
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-33493

Greenlight Capital Re, Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands

N/A

(State or other jurisdiction of incorporation or
organization)

(I.R.S. employer identification no.)

65 Market Street

Suite 1207, Jasmine Court

P.O. Box 31110

Camana Bay

Grand Cayman

Cayman Islands

(Address of principal executive offices)

KY1-1205

(Zip code)

Registrant's telephone number, including area code: **205-291-3440**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange
Ordinary shares	GLRE	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting ordinary shares held by non-affiliates of the registrant at June 30, 2023, was \$277,684,405, based on the closing price of the registrant’s ordinary shares reported on the Nasdaq Global Select Market on June 30, 2023, the last business day of the registrant’s most recently completed second fiscal quarter. Solely for the purpose of this calculation and for no other purpose, the non-affiliates of the registrant are assumed to be all shareholders of the registrant other than (i) directors of the registrant, (ii) executive officers of the registrant who are identified as “named executives” pursuant to Item 11 of this Form 10-K, (iii) any shareholder that beneficially owns 10% or more of the registrant’s common shares and (iv) any shareholder that has one or more of its affiliates on the registrant’s board of directors. Such exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant.

Ordinary Shares, \$0.10 par value
(Class)

35,361,725
Outstanding at March 1, 2024

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the registrant’s 2024 annual meeting of shareholders, to be filed subsequently with the Securities and Exchange Commission, or the SEC, pursuant to Regulation 14A, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, relating to the registrant’s annual general meeting of shareholders scheduled to be held on July 25, 2024 are incorporated by reference in Part III of this Annual Report on Form 10-K.

GREENLIGHT CAPITAL RE, LTD.

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PART I

Note About Forward-Looking Statements

This Annual Report on Form 10-K (herein referred as “Form 10-K” or “Annual Report”) of Greenlight Capital Re, Ltd. (“Greenlight Capital Re,” “Company,” “us,” “we,” or “our”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical facts included in this report, including statements regarding estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements”. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States (“U.S.”) federal securities laws established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words “believe,” “project,” “predict,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, and various assumptions, many of which, are inherently uncertain and beyond management’s control.

Forward-looking statements contained in this Form 10-K may include, but are not limited to, information regarding our estimates for catastrophes and weather-related losses, measurements of potential losses in the fair market value of our investments, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding pricing, and other market and economic conditions including inflation, our growth prospects, and valuations of the potential impact of movements in interest rates, equity securities’ prices, and foreign currency exchange rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual events or results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to:

- a downgrade or withdrawal of our A.M. Best ratings;
- any suspension or revocation of any of our licenses;
- losses from catastrophes and other major events;
- the loss of significant brokers; and
- those described under “Item 1A, [Risk Factors](#)” of this Form 10-K, including the summary below, as those risk factors may be updated from time to time in our periodic and other filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at www.sec.gov.

We undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only to the dates they were made.

We intend to communicate certain events that we believe may have a material adverse impact on our operations or financial position, including property and casualty catastrophic events and material losses in our investment portfolio, in a timely manner through a public announcement. Other than as required by the Exchange Act, we do not intend to make public announcements regarding underwriting or investment events that we do not believe, based on management’s estimates and current information, will have a material adverse impact on our operations or financial position.

Summary of Risk Factors

The following is a summary of the principal risks that we believe could adversely affect our business, operations, and financial results.

Risks Relating to Our Business

- Our results of operations fluctuate from period to period and may not be indicative of our long-term prospects.
- A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.
- If our losses and loss adjustment expenses (“LAE”) greatly exceed our loss reserves, our financial condition may be materially and adversely affected.
- Our property and casualty reinsurance operations make us vulnerable to losses from catastrophes and may cause our results of operations to vary significantly from period to period.
- The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Insurance and Other Regulations

- Any suspension or revocation of any of our licenses would materially and adversely affect our business, financial condition and results of operations.
- Our reinsurance subsidiaries are subject to minimum capital and surplus requirements, and our failure to meet these requirements could subject us to regulatory action.

Risks Relating to Our SILP Investment Strategy

- Our investment performance depends in part on the performance of Solaglas Investments, LP (“SILP”) and may suffer as a result of adverse financial market developments or other factors that impact SILP’s liquidity, which could materially and adversely affect our investment results, financial condition and results of operations.
- SILP may be concentrated in a few large positions, which could result in material adverse valuation movements.
- Under the SILP limited partnership agreement (“SILP LPA”), we are contractually obligated to invest substantially all our assets in SILP, with certain exceptions. SILP’s performance depends on the ability of its investment advisor, DME Advisors, LP (“DME Advisors”), to select and manage appropriate investments.

Risks Relating to Our Innovations Strategy

- The carrying values of our Innovations investments may differ significantly from those that would be used if we carried these investments at fair value. Additionally, we have a material concentration in our top five holdings at December 31, 2023.
- Our Innovations investments support our underwriting operations and the failure to identify and consummate investment opportunities may materially and adversely affect our ability to implement our business strategy.
- Investments in privately held early-stage companies involve significant risks, and are highly illiquid.

Item 1. BUSINESS

Unless otherwise indicated or unless the context otherwise requires, all references in this Form 10-K to “the Company,” “we,” “us,” “our,” and similar expressions are references to Greenlight Capital Re, Ltd. and its consolidated subsidiaries. Unless otherwise indicated or unless the context otherwise requires, all references in this Annual Report to entity names are as set forth in the following table:

Reference	Entity’s legal name
Greenlight Capital Re or GLRE	Greenlight Capital Re, Ltd.
Greenlight Re	Greenlight Reinsurance, Ltd.
GRIL	Greenlight Reinsurance Ireland, Designated Activity Company
Verdant	Verdant Holding Company, Ltd.
Greenlight Re UK	Greenlight Re Marketing (UK) Limited
Syndicate 3456	Greenlight Innovation Syndicate 3456
GCM	Greenlight Re Corporate Member Ltd.
Viridis Re	Viridis Re SPC, Ltd.

We have included a Glossary of Selected Reinsurance Terms at the end of “Part 1, Item 1. Business” of this Form 10-K.

All dollar amounts referred to in this Form 10-K are in U.S. dollars unless otherwise indicated. Due to rounding, numbers presented in the tables included in this Form 10-K may not add up precisely to the totals provided.

Company Overview

Established in 2004, we are a global specialty property and casualty reinsurer headquartered in the Cayman Islands, with a reinsurance and investment strategy that we believe differentiates us from most of our competitors. We conduct our operations principally through two licensed and regulated entities: Greenlight Re, based in Grand Cayman, Cayman Islands, and GRIL, based in Dublin, Ireland, in addition to our Lloyd’s platform, Syndicate 3456. Greenlight Re provides multi-line property and casualty reinsurance globally, while GRIL focuses mainly on specialty business. Our Syndicate 3456 supports innovative, technology-driven insurance partners (“insurtechs”).

The London market specialty business is central to our underwriting portfolio. In 2020, we established a UK marketing Company, Greenlight Re UK, to increase our London market presence. On January 1, 2023, we acquired a Lloyd’s corporate member, GCM, that provides underwriting capacity for various syndicates (including Syndicate 3456) that underwrite general insurance and reinsurance business at Lloyd’s. Prior to acquiring GCM, we sourced our Funds at Lloyd’s (“FAL”) business through the same corporate member. The ownership of GCM complements our Syndicate 3456 and provides us more control over the FAL business.

Through our Greenlight Re Innovations unit, we also make long-term strategic investments in early-stage insurance companies and managing general agents (“MGAs”) to complement our strategy and strengthen our client relationships. In December 2023, we incorporated Viridis Re as an exempted segregated portfolio company (“SPC”) in the Cayman Islands. Through segregated portfolios of Viridis Re, we plan to offer cost-effective insurance and reinsurance solutions to current and future insurtechs and MGA partners.

Our goal is to build long-term shareholder value by providing risk management products and services to the insurance, reinsurance, and other risk marketplaces. We focus on delivering risk solutions to clients and brokers who value our expertise, analytics, and customer service offerings, while complementing our underwriting activities with a non-traditional investment approach designed to achieve higher rates of return over the long term than reinsurance companies that exclusively employ more traditional investment strategies.

Company Organization and History

Since our inception in 2004, we had two classes of common stock: (i) our Class A ordinary shares, which were traded on the NASDAQ; and (ii) our Class B ordinary shares. The rights of the holders of Class A and Class B shares were identical, except for voting and conversion rights.

On July 25, 2023, at the Company's Annual General Meeting ("2023 AGM"), our shareholders approved the re-designation of Class B ordinary shares as Class A ordinary shares. Such re-designation, alongside the approved reclassification of the Class A ordinary shares as simply "ordinary shares," resulted in the elimination of the dual-class structure. We have one class of common stock, our ordinary shares, which trades on the NASDAQ. Each ordinary share is entitled to one vote per share. However, except upon unanimous consent of our Board pursuant to Section 11(1)(c) of our Fourth Amended and Restated Memorandum and Articles of Association (the "Articles"), no holder is permitted to acquire an amount of shares which would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the total voting power of the total issued and outstanding ordinary shares. In connection with certain proposals that passed at our 2023 AGM relating to the elimination of our former dual-class share structure, our Board consented pursuant to Section 11(1)(c) of the Articles to David Einhorn beneficially owning more than 9.9% of the total voting power of the total issued and outstanding ordinary shares, up to the amount of ordinary shares beneficially owned by David Einhorn at the time of the consent (i.e., 6,254,715 ordinary shares, which represents 17.7% of the outstanding ordinary shares as of December 31, 2023).

Business Strategy

Overall, we measure our success by long-term growth in book value per share, which we believe is the most comprehensive gauge of our performance. We also measure our short and long-term underwriting performance based on our net underwriting income. We have incorporated these two key performance metrics in our incentive compensation plan to align employee and shareholder interests.

Reinsurance operations:

We strive to grow our diverse book of business by responding timely to changing market conditions, prudently managing our chosen lines of business, and driving sustainable shareholder returns. We execute our reinsurance business through a two-pillar strategy:

Open market underwriting: We offer a diverse range of risk management products and services across market segments and geographies. Our small scale, relative to our global competitors, enables us to be more agile in allocating capacity to the most promising risks and classes. We write business on a non-proportional (or excess of loss) and proportional basis (also known as pro rata reinsurance, quota share reinsurance or participating reinsurance) across a range of classes in the property and casualty market. Our underwriting approach varies by class and type of opportunity:

- Where our expertise is sufficient to evaluate the risk thoroughly, we will generally seek to participate in syndicated placements negotiated and priced by another party that we judge to have market-leading expertise in the class or as a quota share retrocessionaire of a market-leading reinsurer; and
- Where we have domain-specific expertise and a high level of market access, we may seek to act as the lead underwriter to achieve greater influence in negotiating pricing, terms, and conditions.

Further, the size and diversification of our underwriting portfolio will vary based on our perception of the opportunities available in each line of business at each point in time. As our focus on certain lines fluctuates based on market conditions, we may only offer or underwrite a limited number of lines in any given period. We seek to:

- mitigate underwriting volatility over the long term by focusing on short and medium tail risk;
- target markets and lines of business where we believe an appropriate risk/reward profile exists;
- attract and retain clients with expertise in their respective lines of business;
- employ strict underwriting discipline; and
- select reinsurance opportunities with anticipated favorable returns on capital.

Innovations and strategic partnerships: Our strategic investments in insurtech positions us to access a stream of new underwriting business, in addition to potential fee income and investment return on early stage investments. We refer to this pillar as Greenlight Re Innovations ("Innovations"). In evaluating Innovations opportunities, we generally ensure that each investment meets at least one of the following criteria:

- The value we add to a partnership is derived primarily from the application of our risk expertise, not solely capital or reinsurance support;
- The partnership adds expertise to our company in specific risk areas, technology, product innovation, or other areas;
- The partnership approach provides access to a pool of capital, products, or distribution;
- Overall, the partnership approach creates a combined effort that generates a durable strategic or competitive position in one or more markets and increases our opportunities to achieve revenue growth and margin expansion.

In 2022, Syndicate 3456 commenced insurance operations under the Lloyd’s syndicate-in-a-box model, with Greenlight Re as the sole capital provider. This enables us to capitalize on global insurtech opportunities, while leveraging Lloyd’s strong credit ratings (see *Ratings* below). Further, in late 2023, we incorporated Viridis Re as an SPC in the Cayman Islands. Through segregated portfolios of Viridis Re, we plan to offer cost-effective insurance and reinsurance solutions for current and future insurtech and MGA partners.

Investment:

Our investment strategy is designed to maximize returns over the long term while minimizing the risk of capital loss. Unlike the investment strategies of many of our competitors, which invest primarily in fixed-income securities either directly or through fixed-fee arrangements with one or more investment managers, our investment strategy is focused mainly on long and short positions, primarily in publicly-traded equity and corporate debt instruments. See “- [Investments](#)” within this Item 1. Business for further information.

Operations

We have one operating segment: property and casualty reinsurance, which also represents our reporting segment. We analyze our business based on the following lines of business:

- *Property:* covers personal lines, commercial lines exposures and automobile physical damage. Property business includes both catastrophe and non-catastrophe coverage.
- *Casualty:* covers general liability, motor liability, professional liability, and workers’ compensation exposures. Our multi-line business includes the FAL business. As our Lloyd’s syndicate contracts incorporate property (including incidental catastrophe), casualty, and other exposures, we categorize them as multi-line (and therefore casualty) business. However, these contracts are composed of primarily short-tailed risks.
- *Other:* covers accident and health, financial (including transactional liability, mortgage insurance, surety, and trade credit), marine, energy, as well as other specialty business such as aviation, crop, cyber, political, and terrorism exposures.

The following table presents our gross premiums written by lines of business for the most recent three years:

	Year ended December 31					
	2023		2022		2021	
	(\$ in thousands)					
Property	\$ 113,291	17.8 %	\$ 85,323	15.2 %	\$ 52,947	9.4 %
Casualty	351,037	55.1	325,103	57.7	379,113	67.1
Other	172,482	27.1	152,745	27.1	133,333	23.6
Total	\$ 636,810	100.0 %	\$ 563,171	100.0 %	\$ 565,393	100.0 %

Refer to “Part II, Item 7. [Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)” (herein referred as “MD&A”) for additional information relating to our reportable segment and related underwriting performance and Note 17 “[Segment Reporting](#)” to the consolidated financial statements relating to our reportable segment and a breakdown of our gross premiums written by geographic area of risks insured. Our consolidated financial statements are located in “Part II, Item 8. [Financial Statements and Supplementary Data](#).”

Marketing and Distribution

We source a majority of our business through reinsurance brokers. Brokerage distribution channels provide us with access to an efficient, variable cost and global distribution system. In some cases, intermediaries also provide other services, including risk analytics, processing, and clearing.

We aim to build and strengthen long-term relationships with global reinsurance brokers. Our management team has relationships with most primary and specialty broker intermediaries in the reinsurance marketplace. By maintaining close relationships with brokers, we believe that we will continue to obtain access to a broad range of reinsurance clients and opportunities.

We seek to strengthen our broker relationships and become the preferred choice of brokers and clients by providing, where applicable:

- demonstrated expertise in the underlying reinsured exposures and the operation of the contracts;
- rapid responses to risk submissions;
- timely claims payments;
- customized solutions that address the specific business needs of our clients;
- financial security; and
- a clear indication of risks we will and will not underwrite.

We focus on the quality and financial strength of any brokerage firm we conduct business with. Brokers do not have the authority to bind us to any reinsurance contract. Their commissions are generally determined based on a percentage of gross premiums written.

Gross premiums written by broker, shown individually where premiums by broker (including their subsidiaries and affiliates) were 10% or more of the total in any of the last three years, were as follows:

	Year ended December 31					
	2023		2022		2021	
			(\$ in thousands)			
Guy Carpenter (Marsh)	\$ 122,766	19.3 %	\$ 50,626	9.0 %	\$ 178,336	31.5 %
Aon Benfield	91,642	14.4	159,421	28.3	139,044	24.6
Gallagher Re	57,731	9.1	91,239	16.2	27,596	4.9
BMS Group	20,277	3.2	51,435	9.1	63,958	11.3
Total of largest brokers	\$ 292,416	45.9 %	\$ 352,721	62.6 %	\$ 408,934	72.3 %
All other brokers, MGAs and direct placements	344,394	54.1	210,450	37.4	156,459	27.7
Total	\$ 636,810	100.0 %	\$ 563,171	100.0 %	\$ 565,393	100.0 %

We frequently meet in the Cayman Islands, Ireland, U.K. and elsewhere with brokers and senior representatives of clients and prospective clients. We review and (when we deem appropriate) approve all contract submissions in the Cayman Islands or Ireland. Due to our dependence on brokers, the inability to obtain business from them could adversely affect our business strategy. See “Item 1A. Risk Factors — [Risks Related to Our Business](#) — *The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.*” We may assume a degree of the credit risk of our reinsurance brokers. See “Item 1A. Risk Factors — [Risks Related to Our Business](#) — *We are subject to the credit risk of our brokers, cedents, agents and other counterparties.*”

While most of our business is sourced through reinsurance brokers, we also write some insurance and reinsurance business on a direct basis. Our Innovations partnerships are a growing source of directly placed business. Our MGA partners are a key source of premium flow and a vital component of our Innovations strategy. We work closely with our MGA partners

who wish to attain Lloyd's coverholder status, which allows them to conduct business with our Syndicate 3456. We also use MGAs to transact business on other classes of business within the constraints of prescribed underwriting guidelines.

Prior to January 1, 2023, our FAL business was generated through a Lloyd's corporate member, which we subsequently acquired effective January 1, 2023. FAL represented approximately 35%, 33%, and 26% of our gross premiums written for the years ended December 31, 2023, 2022, and 2021, respectively.

Underwriting and Risk Management

We have established an underwriting platform composed of experienced underwriters and actuaries. We have underwriting operations in three locations: the Cayman Islands, Dublin, Ireland, and London, U.K. These platforms provide access to key markets in the U.S., Europe, Middle East, and Asia. Our experienced team allows us to deploy our capital in various lines of business and capitalize on opportunities that we believe offer favorable returns on equity over the long term. Our underwriters and actuaries have expertise in multiple lines of business. We generally apply the following underwriting and risk management principles:

Economics of Results

Our primary underwriting goal is to build a (re)insurance portfolio that maximizes profitability, subject to risk and volatility constraints.

Underwriting Analysis

Our approach to underwriting analysis begins at the class-of-business level. This analysis includes identifying and assessing the structural drivers of risk and emerging loss trends and understanding the market participants and results, capacity conditions for supply and demand, and other factors. Our underwriting professionals specialize in business lines, and our quantitative professionals (pricing actuaries) assist in evaluating all risks we underwrite. Combined with cross-line management, we believe this approach enables us to build and deploy expertise and insight into the business line's risk dynamics and external factors that will affect each transaction.

We assign a deal team composed of underwriting and quantitative professionals to evaluate each potential transaction's pricing and structure. Before committing capital to any transaction, the deal team and the regional Chief Underwriting Officer must obtain approval from at least one of, the group Chief Executive Officer, GRIL Chief Executive Officer, or Chief Risk Officer. In seeking this approval, the deal team presents the key components of the proposed transaction, including assumptions and threats, market and individual deal risk factors, market capacity dynamics, transaction structure and pricing, maximum downside, and other factors.

We collaborate with our current and prospective clients and brokers to understand the risks associated with each potential transaction. For most of our business, we follow terms set by recognized market leads. We consider the remainder of our underwriting portfolio, including contracts linked to our Innovations partners or in areas where we have significant market expertise, to be "lead business." When underwriting lead business, we generally structure the reinsurance agreements to ensure that our cedents' interests and ours are aligned. Where appropriate, we conduct or contract for on-site audits or reviews of the clients' underwriting files, systems, and operations. We usually obtain substantial data from our clients to conduct a thorough actuarial modeling analysis. As part of our pricing and underwriting process, we assess, among other factors:

- the client's and industry's historical loss data;
- the expected duration for claims to fully develop;
- the client's pricing and underwriting strategies;
- the geographic areas in which the client is doing business and its market share;
- the reputation and financial strength of the client and its management and underwriting teams;
- the reputation and expertise of the broker; and
- reports provided by independent industry specialists.

We develop proprietary quantitative models and use several commercially available tools to price our business. Our models consider conventional underwriting and risk metrics and incorporate various class-specific and market-specific aspects from our line-of-business analyses. We use models to evaluate the quantitative work's quality and predictive power and undertake a detailed assessment of the data quality.

Underwriting Authorities

The Underwriting Committee of our Board of Directors (the "Underwriting Committee") sets parameters for aggregate property catastrophic caps and limits for maximum loss potential under any individual contract. The Underwriting Committee must approve any exceptions to the established limits. The Underwriting Committee may amend the maximum underwriting authorities periodically to align with our capital base. The Underwriting Committee designs our underwriting authorities to ensure the underwriting portfolio is appropriate on a risk-adjusted basis.

Refer to "Part II, Item 5. Management's Discussion and Analysis of Financial Condition and Results of Operations - [Financial Condition](#)" for a summary of our catastrophe loss exposure in terms of our probable maximum loss ("PML"), net of retrocession and reinstatement premiums, as at January 1, 2024.

Retrocessional Coverage

We opportunistically purchase retrocessional coverage for one or more of the following reasons: to manage our overall catastrophe events or aggregate exposure, reduce our net liability on individual risks, obtain additional underwriting capacity, and balance our underwriting portfolio.

