
Unearned premium reserves	69,909	21,866	13,402
Reinsurance balances payable	4,436	(3,770)	(27,598)
Funds withheld	18,143	(2,959)	(5,692)
Other liabilities	(419)	1,634	34
Due to parent company	—	—	(8,200)
Due to affiliate	695	1	—
Net cash provided by (used in) operating activities	(21,324)	(42,693)	(74,199)
Investing activities			
Proceeds from redemptions from related party investment fund	125,366	110,535	142,747
Contributions to related party investment fund	(55,127)	(114,605)	(60,094)
Purchases of investments	(7,039)	(4,626)	(2,994)
Change in notes receivable	—	—	20,211
Net cash provided by (used in) investing activities	63,200	(8,696)	99,870
Financing activities			
Additional paid-in capital (returned) received	(31,725)	(4,000)	(39,500)
Net cash provided by (used in) financing activities	(31,725)	(4,000)	(39,500)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	13	—	(122)
Net increase (decrease) in cash, cash equivalents and restricted cash	10,164	(55,389)	(13,951)
Cash, cash equivalents and restricted cash at beginning of the period	665,601	720,990	734,941
Cash, cash equivalents and restricted cash at end of the period	$ 675,765	$ 665,601	$ 720,990
Supplementary information			
Interest paid in cash	$ —	$ —	$ —

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

1. ORGANIZATION AND BASIS OF PRESENTATION

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

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

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant estimates used to prepare the Company's financial statements including those associated with premiums and the estimations of loss and loss adjustment expense reserves, may be subject to significant adjustments in future periods.

Management has evaluated subsequent events through March 8, 2023, the date these financial statements were available to be issued.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of 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 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 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, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents

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

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

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

	December 31, 2022	December 31, 2021
	($ in thousands)	
Cash and cash equivalents	$ 18,617	$ 45,361
Restricted cash and cash equivalents	657,148	620,240
Total cash, cash equivalents, and restricted cash presented in the statements of cash flows	$ 675,765	$ 665,601

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 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 balance sheets represent estimated premiums written, net of commissions and brokerage, that 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 balance sheets includes financial assets held by cedents. At December 31, 2022, funds held by cedents were $230.8 million (December 31, 2021: $156.1 million). Such amounts include premiums withheld by Lloyd's syndicates and funds contributed by the Company to Lloyd's as security for members' underwriting activities. The Lloyd's syndicates invest a portion of the premiums withheld in investment funds and fixed maturity securities. The Company records its share of income (or expense) from these assets, when reported by the syndicates, in its statements of operations under the caption "Other income (expense)."

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 its 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 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, 2022, $1.7 million of profit commission reserves were recoverable, net of profit commissions payable (December 31, 2021: $8.4 million). For the year ended December 31, 2022, net profit commission expense (income) of $15.9 million (2021: $8.5 million, 2020: $(7.8) million) was included in the caption "Acquisition costs" in the Company's 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 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 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 includes assessing 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. There is no allowance for the establishment of loss reserves to account for expected future loss events.

The caption "Loss and loss adjustment expenses recoverable" in the Company's balance sheets represents the amounts due from retrocessionaires for unpaid loss and loss adjustment expenses on retrocession agreements. Ceded IBNR recoverable amounts are 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 and calculates an allowance for expected credit losses (see "*Reinsurance Assets*" below).

For losses stemming from exposure to natural perils, 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 contracts without significant exposure to-natural perils, initial reserves for each contract are determined based on a combination of (i) the pricing analysis 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 from the client and 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 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 quarterly analysis. 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 (or insignificant) 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 losses paid to date differ from what would have been expected based upon the selected paid loss development pattern. This method avoids some 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 losses reported to date differ from what would have been expected based upon the selected reported loss development pattern. This method avoids some 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 by multiplying the ultimate number of claims (i.e., the frequency multiplied by the exposure base) by the estimated 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. Whether the Company uses a single methodology or a combination depends upon the portfolio segment being analyzed and the actuary's 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 Bornhuetter-Ferguson reported loss method might be more appropriate than a paid loss development method for relatively new contracts that have experienced little paid loss development.

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 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 Company does not typically experience significant claims processing backlogs, although such backlogs may occur following a major catastrophic event. At December 31, 2022 and 2021, the Company did not have a significant backlog in our claims processing.

The Company did not make any significant changes to the actuarial methodology or assumptions relating to its loss and loss adjustment expense reserves during the years ended December 31, 2022 and 2021.

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 various 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 potential macroeconomic developments.

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, 2022, the Company has recorded an allowance for expected credit loss on its Reinsurance Assets of $0.6 million (December 31, 2021: $1.4 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 statements of operations under the captions "Other income (expense)" and "Deposit interest expense", respectively. The Company records deposit assets and liabilities in its balance sheets in the caption "Reinsurance balances receivable" and "Reinsurance balances payable," respectively. At December 31, 2022, deposit assets and liabilities were nil and $10.7 million, respectively (December 31, 2021: nil and $18.7 million, respectively).

For the years ended December 31, 2022, 2021, and 2020, the interest income and (expense) on deposit accounted contracts were as follows:

	2022	2021	2020
		($ in thousands)	
Deposit interest income	$ —	$ —	$ 1,434
Deposit interest expense	(6,717)	(11,655)	—
Deposit interest income (expense), net	$ (6,717)	$ (11,655)	$ 1,434

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 statements of operations.

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

Foreign Exchange

The reporting and functional currency of the Company 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. Non-monetary assets and liabilities denominated in foreign currencies are carried at their historical exchange rates. The Company includes any foreign exchange gains and losses under the caption "Other income (expense), net" in the Company's statements of operations.

For the years ended December 31, 2022, 2021, and 2020, $(4.3) million, $(1.1) million, and $(0.2) million, respectively, of foreign exchange gains (losses) were included in the Company's net income in the statements of operations.

Derivative instruments

The Company recognizes derivative financial instruments in the 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 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 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 balance sheets consists primarily of prepaid expenses and right-of-use lease assets and other receivables.

Other Liabilities

The caption "Other liabilities" in the Company's balance sheets consists primarily of accruals for legal and other professional fees, employee bonuses and lease liabilities.

Comprehensive Income (Loss)

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

Taxation

Under current Cayman Islands law, no corporate entity, including the Company, 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 a tax on profits, income, gains or appreciations, or any tax in the nature of estate duty or inheritance tax, such tax will not be applicable to the Company before February 1, 2025.

Segment Information

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

Recent Accounting Pronouncements

Recently Issued Accounting Standards Adopted

None.

Recently Issued Accounting Standards Not Yet Adopted

A number of new standards and amendments to existing standards have been published by the FASB that are not yet effective and have not been early adopted by the Company. The Company does not consider these new standards and amendments to have a material impact on the Company's financial statements.

3. INVESTMENT IN RELATED PARTY INVESTMENT FUND

The Company has entered into the Second Amended and Restated Exempted Limited Partnership Agreement (the "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"). SILP has 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 (the "Chairman").

At December 31, 2022, 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." Effective January 1, 2023, the Investment Cap was amended to 60%.

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 to appoint 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. Therefore DME II is SILP's primary beneficiary. The Company presents its investment in SILP in its 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 Company's investment in SILP. At December 31, 2022, the net asset value of the Company's investment in SILP was $149.7 million (December 31, 2021: $171.7 million), representing 58.2% (December 31, 2021: 73.2%) of SILP's total net assets. DME II and GRIL held the remaining 41.8% (December 31, 2021: 26.8%) of SILP's total net assets. The investment in SILP is recorded at the Company's share of the net asset value of SILP as reported by SILP's third-party administrator. The Company can redeem its assets from SILP for operational purposes by providing three business days' notice to DME II. At December 31, 2022, the majority of SILP's long investments were composed of cash and publicly-traded equity securities, which could be readily liquidated to meet the Company's redemption requests.

The Company's share of the change in the net asset value of SILP for the years ended December 31, 2022, 2021, and 2020 was $48.2 million, $16.8 million, and $3.6 million, respectively, and shown in the caption "Income (loss) from investment in related party investment fund" in the Company's statements of operations.

At December 31, 2022, the Company's investments in SILP exceeded 10% of the Company's total shareholder's equity, with a fair value of $149.7 million (December 31, 2021: $171.7 million) representing 31.3% (December 31, 2021: 34.0%) of total shareholder's equity.

The summarized financial statements of SILP are presented below.

Summarized Statement of Assets and Liabilities of Solasglas Investments, LP

	December 31, 2022	December 31, 2021
	($ in thousands)	
Assets		
Investments, at fair value	$ 304,806	$ 297,937
Derivative contracts, at fair value	17,547	2,542
Due from brokers	109,169	84,775
Interest and dividends receivable	527	28
Total assets	432,049	385,282
Liabilities and partners' capital		
Liabilities		
Investments sold short, at fair value	(159,382)	(132,360)
Derivative contracts, at fair value	(12,443)	(7,253)
Capital withdrawals payable	(75)	(10,000)
Due to brokers	(2,050)	—
Interest and dividends payable	(760)	(580)
Other liabilities	(159)	(358)
Total liabilities	(174,869)	(150,551)
Net Assets	**$ 257,180**	**$ 234,731**
The Company's share of Net Assets	**$ 149,704**	**$ 171,716**

Summarized Statement of Operations of Solasglas Investments, LP

	Year ended December 31		
	2022	2021	2020
		($ in thousands)	
Investment income			
Dividend income (net of withholding taxes)	$ 1,586	$ 641	$ 1,365
Interest income	2,390	228	654
Total Investment income	3,976	869	2,019
Expenses			
Management fee	(3,580)	(3,492)	(2,808)
Interest	(1,950)	(1,055)	(798)
Dividends	(1,374)	(1,147)	(861)
Professional fees and other	(988)	(1,221)	(949)
Total expenses	(7,892)	(6,915)	(5,416)
Net investment income (loss)	(3,916)	(6,046)	(3,397)
Realized and change in unrealized gains (losses)			
Net realized gain (loss)	75,172	(3,420)	(61,616)
Net change in unrealized appreciation (depreciation)	11,886	35,482	71,948
Net gain (loss) on investment transactions	87,058	32,062	10,332
Net income (loss)	$ 83,142	$ 26,016	$ 6,935
The Company's share of net income (loss) [(1)]	**$ 48,227**	**$ 16,789**	**$ 3,563**

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

	Year ended December 31		
	2022	2021	2020
		($ in thousands)	
Management fees	$ 3,189	$ 3,214	$ 2,684
Performance allocation	5,359	1,865	349
Total	$ 8,548	$ 5,079	$ 3,033

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

4. FINANCIAL INSTRUMENTS

Purchases and sales of financial instruments are disclosed in the Company's 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 statements of operations for the years ended December 31, 2022, 2021, and 2020:

	Year ended December 31		
	2022	2021	2020
	($ in thousands)		
Gross realized gains	$ —	$ —	$ 5,766
Gross realized losses	—	—	(15,000)
Net realized gains (losses)	$ —	$ —	$ (9,234)
Change in unrealized gains and losses	$ 9,858	$ 19,559	$ 25,158

Investments

Other Investments

The Company's "Other investments" are composed of private investments, unlisted equities, and debt and convertible debt securities, which consist primarily of Innovations-related investments supporting technology innovators in the (re)insurance market.

At December 31, 2022, 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	$ 20,779	$ 42,461	$ (2,815)	$ 60,425
Debt and convertible debt securities	$ 1,800	$ —	$ —	$ 1,800
Total other investments	$ 22,579	$ 42,461	$ (2,815)	$ 62,225

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	$ 15,541	$ 31,444	$ (1,800)	$ 45,185
Derivative financial instruments (not designated as hedging instruments)	—	335	—	335
Total other investments	$ 15,541	$ 31,779	$ (1,800)	$ 45,520

At December 31, 2021, the Company's derivative financial instruments were 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 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. Once the Company records such an adjustment, the investment is considered an "asset measured at fair value on a nonrecurring basis."

The following table presents the carrying values of the private investments and unlisted equity securities carried under the measurement alternative at December 31, 2022, 2021, and 2020, and the related adjustments recorded during the years then ended.