The retrocessional coverage we purchase varies based on numerous factors, including the inherent volatility and risk accumulation of our underwriting portfolio and capital base. Our portfolio, and by extension our gross risk position, will change in size from year to year depending on market opportunities, so it is difficult to predict the level of retrocessional coverage that we will purchase in any future year.

We generally purchase uncollateralized retrocessional coverage from reinsurers with a minimum financial strength rating of "A- (Excellent)" from A.M. Best Company, Inc. ("A.M. Best") or an equivalent rating from a recognized rating service. For lower-rated or non-rated reinsurers, we endeavor to obtain and monitor collateral in the form of cash, funds withheld, letters of credit, regulatory trusts, or other collateral in the form of guarantees. At December 31, 2023, the aggregate amount due from reinsurers from retrocessional coverages represented 3.9% (2022: 2.4%) of our gross loss reserves. For further details, please see Note 8 "[Retrocession](#)" to the consolidated financial statements.

Claims Management

Our claims management process begins upon receiving claims notifications from our clients or third-party administrators. We review reserving and settlement authority under the individual contract requirements and, as necessary, discuss with the contract's underwriter. Our in-house claims team oversees claims reviews and approves all claim settlements. Claims above the claims officer's authority are referred to the General Counsel, Chief Financial Officer, Chief Executive Officer, or Chief Risk Officer together with the claims officer's recommendations, for secondary approval. We believe that this process ensures that we pay claims in accordance with each contract's terms and conditions.

Where appropriate, we conduct or contract for on-site claims audits at cedents and third-party administrators, particularly for large accounts, Innovations partners, and those whose performance differs from our expectations. Through these audits, we evaluate and monitor the third-party administrators' and the ceding companies' organization and claims-handling practices. These practices include:

- fact-finding and investigation techniques;
- loss notifications;
- reserving;
- claims negotiation and settlement;
- adherence to claims-handling guidelines.

The results of these claim reserves are shared with the underwriters and actuaries to assist them in pricing products and establishing loss reserves.

We recognize that the fair interpretation of our reinsurance agreements and timely payment of covered claims are essential components of the service we provide to our clients.

Reserves

Our reserving philosophy is to set reserves at the level representing our best estimate of the amount we will ultimately be required to pay in connection with risks we have underwritten. Our actuarial staff performs quarterly reviews of our portfolio and provides reserving estimates according to our stated reserving philosophy. In doing so, our team groups our portfolio into reserving analysis segments based primarily on homogeneity considerations. Currently, this process involves analysis at the individual client or transaction level.

We engage an independent actuarial firm who reviews and provides opinions on these reserve estimates at least once a year. Due to the use of different assumptions and loss experience, the amount we establish as reserves with respect to individual risks, clients, transactions, or business lines may be greater or less than those set by our clients or ceding companies. Reserves include claims reported but not yet paid, claims incurred but not reported, and claims in the process of settlement. Additional underwriting liabilities include unearned premiums, premium deposits, and profit commissions earned but not yet paid.

Reserves represent an estimate rather than an exact quantification. Although the methods for establishing reserves are well established, many assumptions about anticipated loss emergence patterns are subject to unanticipated fluctuation. We base our estimates on our assessment of facts and circumstances, future trends in claim severity and frequency, judicial theories of liability, and other factors, including inflation, interest rate changes, political risks and the actions of third parties, which are beyond our control.

Another significant component of reserving risk relates to the estimation of losses in the aftermath of a major catastrophe event. Accordingly, we believe the most significant accounting judgment made by management is our estimate of loss and loss adjustment expense reserves. For more information on our reserving process and methodology, refer to the “[Critical Accounting Policies and Estimates - Loss and Loss Adjustment Expense Reserves](#)” under “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

See Note 7 “[Loss and Loss Adjustment Expense Reserves](#)” of the consolidated financial statements for a reconciliation of claims reserves, loss development tables by accident year, and explanations of significant prior period loss development movements. For a discussion on risk factors relating to loss reserves, see “Item 1A. Risk Factors — [Risks Relating to Our Business](#) — *If our losses and LAE greatly exceed our loss reserves, our financial condition may be materially and adversely affected.*”

Collateral Arrangements and Letter of Credit Facilities

We are licensed and admitted as a reinsurer only in the Cayman Islands and the European Economic Area (the “EEA”). Many jurisdictions, including the United States, do not permit clients to take credit for reinsurance on their statutory financial statements if they obtain such reinsurance from unlicensed or non-admitted insurers without appropriate collateral. As a result, our U.S. clients and some non-U.S. clients require us to provide collateral for the contracts we bind with them. We provide collateral as funds withheld, trust arrangements, or letters of credit (“LOC”). For further information, see Note 9 - “[Debt and Credit Facilities](#)” of the consolidated financial statements in “Item 8. Financial Statements and Supplementary Data”.

Competition

The reinsurance industry is highly competitive. Competition is generally focused on available capacity, service, financial strength, and price. We compete with major global reinsurers, most of which are well-established and have significant operating histories, strong financial strength ratings, and long-standing client relationships. Competitors also provide protection in the form of catastrophe bonds, industry loss warranties, and other risk-linked products that are outside of the traditional reinsurance treaty market. This may lead to reduced pricing and/or reduced participation levels in certain reinsurance products.

Our competitors vary according to the individual market and situation. Generally, they include Arch Capital, AXIS, Everest Re, Hamilton Re, Hannover Re, RenaissanceRe, SiriusPoint, and smaller companies, other niche reinsurers, and Lloyd’s syndicates and their related entities. Although we seek to provide coverage where capacity and alternatives are limited, we directly compete with these and other larger companies due to the breadth of their coverage across the property and casualty market in substantially all lines of business. See “Item 1A — Risk Factors — [Risks Relating to Our Business](#) — *Competitors with greater resources may make it difficult for us to effectively market our products or offer our products at a profit.*”

Ratings

On September 29, 2023, A.M. Best re-affirmed our “A- (Excellent)” rating with a stable outlook, the fourth highest of 13 ratings, for our two principal operating subsidiaries: GLRE and GRIL. We believe a strong rating is important to compete and market reinsurance products to clients and brokers. These ratings reflect the rating agency’s opinion of our reinsurance subsidiaries’ financial strength, operating performance, and ability to meet obligations. It is not an evaluation directed toward the investors’ protection or a recommendation to buy, sell or hold our ordinary shares.

Additionally, A.M. Best assessed our Enterprise Risk Management (“ERM”) practices as appropriate for the Company’s business complexity and overall risk profile.

A.M. Best periodically reviews the financial positions of our operating subsidiaries and therefore our rating may be subsequently revised or revoked by the agency. The failure to maintain our current “A-” A.M. Best rating may significantly and negatively affect our ability to implement our business strategy. See “Item 1A. Risk Factors — [Risks Relating to Our Business](#) — *A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.*”

Further, by being part of the Lloyd’s market, Syndicate 3456 benefits from the following four Lloyd’s financial strength ratings: “A” (Excellent) from A.M. Best; AA- (Very Strong) from Fitch Ratings; AA- (Very Strong) from Kroll Bond Rating Agency; and AA- (Very Strong) from Standard & Poor’s.

Regulations

Cayman Islands Insurance Regulation

The legislative framework for conducting insurance and reinsurance business in and from within the Cayman Islands is composed of The Insurance Act, 2010 (as amended) and underlying regulations thereto (the “Act”), which became effective in the Cayman Islands on November 1, 2012.

Greenlight Re holds a Class D insurer license issued in accordance with the terms of the Act and is subject to regulation and supervision by the Cayman Islands Monetary Authority (“CIMA”).

As the holder of a Class D insurer license, Greenlight Re is permitted to carry on reinsurance business from the Cayman Islands but, except with the prior written approval of CIMA, may not carry on any insurance or reinsurance business where the underlying risk originates and resides in the Cayman Islands.

Greenlight Re is required to comply with the following principal requirements under the Act:

- to maintain capital and a margin of solvency in accordance with the capital and solvency requirements prescribed by the Act;
- to carry on its business in accordance with its business plan and the laws of the Cayman Islands, including the regulatory laws, regulations, rules, and statements of guidance, where applicable;
- to maintain adequate arrangements, including internal controls, for the management of risks and a system of governance as approved by CIMA;
- to maintain a minimum of at least two directors and to seek the prior approval of CIMA in respect of the appointment of directors and officers and to provide CIMA with information in connection therewith and notification of any changes thereto;
- to have a place of business in the Cayman Islands and to maintain such resources, including staff and facilities, books and records as CIMA considers appropriate, having regard for the nature and scale of the business of Greenlight Re;
- to submit to CIMA an annual return in the prescribed form together with:
 - financial statements prepared in accordance with internationally recognized accounting standards, audited by an independent auditor approved by CIMA;
 - an actuarial valuation of Greenlight Re's assets and liabilities, certified by an actuary approved by CIMA;
 - certification of solvency prepared by a person approved by CIMA in accordance with the prescribed requirements;
 - confirmation that the information contained in Greenlight Re's license application, as modified by any subsequent changes, remains correct and up to date;
 - such other information as may be prescribed by CIMA; and
- to pay an annual license fee.

It is the duty of CIMA:

- to maintain a general review of insurance practices in the Cayman Islands;
- to examine the affairs or business of any licensee or other person carrying on, or who has carried on, insurance business to ensure that the Act has been complied with and that the licensee is in a sound financial position and is carrying on its business in a fit and proper manner;
- to examine and report on the annual returns delivered to CIMA in terms of the Act; and
- to examine and make recommendations with respect to, among other things, proposals for the revocation of licenses and cases of suspected insolvency of licensed entities.

Greenlight Re is also required to comply with, amongst other standards, the Rule on Corporate Governance for Insurers, the Rule on Risk Management for Insurers, and the Rule on Investment Activities for Insurers and the associated Statement of Guidance. Respectively, these rules require regulated insurers to establish and maintain (a) a corporate governance framework that provides for the sound and prudent management and oversight of the insurer's business, including outsourcing and internal controls, and which adequately recognizes and protects the interests of its policyholders, and (b) a risk management framework that is capable of promptly identifying, measuring, assessing, reporting, monitoring and controlling all sources of risks that could have a material impact on its operations, and (c) implement investment activities that consider all of Greenlight Re's risks and solvency requirements.

The Act provides that where CIMA believes a licensee is committing, or is about to commit or pursue, an act that is an unsafe or unsound business practice, CIMA may direct the licensee to cease or refrain from committing the act or pursuing the offending course of conduct. Failure to comply with such a CIMA direction may be punishable on summary conviction by a fine of up to 100,000 Cayman Islands dollars (US\$120,000) or to imprisonment for a term of five years or to both, and on conviction on indictment to a fine of 500,000 Cayman Islands dollars (US\$600,000) or to imprisonment for a term of ten years or to both and to an additional 10,000 Cayman Islands dollars (US\$12,000) for every day after conviction that the breach continues.

The Monetary Authority Act ("MAA") also provides CIMA with the authority to impose administrative fines on licensees. The recent Monetary Authority (Administrative Fines) (Amendment) Regulations, 2020 (the "Amendment Regulations") came into force on 26 June 2020. They extended the scope of the fines CIMA may impose for breaches of a range of regulatory laws, including the Act. Breaches are categorized as minor, serious, or very serious, and, depending on the category of the breach, fines range from \$6,100 to \$1,220,000 per breach for very serious breaches. Where a breach is committed by a corporate entity and is shown to have been committed with the consent, connivance, knowledge, or neglect of an individual, that individual may also be subject to an administrative fine.

Whenever CIMA believes that a licensee is or may become unable to meet its obligations as they fall due, is carrying on business in a manner likely to be detrimental to the public interest or the interests of its creditors or policyholders, has contravened the terms of the Act or has otherwise behaved in such a manner to cause CIMA to call into question the licensee's fitness, CIMA may take one of several steps. The steps include requiring the licensee to rectify the matter, suspending the license of the licensee, revoking the license, imposing conditions upon the license and amending or revoking any such condition, requiring the substitution of any director, manager, or officer of the licensee, at the expense of the licensee, appointing a person to advise the licensee on the proper conduct of its affairs and to report to CIMA thereon, at the expense of the licensee, appointing a person to assume control of the licensee's affairs or otherwise requiring such action to be taken by the licensee as CIMA considers necessary. We have not been subject to any such actions from CIMA to date.

Other Regulations in the Cayman Islands

As Cayman Islands exempted companies, Greenlight Capital Re and Greenlight Re may not carry on business or trade locally in the Cayman Islands except in furtherance of their business outside the Cayman Islands and are prohibited from soliciting the public of the Cayman Islands to subscribe for any of their securities or debt. These companies are further required to file a return with the Registrar of Companies in January of each year ("Annual Return") and to pay an annual registration fee at that time. Additionally, these companies must comply with the "Anti-Money Laundering Regulations (2023 Revision)" in the Cayman Islands.

Economic substance law requiring a "relevant entity" conducting "relevant activity" to file notifications and, unless exempt, to report to the Tax Information Authority ("TIA") and maintain economic substance has been introduced in the Cayman Islands.

The International Tax Co-operation (Economic Substance) Act (2021 Revision) and International Tax Co-operation (Economic Substance) Regulations, 2020, were published on February 5, 2021, and August 11, 2020, respectively, and subsequently amended (together, the "ES Act"). The latest version of the Guidance on Economic Substance for Geographically Mobile Activities ("ES Guidance") was published in July 2022.

As of January 2020, Greenlight Capital Re and Greenlight Re must confirm their economic substance classification on an annual basis and submit this classification to the TIA as a prerequisite to the Annual Return filing.

The Cayman Islands has no exchange controls restricting dealings in currencies or securities.

Cayman Islands Status with the European Union ("EU") and Financial Action Task Force ("FATF") Compliance

In February 2021, the Cayman Islands was added to the FATF's "grey list", a list of jurisdictions under increased monitoring to address strategic deficiencies in their Anti-Money Laundering ("AML") / Counter Terrorist Financing regimes, after the FATF identified deficiencies in three main areas. In January 2022 the Cayman Islands was subsequently added to the EU's list of jurisdictions with strategic deficiencies in their Anti-Money Laundering / Counter Terrorist Financing regimes (commonly known as the "EU AML List"), with the FATF recommended actions being cited by the EU Commission at the time as the justification for adding the Cayman Islands to the EU AML List.

On May 17, 2022, the EU confirmed that it would not require any further measures to be taken in order for the Cayman Islands to be removed from the EU AML List once the jurisdiction has addressed the remaining FATF action items. On June 23, 2023, the FATF advised that the Cayman Islands had fulfilled the remaining action items and was eligible for removal from the EU AML List. Following an on-site FATF visit in October 2023, it was announced at the FATF Plenary on October 27, 2023 that the Cayman Islands has been delisted from the FATF grey list. As a result, the Cayman Islands was subsequently removed from the EU AML List on February 7, 2024.

Ireland Insurance Regulations

Our Irish subsidiary, GRIL, is authorized as a non-life reinsurance undertaking by the Central Bank of Ireland "CBI" in accordance with the European Union (Insurance and Reinsurance) Regulations 2015 (the "Irish Regulations"). The Irish Regulations give effect in Ireland to EU Directive 2009/138/EC (known as "Solvency II"), which introduced a new European regulatory regime for insurers and reinsurers with effect from January 1, 2016. Solvency II is supplemented by the European Commission Delegated Regulation (EU) 2015/35, other European Commission "delegated acts" and binding technical standards, and guidelines issued by the European Insurance and Occupational Pensions Authority ("Delegated Acts and Guidelines"). GRIL is required to comply at all times with the Irish Regulations, the Irish Insurance Acts 1909 to 2018, regulations relating to insurance business or reinsurance business promulgated under the European Communities Act 1972, the Irish Central Bank Acts 1942 to 2018 as amended, regulations promulgated thereunder and directions, guidelines and codes of

conduct issued by the CBI (collectively the “Irish Insurance Acts and Regulations”). In addition, GRIL is required to comply with the Delegated Acts and Guidelines and must meet risk-based solvency requirements imposed under Solvency II on insurers and reinsurers across all member states, including Ireland. Solvency II and the Delegated Acts and Guidelines set out classification and eligibility requirements, including the characteristics that capital, including any capital contribution, must display to qualify as regulatory capital.

GRIL is also required to comply with the European Union (Insurance Distribution) Regulations 2018 (the “2018 Regulations”), which apply to distributors of insurance and reinsurance products (including insurers and reinsurers). The 2018 Regulations give effect in Ireland to Directive (EU) 2016/97 (known as the “IDD”) and strengthen the regulatory regime applicable to distribution activities through increased transparency, information, and conduct requirements. On May 25, 2018, the General Data Protection Regulation (the “GDPR”) came into force across the EU. The GDPR significantly increases organizations’ obligations and responsibilities in collecting, using, storing, and protecting personal data. Organizations in breach of the GDPR may incur sizable financial penalties up to, the higher of €20 million or 4% of annual global turnover.

UK Regulations

Lloyd’s Oversight

Syndicate 3456 is subject to oversight by Lloyd’s, substantially effected through the Lloyd’s Council. Our business plan for Syndicate 3456, including maximum underwriting capacity, requires annual approval by Lloyd’s. Lloyd’s may require changes to any business plan presented to it or additional capital to be provided to support the underwriting plan. We have deposited certain assets with Lloyd’s to support GCM’s underwriting business at Lloyd’s.

By entering into a membership agreement with Lloyd’s, GCM has undertaken to comply with all Lloyd’s by-laws and regulations as well as the provisions of the Lloyd’s Acts and the Financial Services and Markets Act 2000, as amended by the Financial Services Act 2012 and the Financial Services and Markets Act 2023. This arrangement subjects us to the following:

- ***Capital Requirements.*** The underwriting capacity of a member of Lloyd’s must be supported by providing a deposit, referred to as FAL, in an amount determined on the basis of such entity’s solvency and capital requirements. The amount of such deposit is calculated for each member through the completion of an annual capital adequacy exercise. In addition, if the FAL are not sufficient to cover all losses, the Lloyd’s Central Fund provides an additional level of security for policyholders. Dividends from a Lloyd’s managing agent and a Lloyd’s corporate member can be declared and paid provided the relevant company has sufficient profits available for distribution.
- ***Ratings.*** The financial security of the Lloyd’s market as a whole is regularly assessed by four independent rating agencies (A.M. Best, S&P, Kroll Bond and Fitch). Syndicates at Lloyd’s take their financial security rating from the rating of the Lloyd’s market. A satisfactory credit rating issued by an accredited rating agency is necessary for Lloyd’s syndicates to be able to trade in certain classes of business at current levels.
- ***Intervention Powers.*** The Lloyd’s Council has wide discretionary powers to regulate members’ underwriting at Lloyd’s, including, the power to withdraw a member’s permission to underwrite business or to underwrite a particular class of business and to change the basis on which syndicate expenses are allocated.
- ***Assessments.*** If Lloyd’s determines that the Central Fund needs to be increased, it has the power to assess premium levies on current Lloyd’s members up to 5% of a member’s underwriting capacity in any one year.

Prudential Regulation Authority (“PRA”) and Financial Conduct Authority (“FCA”) Regulation.

The PRA is part of the Bank of England and responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers, and major investment firms authorized in the UK. The FCA has responsibility for market conduct regulation. Lloyd’s as a whole is authorized by the PRA and regulated by both the FCA and the PRA, which both have substantial powers of intervention in relation to regulated firms. Lloyd’s is required to implement certain rules prescribed by the PRA and the FCA. If it appears to either the PRA or the FCA that either Lloyd’s is not fulfilling its delegated regulatory responsibilities or that managing agents are not complying with the applicable regulatory rules and guidance, the PRA or the FCA may intervene at their discretion. To minimize duplication, both regulators have arrangements with Lloyd’s for co-operation on supervision and enforcement.

Lloyd’s is subject to an annual PRA solvency test which measures whether Lloyd’s has sufficient assets in the aggregate to meet all outstanding liabilities of its members, both current and run-off. If Lloyd’s fails this test, the PRA may require the entire Lloyd’s market to cease underwriting or individual Lloyd’s members may be required to cease or reduce their underwriting.

Investments

At December 31, 2023, our total investments were \$332.2 million, of which 77.9% (2022 - 71.7%) was invested in SILP and 22.1% (2022 - 28.3%) in Innovation-related investments.

Investment in SILP

Our investment portfolio is managed by DME Advisors, LP (“DME Advisors”), a value-oriented investment advisor that analyzes companies’ available financial data, business strategies, and prospects to identify undervalued and overvalued securities. DME Advisors is a related party as it is controlled by David Einhorn, the Chairman of our Board of Directors and the President of Greenlight Capital, Inc. Refer to Note 15 “[Related Party Transactions](#)” of the consolidated financial statements.

Effective September 1, 2018, we have entered into an amended and restated exempted limited partnership agreement of SILP (the “SILP LPA”), as amended from time to time, with DME Advisors II, LLC (“DME II”), as General Partner, Greenlight Re, GRIL and the initial limited partner (each, a “Partner”). Effective January 1, 2023, we increased the maximum Investment Portfolio, as defined in the SILP LPA, to 60% from 50% of GLRE Surplus, as defined in the SILP LPA. We present our investment in SILP under the caption “Investment in related party investment fund” in our consolidated balance sheets.