	Year ended December 31		
	2022	2021	2020
	($ in thousands)		
Carrying value [1]	$ 60,425	$ 45,185	$ 20,293
Upward carrying value changes [2]	$ 11,277	$ 20,814	$ 10,576
Downward carrying value changes and impairment [3]	$ (1,073)	$ (500)	$ (1,300)

[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, 2022, totaled $42.7 million.
[3] The cumulative downward carrying value changes and impairments from inception to December 31, 2022, totaled $2.9 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 the extent to which the inputs are observable in the market. 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, 2022, and 2021, the Company held $53.6 million and $40.5 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.The following table summarizes the periods between the most recent fair value measurement dates and December 31, 2022, for the private and unlisted equities measured at fair value on a nonrecurring basis:

	Less than 6 months	6 to 12 months	Over 1 year	Total
	($ in thousands)			
Fair values measured on a nonrecurring basis	$ 599	$ 33,028	$ 19,929	$ 53,556

At December 31, 2022, and 2021, the Company held $6.9 million and $4.7 million, respectively, of private investments and unlisted equities measured at cost.

Assets measured at fair value on a recurring basis

In accordance with ASC 320, "Investments - Debt Securities," the Company has classified debt and convertible debt securities as "trading" measured at estimated fair value with unrealized gains and losses reported in net income. The Company classifies these securities as Level 3 within the fair value hierarchy. It estimates their fair values primarily based on third-party quotes, issuers' book value, market multiples, and other inputs. Valuation of these securities is subjective as the markets' illiquidity may increase the likelihood that the estimated fair value of an investment is not reflective of the price at which an actual transaction could occur.

At December 31, 2022 and 2021, 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. Therefore, this investment is not classified within the fair value hierarchy. (See Note 3 for further details on the related party investment fund.)

During the year ended December 31, 2022, and 2021, there were no transfers between Level 2 and Level 3 of the fair value hierarchy.

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents at December 31, 2022, and 2021 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 not insured by the Federal Deposit Insurance Corporation 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 13). At December 31, 2022, and 2021, the restricted cash and cash equivalents were composed of the following:

	December 31, 2022	December 31, 2021
	($ in thousands)	
Cash held as collateral in trust accounts	$ 452,497	$ 482,595
Cash collateral relating to letters of credit issued	204,651	137,645
Total restricted cash and restricted cash equivalents	$ 657,148	$ 620,240

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

At December 31, 2022, 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, war and pandemics, loss reserves are generally established based on loss payments and case reserves reported by clients when received. To establish IBNR loss estimates, the Company makes use of, among other things, the following information:

- 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.

At December 31, 2022, the Company’s loss and loss adjustment expense reserves included $11.2 million from the Russian-Ukrainian conflict and $17.0 million from Hurricane Ian. Additional information the Company considered in estimating its loss reserves included 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, brokers, and loss adjusters;
- reviews of industry insured loss estimates and market share analyses; and
- management’s judgment.

The Company’s Russian-Ukrainian conflict loss estimates include actuarial assumptions, including:

- the areas within the affected regions that have incurred losses;
- the scope of coverage provided by the underlying policies;
- the interpretation of contract terms;
- the determination of loss-triggering events;
- regulatory, legislative, and judicial actions that could influence contract interpretations across the insurance industry; and
- the ability of the cedents and insured to mitigate some or all of their losses.

Due to the uncertainty associated with the foregoing assumptions, the Company’s loss estimates are subject to significant variability, and actual losses may ultimately differ materially from the Company's current estimates. The Company will evaluate its assumptions as new information becomes available and may adjust its loss estimates in future periods. Such adjustments may be material to the Company's results of operations and financial condition.

Additionally, if the Russian-Ukrainian conflict is prolonged, the Company may incur additional losses in subsequent periods.

At December 31, 2022 and 2021, loss and loss adjustment expense reserves were composed of the following:

	December 31, 2022	December 31, 2021
	($ in thousands)	
Case reserves	$ 176,248	$ 182,886
IBNR	333,729	308,144
Total	$ 509,977	$ 491,030

A summary of changes in outstanding loss and loss adjustment expense reserves for all lines of business for the years ended December 31, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
		($ in thousands)	
Gross balance at January 1	$ 491,030	$ 466,868	$ 445,442
Less: Losses recoverable	(11,990)	(19,135)	(33,032)
Net balance at January 1	479,040	447,733	412,410
Incurred losses related to:			
Current year	287,431	343,418	313,694
Prior years	(2,911)	(7,473)	2,487
Total incurred	284,520	335,945	316,181
Paid losses related to:			
Current year	(72,885)	(127,155)	(97,796)
Prior years	(184,187)	(176,475)	(185,384)
Total paid	(257,072)	(303,630)	(283,180)
Foreign currency revaluation	(9,125)	(1,008)	2,322
Net balance at December 31	497,363	479,040	447,733
Add: Losses recoverable	12,614	11,990	19,135
Gross balance at December 31	$ 509,977	$ 491,030	$ 466,868

Loss development

Year ended December 31, 2022

During the year ended December 31, 2022, the Company experienced $2.9 million in net favorable development on prior year loss and LAE reserves. This net favorable development resulted primarily from the following:

- $9.8 million of favorable experience on mortgage business. 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; and
- $7.2 million of loss reserves released relating to catastrophe events, COVID-19, and property covers based on updated claims reporting received from cedents;

The favorable developments were partially offset by adverse developments relating to prior accident years primarily due to the following:

- $5.3 million of adverse development on motor and health business attributed to inflation-driven increases in claims costs;
- $3.7 million of adverse development on professional liability contracts written from 2014 to 2017;
- $3.0 million of adverse development on workers’ compensation contracts driven by poor claims experience across several states in the U.S.; and
- $1.6 million of adverse development on general liability contracts due to reported claims being settled above expected levels.

The remaining development on prior year loss and LAE reserves recognized in 2022 related to several smaller adjustments made across various lines of business.