On September 1, 2018, SILP entered into an investment advisory agreement (the “IAA”) with DME Advisors, with an initial term ending on August 31, 2023, subject to automatic extensions for successive three-year terms. DME Advisors has the contractual right to manage substantially all of our investable assets and is required to follow our investment guidelines and act in a fair and equitable manner in allocating investment opportunities to SILP. However, DME Advisors is not otherwise restricted with respect to the nature or timing of making investments for SILP.

DME Advisors receives a monthly management fee at an annual rate of 1.5% of each limited partner’s Investment Portfolio, as provided in the SILP LPA. DME II receives a performance allocation based on the positive performance change of each limited partner’s capital account equal to 20% of net profits calculated per annum, subject to a loss carryforward provision.

The loss carryforward provision allows DME II to earn a reduced performance allocation of 10% on net profits in any year after the year in which a limited partner’s capital account incurs a loss until the limited partner has recouped all losses and has earned an additional amount equal to 150% of the loss. DME II is not entitled to a performance allocation in a year in which a capital account incurs a loss. At December 31, 2023, we estimate the reduced performance allocation of 10% to continue to be applied until SILP achieves additional investment returns of 113.7%, at which point the performance allocation will revert to 20%.

DME Advisors is required to follow our investment guidelines and act in a manner that it considers fair and equitable in allocating investment opportunities to us and SILP. However, the IAA does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort, or investment opportunities to us and SILP or any restrictions on the nature or timing of investments for our or SILP’s account or other accounts that DME Advisors or its affiliates may manage. DME Advisors can outsource to sub-advisors without our consent or approval. If DME Advisors and any of its affiliates attempt to invest in the same opportunity simultaneously, DME Advisors and its affiliates may allocate the opportunity as they determine reasonably. Affiliates of DME Advisors presently serve as the general partner or the investment advisor of Greenlight Capital LP, Greenlight Capital Offshore, Ltd., GCOI Intermediate, LP, Greenlight Capital Offshore Master, Ltd., Greenlight Masters, LP, Greenlight Masters Qualified, LP, Greenlight Masters Offshore, Ltd., Greenlight Masters Offshore I, Ltd., Greenlight Masters Offshore Partners, Greenlight Masters Partners and several separately managed accounts (collectively, the “Greenlight Funds”).

We have agreed to use commercially reasonable efforts to cause all our current and future subsidiaries to enter into the SILP LPA. Under the SILP LPA, we are contractually obligated to use commercially reasonable efforts to cause substantially all investable assets of Greenlight Re and GRIL, with limited exceptions, to be contributed to SILP.

We have agreed to release DME II and DME Advisors and their affiliates from any liability arising out of the IAA or the SILP LPA, subject to certain exceptions. Furthermore, DME II has agreed to indemnify us against any liability incurred in connection with certain actions.

Under the SILP LPA, either GLRE Limited Partner may voluntarily withdraw all or part of its capital account for its operating needs by giving DME II at least three business days’ notice. Either of the GLRE Limited Partners may withdraw as a partner and fully withdraw all of its capital account from SILP on three business days’ notice if the limited partner’s board declares that a cause for withdrawal exists as per the SILP LPA.

Investment Strategy

DME Advisors implements a value-oriented investment strategy by taking long positions in perceived undervalued securities and short positions in perceived overvalued securities. DME Advisors aims to achieve high absolute returns while minimizing the risk of capital loss. DME Advisors attempts to determine the risk/return characteristics of potential investments by analyzing factors such as the risk that expected cash flows would not be achieved, the volatility of the cash flows, the leverage of the underlying business, and the security's liquidity, among others.

Our Board of Directors reviews our investment portfolio activities and oversees our investment guidelines to meet our investment objectives. These investment guidelines, which may be amended, modified, or waived from time to time, take into account restrictions imposed on us by regulators, our liability mix, requirements to maintain an appropriate claims-paying rating by ratings agencies and requirements of lenders. We believe our investment approach, while generating returns less predictable than those of traditional fixed-income portfolios, complements our reinsurance business and will achieve higher rates of return over the long term than reinsurance companies that invest predominantly in fixed-income securities. We have designed our investment guidelines to maintain adequate liquidity to fund our reinsurance operations.

DME Advisors is contractually obligated to adhere to our investment guidelines and make investment decisions on our behalf. These decisions may include buying publicly listed equity securities and corporate debt, selling securities short, and investing in private placements, futures, currencies, commodities, credit default swaps, interest rate swaps, sovereign debt, derivatives, and other instruments.

Investment returns for SILP

In accordance with the SILP LPA, DME Advisors constructs a levered investment portfolio as agreed with the Company (the "Investment Portfolio" as defined in the SILP LPA). Investment returns, net of all fees and expenses, by quarter for the last five years are as follows: ⁽¹⁾

Quarter	2023	2022	2021	2020	2019
1st	(1.1)%	1.7 %	1.5 %	(8.1)%	6.2%
2nd	10.9	4.9	(0.9)	0.3	2.7
3rd	(0.6)	3.6	(2.7)	1.4	1.2
4th	0.3	13.4	9.9	8.4	(1.0)
Full Year	9.4 %	25.3 %	7.5 %	1.4 %	9.3 %

⁽¹⁾ Investment returns are calculated monthly and compounded to calculate the quarterly and annual returns generated by our Investment Portfolio. Past performance is not necessarily indicative of future results. The monthly investment return is calculated by dividing the investment income/loss (net of fees and expenses) by the Investment Portfolio. Effective January 1, 2021, the Investment Portfolio is calculated on the basis of 50% of GLRE Surplus, or the shareholders' equity of Greenlight Capital Re, Ltd., as reported in Greenlight Capital Re, Ltd.'s then most recent quarterly financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). It is adjusted monthly for our net profits and net losses as reported by SILP during any intervening period. This basis was increased to 60% effective January 1, 2023. Prior to January 1, 2021, the Investment Portfolio was calculated on the basis of several factors, including the Companies' shares of SILP's net asset value, collateral posted by the Companies, and the Companies' net reserves.

Innovation-related Investments

As previously noted, we make strategic investments in promising private insurtech companies, subject to investment guidelines as approved by our Board of Directors, in addition to providing reinsurance capacity on a case by case basis. These private investments consist primarily of unlisted equities (mostly preferred shares) and debt instruments. See Item 1A. Risk Factors - [Risks Relating to Our Innovations Strategy](#) - **Investments in privately held early-stage companies involve significant risks.** "

For further information about our total investments and investment income, refer to "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - [Financial Condition](#)" and "Note 3 - [Investments in Related Party Investments Fund](#) and Note 4 - [Other Investments](#)" of the consolidated financial statements.

Enterprise Risk Management

Enterprise risk management (“ERM”) is at the core of our corporate culture and is a shared responsibility across all business functions. Our ERM processes are in place to accurately identify, assess, manage, and monitor risks in line with our strategic objectives and risk appetite.

We maintain an Executive Risk Committee (ERC) which oversees the ERM function and is responsible for the design and review of risk management framework (RMF). The ERC is chaired by the Chief Risk Officer (CRO), with the Chief Executive Officer (CEO), Chief Financial Officer (CFO), GRIL Chief Executive Officer Ireland, and Chief Actuary as members. The Board of Directors approves the RMF on an annual basis or as appropriate.

The RMF sets out the risk management roles and responsibilities for all stakeholders across the organization, and sets the quantitative and qualitative metrics of our risk appetite, risk monitoring, and risk mitigation measures. The CRO collates risk metrics from risk owners on at least a quarterly basis and presents a risk grid to the ERC and the Audit Committee of the Board of Directors.

One of the key objectives of our ERM function is to ensure that our underwriting efforts comply with explicitly stated underwriting appetite. We establish limits to balance our risk position size with our expertise while containing the cost of incorrectly assessing risks and rewards. We believe that an informed, disciplined risk selection approach ties directly into our business strategy. To achieve this, we encourage a collaborative, open work environment and group decision making. We closely monitor our accumulations of exposure and frequently review our investment and underwriting portfolios to assess the impact on capital under stressed scenarios. With the assistance of DME Advisors, we analyze our investment assets and liabilities, including the numerous risk components in our portfolio, such as concentration and liquidity risks.

We strive to encourage a culture of operational risk management, providing training and resources to all staff, maintaining robust business continuity protocols, and establishing HR practices to motivate and retain talent. We maintain and closely monitor our outsourcing, regulatory, and anti-money laundering policies and procedures. We recognize the impact of environmental, social, and governance (ESG) risks across the organization and have formed the Sustainability Management Committee to address these, working closely with members of the ERC.

Information Technology (“IT”)

We employ a cloud-centric IT strategy, which allow us to scale our infrastructure dynamically based on demand. The strategy prioritizes the use of cloud services for hosting applications, data storage, and other IT resources. With the use of cloud-based services, our security and systems reliability have proven cost-effective and have provided the required levels of service and redundancy.

We have implemented backup procedures to ensure that key services are saved daily and can be restored as needed.

We have a disaster recovery plan for our IT infrastructure that includes data and system snapshots with restore points. We conduct regular disaster recovery testing, and can access our core systems with minor outages and restore our primary systems within our mean time to restore (MTTR).

We protect our information systems with physical, electronic, and software safeguards considered appropriate by our management. We employ a specialist vendor to continuously monitor our systems for security events and risks within our network. We regularly provide security risk awareness education and training to our staff and to the Board of Directors. Despite these efforts, computer viruses, hackers, employee misuse or misconduct, and other internal or external hazards could expose our data systems to security breaches, cyber-attacks, or other disruptions. Refer to “Item 1C. [Cybersecurity](#)” for more information on our cybersecurity risk management.

See “Part I, Item 1A. Risk Factors — [Risks Related to Our Business](#) — *Modeling risks are inherent in our business.*” and “— *Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.*”

Human Capital Management

Human Capital Resources Oversight

Our employees are our most valuable asset and are core to our success. We are focused on building a performance and results-driven culture, which strives to get the best out of all employees and to help them to maximize their full potential. We believe in fostering an open and collaborative culture that encourages employees to take ownership of their performance and development. Our executive management team is committed to creating an environment where every employee can succeed. The Compensation Committee of our Board of Directors is actively engaged in the oversight of our employees, work environment, and compensation practices and receives regular updates from management on progress and developments.

Diversity, Equity, and Inclusion (“DEI”) Initiatives

DEI is core to our culture and business. We believe an inclusive and diverse workforce contributes different perspectives that enable us to continue to succeed. We strive to create an environment of inclusion that is grounded in the strength and diversity of our employees. As of December 31, 2023, 43% of our total global employees were female. In January 2024, we conducted a survey completed by 80% of our employees, with approximately 39% of employees identifying as racially or ethnically diverse.

Employees

At March 1, 2024, we had 64 total employees worldwide, 36 of whom were based in Grand Cayman, Cayman Islands, 16 in Dublin, Ireland, and 12 in London, United Kingdom. From time to time, we also engage consultants and contract with third parties, as needed, to provide additional resources to support our business activities.

Talent Development

We recognize that our strength lies in our people and therefore we strive to hire talented people and invest significantly in our employees’ professional development and personal growth. We have implemented an employee training and development policy to encourage our employees to take advantage of training and development opportunities.

We also invest in the professional growth of our leaders through customized executive coaching to build advanced skills and capabilities.

Compensation Practices

We have designed our performance-driven compensation policy to attract, motivate, reward and retain the best people. We use short-term compensation composed of base salary and annual cash bonuses and long-term compensation composed of stock options, restricted share units, and restricted shares, as applicable, to align our employees’ and executive officers’ interests with those of our shareholders. In addition, from time to time and under certain circumstances, we award sign-on bonuses, retention bonuses, and other bonus opportunities. We also offer welfare benefits and other perquisites, including a defined contribution pension plan and medical insurance coverage for our employees. As part of our commitment to supporting our employees, we match any contributions made by our employees to charities and not-for-profit organizations.

We believe our employees are fairly compensated without regard to gender, race, and ethnicity.

Work Environment

We are committed to the health, safety and wellness of our workforce, including maintaining a workplace free from discrimination and harassment. Each of our employees annually acknowledges complying with our Code of Business Conduct and Ethics, which provides employees with access to an anonymous whistleblower hotline to report any violations. Our Code of Business Conduct and Ethics is available on our website.

Additional Information

Our website address is www.greenlightre.com, and we make available, free of charge, on or through our website, links to our Annual Reports, quarterly reports on Form 10-Q, current reports on Form 8-K, and other documents we file with or furnish to the SEC, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Information contained on our website is not incorporated by reference into this Annual Report.

Glossary of Selected Reinsurance Terms

Accident & Health insurance	Insurance against loss by illness or bodily injury. Health insurance provides coverage for medicine, visits to the doctor or emergency room, hospital stays, and other medical expenses.
Acquisition costs	Ceding commissions, profit commissions, brokerage fees, premium taxes, and other direct expenses relating directly to premium production.
Acquisition cost ratio	The acquisition cost ratio is calculated by dividing net acquisition costs by net premiums earned.
Actuary	A person professionally trained in the mathematical and technical aspects of insurance and related fields, particularly in calculating premiums, loss reserves, and other values.
Broker	An intermediary who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other services rendered, between (1) a policyholder and a primary insurer, on behalf of the policyholder, (2) a primary insurer and a reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionaire, on behalf of the reinsurer.
Capacity	Capacity is the percentage of surplus that an insurer or reinsurer is willing or able to place at risk or the dollar amount of exposure it is willing to assume. Capacity may apply to a single risk, a program, a business line, or an entire book of business. Capacity may be constrained by legal restrictions, corporate restrictions, or indirect financial restrictions such as capital adequacy requirements.
Casualty reinsurance	Casualty reinsurance is primarily concerned with the losses caused by injuries to third persons (persons other than the policyholder) and the legal liability imposed on the policyholder resulting therefrom. Casualty reinsurance includes but is not limited to workers' compensation, automobile liability, and general liability. A greater degree of unpredictability is generally associated with casualty risks known as "long-tail risks," where losses take time to become known, and a claim may be separated from the circumstances that caused it by several years. An example of a long-tail casualty risk includes the use of certain drugs that may cause cancer or birth defects. There tends to be a greater delay in the reporting and settlement of casualty reinsurance claims due to the long-tail nature of the underlying casualty risks and their greater potential for litigation.
Catastrophe	A severe loss, typically involving multiple claimants. Common perils include earthquakes, hurricanes, tsunamis, hailstorms, tornados, derechos, severe winter weather, floods, fires, explosions, volcanic eruptions, and other natural or human-made disasters. Catastrophe losses may also arise from acts of war, acts of terrorism, and geopolitical instability.
Cede; ceding	When a party reinsures its liability to another party, it "cedes" business to the reinsurer and is referred to as the "client."
Claim	Request by an insured or reinsured for indemnification by an insurance or reinsurance company for loss incurred from an insured peril or event.
Client	A party whose liability is reinsured by a reinsurer, also known as a ceding.
Combined ratio	The combined ratio is the sum of the loss ratio, acquisition cost ratio, and underwriting expense ratio.
Composite ratio	The composite ratio is the ratio of underwriting losses incurred, loss adjustment expenses, and acquisition costs, excluding underwriting-related general and administrative expenses, to net premiums earned, or equivalently, the sum of the loss ratio and acquisition cost ratio.
Corporate expenses	Corporate expenses include those costs associated with operating as a publicly listed entity and an allocation of other general and administrative expenses.
Delegated authority	A contractual arrangement between an insurer or reinsurer or an agent whereby the agent is authorized to bind insurance or reinsurance on behalf of the insurer or reinsurer. The authority is generally limited to a particular class or classes of business and a particular territory. The exercise of the authority to bind insurance or reinsurance is generally subject to underwriting guidelines and other restrictions such as maximum premium income. Under the delegated authority, the agent is responsible for issuing policy documentation, the collection of premium and may also be responsible for the settlement of claims.
Deposit assets and liabilities	Assets (or liabilities) representing the consideration paid (or received) in connection with contracts that do not incorporate sufficient risk transfer to merit reinsurance accounting.

Development	The difference between the amount of reserves for losses and loss adjustment expenses initially estimated by an insurer or reinsurer and the amount re-estimated in an evaluation at a later date.
Excess of loss reinsurance	Reinsurance that indemnifies the reinsured against all or a specified portion of losses above a specified dollar or percentage loss ratio amount.
Financial strength rating	The opinion of rating agencies regarding an insurance or reinsurance company's financial ability to meet its financial obligations under its policies.
Funds at Lloyd's (FAL)	Funds of an approved form that are lodged and held in trust at Lloyd's as security for a member's underwriting activities. They comprise the member's deposit, personal reserve fund, and special reserve fund. They may be drawn down if the member's syndicate-level premium trust funds are insufficient to cover its liabilities. The amount of the deposit is related to the member's premium income limit and also the nature of the underwriting account.
Gross premiums written	Total premiums for assumed reinsurance during a given period.
Health insurance	Insurance against loss by illness or bodily injury. Health insurance covers medicine, visits to the doctor or emergency room, hospital stays, and other medical expenses.
Incurred but not reported (IBNR)	Reserves for estimated loss and loss adjustment expenses incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer, including unknown future developments on loss and loss adjustment expenses known to the insurer or reinsurer.
Lloyd's	Depending on the context, this term may refer to - (a) the society of individual and corporate underwriting members that insure and reinsure risks as members of one or more syndicates. Lloyd's is not an insurance company; (b) the underwriting room in the Lloyd's Building in which managing agents underwrite insurance and reinsurance on behalf of their syndicate members. In this sense, Lloyd's should be understood as a marketplace; or (c) the Corporation of Lloyd's, which regulates and provides support services to the Lloyd's market.
Loss adjustment expenses (LAE)	The expenses of settling claims, including legal and other fees, and the portion of general expenses allocated to claim settlement costs. Also known as claim adjustment expenses.
Loss ratio	The loss ratio is calculated by dividing net loss and loss adjustment expenses incurred by net premiums earned.
Loss reserves and loss adjustment expense reserves	Liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance contracts it has written. Reserves are established for losses and loss adjustment expenses and consist of reserves established for individual reported claims and incurred but not reported losses.
Multi-line	Contracts that cover more than one line of business.
Net financial impact	The net impact of prior period loss development after taking into account net losses and loss expenses incurred, earned reinstatement premiums assumed and ceded, and adjustments to assumed and ceded acquisition costs and profit commissions.
Net premiums written	An insurer's gross premiums written, less premiums ceded to reinsurers.
Non-admitted insurers	An insurer not licensed to do business in the jurisdiction in question. Also known as an unauthorized insurer and unlicensed insurer.
Premiums; written, earned, and unearned	Premiums represent the cost of insurance paid by the cedent or insured to the insurer or reinsurer. Written represents the total amount of premiums received, and earned represents the amount recognized as income over a period of time. Unearned is the difference between written and earned premiums.
Probable maximum loss (PML)	PML is the anticipated loss, taking into account contract terms and limits, caused by a natural catastrophe affecting a broad geographic area, such as that caused by an earthquake or hurricane.
Professional liability insurance	Professional liability insurance protects a company and its representatives against legal claims arising from error or misconduct in providing or failing to provide professional services. This coverage includes errors and omissions policies, directors and officers coverage, and specialty coverage like employment practices liability insurance.
Profit commission	A commission paid by a reinsurer to a ceding insurer based on a predetermined percentage of the profit realized by the reinsurer on the ceded business.

Property insurance	Property insurance covers a business's building and its contents—money and securities, records, inventory, furniture, machinery, supplies, and even intangible assets such as trademarks—when damage, theft, or loss occurs.
Property catastrophe reinsurance	Property catastrophe reinsurance contracts are typically “all risk” in nature, protecting against losses from natural and human-made catastrophes. Losses on these contracts typically stem from direct property damage and business interruption.
Proportional reinsurance	All forms of reinsurance in which the reinsurer shares a proportional part of the original premiums and losses of the reinsured. In proportional reinsurance, the reinsurer generally pays the client a ceding commission. The ceding commission is generally based on the client's cost of acquiring the business being reinsured (including commissions, premium taxes, assessments, and miscellaneous administrative expenses) and may include a profit component. Frequently referred to as quota-share reinsurance.
Quota-share reinsurance	A form of proportional reinsurance in which the reinsurer assumes an agreed percentage of each underlying insurance contract being reinsured.
Reinstatement premium	Premium charged for the reinstatement of the amount of reinsurance coverage to its full amount otherwise reduced as a result of a reinsurance loss payment.
Reinsurance	An arrangement in which a reinsurer agrees to indemnify an insurance company, the client, against all or a portion of the insurance risks underwritten by the client under one or more policies. Reinsurance can provide a client with several benefits, including reducing net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a client with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without a related increase in capital and surplus, and facilitates the maintenance of acceptable financial ratios by the client. Reinsurance does not legally discharge the client from its liability with respect to its obligations to the insured.
Reinsurer	An insurance company that assumes part of the risk in exchange for part of the premium to a primary insurer.
Retrocession; retrocessional coverage	A transaction whereby a reinsurer cedes to another reinsurer, commonly referred to as the retrocessionaire, all or part of the reinsurance that the first reinsurer has assumed. Retrocessional reinsurance does not legally discharge the ceding reinsurer from its liability with respect to its obligations to the reinsured.
Risks	A term used to denote the physical units of property at risk or the object of insurance protection that are not perils or hazards. Also defined as chance of loss or uncertainty of loss.
Risk-free rate	The interest rate on a riskless or safe asset, usually taken to be a short-term U.S. government security.
Risk transfer	The shifting of all or a part of a risk to another party.
Severity business	Insurance/reinsurance characterized by contracts containing the potential for significant losses emanating from one event.
Surety and fidelity insurance	Surety and fidelity insurance includes (1) insurance guaranteeing the fidelity of persons holding positions of public or private trust; (2) insurance guaranteeing the performance of contracts other than insurance policies and guaranteeing and executing bonds, undertakings, and contracts of suretyship; and (3) insurance indemnifying banks, bankers, brokers, financial or moneyed corporations or associations against loss.
System and Organizational Controls (SOC) 2 Type II Report (“SOC 2 Report”)	It is a reporting framework developed by the American Institute of Certified Public Accountants (“AICPA”) for independent audits of controls over information and systems relevant to security, availability, processing integrity, confidentiality, and privacy.
Syndicate	A member or group of members underwriting (re)insurance business at Lloyd's through the agency of a managing agent or substitute agent to which a syndicate number is assigned.
Treaty	A reinsurance agreement covering a book or class of business that is automatically accepted on a bulk basis by a reinsurer. A treaty contains common contract terms along with a specific risk definition, data on limit and retention, and provisions for premium and duration.
Underwriter	An insurance or reinsurance company employee who examines, accepts, or rejects risks and classifies risks to charge an appropriate premium for each accepted risk.

Underwriting	The process of evaluating, defining, and pricing reinsurance risks including, where appropriate, the rejection of such risks, and the acceptance of the obligation to pay the reinsured under the terms of the contract.
Underwriting expense	Underwriting expenses include those expenses directly related to underwriting activities that are not eligible to be capitalized and an allocation of other general and administrative expenses.
Underwriting expense ratio	The underwriting expense ratio includes those expenses directly related to underwriting activities and an allocation of other general and administrative expenses. Therefore, the underwriting expense ratio is the ratio of underwriting expenses to net premiums earned. The underwriting expense ratio also incorporates interest income and expenses from deposit-accounted contracts.
Workers' compensation insurance	Workers' compensation insurance provides medical, disability, and lost-wage benefits to employees for injuries and illness sustained in the course of their employment.

ITEM 1A. RISK FACTORS

The following risk factors could result in a significant or material adverse effect on our results of operations or financial condition.

Risks Relating to Our Business

Our results of operations fluctuate from period to period and may not be indicative of our long-term prospects.

Our results of operations fluctuate from period to period due to a variety of factors, including:

- our assessment of the quality of available reinsurance and renewal opportunities;
- loss experience on our reinsurance contracts;
- reinsurance contract pricing;
- the volume and mix of reinsurance products we underwrite; and
- our ability to assess and integrate our risk management strategy.

In addition, our SILP investment strategy and Innovations investments are likely to be more volatile than traditional fixed-income portfolios composed primarily of investment-grade bonds. See “— [Risks Relating to Our SILP Investment Strategy](#)” and “— [Risks Relating to Our Innovations Strategy](#).” Accordingly, our short-term results of operations may not be indicative of our long-term prospects.

A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.

If A.M. Best downgrades or withdraws either of our ratings, we could be severely limited or prevented from writing any new reinsurance contracts, which would materially and adversely affect our ability to implement our business strategy. Additionally, if A.M. Best downgrades or withdraws our ratings, we cannot provide assurance that our regulators, CIMA and the Central Bank of Ireland, would continue to authorize our current business strategy and investment strategy. See “—[Risks Relating to Insurance and Other Regulations](#) – Any suspension or revocation of our reinsurance licenses would materially and adversely impact our ability to do business and implement our business strategy.”

Greenlight Re’s A.M. Best rating of “A- (Excellent)” with a stable outlook is the fourth highest of 13 ratings that A.M. Best issues. A.M. Best periodically reviews our ratings and may revise one or more of our ratings downward or revoke them at its sole discretion based primarily on its analysis of our balance sheet strength, operating performance, and business profile. Potential developments that may affect such an analysis include:

- if A.M. Best alters its capital adequacy assessment methodology in a manner that would adversely affect the rating of our reinsurance entities;
- if A.M. Best alters its approach regarding our SILP investment strategy or our Innovations investments;
- if our actual losses significantly exceed our loss reserves;
- if unfavorable financial or market trends impact us;
- if we change our business practices from our organizational business plan in a manner that no longer supports our A.M. Best ratings;
- if we are unable to retain our senior management and other key personnel or implement succession plans; or
- if our investments incur significant losses.

Substantially all of our assumed reinsurance contracts contain provisions that permit our clients to cancel the contract or require additional collateral in the event of a downgrade in our A.M. Best ratings below specified levels or a reduction of our capital or surplus below specified levels over the course of the agreement. Contracts containing such cancellation rights represented approximately 26% of gross premiums written during 2023. Additional collateral in the event of a downgrade in our A.M. Best ratings would be approximately \$133.2 million at December 31, 2023.

We expect that similar provisions will also be included in future contracts. Whether a client would exercise such cancellation rights would likely depend on, among other things, the prevailing market conditions, the degree of unexpired coverage, and the pricing and availability of replacement reinsurance coverage. We cannot predict how many of our clients would ultimately exercise such rights. The exercise of such rights in the aggregate could significantly affect our financial condition, results of operations, and our underwriting capacity.

If our losses and LAE greatly exceed our loss reserves, our financial condition may be materially and adversely affected.

Our results of operations and financial condition depend upon our ability to accurately assess the potential losses and loss adjustment expenses associated with the risks we reinsure. Reserves are liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance contracts it has written. The Company estimates these reserves based upon facts and circumstances then known, estimates of future trends in claim severity, and other variable factors. The inherent uncertainties associated with estimating loss reserves are generally greater for reinsurance companies than for primary insurance companies due primarily to:

- the lapse of time from the occurrence of an event to the reporting of the claim and the ultimate resolution or settlement of the claim;
- the settlement delays associated with the reporting delays;
- the diversity of development patterns among different types of reinsurance treaties;
- the necessary reliance on clients for information regarding claims; and
- other macro-economic changes which may impact reserves generally.

Our reserve estimates may be less reliable than the reserve estimations of a reinsurer with a greater volume of business and more established loss history. Actual losses and loss adjustment expenses paid may deviate substantially from the estimates of our loss reserves contained in our financial statements and could negatively affect our results of operations. If we determine our loss reserves to be inadequate, we will increase our loss reserves with a corresponding reduction in our net income and capital in the period in which we identify the deficiency. If our losses and loss adjustment expenses greatly exceed our loss reserves, our financial condition may be materially and adversely affected. For a summary of the effects of reserve re-estimation on prior year reserves and net income, see “Part II. Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - [Critical Accounting Estimates](#), *Loss and Loss Adjustment Expense Reserves*”.

We may need additional capital in the future in order to operate our business, and such capital may not be available to us or may not be available to us on favorable terms.

We may need to raise additional capital in the future through public or private equity or debt offerings or otherwise in order to:

- repay our debt;
- fund liquidity needs or replace lost capital resulting from underwriting or investment losses;
- meet rating agency capital requirements;
- satisfy collateral requirements that may be imposed by our clients or by regulators;
- meet applicable statutory jurisdiction requirements; or
- respond to competitive pressures.

Additional capital may not be available on terms favorable to us, or at all. Increases in interest rates could result in higher interest expense on our outstanding debt. Further, any additional capital raised through the sale of equity could dilute existing ownership interest in our company and may cause the market price of our ordinary shares to decline. Additional capital raised through the issuance of debt may result in creditors having rights, preferences, and privileges senior or otherwise superior to those of our ordinary shares.

Competitors with greater resources may make it difficult for us to effectively market our products or offer our products at a profit.

The reinsurance industry is highly competitive. We compete with major reinsurers, many of which have substantially greater financial, marketing, and management resources than we do, including Arch Capital, AXIS, Everest Re, Hamilton Re, Hannover Re, Renaissance Re, and Sirius Point, as well as smaller companies, other niche reinsurers, and Lloyd's syndicates and their related entities. Competition in the types of business that we underwrite is based on many factors, including:

- the perceived financial strength and general reputation of the reinsurer, including its level of service, trustworthiness, business practices, and other subjective matters;
- ratings assigned by independent rating agencies;
- relationships with reinsurance brokers;
- pricing;
- terms and conditions of products offered;
- speed of claims payment; and
- the experience and reputation of the members of our underwriting team in the particular lines of reinsurance we seek to underwrite.

We cannot assure you that we will be able to compete successfully in the reinsurance market. Our failure to compete effectively could materially and adversely affect our financial condition and results of operations, and may increase the likelihood that we will be deemed a passive foreign investment company or an investment company. See “— [Risks Relating to Taxation](#) — *United States persons who own ordinary shares may be subject to United States federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of ordinary shares.*” and “— [Risks Relating to Insurance and Other Regulations](#) — *We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.*”

Consolidation in the reinsurance industry could adversely affect us.

The reinsurance industry, including our competitors, customers, and insurance and reinsurance brokers, has experienced significant consolidation over the last several years. Consolidated entities may try to use their enhanced market power to negotiate price reductions for our products and services. If competitive pressures reduce our prices, we would expect to write less business. If the insurance industry further consolidates, competition for customers may intensify, and the importance of acquiring and servicing each customer may become greater. We could incur greater expenses relating to customer acquisition and retention, further reducing our operating margins. In addition, insurance companies that merge may be able to spread their risks across a larger capital base so that they require less reinsurance. The number of companies offering retrocessional reinsurance may decline. Reinsurance intermediaries could also consolidate, potentially adversely impacting our ability to access business and distribute our products. We could also experience more robust competition from larger, better-capitalized competitors. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Challenging economic or political conditions may adversely impact our results of operations or financial condition.

Our results of operations and financial condition may be materially adversely affected by a challenging economic market, such as a highly inflationary environment. Our operations are susceptible to inflation, and underestimating inflation levels could result in underpricing the risks we reinsure because premiums are established before the ultimate amounts of losses and LAE are known. While we consider the potential effects of inflation when setting premium rates, our premiums may not fully offset the ultimate effects of inflation. Additionally, our reserving models include assumptions about future payments for the settlement of claims and claims-handling expenses, such as the value of replacing property, associated labor costs for the property business we write, and litigation costs. The global inflationary environment in the last couple years has resulted in an increase in our projected future claim costs, resulting in adverse loss reserve development. While the global inflationary pressures have abated from their recent highs, any subsequent increase in inflation may lead to an increase in our loss reserves with a corresponding reduction in net income in the period the deficiency is identified, which may have a material adverse effect on our results of operations and financial condition. Unanticipated higher inflation could also lead to higher interest rates, potentially negatively impacting the value of any rate-sensitive financial instruments held by SILP and could also impact our Innovations investments and cause us to incur higher interest expense on our debt. See “— [Risks Related to Our SILP Investment Strategy](#)” and “— [Risks Related to Our Innovations Investments](#).”

Further, our results of operations and financial condition may also be materially adversely affected by a challenging political climate, including events such as military actions, invasions, wars, civil unrest and terrorist activities and the imposition of sanctions and importation limitations. For example, the ongoing conflict between Russia and Ukraine and the resulting responses have led to disruption, instability and volatility in global markets and industries. Although the severity and duration of the ongoing Ukraine conflict is impossible to predict, the continuing active conflict could lead to further economic uncertainty, represented by significant and prolonged volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Due to the widespread impact of the ongoing conflict, it is likely to indirectly impact the markets in which we operate.

The effect of emerging claim and coverage issues on our business is uncertain.

As industry practices and social, political, legal, judicial, and regulatory conditions change, unexpected issues related to claims and coverage have emerged and adversely affected our results. Examples of emerging claims and coverage issues include, but are not limited to:

- new theories of liability and disputes regarding medical causation with respect to certain diseases;
- assignment-of-benefits agreements, where rights of insurance claims and benefits of the insurance policy are transferred to third parties, which can result in inflated repair costs and legal expenses to insurers and reinsurers;
- claims related to political unrest, geopolitical instability, or other politically driven events, such as the conflict in the Middle East, and the military conflict between Russia and Ukraine, including loss claims relating to expropriation, forced abandonment, license cancellation, trade embargo, contract frustration, non-payment, war on land or political violence (including terrorism, revolution, insurrection, and civil unrest);
- claims related to data security breaches, information system failures, or cyber-attacks; and
- claims related to business interruption including protocols enlisted by governments in connection with pandemics, and ransomware and cyber-attacks.

Additionally, various provisions of our contracts, such as limitations or exclusions from coverage or choice of forum, may be difficult to enforce in the manner we intend due to, among other things, disputes relating to coverage and choice of legal forum. These issues may adversely affect our business by either extending coverage beyond the period that we intended or by increasing the number or size of claims. In some instances, these changes may not manifest themselves until many years after we have issued reinsurance contracts that are affected by these changes. As a result, we may not be able to ascertain the full extent of our liabilities under our reinsurance contracts for many years following the issuance of our contracts.

The property and casualty reinsurance market may be affected by cyclical trends.

We write reinsurance in the property and casualty markets, which are subject to pricing cycles. These cycles, as well as other factors that influence aggregate supply and demand for property and casualty reinsurance products, are outside our control. Primary insurers' underwriting results, prevailing general economic and market conditions, liability retention decisions of companies, and primary insurers and reinsurance premium rates influence the demand for property and casualty reinsurance. Prevailing prices and available surplus to support assumed business influence reinsurance supply. Supply may fluctuate in response to changes in return on capital realized in the reinsurance industry, the frequency and severity of losses, and prevailing general economic and market conditions.

As a result, the reinsurance business historically has been a cyclical industry characterized by periods of intense price competition due to high levels of available underwriting capacity and periods when shortages of capacity have permitted favorable premium levels and changes in terms and conditions. The supply of available reinsurance capital could increase in future years, either due to capital provided by new entrants or by the commitment of additional capital by existing insurers or reinsurers.

Continued increases in the supply of reinsurance may have consequences for the reinsurance industry generally and for us, including fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention, less favorable policy terms and conditions, and/or lower premium volume. The effects of cyclicalities could materially and adversely affect our financial condition and results of operations.

Modeling risks are inherent in our business.

We believe that our modeling is critical to our business. We utilize modeling tools to facilitate the pricing, reserving, and risk management of our reinsurance portfolio. These models help us to control risk accumulation, inform management and other stakeholders of capital requirements and to improve the risk/return profile or minimize the amount of capital required to cover the risks in each reinsurance contract. However, given the inherent uncertainty of modeling techniques and the application of such techniques, these models and databases may not accurately address the emergence of a variety of matters that might be deemed to impact certain of our coverages. These models have been developed internally, and in some cases, they make use of third-party software. The construction of these models and the selection of assumptions require significant actuarial judgment. Furthermore, these models typically rely on either cedent or industry data, which may be incomplete or may be subject to errors. Accordingly, these models, and the assumptions and judgements made in connection therewith, may understate the exposures we are assuming, and our financial results may be materially and adversely impacted.

Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.

Our information technology and application systems have been an important part of our underwriting process and our ability to compete successfully. We have also licensed certain systems and data from third parties. We cannot be certain that we will have access to these service providers or that our information technology or application systems will continue to operate as intended. In addition, we cannot be certain that we would be able to replace these systems without slowing our underwriting response time. Like all companies, we have information technology and application systems that are vulnerable to data breaches, interruptions or failures due to events that may be beyond our control, including, but not limited to, natural disasters, theft, terrorist attacks, malicious ransomware cyber-attacks, computer viruses, hackers and general technology failures.

A major defect or failure in our internal controls or information technology and application systems could result in management distraction, a violation of applicable privacy or other laws, harm our reputation, a loss of customers, or monetary fines or penalties or otherwise increased expenses. We believe appropriate controls and mitigation procedures are in place to prevent significant data breaches, interruptions, or failures in, information technology and application systems. However, internal controls provide only a reasonable, not absolute, assurance as to the absence of errors or irregularities, and the ineffectiveness of such controls and procedures could have a material adverse effect on our business.

The cybersecurity regulatory environment is evolving, and we expect the costs of complying with new or developing regulatory requirements to increase. These laws and regulations vary country to country and state to state, but they generally require the establishment of programs to detect and prevent unauthorized access to personal data and to mitigate theft of personal data. For example, the General Data Protection Regulation (“GDPR”), which establishes uniform data privacy laws across the European Union (“EU”) is effective for all EU member states. The GDPR anticipates the processing of data for reinsurance and other purposes and applies standards and rules that covered entities must establish and monitor with respect to such processing and use. As our operations expand to other jurisdictions, we will be required to comply with cybersecurity laws in those jurisdictions, which will further increase our cost of compliance. See “Part 1, Item 1. Business - [Regulations](#)” and “Part 1C. [Cybersecurity](#).”

Our property and casualty reinsurance operations make us vulnerable to losses from catastrophes and may cause our results of operations to vary significantly from period to period.

Certain of our reinsurance operations expose us to claims arising out of unpredictable catastrophic events, including losses from severe weather and other natural catastrophes and man-made disasters such as acts of war or terrorism. The incidence and severity of catastrophes are inherently unpredictable, with climate change continuing to add to that inherent unpredictability as well as increasing the frequency and severity of events. To the extent climate change produces extreme changes in temperatures and weather patterns, it could impact the frequency or severity of weather including, but not limited to, hurricanes, tornadoes, freezes, droughts, other storms, and wildfires. These changes in weather patterns could also affect the frequency and severity of *other* natural catastrophe events to which we may be exposed. Further, such catastrophes could impact the affordability and availability of homeowners insurance, which could impact pricing. Additionally, increases in the value and geographic concentration of insured property, particularly along coastal regions, could cause the cost of such losses to increase.

Catastrophic losses are a function of the insured exposure in the affected area and the event’s severity. Claims from catastrophic events could cause substantial volatility in our financial results for any fiscal quarter or year and could materially and adversely affect our business, financial condition and results of operations.

Finally, given the scientific uncertainty of predicting the effect of climate cycles and global climate change on the frequency and severity of natural catastrophes and the lack of adequate predictive tools, we may not be able to adequately model the associated exposures and potential losses in connection with such catastrophes which could have a material adverse effect on our business, financial condition or operating results.

The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our business is placed through brokered transactions, which involve a limited number of reinsurance brokers, which has continued to decrease in recent years as a result of consolidation in the broker sector. Our two largest brokers each accounted for more than 10% of our gross written premiums, and in the aggregate, they accounted for approximately 33.7% of our gross premiums written in 2023. Because broker-produced business is concentrated with a small number of brokers, we are exposed to concentration risk. To lose or fail to expand all or a substantial portion of the business provided through brokers could materially and adversely affect our business, financial condition and results of operations.

We depend on our clients' evaluations of the risks associated with their insurance underwriting, which may subject us to reinsurance losses.

In our proportional reinsurance business, we do not expect to separately evaluate each of the original individual risks assumed under these reinsurance contracts. Therefore, we are largely dependent on the original underwriting decisions made by ceding companies. We are subject to the risk that the clients may not have adequately evaluated the insured risks and that the premiums ceded may not adequately compensate us for the risks we assume. We also do not separately evaluate each of the individual claims made on the underlying insurance contracts under quota share contracts, rendering us dependent on the claims decisions our clients make.

We are subject to the credit risk of our brokers, cedents, agents and other counterparties.

In accordance with industry practice, we frequently pay amounts owed on claims under our policies to reinsurance brokers, and these brokers, in turn, remit these amounts to the ceding companies that have reinsured a portion of their liabilities with us. In some jurisdictions, if a broker fails to make such a payment, we might remain liable to the client for the deficiency, notwithstanding the broker's obligation to make such payment. Conversely, in certain jurisdictions, when the client pays premiums for policies to reinsurance brokers for payment to us, these premiums are considered to have been paid, and the client will no longer be liable to us for these premiums, whether or not we have actually received them. Consequently, we assume a degree of credit risk associated with brokers.

We are also exposed to the credit risk of our cedents and agents, who, pursuant to their contracts with us, may be required to pay us profit commission, additional premiums, reinstatement premiums, and adjustments to ceding commissions over a period of time, which in some cases may extend beyond the initial period of risk coverage. Insolvency, liquidity problems, distressed financial condition, or the general effects of an economic recession may increase the risk that our cedents or agents may not pay some or all of their obligations to us. To the extent our cedents or agents become unable to pay us, we would be required to recognize a downward adjustment to our reinsurance balances receivable or loss and loss expenses recoverable, as applicable, in our financial statements. While we generally seek to mitigate this risk through, among other things, collateral agreements, funds withheld, corporate guarantees, and the right to offset receivables against any losses payable, an increased inability of customers to fulfill their obligations to us could have an adverse effect on our financial condition and results of operations.

Our reinsurance balances receivable from brokers and cedents at December 31, 2023 totaled \$619.4 million, which included premiums, ceding commissions receivable, and funds at Lloyd's, a majority of which are not collateralized. We cannot provide assurance that such receivables will be collected or that valuation allowances or write-downs for uncollectible balances will not be required in future periods.

We may not successfully alleviate risk through reinsurance arrangements. Additionally, we may be unable to collect, which could adversely affect our business, financial condition, and results of operations.