Year ended December 31, 2021

During the year ended December 31, 2021, the Company experienced $7.5 million in net favorable development on prior year loss and LAE reserves. This net favorable development resulted primarily from the following:

Favorable developments:

- $11.7 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.
- $3.8 million favorable loss development on various specialty lines of business 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 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 $2.5 million in net adverse development on prior year loss and LAE reserves. This net adverse development resulted primarily from the following:

Adverse developments:

- $6.5 million of adverse loss development on 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.
- $9.9 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:

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

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

The changes in the outstanding loss and loss adjustment expense reserves for health claims for the years ended December 31, 2022, 2021, and 2020 are as follows:

Health	2022	2021	2020
		($ in thousands)	
Gross balance at January 1	$ 9,822	$ 16,049	$ 17,798
Less: Losses recoverable	—	—	—
Net balance at January 1	9,822	16,049	17,798
Incurred losses related to:			
Current year	7,333	20,881	28,172
Prior years	(214)	(731)	(143)
Total incurred	7,119	20,150	28,029
Paid losses related to:			
Current year	(4,226)	(13,647)	(14,861)
Prior years	(6,616)	(12,730)	(14,917)
Total paid	(10,842)	(26,377)	(29,778)
Foreign currency revaluation	—	—	—
Net balance at December 31	6,099	9,822	16,049
Add: Losses recoverable	665	—	—
Gross balance at December 31	$ 6,764	$ 9,822	$ 16,049

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, 2013 through 2022.

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". Contracts that cover more than one line of business, including Lloyd’s business, are grouped as "Multi-line.". In addition, the incurred and paid claims relating to accident and health business have been presented separately as "Health." Other specialty business, including aviation, crop, cyber, energy, and marine, which are individually insignificant to our overall business, have been grouped as "Other." As the Company’s financial lines business has grown recently, the Company has elected to present the loss development table for financial business separately. During 2022, the Company revised its line-of-business allocation for certain contracts and disaggregated the “Financial” line from the “Other” loss development table. As a result, the historical incurred and paid claims development presented in the tables below differ from those disclosed in previously issued financial statements. Conforming changes were also made to the table above presenting the changes in the outstanding loss and loss adjustment expense reserves for health claims for the years ended December 31, 2021, and 2020. The amounts shown in the caption “Net loss and loss adjustment expenses incurred” in the Company’s Statements of Operations and the allocation between “Current year” and “Prior years” are unaffected by these revisions.

For each category, the following tables present the incurred and paid claims development at December 31, 2022, 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, 2013 to 2021. 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, 2022
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$ 749	$ 864	$ 555	$ 558	$ 546	$ 513	$ 513	$ 502	$ 513	$ 505	$ 20
2014		787	653	650	682	444	479	476	481	477	24
2015			7,922	7,920	8,775	8,449	8,445	8,484	8,441	8,404	51
2016				31,566	34,726	34,874	34,954	34,903	34,738	34,738	66
2017					45,911	47,349	47,834	47,682	47,600	47,611	30
2018						57,861	61,273	60,774	60,465	60,239	14
2019							32,567	33,129	32,800	32,722	1,214
2020								28,172	28,328	28,646	1,253
2021									20,881	20,722	400
2022										7,334	3,108
									Total	$241,396	$ 6,179

Health

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ 215	$ 484	$ 485	$ 485	$ 484	$ 484	$ 484	$ 484	$ 484	$ 484
2014		289	443	419	419	453	453	453	453	453
2015			1,461	6,321	8,540	8,381	8,358	8,358	8,358	8,353
2016				15,583	33,459	34,785	34,711	34,693	34,692	34,672
2017					24,105	45,077	47,679	47,604	47,599	47,581
2018						35,134	59,467	60,384	60,300	60,225
2019							17,068	31,162	31,524	31,508
2020								14,861	27,317	27,393
2021									13,648	20,322
2022										4,226
									Total	235,217
All outstanding liabilities before 2013, net of reinsurance										(79)
Liabilities for claims and claims adjustment expenses, net of reinsurance (Health)										$ 6,099

Multiline

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2022
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$ 2,332	$ 2,343	$ 2,400	$ 2,275	$ 2,274	$ 2,274	$ 2,027	$ 2,056	$ 2,048	$ 2,048	$ (4)
2014		5,658	4,930	4,527	5,660	5,824	5,244	5,773	6,266	6,336	1,140
2015			28,359	28,873	32,501	31,910	30,149	31,448	34,386	36,721	6,861
2016				55,651	61,482	59,472	59,965	61,594	67,464	70,321	14,946
2017					76,762	75,000	80,623	81,775	85,202	86,753	18,520
2018						55,970	51,875	54,401	54,399	54,724	10,621
2019							48,208	51,551	50,326	48,589	9,817
2020								62,845	60,410	57,760	15,774
2021									82,106	78,766	46,346
2022										128,859	111,513
									Total	$570,876	$ 235,536

Multiline

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ 63	$ 1,020	$ 1,791	$ 2,112	$ 2,225	$ 2,246	$ 2,027	$ 2,030	$ 2,052	$ 2,052
2014		82	687	1,069	2,774	3,436	3,700	4,567	4,790	5,196
2015			47	2,947	9,431	15,061	18,041	23,787	26,504	29,860
2016				5,721	14,564	25,510	31,842	41,984	48,565	55,375
2017					9,534	26,545	37,992	51,506	61,220	68,233
2018						7,439	23,325	33,443	40,039	44,103
2019							11,489	26,653	33,207	38,772
2020								17,510	30,722	41,985
2021									13,578	32,419
2022										17,345
									Total	335,340
	All outstanding liabilities before 2013, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Multiline)									$235,537

General Liability

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	December 31, 2022 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$ 3,018	$ 2,689	$ 4,666	$ 4,511	$ 4,510	$ 4,916	$ 4,770	$ 4,648	$ 4,980	$ 5,198	$ —
2014		1,238	1,229	1,174	1,033	1,355	1,000	1,000	3,606	1,144	78
2015			1,699	1,690	1,756	1,979	2,152	2,190	2,294	1,866	169
2016				6,203	6,514	7,124	7,867	8,095	8,444	9,389	195
2017					5,313	6,403	7,257	8,327	9,834	7,379	39
2018						2,322	2,859	3,366	4,031	3,364	999
2019							957	966	988	591	324
2020								1,775	1,776	1,633	1,511
2021									4,712	11,621	11,520
2022										14,884	14,476
									Total	$ 57,070	$ 29,310