As part of our risk management, from time to time, we seek to purchase reinsurance for certain liabilities we reinsure to mitigate the effect of a potential concentration of losses upon our financial condition. The insolvency or inability or refusal of a retrocessionaire to make payments under the terms of its agreement with us could have an adverse effect on us because our obligations to our clients would remain. At certain times, market conditions have limited, and in some cases have prevented, reinsurers from obtaining the types and amounts of retrocessional coverage they consider necessary for their business needs. Accordingly, we may not be able to obtain our desired amounts of retrocessional coverage, negotiate terms that we deem

appropriate or acceptable, or obtain retrocessional coverage from entities with satisfactory creditworthiness. Our inability to establish adequate retrocessional arrangements or the failure of our retrocessional arrangements to protect us from overly concentrated risk exposure could materially and adversely affect our business, financial condition, and results of operations.

Our failure to comply with restrictive covenants contained in our current or future credit facilities could trigger prepayment obligations, which could adversely affect our business, financial condition, and results of operations.

Our credit facility requires us and/or certain of our subsidiaries to comply with certain covenants, including restrictions on our ability to place a lien or charge on pledged assets, issue debt, and in certain circumstances, on the payment of dividends. For more details, see “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - [Liquidity](#)”. Our failure to comply with these or other covenants could result in an event of default under the credit facility or any credit facility we may enter into in the future, which, if not cured or waived, could result in us being required to repay the amounts outstanding under these facilities prior to maturity. As a result, our business, financial condition, and results of operations could be materially and adversely affected.

We may not successfully obtain the necessary credit facilities to support our business strategy.

As noted in “Part 1, Item 1. Business - [Regulations](#)”, we are required to provide letters of credit or collateral to jurisdictions in which we are not licensed or admitted as a reinsurer. While we have expanded our credit facilities with the addition of the CIBC LOC facility in late 2023, there is no assurance that the Citi LOC facility will be renewed in 2024 (see Note 16 “[Commitments and Contingencies](#) - Letters of Credit and Trusts” of the consolidated financial statements).

If we lose or are unable to retain or implement succession plans for our senior management and other key personnel, our ability to implement our business strategy could be delayed or hindered, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

Our success depends, to a significant extent, on the efforts of our senior management and other key personnel to implement our business strategy. We believe there are only a limited number of available qualified executives with substantial experience in our industry and we currently do not maintain key life insurance with respect to any of our senior management. We could face challenges and incur expenses in attracting and retaining personnel in the Cayman Islands, U.K., and Ireland. Accordingly, the loss of the services of one or more of the members of our senior management or other key personnel, or our inability to implement succession plans or hire and retain other key personnel, could prevent us from continuing to implement our business strategy and, consequently, materially and adversely affect our business.

Our ability to implement our business strategy could be adversely affected by Cayman Islands employment restrictions.

Under Cayman Islands law, persons who are not Caymanian, do not possess Caymanian status, or are not otherwise entitled to reside and work in the Cayman Islands pursuant to provisions of the Immigration Act (as amended) of the Cayman Islands, which we refer to as the Immigration Act, may not engage in any gainful occupation in the Cayman Islands without an appropriate governmental work permit. Such a work permit may be granted or extended on a continuous basis for a maximum period of nine years (after having been legally and ordinarily resident in the Cayman Islands for a period of eight years a person may apply for permanent residence in accordance with the provisions of the Immigration Act) upon showing that, after proper public advertisement, no Caymanian or person of Caymanian status, or other person legally and ordinarily resident in the Cayman Islands who meets the minimum standards for the advertised position is available. The failure of these work permits to be granted or extended could prevent us from continuing to implement our business strategy.

We may face risks arising from future strategic transactions such as acquisitions, dispositions, mergers, or joint ventures.

We may pursue strategic transactions from time to time, which could involve acquisitions or dispositions of businesses or assets. Any strategic transactions could have an adverse impact on our reputation, business, results of operation, or financial condition. Sources of risk arising from these types of transactions include financial, accounting, tax, and regulatory challenges; difficulties with integration, business retention, execution of strategy, unforeseen liabilities or market conditions; and other managerial or operating risks and challenges. Any future transactions could also subject us to risks such as failure to obtain appropriate value, post-closing claims being levied against us, and disruption to our other businesses during the negotiation or execution process or thereafter. Accordingly, these risks and difficulties may prevent us from realizing the expected benefits from such strategic transactions. For example, businesses that we acquire or our strategic alliances or joint ventures may underperform relative to the price paid or resources committed by us; we may not achieve anticipated cost savings; we may otherwise be adversely affected by transaction-related charges; we may assume unknown or undisclosed business, operational, tax, regulatory and other liabilities; fail to accurately assess known contingent liabilities; or assume businesses with internal control deficiencies. Risk-mitigating provisions that we put in place in the course of negotiating and executing these

transactions, such as due diligence efforts and indemnification provisions, may not be sufficient to fully address these risks and contingencies.

Non-compliance with laws, regulations, and taxation regarding transactions with international counterparties may adversely affect our business.

As we provide reinsurance on a worldwide basis, we are subject to an expanding legal, regulatory, and tax environment intended to help detect and prevent anti-trust activity, money laundering, terrorist financing, proliferation financing, fraud, tax avoidance, and other illicit activity. These requirements include, among others, regulations promulgated and administered by CIMA, the U.S. Department of the Treasury's Office of Foreign Assets Control, The Foreign Corrupt Practices Act of 1977, the Iran Freedom and Counter-Proliferation Act of 2012, and the Foreign Account Tax Compliance Act. These and other programs prohibit or restrict dealings with certain persons, entities, countries, governments and, in certain circumstances, their nationals and may require detailed reporting to various administrative parties. Non-compliance with any of these regulations could have a material adverse effect on our ability to conduct our business.

Currency fluctuations could result in exchange rate losses and negatively impact our business.

Our functional currency is the U.S. dollar. However, we expect to write a portion of our business in currencies other than the U.S. dollar. We may incur foreign currency exchange gains or losses as we ultimately receive premiums and settle claims in foreign currencies. In addition, SILP may invest in securities or cash denominated in currencies other than the U.S. dollar. Consequently, we may experience exchange rate losses to the extent that our foreign currency exposure is not hedged, which could materially and adversely affect our business. If we or SILP hedge our foreign currency exposure through forward foreign currency exchange contracts or currency swaps, we will be subject to the risk that the hedging counterparties to such arrangements may fail to perform.

Risks Relating to Insurance and Other Regulations

Any suspension or revocation of any of our licenses would materially and adversely affect our business, financial condition and results of operations.

Greenlight Re is licensed as a reinsurer in the Cayman Islands and the EEA. We are also licensed to write insurance business in the U.K. and the EEA through our Syndicate 3456. The suspension or revocation of any of our licenses to do business in either of these jurisdictions for any reason would mean that we would not be able to enter into any new reinsurance contracts in that jurisdiction until the suspension ended or we became licensed in another jurisdiction. The process of obtaining licenses is time-consuming and costly, and we may not be able to become licensed in another jurisdiction in the event we choose to. Any such suspension or revocation of our license would negatively impact our reputation in the (re)insurance marketplace, could have a material adverse effect on any potential license application and would materially and adversely affect our business, financial condition and results of operations.

CIMA and the CBI may take a number of actions, including suspending or revoking a reinsurance license whenever the regulatory body believes that a licensee is or may become unable to meet its financial obligations, is carrying on business in a manner likely to be detrimental to the public interest or the interest of its creditors or policyholders, has contravened the terms of the Act, or has otherwise behaved in such a manner so as to cause such regulatory body to call into question the licensee's fitness to conduct regulated activity.

Further, based on statutes, regulations, and policies in their respective jurisdictions, CIMA and CBI may suspend or revoke our licenses if certain events occur, including without limitation:

- we cease to carry on reinsurance business;
- the direction and management of our reinsurance business have not been conducted in accordance with laws and regulations;
- we cease to meet certain capital and surplus requirements;
- a person holding a position as a director, manager or officer is not deemed to be a fit or proper person to hold the respective position; or
- we become bankrupt, go into liquidation, or are wound up or otherwise dissolved.

Similarly, if either CIMA or the CBI suspended or revoked our licenses, we could lose our exemption under the Investment Company Act of 1940, as amended (the "Investment Company Act") (See "— ***We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.***")

Our reinsurance subsidiaries are subject to minimum capital and surplus requirements, and our failure to meet these requirements could subject us to regulatory action.

The Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations (2018 Revision) (the “Capital and Solvency Regulations”) impose on Greenlight Re to maintain minimum statutory capital and surplus equal to the greater of: a) the minimum capital requirement of \$50 million and b) the prescribed capital requirement (the “Capital Requirements”). At December 31, 2023, Greenlight Re was in compliance with the Capital Requirements - see Note 18 “[Statutory Requirements](#)” of the consolidated financial statements.

GRIL, our Irish subsidiary, is required to comply with risk-based solvency requirements under the European legislation known as “Solvency II,” including calculating and maintaining a minimum capital requirement and solvency capital requirement. At December 31, 2023, GRIL’s minimum capital requirement and solvency capital requirement was approximately \$9.8 million and \$39.4 million, respectively. At December 31, 2023, GRIL was in compliance with the capital requirements required under the Irish Insurance Acts and Regulations.

Any failure to meet applicable requirements or minimum statutory capital requirements could subject us to further examination or action by regulators, including restrictions on dividend payments, limitations on our writing of additional business or engaging in financial or other activities, enhanced supervision, financial or other penalties, or liquidation. Further, any changes in existing risk-based capital requirements or minimum statutory capital requirements may require us to increase our statutory capital levels, which we might be unable to do.

We are a holding company that depends on the ability of our subsidiaries to pay dividends.

We are a holding company and do not have any significant operations or assets other than our ownership of the shares of our subsidiaries. Dividends and other permitted distributions from our subsidiaries are our primary source of funds to meet ongoing cash requirements, including future debt service payments, if any, and other corporate expenses, and to repurchase shares or pay dividends to our shareholders if we choose to do so. Some of our subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends. The inability of our subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have an adverse effect on our operations and our ability to repurchase shares or pay dividends to our shareholders if we choose to do so and/or meet our debt service obligations, if any.

To the extent any of our subsidiaries located in jurisdictions other than the Cayman Islands consider declaring dividends, such subsidiaries are required to comply with restrictions set forth under applicable law and regulations in such other jurisdictions. These restrictions could adversely impact the Company.

We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.

In the United States, the Investment Company Act regulates certain companies that invest in or trade securities. We rely on an exemption under the Investment Company Act for an entity organized and regulated as a foreign insurance company which is engaged primarily and predominantly in the reinsurance of risks on insurance agreements. As we hold ourselves out as a global specialty property and casualty reinsurer and we do not propose to engage primarily in the business of investing or trading in securities, we believe the exemption applies. Accordingly, we do not believe that we are, or are likely to become in the future, an investment company under the Investment Company Act. Nonetheless, the law in this area is not well developed, and there is a lack of definitive guidance as to the meaning of “primarily and predominantly” under the relevant exemption to the Investment Company Act. If this exemption were deemed inapplicable, we would have to register under the Investment Company Act as an investment company. Registered investment companies are subject to extensive, restrictive, and potentially adverse regulation relating to, among other things, operating methods, management, capital structure, leverage, dividends, and transactions with affiliates. Registered investment companies are not permitted to operate their business in the manner in which we operate our business, nor are registered investment companies permitted to have many of the relationships that we have with our affiliated companies. Any changes to our investment strategy necessitated by being labeled a registered investment company could materially and adversely impact our investment results, financial condition, and ability to implement our business strategy.

If at any time it were established that we had been operating as an investment company in violation of the registration requirements of the Investment Company Act, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, or that we would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which it was established that we were an unregistered investment company.

To the extent that the laws and regulations change in the future so that contracts we write are deemed not to be reinsurance contracts, we will be at greater risk of not qualifying for the Investment Company Act exception. Additionally, it is possible that our classification as an investment company would result in the suspension or revocation of our reinsurance license.

Insurance regulations to which we are, or may become, subject, and potential changes thereto, could have a significant and negative effect on our business.

We currently are admitted to do reinsurance business in the Cayman Islands and the European Economic Area. We are also licensed to write insurance business in the U.K. and the EEA through our Syndicate 3456. Our operations in these jurisdictions are subject to varying degrees of regulation and supervision. The laws and regulations of the jurisdictions in which our subsidiaries are domiciled require that, among other things, these subsidiaries maintain minimum levels of statutory or regulatory capital, surplus, and liquidity, meet solvency standards, submit to periodic examinations of their financial condition, and restrict payments of dividends and reductions of capital. Statutes, regulations, and policies that our subsidiaries are subject to may also restrict the ability of these subsidiaries to write insurance and reinsurance policies, make certain investments, and distribute funds.

More specifically, with respect to GRIL, Solvency II governs the prudential regulation of insurers and reinsurers, and requires insurers and reinsurers in Europe to meet risk-based solvency requirements. It also imposes group solvency and governance requirements on groups with insurers and/or reinsurers operating in the European Economic Area. A number of European Commission delegated acts and technical standards have been adopted, which set out more detailed requirements based on the overarching provisions of the Solvency II Directive. However, further delegated acts, technical standards, and guidance are likely to be published on an ongoing basis.

Although we presently are admitted to do business in the Cayman Islands, U.K. and the EEA, we cannot provide assurance that insurance regulators in the United States or elsewhere will not review our activities and claim that we are subject to such jurisdiction's licensing requirements. In addition, we are subject to indirect regulatory requirements imposed by jurisdictions that may limit our ability to provide reinsurance. For example, our ability to write reinsurance may be subject, in certain cases, to arrangements satisfactory to applicable regulatory bodies, and proposed legislation and regulations may have the effect of imposing additional requirements upon, or restricting the market for, non-U.S. reinsurers such as Greenlight Re and GRIL, with whom domestic companies may place business. We do not know of any such proposed legislation pending at this time.

We may not be able to comply fully with, or obtain desired exemptions from, revised statutes, regulations, and policies that currently, or may in the future, govern the conduct of our business. Failure to comply with, or to obtain desired authorizations and/or exemptions under, any applicable laws could result in restrictions on our ability to do business or undertake activities that are regulated in one or more of the jurisdictions in which we operate and could subject us to fines and other sanctions. The MAA includes amendments that provide for a specific administrative fines framework whereby CIMA has been granted the power to issue monetary penalties of up to 1 million Cayman Islands Dollars for a very serious breach.

In addition, governmental authorities worldwide have become increasingly interested in potential risks posed by the insurance industry as a whole, and to the commercial and financial systems in general. While we cannot predict the exact nature, timing, or scope of possible governmental initiatives, there may be increased regulatory intervention in our industry in the future. Changes in the laws or regulations to which our subsidiaries are subject or may become subject, or in the interpretations thereof by enforcement or regulatory agencies, could have a material adverse effect on our business.

There are differences between Cayman Islands corporate law and Delaware corporate law with respect to interested party transactions, which may benefit certain of our shareholders at the expense of other shareholders.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that they owe certain duties to the company, including: a duty to act in good faith and in what they consider to be in the best interests of the company; a duty not to make a profit out of their position as director (unless the company permits them to do so); a duty to exercise their powers for the purposes for which they are conferred; and a duty not to put themselves in a position where the interests of the company conflict with their personal interest or their duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. A director will need to exhibit in the performance of their duties both the degree of skill that may reasonably be expected from a subjective perspective determined by reference to their knowledge and experience and the skill and care objectively to be expected from a person occupying office as a director of the company.

Under Cayman Islands corporate law and pursuant to our Articles, a director may vote on a contract or transaction where the director has an interest as a shareholder, director, officer, or employee, provided such interest is duly disclosed to the Board. In exercising any such vote, such director's duties remain as described above. Pursuant to our Articles none of our contracts will be deemed to be void purely because any director is an interested party in such transaction and in such circumstances, interested parties will generally not be held liable for monies owed to the Company. Under Delaware law, interested party transactions are voidable.

A failure by our Syndicate 3456 to comply with rules and regulations could materially and adversely interfere with our business strategy.

Syndicate 3456 is subject to Lloyd's oversight. The PRA and the FCA regulate all financial services firms in the U.K., including Lloyd's and Syndicate 3456. Both the PRA and the FCA have substantial powers of intervention in relation to Lloyd's Syndicates, including the power to remove Lloyd's authorization to manage such Syndicates. See “— Item 1. Business — [Regulations](#) — UK Regulations” for further discussion of such regulations.

Failure to comply with, or any future regulatory changes or rulings to, the regulations of the PRA and/or the FCA could interfere with the business strategy of Syndicate 3456, which could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Our SILP Investment Strategy

Our investment performance depends in part on the performance of SILP and may suffer as a result of adverse financial market developments or other factors that impact SILP's liquidity, which could materially and adversely affect our investment results, financial condition and results of operations.

Our operating results depend in part on the performance of SILP. We cannot provide assurance that DME Advisors, on behalf of SILP, will successfully structure investments in relation to our liquidity needs or liabilities. Failure to do so could force us to make redemptions from SILP that cause DME Advisors to liquidate investments at a significant loss or at prices that are not optimal, which could materially and adversely affect our financial results.

The risks associated with the value-oriented investment strategy expected to be employed by SILP may be substantially greater than the risks associated with traditional fixed-income investment strategies. In addition, long equity investments may generate losses if the market declines. Similarly, short equity investments may generate losses in a rising market. The success of the investment strategy may also be affected by general economic conditions. Unexpected market volatility and illiquidity associated with our investment in SILP could materially and adversely affect our investment results, financial condition, or results of operations.

SILP may be concentrated in a few large positions, which could result in material adverse valuation movements.

Our Board of Directors has adopted our investment guidelines, which provide that SILP may commit up to, but not more than, 10% of Greenlight Re Surplus (as defined in the SILP LPA) and 7.5% of GRIL Surplus (as defined in the SILP LPA) to any single investment, unless a waiver has been obtained by the board of directors of Greenlight Re or GRIL, as applicable. At December 31, 2023, SILP, along with certain affiliates of DME Advisors, collectively owned 27.1% of Green Brick Partners, Inc., a publicly traded company (NYSE: GRBK), or the “GRBK Shares”, which was subsequently reduced by approximately 2% in January 2024. At December 31, 2023, SILP had invested more than 10% of Greenlight Re Surplus in GRBK. Under applicable securities laws, DME Advisors may be unable to, or limited in its ability to trade GRBK Shares on behalf of SILP. As of the date of this filing, the board of directors of Greenlight Re had waived the applicable investment guidelines to allow SILP's investment in the GRBK Shares to exceed the 10% threshold. The board of directors of Greenlight Re and GRIL may grant future waivers relating to the GRBK Shares.

In addition, GRIL's investment guidelines require that the ten largest investments shall not constitute more than 40% of the GRIL Surplus, and GRIL's investment portfolio shall at all times, unless waived by the GRIL board of directors, be composed of a minimum of 50 debt or equity securities of publicly traded companies. From time to time, SILP may hold a small number of relatively large security positions in relation to our capital accounts. Since SILP may not be widely diversified by security or by industry, it may be subject to more rapid changes in value than would be the case if our investment portfolio were required to maintain a wide diversification among companies, securities industries, and types of securities.

Under the SILP LPA, we are contractually obligated to invest substantially all our assets in SILP with certain exceptions. SILP's performance depends on the ability of DME Advisors to select and manage appropriate investments.

DME Advisors acts as the exclusive investment advisor for SILP. Apart from funds required for collateral purposes, funds allocated to our Innovations investment strategy, risk management, and other operational needs, we are contractually obligated to use commercially reasonable efforts to cause substantially all investable assets of Greenlight Re and GRIL to be contributed to SILP. Additionally, we are restricted from making additional contributions of assets that would cause the capital account balances of Greenlight Re and GRIL to represent more than 90% of the aggregate capital account balances of all of the partners of SILP. Although DME Advisors is contractually obligated to follow the investment guidelines of both Greenlight Re and GRIL, we cannot provide assurance as to how DME Advisors will allocate our investable assets to different investment opportunities. DME Advisors may allocate our capital accounts to long and short equity positions, debt, and derivatives, which could increase the level of risk to which our investment portfolio will be exposed.

The performance of the SILP investment portfolio depends to a great extent on the ability of DME Advisors to select and manage appropriate investments for SILP. We cannot assure you that DME Advisors will successfully meet our investment objectives. The diminution or loss of the services of DME Advisors' principals (or loss or diminution of their market reputation) or the failure of DME Advisors to perform adequately could materially and adversely affect our business, results of operations, and financial condition. In addition, the loss of DME Advisors' key personnel, or DME Advisors' inability to hire and retain other key personnel, over which we have no control, could delay or prevent DME Advisors from fulfilling its obligations, which could materially and adversely affect SILP's performance and, correspondingly, our business and financial performance.

Under our investment management structure, we have limited control over SILP.

Under the SILP LPA, subject to our investment guidelines and certain other conditions, DME II, as the general partner of SILP, has complete and exclusive power and responsibility for all investment and investment management decisions to be undertaken on behalf of SILP and for managing and administering the affairs of SILP. DME II has the power and authority to do all things that it considers necessary or desirable to carry out its duties thereunder, including the power to delegate its authorities. While SILP is not, and is not expected to be registered as an "investment company" under the Investment Company Act or any comparable U.S. regulatory requirements, the general partner, or its designee, may resign or withdraw from SILP and may admit new limited partners to SILP without our consent, which may cause SILP to be deemed an "investment company" under the Investment Company Act.

The SILP LPA limits our ability to use another investment manager.