General Liability

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ 1,371	$ 1,917	$ 2,298	$ 4,191	$ 4,274	$ 4,652	$ 4,770	$ 4,648	$ 4,980	$ 5,198
2014		18	146	413	548	492	762	473	1,014	1,066
2015			69	293	532	551	929	949	1,434	1,697
2016				122	1,589	3,273	4,673	6,111	6,567	9,193
2017					136	1,412	2,817	4,321	5,643	7,340
2018						165	1,286	1,960	2,475	2,365
2019							26	206	286	267
2020								67	67	122
2021									—	102
2022										408
									Total	27,759
	All outstanding liabilities before 2013, net of reinsurance									28
	Liabilities for claims and claims adjustment expenses, net of reinsurance (General Liability)									$ 29,339

Motor Casualty

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	December 31, 2022 Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2013	$161,076	$158,852	$154,840	$155,061	$155,151	$155,223	$155,229	$155,258	$155,252	$ 155,257	$ 12
2014		77,813	77,175	78,578	78,153	78,169	78,278	78,230	78,286	78,229	55
2015			99,681	101,424	100,889	103,404	104,914	103,993	99,555	99,663	444
2016				127,326	130,114	132,997	140,506	137,660	137,987	138,015	43
2017					144,946	146,562	155,203	151,635	151,978	151,758	105
2018						108,274	119,187	110,079	109,408	109,421	304
2019							125,240	138,541	136,516	138,397	2,303
2020								90,808	89,710	87,440	5,569
2021									95,283	98,623	16,682
2022										21,767	2,733
									Total	$1,078,570	$ 28,250

Motor Casualty

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information) ($ in thousands)									
2013	$ 75,168	$ 140,816	$ 152,408	$ 155,132	$ 155,239	$ 155,239	$ 155,245	$ 155,244	$ 155,245	$ 155,245
2014		42,042	71,668	74,446	78,068	78,127	78,172	78,172	78,175	78,175
2015			63,113	97,136	99,866	100,012	100,096	99,074	99,196	99,219
2016				74,973	121,205	131,049	140,400	137,508	137,902	137,972
2017					91,036	137,506	152,125	150,560	151,451	151,652
2018						56,189	109,624	108,451	108,935	109,117
2019							57,300	122,382	134,371	136,093
2020								34,508	76,894	81,871
2021									49,841	81,941
2022										19,034
									Total	1,050,320
	All outstanding liabilities before 2013, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Casualty)									$ 28,250

Motor Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2022
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$43,603	$43,117	$42,356	$42,276	$42,318	$42,342	$42,342	$42,347	$42,346	$ 42,347	$ 3
2014		16,203	16,145	16,343	16,302	16,308	16,303	16,316	16,317	16,316	23
2015			17,448	17,840	18,221	18,460	18,557	18,442	18,177	17,967	61
2016				21,081	21,397	22,036	23,056	22,592	22,634	22,656	48
2017					31,713	31,792	34,010	32,843	32,987	32,967	11
2018						31,620	34,388	33,057	31,901	31,974	4
2019							31,610	35,124	35,778	35,393	229
2020								21,794	21,193	21,020	980
2021									23,868	26,926	2,610
2022										3,641	952
									Total	$251,207	$ 4,920

Motor Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ 19,755	$ 38,887	$ 42,089	$ 42,330	$ 42,342	$ 42,342	$ 42,344	$ 42,344	$ 42,344	$ 42,344
2014		8,931	15,068	15,787	16,273	16,278	16,293	16,293	16,294	16,294
2015			11,019	17,486	17,871	17,948	17,984	17,890	17,904	17,906
2016				12,743	20,467	21,712	22,829	22,535	22,598	22,609
2017					18,933	31,243	33,416	32,800	32,943	32,956
2018						16,617	31,595	31,674	31,896	31,969
2019							14,656	31,633	34,739	35,164
2020								8,733	18,987	20,041
2021									13,181	24,316
2022										2,689
									Total	246,287
						All outstanding liabilities before 2013, net of reinsurance				—
					Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Property)					$ 4,920

Property

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	December 31, 2022 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2013	$60,904	$58,948	$61,730	$62,446	$62,437	$62,376	$62,716	$62,599	$62,680	$ 62,475	$ 70
2014		41,688	45,134	46,829	47,069	46,858	47,016	46,983	46,937	46,914	258
2015			27,677	30,159	31,527	30,727	30,388	30,328	30,257	30,301	216
2016				25,258	25,369	23,187	22,658	22,486	22,476	22,531	247
2017					78,306	74,573	65,386	65,615	65,581	64,948	1,457
2018						26,869	28,747	23,269	22,616	22,050	3,247
2019							22,247	14,571	13,979	12,176	2,375
2020								29,139	25,006	21,453	6,375
2021									23,051	23,350	10,833
2022										40,579	22,162
									Total	$346,777	$ 47,239

Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information) ($ in thousands)									
2013	$ 34,807	$ 55,640	$ 58,476	$ 60,294	$ 61,025	$ 61,938	$ 62,179	$ 62,254	$ 62,318	$ 62,404
2014		20,228	40,170	43,624	45,195	46,286	46,506	46,604	46,621	46,656
2015			12,936	25,376	28,717	29,672	29,872	29,969	29,991	30,085
2016				9,894	17,879	20,573	21,542	21,868	22,196	22,284
2017					43,063	54,279	61,372	62,324	63,427	63,492
2018						4,559	14,628	17,153	17,825	18,802
2019							4,046	6,937	8,327	9,801
2020								6,011	11,289	15,078
2021									4,937	12,518
2022										18,417
									Total	299,538
	All outstanding liabilities before 2013, net of reinsurance									42
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Property)									$ 47,281