The SILP LPA contains exclusivity and limited termination provisions. Accordingly, we are unable to use other investment managers for so long as Greenlight Re and GRIL are limited partners in SILP. Greenlight Re and GRIL, as limited partners of SILP may withdraw upon notice only on the Greenlight Re Relevant Date or the GRIL Relevant Date or "for cause" (each as defined in the SILP LPA). Additionally, while GRIL may withdraw as a limited partner in SILP due to unsatisfactory long-term performance of DME II or DME Advisors, as determined solely by the Board of Directors of GRIL at the end of each fiscal year during the term of the SILP LPA, Greenlight Re may not.

The historical performance of DME Advisors and its affiliates should not be considered indicative of the future results of the SILP investment portfolio, our future results, or any returns expected on our ordinary shares.

The historical returns of SILP and other funds managed by DME Advisors and its affiliates are not directly linked to our ordinary shares. Results for the SILP investment portfolio could differ from those of other funds managed by DME Advisors and its affiliates due to restrictions imposed by our investment guidelines and other factors.

Potential conflicts of interest with DME Advisors and its affiliates may exist that could adversely affect us.

DME Advisors and its affiliates, in addition to managing SILP, may engage in investment and trading activities for their own accounts and/or for the accounts of third parties. None of DME Advisors or its affiliates, including David Einhorn, Chairman of our Board of Directors and the President of Greenlight Capital, Inc., is obligated to devote any specific amount of time, effort or allocation, or prioritize any investment opportunity, to SILP or to address possible or actual conflicts among the accounts they may manage, which may adversely affect SILP's investment returns, and, correspondingly, our investment returns.

In addition, under Cayman Islands laws, Mr. Einhorn is not legally restricted from participating in making decisions with respect to Greenlight Re's investment guidelines. Accordingly, his involvement as a member of the Boards of Directors of Greenlight Capital Re, Ltd. and Greenlight Re may lead to a conflict of interest.

DME Advisors and its affiliates may also manage accounts whose advisory fee schedules, investment objectives, and policies differ from those of SILP, which may cause DME Advisors and its affiliates to effect trading in one account that may have an adverse effect on another account, including SILP. We do not have the contractual right to inspect the trading records of DME Advisors or its principals.

Certain investments made by SILP may have limited liquidity and lack valuation data which could create a conflict of interest.

Our investment guidelines allow SILP to invest in certain securities with limited liquidity or no public market. This lack of liquidity may adversely affect the ability of SILP to execute trade orders at desired prices and may impact our ability to fulfill our underwriting payment obligations. To the extent that SILP invests in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments for purposes of compensation will be determined by DME Advisors, whose determination, subject to audit verification, will be conclusive and binding in the absence of bad faith or manifest error.

In addition, for all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities it lists. Such a suspension could render it impossible to liquidate positions and thereby expose SILP and, correspondingly us, to losses.

If DME Advisor's risk management methodologies are ineffective, we may be exposed to material unanticipated losses.

DME Advisors and its affiliates continually refine its risk management techniques, strategies, and assessment methods. However, its risk management techniques and strategies do not fully mitigate the risk exposure of its funds and managed accounts, including SILP, in all economic or market environments or against all types of risk, including risks that it might fail to identify or anticipate. Any failures in DME Advisors' risk management techniques and strategies to accurately quantify risk exposure could affect the risk-adjusted returns of SILP. In addition, any risk management failures could cause losses to be significantly greater than historical measures predict. DME Advisors' approach to managing those risks could prove insufficient, exposing SILP, and correspondingly our SILP investment portfolio, to material unanticipated or material losses.

The compensation arrangements of SILP may create an incentive to effect transactions that are risky or speculative.

Pursuant to the SILP LPA, each of Greenlight Re and GRIL is obligated to pay a performance allocation of 20% to DME II at the end of each performance period based on its positive performance change to its capital account, subject to a modified loss carry forward provision.

The loss carry forward provision contained in the SILP LPA allows DME II to earn a reduced performance allocation of 10% of profits in any year subsequent to the 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.

While the performance compensation arrangement contained in the SILP LPA provides that losses will be carried forward as an offset against net profits in subsequent periods, DME II and DME Advisors generally will not otherwise be penalized for losses or decreases in the value of our portfolio under the SILP LPA. These performance compensation arrangements may incentivize DME Advisors to engage in transactions that focus on the potential for short-term gains rather than long-term growth or that are particularly risky or speculative.

DME Advisors' representatives' service on boards and committees may place trading restrictions on our investments and may subject us to indemnification liability.

DME Advisors may, from time to time, place its or its affiliates' representatives on creditors' committees and/or boards of certain companies in which SILP has invested. While such representation may enable DME Advisors to enhance the sale value of SILP's investments, it may also prevent SILP from freely disposing of investments. The IAA provides for the indemnification of DME Advisors or any other person designated by DME Advisors for claims arising from such board representation.

The ability to use "soft dollars" may provide DME Advisors with an incentive to select certain brokers that may take into account benefits to be received by DME Advisors.

DME Advisors is entitled to use so-called "soft dollars" generated by commissions paid in connection with transactions for SILP to pay for certain of DME Advisors' operating and overhead costs, including the payment of all or a portion of its costs and expenses of operation. "Soft dollars" are a means of paying brokerage firms for their services through commission revenue rather than through direct payments. DME Advisors only uses soft dollars to pay for expenses that would otherwise be borne by SILP and certain other co-managed funds. However, DME Advisors' right to use soft dollars may give DME Advisors an incentive to select brokers or dealers for our transactions or to negotiate commission rates or other execution terms in a

manner that takes into account the soft dollar benefits received by DME Advisors rather than giving exclusive consideration to the interests of our investment portfolio and, accordingly, may create a conflict.

Increased regulation or scrutiny of alternative investment advisors may affect DME Advisors' ability to manage SILP or affect our business reputation.

The regulatory environment for investment managers is evolving, and changes in the regulation of managers may adversely affect the ability of DME Advisors to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The SEC, other regulators, and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. Any future regulatory change could have a significant negative impact on our financial condition and results of operations.

We and SILP are exposed to credit risk from counterparties that may default on their obligations to us.

We and SILP are exposed to credit risk from counterparties that may default on their obligations to us or it. The amount of the maximum exposure to credit risk is indicated by the carrying value of our and SILP's financial assets. In addition, SILP holds the securities of our investment portfolio with prime brokers and has credit risk from the possibility that one or more of them may default on their obligations to SILP. Other than our investment in derivative contracts and corporate debt, if any, and the fact that our investments are held by prime brokers and custodians on our behalf, we have no other significant concentrations of credit risk in our investment portfolio.

Issuers or borrowers whose securities or debt SILP holds, customers, reinsurers, clearing agents, exchanges, clearing houses, and other financial intermediaries and guarantors may default on their obligations to us and/or SILP due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. Such defaults could have a significant and negative effect on us and/or SILP and, correspondingly, our investment portfolio and our results of operations, financial condition, and cash flows.

SILP effectuates short sales that subject our capital accounts to material and adverse loss potential.

SILP enters into transactions in which it sells a security it does not own, which we refer to as a short sale, in anticipation of a decline in the market value of the security. Short sales subject our capital accounts in SILP to material and adverse loss potential since the market price of securities sold short may continuously increase.

Short-sale transactions have been subject to increased regulatory scrutiny, including the imposition of restrictions on short selling certain securities and reporting requirements. SILP's ability to execute a short selling strategy may be materially and adversely impacted by new temporary and/or permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior and future trading activities of our investment portfolio. Additionally, the SEC, its non-U.S. counterparts, other governmental authorities, and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions.

Further, regulatory authorities may, from time to time, impose restrictions that adversely affect SILP's ability to borrow certain securities in connection with short sale transactions. As a result, SILP may be unable to effectively pursue a short-selling strategy which may adversely affect SILP's investment returns, and correspondingly, our investment returns.

SILP may trade on margin and use other forms of financial leverage, which may increase the risk of our investment portfolio.

Our investment guidelines allow SILP to trade on margin and use other forms of financial leverage. SILP relies on prime brokers to extend leverage and such prime brokers may elect not to provide leverage to SILP. Fluctuations in the market value of our investment in SILP could have a disproportionately large effect in relation to our capital. Any event which may adversely affect the value of positions SILP holds could materially and adversely affect the net asset value of our investment portfolio and our results of operations.

SILP may transact in derivatives trading, which may increase the risks associated with our investment portfolio.

Derivative instruments, or derivatives, include futures, options, swaps, structured securities, and other instruments and contracts that derive their value from one or more underlying securities, financial benchmarks, currencies, commodities, or indices. There are a number of risks associated with derivatives trading. Because many derivatives are leveraged, a relatively small adverse market movement may result in a substantial loss and may expose us to a loss exceeding the original amount invested. Derivatives may also expose SILP, and correspondingly, our investment portfolio, to liquidity risk as there may not be a liquid market within which to close or dispose of outstanding derivative contracts. The counterparty risk lies with each party with whom SILP contracts for the purpose of making derivative investments. In the event of the counterparty's default, SILP will generally only rank as an unsecured creditor and risk the loss of all or a portion of the amounts SILP is contractually entitled to receive.

SILP may invest in securities based outside the United States, which may be riskier than securities of United States issuers.

Under our investment guidelines, SILP may invest in securities of issuers organized or based outside the United States. These investments may be subject to a variety of risks and other special considerations not affecting securities of U.S. issuers. Many foreign securities markets are not as developed or efficient as those in the United States. Securities of some foreign issuers are less liquid and more volatile than securities of comparable U.S. issuers. Similarly, volume and liquidity in many foreign securities markets are less than in the United States and, at times, price volatility can be greater than in the United States. Non-U.S. issuers may be subject to less stringent financial reporting and informational disclosure standards, regulatory oversight, practices, and requirements than those applicable to U.S. issuers.

Risks Relating to Our Innovations Strategy

The carrying values of our Innovations investments may differ significantly from those that would be used if we carried these investments at fair value. Additionally, we have a material concentration in our top five holdings at December 31, 2023.

Our Innovations investments include private investments and unlisted equities in early-stage or start-up entities for which no active market may exist. We carry these investments on our consolidated balance sheets at cost, less impairment, plus or minus observable price changes (see "[Critical Accounting Estimates](#)" - "Investments" under "Part II, Item 8. Management Discussion and Analysis of Financial Condition and Results of Operations"). These carrying values may differ significantly from those that would be used if we carried them at fair value. If we were required to liquidate all or a portion of these investments quickly, we could realize significantly less than the carrying value. The carrying value of our Innovations investments may become concentrated in a limited number of entities as a result of subsequent remeasurement and/or have significant exposure to certain geographic areas or economic sectors. The concentration of investments can increase investment risk and volatility. At December 31, 2023, our top five holdings accounted for 67% of the total carrying value. Any of the foregoing could result in a decline in our investment performance and capital resources and, accordingly, could materially and adversely affect our financial results and results of operations.

Our Innovations investments carry higher risks due to illiquidity.

We invest in illiquid equity and debt instruments of early-stage companies in our Innovations investments portfolio. Furthermore, our Innovations investments are generally subject to restrictions on redemptions and sales that limit our ability to liquidate these investments in the short term. As such, there is a high liquidity risk due to the lack of active markets. We may not be able to sell timely, or at all, illiquid holdings of early-stage companies facing significant challenges operationally and financially subsequent to our initial investment (see below "*Investments in privately held early-stage companies involve significant risks*"). Accordingly, this could materially and adversely affect our business, financial condition and results of operations.

Our Innovations investments support our underwriting operations and the failure to identify and consummate investment opportunities may materially and adversely affect our ability to implement our business strategy.

We operate in a competitive market for Innovations investment opportunities. Many of our competitors have considerably greater resources than we do. If we fail to compete for or otherwise lose the opportunity to make Innovations investments, which support our underwriting strategy, our ability to implement our business strategy may be materially and adversely impacted.

Investments in privately held early-stage companies involve significant risks.

Our Innovations unit primarily invests in privately held early-stage companies. Investments in privately held early-stage companies involve a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their operating obligations;
- they typically have limited operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they typically depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse effect on such investment and, in turn, on us;
- they may not have adequate internal controls which would make them susceptible to fraud or mismanagement;
- there is generally little public information about these companies. These companies and their financial information are generally not subject to the Exchange Act and other regulations that govern public companies, and we may be unable to uncover all material information about these companies, which may prevent us from making a fully informed investment decision and cause us to lose money on our investments;
- they generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- changes in laws and regulations (including applicable tax laws), as well as their interpretations, may adversely affect their business, financial structure or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Economic recessions or downturns could impair our Innovations investment and harm our operating results.

The current macroeconomic environment is characterized by record-high inflation, supply chain challenges, labor shortages, high interest rates, foreign currency exchange volatility, volatility in global capital markets and growing recession risk. The risks associated with our Innovations investments and the businesses of the entities in which we have invested are more severe during periods of economic slowdown or recession.

Many of our Innovations investments may be susceptible to economic downturns or recessions. Therefore, during these periods the carry values of our Innovations portfolio may decrease if we are required to write down the values of our investments. Adverse economic conditions may also decrease the value of our investments. Economic slowdowns or recessions could lead to financial losses in our Innovations portfolio and a decrease in revenues, net income and assets.

Our Innovations investments are made in entities that may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our Innovations investments are made in entities that have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt instruments would usually prohibit the investments from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an entity, holders of securities ranking senior to our investment typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the entity may not have any remaining assets for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant entity.

As a minority equity investor, we are often not in a position to influence the entity, and other equity holders and management of such entity may make decisions that could decrease the value of our investment in such entity.

When we make a minority equity investment through our Innovations unit, we are subject to the risk that an entity may make business decisions with which we disagree. The other equity holders and management of the entity may take risks or otherwise act in ways that do not serve our interests. As a result, an entity may make decisions that could decrease the value of our investment.

Our Innovations investments are in entities that may be highly leveraged.

Some of our Innovations investments are made in entities that may be highly leveraged, which may have adverse consequences for those companies and for us as a shareholder. The entity may be subject to restrictive financial and operating covenants and their leverage may impair the ability to finance their future operations and capital needs. As a result, such

entity's flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited.

Our failure to make follow-on investments in our existing Innovations investments could impair the value of our portfolio.

Following an initial investment in an entity, we may make additional investments in the entity as "follow-on" investments to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that we acquired in the original or subsequent financing or (3) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments, be constrained in our ability to employ available funds, or otherwise lack sufficient funds to make those investments. We have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of an entity, dilute our investment, or result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a follow-on investment, we may elect not to make it because we may not want to increase our concentration of risk, we prefer other opportunities, or we are constrained under the Investment Company Act. See *"Risks Relating to Insurance and Other Regulations – We are subject to the risk of possibly becoming an investment company under U.S. federal securities laws."*

Risks Relating to Our Ordinary Shares

Our ability to achieve our business objectives depends on our ability to manage and deploy capital.

Our ability to achieve our business objectives depends on our ability to manage and deploy capital, which depends, in turn, on our management's ability, with oversight from our Board of Directors, to identify, evaluate and monitor our underwriting and investment results, our liquidity and competing needs for capital. We cannot assure you that our management and deployment of capital will enable us to achieve our business objectives, and our failure to effectively manage and deploy our capital could materially and adversely affect our financial condition and results of operations.

Our level of debt may have an adverse impact on our liquidity, restrict our current and future operations, particularly our ability to respond to business opportunities, and increase our vulnerability to adverse economic and industry conditions.

At December 31, 2023, we had \$73.3 million of debt outstanding (December 31, 2022: \$80.5 million) that matures on August 1, 2026. Our level of debt and the provisions of such debt could have significant consequences, which include, but are not limited to, the following:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, or other general corporate purposes;
- require a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;
- discourage an acquisition of us by a third party;
- place us at a competitive disadvantage to competitors carrying less debt; and
- make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures or take advantage of new opportunities to grow our business.

We cannot assure you that we will be able to refinance our indebtedness debt upon maturity on acceptable terms or at all.

A shareholder may be required to sell its ordinary shares.

Our Articles provide that we have the option, but not the obligation, to require a shareholder to sell its ordinary shares for their fair market value to us, to other shareholders or to third parties if our Board of Directors determines that ownership of our ordinary shares by such shareholder may result in adverse tax, regulatory or legal consequences to us, any of our subsidiaries or any of our shareholders and that such sale is necessary to avoid or cure such adverse consequences.

Provisions of our Articles, the Companies Act of the Cayman Islands (the “Companies Act”) and our corporate structure may each impede a takeover, which could adversely affect the value of our ordinary shares.

Our Articles contain certain provisions that could make it difficult for a third party to acquire us, even if doing so would be beneficial to our shareholders. Our Articles provide that a director may only be removed for “cause” as defined in the Articles, upon the affirmative vote of not less than 50% of the votes cast at a meeting at which more than 50% of our issued and outstanding ordinary shares are represented. Further, under the Amended and Restated Memorandum and Articles of Association of Greenlight Re, a director may only be removed without cause upon the affirmative vote of not less than 80% of the votes cast at a meeting at which more than 50% of our issued and outstanding ordinary shares are represented.

Our Articles permit our Board of Directors to issue preferred shares from time to time, with such rights and preferences as they consider appropriate. Our Board of Directors may authorize the issuance of preferred shares with terms and conditions and under circumstances that could have an effect of discouraging a takeover or other transaction, deny shareholders the receipt of a premium on their ordinary shares in the event of a tender or other offer for ordinary shares and have a depressive effect on the market price of the ordinary shares.

As compared to mergers under corporate law in the United States, it may be more difficult to consummate a merger of two or more companies in the Cayman Islands or the merger of one or more Cayman Islands companies with one or more overseas companies, even if such transaction would be beneficial to our shareholders. For example, a merger or consolidation generally requires the consent of each holder of a fixed or floating security interest, unless the court waives such requirement, and a formal declaration must be made, meeting enumerated requirements, if the transaction involves a foreign company or where the surviving company is the Cayman Islands exempted company.

The Companies Act also includes statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that such a scheme of arrangement is approved by (i) in respect of shareholders, 75% in value of the shareholders or each class of shareholder who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose; or (ii) in respect of creditors, a majority in number representing 75% in value of creditors or each class of creditors who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose.

The convening of the scheme meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question and the classes properly delineated;
- the scheme of arrangement is such as a businessperson would reasonably approve; and
- the scheme of arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a “fraud on the minority”.

If a scheme of arrangement is thus approved, the dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of a Delaware corporation.

Holders of ordinary shares may have difficulty obtaining or enforcing a judgment against us, and they may face difficulties in protecting their interests because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands and conduct a majority of our operations outside the United States. A significant amount of our assets are located outside the United States. A majority of our officers and directors reside outside the United States and substantial portion of the assets of those persons are located outside of the United States. As a result, it could be difficult or impossible for you to bring an action against us or against these individuals outside of the United States in the event that you believe that your rights have been infringed upon under the applicable securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands could render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Our corporate affairs are governed by our Articles, the Companies Act and the common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from judicial precedent in the Cayman Islands as

well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under the laws of the Cayman Islands are not as clearly defined as under statutes or judicial precedent in existence in jurisdictions in the United States. Therefore, you may have more difficulty protecting your interests than would shareholders of a corporation incorporated in a jurisdiction in the United States, due to the comparatively less well developed Cayman Islands law in this area.

Shareholders of Cayman Islands exempted companies such as ours have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our Articles to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

The courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We are not aware nor have we been advised of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based both on Cayman Islands authorities and on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a “fraud on the minority.”

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Subject to limited exceptions, under Cayman Islands law, a minority shareholder may not bring a derivative action against our Board of Directors.

We do not intend to pay dividends on our ordinary shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common shares.

We do not intend to declare and pay dividends on our ordinary shares for the foreseeable future. Therefore, you are not likely to receive any dividends on your ordinary shares for the foreseeable future. The success of an investment in our ordinary shares will depend upon any future appreciation in their value. There is no guarantee that our ordinary shares will appreciate in value or even maintain the price at which our shareholders have purchased their shares.

In the event that we did declare a dividend, such dividends and other distributions on issued and outstanding ordinary shares may only be paid out of the funds of the Company lawfully available for such purpose. Dividends and other distributions will be distributed among the holders of our ordinary shares on a pro rata basis.

Risks Relating to Taxation

We may become subject to taxation in the Cayman Islands, which would negatively affect our results.

Under current Cayman Islands law, we are not obligated to pay any taxes in the Cayman Islands on either income or capital gains. The Governor-in-Cabinet of Cayman Islands has granted us an exemption from the imposition of any such tax on us until February 1, 2025. We cannot be assured that after such date we would not be subject to any such tax. As the law currently stands, upon the expiration of the current exemption, it will be possible for us to apply for another 20 year exemption, which we plan to do. If we were to become subject to taxation in the Cayman Islands, our financial condition and results of operations could be materially and adversely affected.

We may be subject to United States federal income taxation.