Professional Liability

Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	December 31, 2022 Total IBNR plus expected development on reported claims
	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31,										
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$10,302	$11,110	$12,502	$14,113	$14,863	$15,022	$15,069	$14,723	$14,509	$ 14,516	$ 333
2014		17,550	17,002	16,970	19,304	20,220	20,519	20,279	19,761	19,759	915
2015			17,567	17,549	19,999	21,271	21,434	20,771	20,607	21,466	2,561
2016				13,432	16,486	16,855	16,451	16,273	16,713	17,528	4,209
2017					10,211	9,863	9,685	9,904	10,272	11,146	2,844
2018						4,471	4,458	4,578	5,171	6,167	1,604
2019							586	611	762	922	264
2020								66	62	62	62
2021									158	165	165
2022										464	464
									Total	$ 92,196	$ 13,422

Professional Liability

Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31,									
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ 589	$ 2,907	$ 6,594	$ 9,406	$ 11,965	$ 12,650	$ 12,682	$ 14,070	$ 13,974	$ 14,183
2014		1,248	4,963	8,864	12,934	15,011	15,023	18,328	18,291	18,843
2015			1,084	3,065	8,343	11,115	11,940	16,454	17,917	18,906
2016				325	2,079	4,684	7,556	10,195	11,291	13,319
2017					222	1,418	3,056	4,826	5,788	8,302
2018						240	1,139	1,968	3,218	4,563
2019							145	266	544	658
2020								—	—	—
2021									—	—
2022										—
									Total	78,774
						All outstanding liabilities before 2013, net of reinsurance				426
				Liabilities for claims and claims adjustment expenses, net of reinsurance (Professional Liability)						$ 13,848

Workers' Compensation

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	December 31, 2022 — Total IBNR plus expected development on reported claims
	(Unaudited - Supplementary Information) ($ in thousands)										
2013	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ 4,751	$ —
2014		—	—	—	3	—	—	—	160	—	—
2015			1,014	1,010	948	950	951	919	919	889	20
2016				4,342	4,274	4,266	3,975	3,778	3,716	3,646	81
2017					10,817	10,281	9,538	8,997	8,693	8,894	377
2018						13,298	13,187	12,740	12,246	12,514	570
2019							22,903	23,287	22,589	23,924	3,790
2020								44,845	40,826	43,633	11,525
2021									64,679	63,394	20,539
2022										33,288	24,223
									Total	$194,934	$ 61,124

Workers' Compensation

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance — For the years ended December 31, 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information) ($ in thousands)									
2013	$ 4,751	$ 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	870
2016				613	1,920	2,782	3,274	3,459	3,521	3,565
2017					2,028	5,356	7,399	7,969	8,344	8,516
2018						4,213	8,321	10,609	11,642	11,945
2019							5,473	13,587	17,642	20,135
2020								11,288	23,463	32,108
2021									23,210	42,854
2022										9,066
									Total	133,809
	All outstanding liabilities before 2013, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Workers' Compensation)									$ 61,124

Financial Lines

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2022
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$ 285	$ 644	$ 754	$ 752	$ 441	$ 428	$ 386	$ 361	$ (202)	$ (128)	$ 128
2014	—	500	503	580	806	1,396	2,363	2,528	1,968	2,259	43
2015	—	—	1,947	2,206	3,025	3,010	3,121	3,087	3,034	3,035	210
2016	—	—	—	4,820	6,670	6,289	7,470	7,470	6,694	6,676	240
2017	—	—	—	—	9,006	5,865	6,277	8,339	6,789	6,068	99
2018	—	—	—	—	—	4,069	4,429	6,646	4,838	4,775	568
2019	—	—	—	—	—	—	7,168	11,760	9,966	7,596	1,892
2020	—	—	—	—	—	—	—	14,771	16,119	12,995	6,470
2021	—	—	—	—	—	—	—	—	16,366	15,072	13,656
2022	—	—	—	—	—	—	—	—	—	23,425	22,867
									Total	$ 81,773	$ 46,173

Financial Lines

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ —	$ 209	$ 244	$ 87	$ 72	$ 326	$ 289	$ 300	$ (336)	$ (256)
2014	—	90	347	429	587	1,210	2,279	2,483	1,896	2,216
2015	—	—	223	851	1,399	1,974	2,487	2,661	2,755	2,825
2016	—	—	—	1,193	2,426	4,716	6,353	6,293	6,309	6,437
2017	—	—	—	—	187	2,894	4,579	5,560	5,659	5,969
2018	—	—	—	—	—	671	3,931	3,655	3,807	4,207
2019	—	—	—	—	—	—	2,949	3,947	4,602	5,704
2020	—	—	—	—	—	—	—	2,556	4,210	6,525
2021	—	—	—	—	—	—	—	—	290	1,416
2022	—	—	—	—	—	—	—	—	—	558
									Total	35,600
	All outstanding liabilities before 2013, net of reinsurance									9
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)									$ 46,182

Other

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2022
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(Unaudited - Supplementary Information)										
	($ in thousands)										
2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2014		—	—	—	—	—	—	—	192	—	1
2015			144	144	146	175	174	177	179	174	41
2016				798	192	957	954	973	1,004	1,017	263
2017					1,788	994	569	1,023	1,093	1,111	322
2018						997	1,819	1,718	1,613	1,708	621
2019							5,596	5,523	4,918	5,085	1,640
2020								16,466	12,947	14,546	2,091
2021									16,036	12,483	4,016
2022										13,040	12,245
									Total	$ 49,164	$ 21,239

Other

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance									
	For the years ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Unaudited - Supplementary Information)									
	($ in thousands)									
2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2014		—	—	—	—	—	—	—	—	—
2015			—	8	24	55	73	100	106	133
2016				35	111	285	389	559	610	754
2017					24	163	284	493	583	790
2018						26	855	916	925	1,087
2019							837	2,147	2,677	3,445
2020								809	10,396	12,456
2021									7,694	8,467
2022										795
									Total	27,925
	All outstanding liabilities before 2013, net of reinsurance									—
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)									$ 21,239

For incurred and paid claims denominated in currencies 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 December 31, 2022, foreign exchange rates. 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 quota-share reinsurance treaty incepting on October 1, 2020 (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 2020, 2021 and 2022 based on the proportion of the premiums earned during each accident year. For illustration of this contract, any claims reported during 2020 would be allocated to the 2020 accident year. For losses reported during 2021, the claims would be allocated between 2020 and 2021 based on the percentage of premiums earned during 2020 and 2021. Similarly, for losses reported during 2022 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 balance sheet is as follows:

	December 31, 2022 ($ in thousands)
Net outstanding liabilities	
Health	$ 6,099
Multiline	235,537
General Liability	29,339
Motor Casualty	28,250
Motor Property	4,920
Property	47,281
Professional Liability	13,848
Workers' Compensation	61,124
Financial Lines	46,182
Other	21,239
Liabilities for claims and claims adjustment expenses, net of reinsurance	493,819
Add: Reinsurance recoverable on unpaid claims	12,614
Add: Unallocated claims adjustment expenses	3,282
Add: Allowance for credit losses	262
Total gross liabilities for unpaid claims and claim adjustment expense	$ 509,977

The average historical annual percentage payout of net incurred claims (excluding health) at December 31, 2022, is as follows:

Years	1	2	3	4	5	6	7	8	9	10
	(Unaudited - Supplementary Information)									
Multiline	12.1 %	17.2 %	13.6 %	11.9 %	10.7 %	10.1 %	9.7 %	8.7 %	5.9 %	0.1 %
General Liability	4.7 %	13.6 %	12.8 %	12.3 %	18.2 %	27.6 %	7.2 %	2.9 %	0.5 %	0.2 %
Motor Casualty	45.8 %	37.4 %	8.3 %	4.0 %	2.0 %	1.2 %	0.9 %	0.3 %	0.1 %	
Motor Property	50.3 %	43.6 %	5.2 %	0.8 %	0.1 %	— %	— %	— %	— %	— %
Property	49.6 %	34.5 %	7.9 %	2.8 %	2.5 %	0.8 %	1.6 %	0.2 %	0.1 %	— %
Professional Liability	4.0 %	14.0 %	21.2 %	18.7 %	13.0 %	11.2 %	8.6 %	4.5 %	3.8 %	1.0 %
Workers' Compensation	30.9 %	36.5 %	22.3 %	7.6 %	1.7 %	0.8 %	0.1 %	0.1 %	— %	— %
Financial Lines	22.3 %	35.2 %	18.9 %	10.8 %	4.5 %	3.7 %	3.8 %	— %	— %	0.8 %
Other	14.7 %	19.8 %	7.5 %	11.3 %	12.6 %	15.5 %	17.1 %	1.5 %	— %	— %

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, 2022, the Company's earned ceded premiums were $11.6 million (2021: insignificant and 2020: $2.6 million).

For the year ended December 31, 2022, loss and loss adjustment expenses recovered and changes in losses recoverable were $4.2 million (2021: insignificant and 2020: $6.0 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, 2022, the Company's loss reserves recoverable of $12.6 million (December 31, 2021: $12.0 million) consisted of (i) $12.9 million (December 31, 2021: $12.0 million) recoverable from unrated retrocessionaires, of which $12.4 million (December 31, 2021: $11.8 million) were secured by cash, letters of credit and collateral held in trust accounts for the benefit of the Company and (ii) $ nil (December 31, 2021: $ nil) 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, 2022, the Company had recorded an allowance for expected credit losses of $0.3 million (December 31, 2021: $1.3 million).

9. SHARE CAPITAL

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

The Amended and Restated Memorandum and Articles of Association (the "Articles") provides that the holders of ordinary shares generally are entitled to one vote per share. The Company is subject to the Cayman Islands' Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations, (2018 revision) (the “Insurance Regulations”). The Insurance Regulations impose a Minimum Capital Requirement (“MCR”) of $50 million and a Prescribed Capital Requirement (“PCR”) on the Company of $226.5 million at December 31, 2022. At December 31, 2022, the Company’s statutory capital and surplus of $475.0 million exceeded the MCR as well as the PCR.

Any dividends declared and paid from the Company to its shareholder would require approval of CIMA. At December 31, 2022 and 2021, $248.5 million and $281.3 million, respectively, of the Company’s capital and surplus was available for distribution as dividends. During the year ended December 31, 2022, $60.1 million return of additional paid in share capital was declared by the Company (2021: $4.0 million, 2020: $39.5 million).

Additional paid-in capital includes the premium per share paid by the subscribing shareholder for ordinary shares which have a par value of $0.10 each.

10. NET INVESTMENT INCOME (LOSS)

A summary of net investment income (loss) for the years ended December 31, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
	($ in thousands)		
Interest and dividend income, net of withholding taxes	$ 10,138	$ 120	$ 4,903
Change in unrealized gains and losses	9,858	19,559	25,158
Investment-related foreign exchange gains (losses)	(192)	(38)	39
Interest, dividend, and other expenses	(6,381)	(1,845)	(1,865)
Realized gains (losses)	—	—	(9,234)
Net investment-related income (loss)	13,423	17,796	19,001
Income (loss) from investments in related party investment fund	48,227	16,789	3,563
Total investment income (loss)	$ 61,650	$ 34,585	$ 22,564

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

“Change in unrealized gains and losses” for the year ended December 31, 2022, includes net unrealized gains of $9.3 million (2021: $18.8 million, 2020: $9.1 million) on Innovations-related investments.

11. TAXATION

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

Federal Excise Taxes

The United States imposes an excise tax on reinsurance premiums paid to non-U.S. insurers or reinsurers with respect to risks located in the United States. 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 December 31, 2022, 2021, and 2020, the Company incurred approximately $2.4 million, $3.3 million, and $3.6 million, respectively, of federal excise taxes, net of any refunds received. These amounts are included in the caption “Acquisition costs” in the Company’s statements of operations.

12. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

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

The Company has entered into the SILP LPA (as described in Note 3 of the 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 the Company 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, 2022, 2021, and 2020, refer to Note 3 of the 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, 2022, SILP, along with certain affiliates of DME Advisors, collectively owned 37.2% 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, 2022, SILP held 2.7 million shares of GRBK.