Greenlight Capital Re and Greenlight Re are incorporated under the laws of the Cayman Islands, and GRIL is incorporated under the laws of Ireland. These entities intend to operate in a manner that will not cause us to be treated as engaging in a trade or business within the United States and will not cause us to be subject to current United States federal income taxation on Greenlight Capital Re's, Greenlight Re's and/or GRIL's net income. However, because there are no definitive standards provided by the Internal Revenue Code, regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and as any such determination is essentially factual in nature, we cannot provide assurance that the United States Internal Revenue Service (the "IRS"), will not successfully assert that Greenlight Capital Re, Greenlight Re and/or GRIL are engaged in a trade or business within the United States. If the IRS were to successfully assert that Greenlight Capital Re, Greenlight Re, and/or GRIL have been engaged in a trade or business within the United States in any taxable year, various adverse tax consequences could result, including the following: Greenlight Capital Re, Greenlight Re and/or GRIL may become subject to current United States federal income taxation on its net income from sources within the United States; Greenlight Capital Re, Greenlight Re and/or GRIL may be subject to United States federal income tax on a portion of its net investment income, regardless of its source; and Greenlight Capital Re, Greenlight Re and/or GRIL may be subject to United States branch profits tax on profits deemed to have been distributed out of the United States.

United States persons who own ordinary shares may be subject to United States federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of ordinary shares.

Passive Foreign Investment Company. Potential adverse United States federal income tax consequences, including certain reporting requirements, generally apply to any United States person who owns shares in a passive foreign investment company, or a "PFIC". We believe that based upon implementation of our business plan, none of Greenlight Capital Re, Greenlight Re, or GRIL will be, or should be, a PFIC for the current taxable year or for any foreseeable future years.

In general, any of Greenlight Capital Re, Greenlight Re or GRIL would be a PFIC for a taxable year if either (i) 75% or more of its income constitutes "passive income" or (ii) 50% or more of its assets produce "passive income", or are held for the production of passive income. Passive income generally includes interest, dividends and other investment income. However, under an "active insurance" exception, income is not treated as passive if it is derived in the active conduct of an insurance business by a qualifying insurance corporation. A qualifying insurance corporation is an insurance company which has applicable insurance liabilities, as reported on its annual financial statement, exceeding 25% of its total assets. Applicable insurance liabilities means, with respect to our property and casualty reinsurance business, reserves for loss and loss adjustment expenses, and excluding unearned premium reserves.

The exception for insurance companies is intended to ensure that a qualifying insurance entity's income is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. We intend to operate our business with financial reserves and applicable insurance liabilities at levels that should not cause us to be deemed PFICs, although we cannot provide definitive assurance that we will be successful in structuring our operations to meet such levels nor can we ensure that the IRS will not successfully challenge our status. If we are unable to underwrite sufficient amount of risks and maintain a sufficient amount of applicable insurance liabilities, any of Greenlight Capital Re, Greenlight Re or GRIL may become a PFIC.

In addition, sufficient risk must be transferred under an insurance entity's contracts with its insureds in order to qualify for the insurance exception. Whether our insurance contracts possess adequate risk transfer for purposes of determining whether income under our contracts is insurance income, and whether we are predominantly engaged in an insurance business, are subjective in nature and there is little authoritative tax guidance on these issues. We cannot provide assurance that the IRS will not successfully challenge our interpretation of the scope of the active insurance company exception and our qualification for

the exception. Further, the IRS may issue regulatory or other guidance that causes us to fail to qualify for the active insurance company exception on a prospective or retroactive basis. Therefore, we cannot provide definitive assurance that we will satisfy the exception for insurance companies and will not be treated as PFICs currently or in the future.

Controlled Foreign Corporation (“CFC”). United States persons who, directly or indirectly or through attribution rules, own 10% or more of the total combined voting power or value of our shares, which we refer to as United States 10% shareholders, may be subject to the controlled foreign corporation, or CFC, rules. Under the CFC rules, each United States 10% shareholder must annually include their pro-rata share of the CFC’s “subpart F income” and “global intangible low-tax income” in their gross income in the year earned by the CFC, even if no distributions are made. In general, a foreign insurance company will be treated as a CFC only if during the taxable year United States 10% shareholders collectively own more than 25% of the total combined voting power or total value of the entity’s shares. We believe that the dispersion of our ordinary shares among holders and the restrictions placed on transfer, issuance or repurchase of our ordinary shares, will in most cases prevent shareholders who acquire ordinary shares from being United States 10% shareholders. We cannot provide assurance, however, that these rules will not apply to you if you are or become a United States 10% shareholder. In particular, recent changes to the definition of a United States 10% Shareholder, whereby both vote and value are tested, and recent changes to the constructive ownership rules, whereby shares owned by non-United States persons can be attributed to United States persons, may increase the likelihood of these rules applying. If you are a United States person, we strongly urge you to consult your own tax advisor concerning the CFC rules.

Related Person Insurance Income. If:

- our gross income attributable to insurance or reinsurance policies where the direct or indirect insureds are our direct or indirect United States shareholders or persons related to such United States shareholders equals or exceeds 20% of our gross insurance income in any taxable year; and
- direct or indirect insureds and persons related to such insureds owned directly or indirectly 20% or more of the voting power or value of our stock,

a United States person who owns ordinary shares directly or indirectly on the last day of the taxable year would most likely be required to include their pro-rata share of our related person insurance income for the taxable year in their income. This amount would be determined as if such related person insurance income were distributed proportionally to United States persons at that date. We do not expect that we will knowingly enter into reinsurance agreements in which, in the aggregate, the direct or indirect insureds are, or are related to, owners of 20% or more of the ordinary shares. We do not believe that the 20% gross insurance income threshold will be met. However, we cannot provide assurance that this is or will continue to be the case. Consequently, we cannot provide assurance that a person who is a direct or indirect United States shareholder will not be required to include amounts in its income in respect of related person insurance income in any taxable year.

If a United States shareholder is treated as disposing of shares in a foreign insurance corporation that has related person insurance income and in which United States persons own 25% or more of the voting power or value of the entity’s shares, any gain from the disposition will generally be treated as a dividend to the extent of the United States shareholder’s portion of the corporation’s undistributed earnings and profits that were accumulated during the period that the United States shareholder owned the shares. In addition, the shareholder will be required to comply with certain reporting requirements, regardless of the amount of shares owned by the direct or indirect United States shareholder. Although not free from doubt, we believe these rules should not apply to dispositions of ordinary shares because Greenlight Capital Re is not directly engaged in the insurance business and because proposed United States Treasury regulations applicable to this situation appear to apply only in the case of shares of corporations that are directly engaged in the insurance business. We cannot provide assurance, however, that the IRS will interpret the proposed regulations in this manner or that the proposed regulations will not be promulgated in final form in a manner that would cause these rules to apply to dispositions of ordinary shares.

United States tax-exempt organizations who own ordinary shares may recognize unrelated business taxable income.

If you are a United States tax-exempt organization you may recognize unrelated business taxable income if a portion of our subpart F insurance income is allocated to you. In general, subpart F insurance income will be allocated to you if we are a CFC as discussed above and you are a United States 10% shareholder or there is related person insurance income and certain exceptions do not apply. Although we do not believe that any United States persons will be allocated subpart F insurance income, we cannot provide assurance that this will be the case. If you are a United States tax-exempt organization, we advise you to consult your own tax advisor regarding the risk of recognizing unrelated business taxable income.

The Tax Cuts and Jobs Act (“TCJA”) may cause us to undertake changes to the manner in which we conduct our business and could subject United States persons who own ordinary shares to United States income taxation on our undistributed earnings.

On December 22, 2017, the TCJA was signed into law. The TCJA provides a bright-line test that a non-U.S. insurance company only will receive the benefit, for passive foreign investment company purposes, of being engaged in the active conduct of an insurance business if its applicable insurance liabilities constitute more than 25% of its total assets. For this purpose, the term “applicable insurance liabilities” does not include unearned premium reserves. One of the TCJA’s potential impacts is that this limitation could result in the treatment of offshore insurers or reinsurers that write business on a low frequency/high severity basis, such as property catastrophe companies and financial guaranty companies, as PFICs, as significant reserves for losses may not be recorded until a catastrophic event actually occurs. Accordingly, subject to any future corrections or clarifications that may be made to the TCJA, or any additional regulations that may be promulgated thereunder, the Company will be treated as a PFIC for any taxable year in which it does not meet the bright-line applicable insurance liabilities requirement of the TCJA.

At December 31, 2023, we met the bright-line applicable insurance liabilities test. However, there is still substantial uncertainty regarding the application of the test. We cannot guarantee that we will continue to meet the bright-line applicable insurance liabilities test in future periods. In the event that we cannot meet this test, shareholders that are United States persons will be subject to United States income taxation on our undistributed earnings.

Further changes in United States tax regulations and laws including the rules regarding passive foreign investment companies could have a material impact on our ability to qualify for the insurance company exemption and/or change our status for United States persons who own ordinary shares.

A non-U.S. corporation will generally be considered a passive foreign investment company (“PFIC”), for U.S. federal income tax purposes, in any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income.

Based on our past and current projections of our income and assets, we do not expect the Company to be a PFIC for the 2023 taxable year or for the foreseeable future. However, since our projections may differ from our actual business results and our market capitalization and value of our assets may fluctuate, we cannot definitively assure you that we will not be or become a PFIC in the current taxable year or any future taxable year.

We are monitoring developments with respect to both the applicable insurance liabilities test and the IRS regulations. At this time, we cannot predict whether or what, if any, additional regulations will be adopted or additional legislation will be enacted. If regulations are adopted or legislation enacted that cause us to fail to meet the requirements of the insurance company exception, or if we fail to meet the applicable insurance liabilities test such failure could have a material adverse effect on the taxation of our shareholders who are U.S. persons. In that event we may undertake further changes to the manner in which we conduct our business, which also could have a material effect on our results of operations.

The tax laws and interpretations regarding whether an entity is engaged in a United States trade or business, is a CFC, has related party insurance income or is a PFIC are subject to change, possibly on a retroactive basis. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming from the IRS. We are not able to predict if, when or in what form such guidance will be provided and whether such guidance will have a retroactive effect.

The TCJA may have a detrimental effect on the Company and its assets.

The regulatory and tax environment globally is evolving, and changes in the regulation or taxation of the Company and its assets may materially adversely affect shareholders. The TCJA among other things, made significant changes to the rules applicable to the taxation of the Company and its assets, such as changing the rules applicable to active insurance income for passive foreign investment company purposes (discussed above), changing rules applicable to controlled foreign investment company purposes, new base erosion rules, changing the general corporate tax rate to a flat 21% rate, modifying the rules regarding limitations on certain deductions, introducing a capital investment deduction in certain circumstances, placing certain limitations on the interest deduction, modifying the rules regarding the usability of certain net operating losses, and the migration from a worldwide system of taxation to a modified territorial system. At this time the ultimate outcome of the legislation on the Company and its shareholders is uncertain and could be adverse. Shareholders should consult their own tax advisors regarding potential changes in tax laws.

If investments held by GRIL are determined not to be integral to the reinsurance business carried on by GRIL, additional Irish tax could be imposed and our business and financial results could be materially adversely affected.

Based on administrative practice, taxable income derived from investments made by GRIL is generally taxed in Ireland at the rate of 12.5% on the grounds that such investments either form part of the permanent capital required by regulatory authorities, or are otherwise integral to the reinsurance business carried on by GRIL. GRIL intends to operate in such a manner so that the level of investments held by GRIL does not exceed the amount that is integral to the reinsurance businesses carried on by GRIL. If, however, investment income earned by GRIL exceeds these thresholds or if the administrative practice of the Irish Revenue Commissioners changes, Irish corporation tax could apply to such investment income at a higher rate (currently 25%) instead of the general 12.5% rate, and our results of operations could be materially adversely affected.

The impact of the initiative of the OECD and the EU to eliminate harmful tax practices is uncertain and could adversely affect our tax status in the Cayman Islands where we are exempt from income taxes.

The OECD has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax neutral jurisdictions and preferential tax regimes in countries around the world. The Cayman Islands was removed from the EU's list of non-cooperative jurisdictions for tax purposes in October 2020 following the introduction of economic substance and private funds legislation and it is considered to be a country which co-operates with the EU with no pending commitments. While the Cayman Islands is currently on the list of co-operative jurisdictions, we are not able to predict if additional requirements will be imposed, and if so, whether changes arising from such additional requirements will subject us to additional taxes. The Cayman Islands' economic substance legislation had already been evaluated in June 2019 by the OECD's Forum on Harmful Tax Practices as "not harmful", which is the highest rating possible. There are no immediate regulatory, tax, trade or other legal impacts to the Company, but we are not able to predict any future EU actions.

On October 8, 2021, the OECD announced an accord endorsing and providing an implementation plan for a global minimum tax rate of at least 15% for large multinational corporations on a jurisdiction-by-jurisdiction basis, known as the "two pillar plan." While the Company is not currently aware of any definitive actions being taken in the Cayman Islands to implement a minimum tax, in Ireland, a bill implementing the two pillar plan was signed into law on December 18, 2023, including an "undertaxed profit rule" that will come into effect in 2025. In the United Kingdom, there was an announcement on November 17, 2023 that the government intends to implement an "undertaxed profit rule" with effect no earlier than 2025 as part of its legislation implementing the two pillar plan. If the Cayman Islands does not adopt a minimum tax, the undertaxed profits rule may allow Irish or United Kingdom tax authorities to collect more tax from our Irish or United Kingdom companies. The global minimum tax rules implemented in different jurisdictions (including the undertaxed profit rule) would apply to overseas profits of multinational firms with annual revenue of more than €750 million. While these global minimum tax rules are not expected to apply to the Company as currently proposed and being implemented in jurisdictions applicable to the Company's operations, due to the Company's revenues currently falling below the proposed annual revenue threshold, adjustments to the threshold or continued growth of the Company's revenues could impact the Company in future periods. Further, even if the Company did eventually meet the applicable threshold due to continued revenue growth or otherwise, then given the size and structure of the Company, the Company may be eligible to meet an initial phase transitional safe harbor provided for in the model rules of the accord (and incorporated into the Irish legislation), which provides relief from taxation under the accord for a period of up to five additional years after the Company comes within the scope of the rules.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity is a complex and constantly evolving risk that we are committed to understanding and mitigating. The foundation of our information security practices is rooted in the principles set forth by the National Institute of Standards and Technology ("NIST"), ensuring a robust and comprehensive approach to safeguarding our digital assets. This program provides standards, guidelines, and best practices for improving our cybersecurity risk management. To effectively manage our cybersecurity risk, we employ a comprehensive approach encompassing risk assessment, identification, and mitigation, all aligned with the rigorous standards and principles. Cybersecurity and IT compliance risk metrics are monitored regularly to assess, identify, manage and protect our environment. Periodic audits of IT and Cybersecurity are carried out as part of internal and external audits and are performed by professionals.

Our approach to third-party cybersecurity underscores a commitment to robust risk management and adherence to industry best practices. By implementing comprehensive measures in line with recognized standards, we ensure that our third-party cybersecurity protocols are aligned with rigorous standards. Regular assessments, SOC reviews, and collaborative efforts

are integral components of our strategy, aimed at fostering a secure and resilient ecosystem that safeguards sensitive information and maintains the integrity of our digital infrastructure in partnership with external entities.

We have a Chief Information Security Officer ("CISO") and have an IT Steering Committee ("ITSC"). Our CISO is responsible for establishing the cybersecurity vision for the Company, determining and prioritizing cybersecurity initiatives, and keeping abreast of developing security threats. The ITSC reports to the Board and Audit Committee, is chaired by our Chief Risk Officer ("CRO"), and has our CISO, Chief Financial Officer ("CFO"), and GRIL Chief Executive Officer, and SEC Reporting Officer as some of its members. Our CISO brings over three decades of expertise in the IT Industry and is a member of ISACA, showcasing a rich portfolio of industry certifications like the Certified Information Security Manager ("CISM"), Certified Data Privacy Solutions Engineer ("CPDSE"), and Microsoft Certified Systems Engineer ("MCSE"). The CISO also holds accreditations from vendors such as CISCO and Microsoft. Our CRO has over 20 years' experience in the property and casualty reinsurance industry, and significant expertise in the field of risk management. He holds a CISM certification, as well as a B.Sc. in Mathematics and a Ph.D. in Computer Science from the University of Salford. Other members of the ITSC hold relevant qualifications and collectively, the ITSC has substantial experience and expertise in cybersecurity, risk, strategy, and management.

The ITSC meets at least quarterly to discuss and approve IT and Cybersecurity matters. The ITSC produces and approves an annual IT budget, as well as an Incident Management and Response plan through which the CISO and the ITSC are informed about cybersecurity incidents.

To assist with mitigating the risks of cybersecurity threats, periodic cybersecurity training is provided to employees, vendors, and members of the Board. Further, to mitigate risk arising from our relationships with third-parties, key vendors must be SOC 2 compliant, as determined in accordance with the framework developed by the American Institute of Certified Public Accountants, or undertake the Company's enhanced due diligence process. Periodic testing is performed, and all material incidents are reported to the Board.

IT and cybersecurity are a standing Board agenda item, with quarterly presentations to the Board from the IT leadership quarterly. Our Audit Committee assists the Board in its oversight responsibilities regarding our systems, policies, and procedures relating to technology and cybersecurity. The Audit Committee's charter mandates that the Audit Committee reviews our technology and cybersecurity systems, policies, and procedures (including those relating to our assessment of third-party provider cybersecurity controls) with management. The Audit Committee is further tasked with discussing with management the policies with respect to risk assessment and risk management, including those related to technology and cybersecurity. The CRO presents an IT and Cybersecurity update to the Audit Committee on a quarterly basis and additionally as needed, to inform it of any new or emerging cybersecurity threats or risks.

For the year ended December 31, 2023, we have not identified or experienced any cybersecurity threats or incidents likely to materially affect our business strategy, results of operations, or financial conditions.

See "Item 1A. Risk Factors — [Risks Relating to Our Business](#) — *Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.*"

ITEM 2. PROPERTIES

We lease office space in Grand Cayman, Cayman Islands, where our principal executive office is located. Additionally, we lease office spaces in the United Kingdom and Ireland. We renew and enter into new leases in the ordinary course of business.

We believe that our office space is sufficient for us to conduct our operations for the foreseeable future. For further discussion of our lease commitments at December 31, 2023, refer to Note 16 "[Commitments and Contingencies](#)" of the consolidated financial statements.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and number of holders

Our ordinary shares are listed on the Nasdaq Global Select Market under the symbol "GLRE." During 2023, we eliminated our dual-class share structure (see Note 10 "[Share Capital](#)" of the consolidated financial statements).

On March 1, 2024, there were 57 holders of record of our ordinary shares. This figure does not include the beneficial owners of our ordinary shares held in "street name" or held through participants in depositories, such as the Depository Trust Company.

Dividends

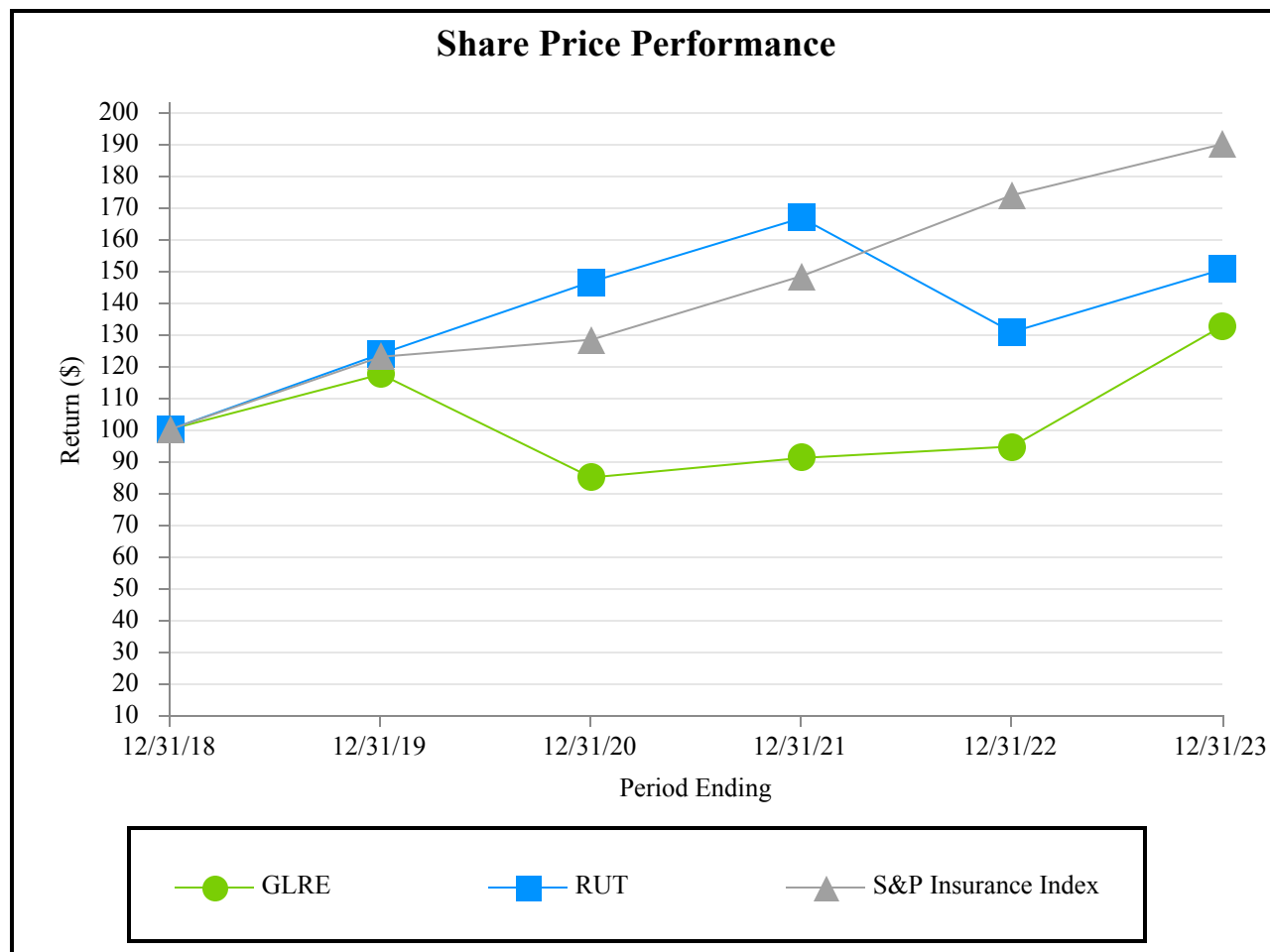
Since inception, we have not paid any cash dividends on our ordinary shares.