Collateral Assets Investment Management Agreement

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

Due to / from Parent

At December 31, 2022 and 2021, the amount due from / due to parent is non-interest bearing, unsecured and is repayable on demand. At December 31, 2022, the amount due to parent of $28.4 million related to the return of additional paid-in capital declared but unpaid. Subsequent to December 31, 2022, the Company paid $13.6 million of this amount due to the parent.

Due to / from Affiliates

At December 31, 2022, the Company had an insignificant amount due from affiliates and $0.7 million due to affiliates. At December 31, 2021, the Company had an insignificant amount due to affiliates which was non-interest bearing, unsecured and repayable on demand.

The Company has entered into a quota share retrocession agreement with GRIL whereby the Company assumes from GRIL a quota share portion of certain specified reinsurance contracts written by GRIL. For the year ended December 31, 2022, the Company assumed $190.4 million (2021: $144.6 million, 2020: $41.9 million) of written premiums from GRIL.

The Company has entered into a retrocession agreement with GRIL whereby the Company provides an aggregate stop loss protection to GRIL in return for premiums ceded by GRIL to the company. For the year ended December 31, 2022, GRIL ceded $0.9 million (2021: $1.2 million, 2020: $0.6 million) of written premiums relating to the aggregate stop loss contract to the Company. During the year ended December 31, 2022, there were no losses incurred on the aggregate stop loss contract (2021: nil, 2020: $5.7 million).

At December 31, 2022, included in the caption "Reinsurance Balances Receivable" on the Company's balance sheet was $168.0 million (December 31, 2021: $98.1 million) net receivable from GRIL on the above mentioned retrocession agreements and $36.9 million (December 31, 2021: $36.4 million) of funds provided by the Company to GRIL to support certain reinsurance contracts with Lloyd's syndicates.

13. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Trusts

At December 31, 2022, 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, 2023	120 days before the termination date

At December 31, 2022, an aggregate amount of $203.9 million (December 31, 2021: $136.8 million) in letters of credit was issued under the credit facility. At December 31, 2022, the Company had pledged total cash and cash equivalents with a fair value in the aggregate of $204.7 million (December 31, 2021: $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 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. It also restricts the 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, the Company will be prohibited from paying dividends to its parent company. The Company was in compliance with all the credit facility covenants at December 31, 2022 and 2021.

The Company has also established regulatory trust arrangements for certain cedents. At December 31, 2022, collateral of $452.5 million (December 31, 2021: $482.6 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 balance sheets.

Lease Obligations

The Company has determined that its lease agreement for office space qualifies as an operating lease arrangement. At the commencement date, the Company determined the lease term by assuming the exercise of the renewal option deemed to be reasonably certain. The exercise of the lease renewal option 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 4.0 years at December 31, 2022.

As the lease contract generally does not provide an implicit discount rate, the Company used the weighted-average discount rate of 6.0% to determine the present value of lease payments. This discount rate represents the Company's incremental borrowing rate for a term similar to that of the associated lease based on information available at the commencement date. 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 borrowing term.

At December 31, 2022, the right-of-use asset and lease liability relating to the operating lease was $1.7 million. The operating expense for the year ended December 31, 2022, was $0.1 million (2021: $0.3 million).

At December 31, 2022, the commitment for operating lease liabilities for future annual periods was as follows:

Year ending December 31,		($ in thousands)
2023	$	537
2024		553
2025		570
2026		289
2027		—
Thereafter		—
Total lease payments		1,949
Less Imputed Interest		(205)
Present value of lease liabilities	$	1,744

Schedule of Commitments and Contingencies

At December 31, 2022, other than the above mentioned lease obligation, the Company had no commitments and contingencies.

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.

14. SEGMENT REPORTING

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

A significant portion of the Company's business is sourced through reinsurance brokers. The following table sets forth the brokers and their subsidiaries that generated more than 10% of our premiums for the years ended December 31, 2022, 2021, and 2020:

Year ended December 31,	Broker	($ in thousands)	
2022			
	Aon Benfield	$ 77,673	15.3 %
	BMS Group	51,575	10.2 %
			25.5 %
2021			
	Guy Carpenter (Marsh)	$ 140,984	27.9 %
	Aon Benfield	71,399	14.1 %
			42.0 %
2020			
	Guy Carpenter (Marsh)	$ 177,945	40.0 %
	BMS Group	108,325	24.4 %
			64.4 %

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

	2022		2021		2020	
			($ in thousands)			
Property						
Commercial	$ 71,159	14.0 %	$ 69,936	13.8 %	$ 14,874	3.3 %
Motor	6,669	1.3	27,869	5.5	31,063	7.0
Personal	68,028	13.4	11,876	2.4	18,359	4.1
Total Property	145,856	28.7	109,681	21.7	64,296	14.4
Casualty						
General Liability	89,035	17.6	44,917	8.9	8,696	2.0
Motor Liability	14,417	2.8	121,101	24.0	120,698	27.1
Professional Liability	7,307	1.4	3,927	0.8	2,552	0.5
Workers' Compensation	29,458	5.8	62,188	12.3	82,191	18.5
Multi-line	43,554	8.6	31,051	6.1	53,240	12.0
Total Casualty	183,771	36.2	263,184	52.1	267,377	60.1
Other						
Accident & Health	9,988	2.0	16,838	3.3	42,026	9.4
Financial	69,630	13.7	68,814	13.6	24,740	5.6
Marine	38,783	7.6	21,389	4.2	5,208	1.2
Other Specialty	59,842	11.8	25,677	5.1	41,235	9.3
Total Other	178,243	35.1	132,718	26.3	113,209	25.5
	$ 507,870	100.0 %	$ 505,583	100.0 %	$ 444,882	100.0 %

	Gross Premiums Written by Geographic Area of Risks Insured					
	Year ended December 31					
	2022		2021		2020	
	($ in thousands)					
U.S. and Caribbean	$ 247,794	48.8 %	$ 290,219	57.4 %	$ 364,896	82.0 %
Worldwide [1]	250,442	49.3	212,058	42.0	78,379	17.6
Asia	7,699	1.5	2,719	0.5	1,607	0.4
Europe	1,935	0.4	587	0.1	—	—
	$ 507,870	100.0 %	$ 505,583	100.0 %	$ 444,882	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.

15. SUBSEQUENT EVENT

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.