Holders of ordinary shares are entitled to receive dividends when, as, and if declared by the Board of Directors in accordance with the provisions of our Articles and the Companies Law. In the event of a liquidation, dissolution, or winding-up of the Company, the holders of ordinary shares are entitled to share equally and ratably in our assets, if any remain after the payment of all of our debts and liabilities and the liquidation preference of any outstanding preferred shares.

We currently do not intend to declare and pay dividends on our ordinary shares in the foreseeable future. Our Board of Directors would only approve a dividend after taking into account our capital and liquidity position. In addition, a letter of credit facility prohibits us from paying dividends during an event of default as defined in the letter of credit agreement. Our future dividend policy will also depend on the requirements of any future financing agreements to which we may be a party and other factors considered relevant by our Board of Directors, such as our results of operations and cash flows, our financial position, and capital requirements, general business conditions, rating agency guidelines, legal, tax, regulatory and any contractual restrictions on the payment of dividends. Further, any future declaration and payment of dividends are discretionary, and our Board of Directors may, at any time, modify or revoke our dividend policy on our ordinary shares. Finally, our ability to pay dividends also depends on the ability of our subsidiaries to pay dividends to us. Although Greenlight Capital Re is not subject to any significant legal prohibitions on the payment of dividends, Greenlight Re and GRIL are subject to regulatory constraints that affect their ability to pay dividends and include minimum net worth requirements. At December 31, 2023, Greenlight Re and GRIL both exceeded the minimum statutory capital requirements. Any dividends we pay will be declared and paid in U.S. dollars.

Performance Graph

Presented below is a line graph comparing the yearly change in the cumulative total shareholder return on our ordinary shares for the five year period commencing December 31, 2018 through December 31, 2023 against the total return index for the Russell 2000 Index, or RUT, and the S&P 500 Property & Casualty Insurance Index, or S&P Insurance Index, for the same period. The performance graph assumes \$100 invested on December 31, 2018 in the ordinary shares of Greenlight Capital Re, the RUT and the S&P Insurance Index. The performance graph also assumes that all dividends are reinvested.



The performance reflected in the graph above is not necessarily indicative of future performance.

This graph and related information presented is not “soliciting material,” is not deemed filed with the SEC, is not subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference in any filing by us under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board has adopted a share repurchase plan. The timing of such repurchases and the actual number of shares repurchased will depend on various factors, including price, market conditions, and applicable regulatory and corporate requirements. On May 2, 2023, our Board of Directors re-approved the share repurchase plan effective from July 1, 2023 until June 30, 2024, authorizing us to repurchase up to \$25.0 million of ordinary shares or securities convertible into ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. Any shares repurchased are canceled immediately upon repurchase. We are not required to repurchase any of the ordinary shares. The repurchase plan may be modified, suspended, or terminated at the election of our Board of Directors at any time without prior notice.

There were no share repurchases made under the plan during the fourth quarter and year ended December 31, 2023.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management’s discussion and analysis (“MD&A”) of our results of operations for the years ended December 31, 2023, and 2022, and our financial condition at December 31, 2023 and 2022. This discussion should be read in conjunction with “Part II, Item 8. [Financial Statements and Supplementary Data](#)” of this Annual Report.

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For the discussion and analysis of our results of operations and changes in financial condition for the year ended December 31, 2022 compared to the year ended December 31, 2021, refer to our 2022 Annual Report.

All amounts are reported in U.S. dollars, unless otherwise noted. Tabular dollars are presented in thousands, with the exception of per share amounts or as otherwise noted.

Overview

Business Overview

We are a global specialty property and casualty reinsurer headquartered in the Cayman Islands, with an underwriting and investment strategy that we believe differentiates us from most of our competitors. Our goal is to build long-term shareholder value by providing risk management solutions to the insurance, reinsurance, and other risk marketplaces. Refer to “[Part 1, Item 1. Business](#)” for additional information.

We earned a net income of \$86.8 million for the year ended December 31, 2023, an increase of \$61.5 million, or 243% over the prior year, as a result of favorable reinsurance pricing conditions with lower losses from catastrophe and weather-related events (collectively referred to as “CAT losses”), coupled with favorable rising interest rate environment for our cash and fixed maturity investments (relating to the Lloyd’s syndicates) as well as favorable foreign exchange movement in 2023.

The following is a summary of our financial performance for the year ended December 31, 2023, compared to the prior year:

- Gross premiums written was \$636.8 million, an increase of 13.1%;
- Net premiums earned was \$583.1 million, an increase of 24.2%;
- Net underwriting income⁽¹⁾ was \$32.0 million, compared to an underwriting loss of \$10.7 million;
- Total investment income was \$66.1 million, a decrease of 4.2% (include 9.4% net return from our investment in SILP, compared to 25.3%);
- Diluted EPS was \$2.50, an increase of 242%; and
- Fully diluted book per share⁽¹⁾ was \$16.74, an increase of 16.8%.

⁽¹⁾ See “[Key Financial Measures and Non-GAAP Measures](#)” section of this MD&A.

Outlook and Trends

Following strong pricing improvements at the January 1, 2023 renewal season and throughout 2023 (primarily in property catastrophe, aviation, war and terror and marine), we witnessed a more disciplined but still attractive January 1, 2024 renewal season. In the property market we noted additional capacity entering the market, but we still saw favorable market conditions to grow our book. On our Specialty and FAL books, we noted a healthy amount of competitive interest but we were successful in securing the accounts we targeted for both renewal and new business with some modest rate increases.

The global inflationary pressures have abated from their recent highs. However, we believe loss cost inflation will continue to be a significant concern within the (re)insurance industry, as it can add uncertainty to the cost of claims, particularly for classes of business with long payout tails. As a result, it creates pricing challenges for new business and valuation challenges in claims reserves. We continue to manage these concerns and risks in multiple ways:

- Our underwriting strategy focuses on relatively shorter-tailed business, which is inherently less exposed to inflation than longer-tailed lines. We estimate the payout duration of our existing reserves at less than three years.
- We incorporate inflation assumptions in all our pricing and reassess these assumptions frequently.
- We are minimizing our exposure to classes that are experiencing severe supply-chain-driven inflation.

The rising interest rate environment over the last two years has had a mixed impact on our financial results. The Term Loans we secured in 2023 are partially exposed to fluctuations in the SOFR interest rate, and we stand to benefit if the interest rates start decreasing. The higher interest rates have improved the yield on our restricted cash and cash equivalents and our funds held at Lloyd’s. To the extent interest rates begin to decrease, we may see some of these trends reverse. The SILP investment portfolio is positioned to benefit from an inflationary environment.

Revenues and Expenses

Revenues

We derive our revenues from two principal sources:

- premiums from reinsurance on property and casualty business assumed (net of any premiums ceded) - see “[Critical Accounting Estimates](#)” section of this MD&A; and

- income from investments, including:
 - income (or loss) generated from our investment in SILP, net of management fee and performance compensation;
 - gains (or losses) from our other investments, including Innovations-related investments; and
 - interest income on our cash and cash equivalents and FAL.

In addition, we may from time to time derive other income from foreign exchange gains (or losses) relating to underwriting balances, net investment income from Lloyd's syndicates, fees generated from advisory services, and fees relating to overrides, profit commissions, and fees due upon the early termination of contracts.

Expenses

Our expenses consist primarily of the following:

- underwriting losses and LAE;
- acquisition costs;
- general and administrative ("G&A") expenses; and
- interest expense on deposit-accounted contracts and debt.

The extent of our net losses and LAE incurred is a function of the amount and type of reinsurance contracts we write and the loss experience of the underlying coverage. Refer to "[Critical Accounting Estimates](#)" section of this MD&A.

Acquisition costs consist primarily of brokerage fees, ceding commissions, premium taxes, profit commissions, letters of credit and trust fees, and federal excise taxes. We amortize deferred acquisition costs relating to successfully bound reinsurance contracts over the related contract term.

General and administrative expenses consist primarily of salaries and benefits and related costs, including costs associated with our incentive compensation plan, bonuses, and stock compensation expenses. General and administrative expenses also include professional fees (non-claim related), travel and entertainment, information technology, rent, and other general operating costs. General and administrative expenses reported in our consolidated statements of operations include both underwriting and corporate expenses.

Deposit interest expense relates to the accretion costs for deposit-accounted contracts that did not meet the risk transfer condition for reinsurance accounting under U.S. GAAP.

Interest expense consists of interest paid and accrued on our debt and the amortization of the related deferred financing costs.

Key Financial Measures and Non-GAAP Measures

Management uses certain key financial measures, some of which are not prescribed under U.S. GAAP rules and standards ("non-GAAP financial measures"), to evaluate our financial performance, financial position, and the change in shareholder value. Generally, a non-GAAP financial measure, as defined in SEC Regulation G, is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented under U.S. GAAP. We believe that these measures, which may be calculated or defined differently by other companies, provide consistent and comparable metrics of our business performance to help shareholders understand performance trends and facilitate a more thorough understanding of the Company's business. Non-GAAP financial measures should not be viewed as substitutes for those determined under U.S. GAAP.

The key non-GAAP financial measures used in this Annual Report are:

- Fully diluted book value per share; and
- Net underwriting income (loss).

These non-GAAP financial measures are described below.

Fully Diluted Book Value Per Share

Our primary financial goal is to increase fully diluted book value per share over the long term. We use fully diluted book value as a financial measure in our incentive compensation plan.

We believe that long-term growth in fully diluted book value per share is the most relevant measure of our financial performance because it provides management and investors a yardstick to monitor the shareholder value generated. Fully diluted book value per share may also help our investors, shareholders, and other interested parties form a basis of comparison with other companies within the property and casualty reinsurance industry. Fully diluted book value per share should not be viewed as a substitute for the most comparable U.S. GAAP measure, which in our view is the basic book value per share.

We calculate basic book value per share as (a) ending shareholders' equity, divided by (b) the total ordinary shares issued and outstanding, as reported in the consolidated financial statements. In prior years, we calculated the basic book value per share by modifying the denominator to exclude unearned performance-based restricted shares granted after December 31, 2021. We have revised this calculation in 2023 to eliminate the basic book value per share non-GAAP financial measure and have restated the 2022 comparative basic book value per share in the table below and elsewhere in this Annual Report to conform with the current presentation.

Fully diluted book value per share represents basic book value per share combined with any dilutive impact of in-the-money stock options and all outstanding restricted stock units "RSUs". We believe these adjustments better reflect the ultimate dilution to our shareholders.

The following table presents a reconciliation of the fully diluted book value per share to basic book value per share (the most directly comparable U.S. GAAP financial measure):

	December 31, 2023	December 31, 2022
Numerator for basic and fully diluted book value per share:		
Total equity as reported under U.S. GAAP	\$ 596,095	\$ 503,120
Denominator for basic and fully diluted book value per share:		
Ordinary shares issued and outstanding as reported and denominator for basic book value per share	35,336,732	34,824,061
Add: In-the-money stock options and all outstanding RSUs	264,870	277,960
Denominator for fully diluted book value per share	35,601,602	35,102,021
Basic book value per share	<u>\$ 16.87</u>	<u>\$ 14.45</u>
Increase in basic book value per share (\$)	\$ 2.42	\$ 0.40
Increase in basic book value per share (%)	16.8 %	2.8 %
Fully diluted book value per share	<u>\$ 16.74</u>	<u>\$ 14.33</u>
Increase in fully diluted book value per share (\$)	\$ 2.41	\$ 0.34
Increase in fully diluted book value per share (%)	16.8 %	2.4 %

Net Underwriting Income (Loss)

One way that we evaluate the Company's underwriting performance is by measuring net underwriting income (loss). We do not use premiums written as a measure of performance. Net underwriting income (loss) is a performance measure used by management to evaluate the fundamentals underlying the Company's underwriting operations. We believe that the use of net underwriting income (loss) enables investors and other users of the Company's financial information to analyze our performance in a manner similar to how management analyzes performance. Management also believes this measure follows industry practice and allows the users of financial information to compare the Company's performance with that of our industry peer group.

Net underwriting income (loss) is considered a non-GAAP financial measure because it excludes items used to calculate net income before taxes under U.S. GAAP. We calculate net underwriting income (loss) as net premiums earned less net loss and loss adjustment expenses, acquisition costs, underwriting expenses (including related G&A expenses), and deposit interest expense. The measure excludes, on a recurring basis: (1) investment income (loss); (2) other income (expense) not related to underwriting, including foreign exchange gains or losses, and Lloyd's interest income and expense; (3) corporate G&A expenses; and (4) interest expense. We exclude total investment income or loss, foreign exchange gains or losses, and Lloyd's interest income or expense as we believe these items are influenced by market conditions and other factors unrelated to underwriting decisions. Additionally, we exclude corporate G&A and interest expenses because these costs are generally fixed and not incremental to or directly related to our underwriting operations. We believe all of these amounts are largely independent of our underwriting process, and including them could hinder the analysis of trends in our underwriting operations. Net underwriting income (loss) should not be viewed as a substitute for U.S. GAAP net income before income taxes.

The reconciliations of net underwriting income (loss) to income (loss) before income taxes (the most directly comparable U.S. GAAP financial measure) on a consolidated basis are shown below:

	Year ended December 31	
	2023	2022
Income (loss) before income tax	\$ 86,930	\$ 24,526
Add (subtract):		
Total investment (income) loss	(66,063)	(68,983)
Other non-underwriting (income) expense	(17,872)	11,777
Corporate expenses	23,653	17,793
Interest expense	5,344	4,201
Net underwriting income (loss)	<u>\$ 31,992</u>	<u>\$ (10,686)</u>

Consolidated Results of Operations

The table below summarizes our consolidated operating results for the years ended December 31:

	2023	2022
Underwriting revenue		
Gross premiums written	\$ 636,810	\$ 563,171
Gross premiums ceded	(42,762)	(33,429)
Net premiums written	594,048	529,742
Change in net unearned premium reserves	(10,901)	(60,265)
Net premiums earned	583,147	469,477
Underwriting related expenses		
Net loss and loss adjustment expenses incurred:		
Current year	348,798	316,367
Prior year ⁽¹⁾	11,206	118
Net loss and loss adjustment expenses incurred	360,004	316,485
Acquisition costs	168,877	143,148
Underwriting expenses	19,587	13,813
Deposit interest expense	2,687	6,717
Net underwriting income (loss) ⁽²⁾	31,992	(10,686)
Income from investment in SILP	28,696	54,844
Net investment income	37,367	14,139
Total investment income	66,063	68,983
Corporate expenses	23,653	17,793
Foreign exchange (gains) losses	(11,566)	5,988
Other (income) expense, net	(6,306)	5,789
Interest expense	5,344	4,201
Income tax expense (benefit)	100	(816)
Net income	\$ 86,830	\$ 25,342
Earnings per share:		
Basic	\$ 2.55	\$ 0.75
Diluted	\$ 2.50	\$ 0.73
Underwriting ratios:		
Loss ratio - current year	59.8 %	67.4 %
Loss ratio - prior year	1.9 %	— %
Loss ratio	61.7 %	67.4 %
Acquisition cost ratio	29.0 %	30.5 %
Composite ratio	90.7 %	97.9 %
Underwriting expense ratio	3.8 %	4.4 %
Combined ratio	94.5 %	102.3 %

¹ The net financial impacts associated with changes in the estimate of losses incurred in prior years, which incorporate earned reinstatement premiums assumed and ceded, adjustments to assumed and ceded acquisition costs, and deposit interest expense, were a loss of \$15.7 million in 2023 (2022: \$12.2 million).

² Net underwriting income (loss) is a non-GAAP financial measure. See “[Key Financial Measures and Non-GAAP Measures](#)” above for discussion and reconciliation of non-GAAP financial measures.

The following provides further details on the significant variances for the year ended December 31, 2023, compared to 2022.

Overview

For the year ended December 31, 2023, fully diluted book value per share increased by \$2.41, or 16.8%, to \$16.74 per share and basic book value per share increased by \$2.42, or 16.8%, to \$16.87 per share since December 31, 2022 driven by strong underwriting performance.

For the year ended December 31, 2023, our net income increased by \$61.5 million to \$86.8 million, driven mainly by the following:

- **Underwriting income:** Increased by \$42.7 million to \$32.0 million, primarily driven by combined ratio improving 7.8 percentage points mainly due to lower CAT losses and favorable pricing in 2023, partially offset by an increase in adverse loss development from prior years. For further information on CAT losses and prior year loss development, refer to Note 7 - [Loss and Loss Adjustment Expense Reserves](#) of the consolidated financial statements.
- **Investment income:** Declined by \$2.9 million to \$66.1 million. While we benefited from the rising U.S. interest rates on our cash and short-term investment holdings, this was offset by a decline in SILP's net income. SILP generated a net return of 9.4% in 2023, compared to 25.3% in 2022.
- **Foreign exchange gains:** Increased by \$17.6 million driven mainly by the strengthening of the U.S. dollar over the pound sterling.
- **Other income:** Increased by \$12.1 million driven primarily by an increase in investment income on funds withheld by third party Lloyd's syndicates. The Lloyd's syndicates invest a portion of these funds in fixed-maturity securities and investment funds. We record our share of the investment income and fair value adjustments on these securities when the syndicates report them to us, generally on a quarter in arrears.
- **Corporate expenses:** Increased by \$5.9 million primarily driven by \$4.3 million of severance relating to the separation agreement entered with our former CEO. For further details, see "Separation Agreement with CEO" in [Note 15 - "Related Party Transactions"](#) in the consolidated financial statements.

Underwriting Results by Segment

For our Property and Casualty Reinsurance segment, we analyze it based on three lines of business: "property," "casualty," and "other."

Gross Premiums Written

Details of gross premiums written are provided in the following table:

	Year ended December 31			
	2023		2022	
Property	\$ 113,291	17.8 %	\$ 85,323	15.2 %
Casualty	351,037	55.1	325,103	57.7
Other	172,482	27.1	152,745	27.1
Total	<u>\$ 636,810</u>	<u>100.0 %</u>	<u>\$ 563,171</u>	<u>100.0 %</u>

As a result of our underwriting philosophy, the total premiums we write and the mix of premiums between property, casualty, and other business, may vary significantly from period to period depending on the market opportunities we identify.

Our gross premiums written increased by \$73.6 million, or 13.1%, compared to the same period in 2022. The following table provides a further analysis of this overall increase:

<i>Gross Premiums Written</i>			
Year ended December 31, 2023			
	Increase (decrease) (\$ in millions)	% change	Explanation
Property	\$28.0	32.8%	The increase was driven from growth in our Commercial class, mainly due to new quota share treaties bound in mid-2022 and new Innovations contracts via Syndicate 3456 in 2023. This resulted in a change in business mix for Property, predominantly with Commercial and Personal which accounted for 46% and 54%, respectively, of total Property, compared to 17% and 80%, respectively, for the same period in 2022.
Casualty	\$25.9	8.0%	The increase was driven mainly from growth in General Liability, Professional Liability, and Motor Liability from new contracts and premiums written from quota share treaties bound in 2022. This growth was partially offset by a reduction in the Workers' Compensation class, where we have significantly reduced our appetite for quota share treaties beginning in 2022, coupled with a premium decrease in the Multi-line class. As a result, the business mix within our Casualty line of business has shifted between General Liability and Multi-line classes, accounting for 27% and 62% of total Casualty, respectively, compared to 19% and 69%, respectively, in same period in 2022.
Other	\$19.7	12.9%	The increase was driven mainly by new contracts within our Marine class and Other Specialty class, primarily in energy, aviation and cyber risk. This was partially offset by a reduction in premiums from our Financial class, predominantly due to lower merger and acquisition activity in 2023 impacting premium from transactional liability programs, partially offset by new premiums from credit and surety contracts. As a result, the change in business mix was follows: Other Specialty, Financial, and Marine represented 45%, 33%, and 18%, respectively, compared to 36%, 44%, and 15%, respectively, for the same period in 2022.

Premiums Ceded

For the year ended December 31, 2023, ceded premiums were \$42.8 million, or 6.7% of gross premiums written, compared to \$33.4 million, or 5.9% of gross premiums written, for the year ended December 31, 2022. The increase was mainly due to purchasing an aviation quota share retrocession coverage, as well as an additional \$10.0 million excess of loss coverage to manage our exposure to marine and energy.

Net Premiums Written

Details of net premiums written are provided in the following table:

	Year ended December 31			
	2023		2022	
Property	\$ 94,651	15.9 %	\$ 67,680	12.8 %
Casualty	337,111	56.7	315,935	59.6
Other	162,286	27.3	146,127	27.6
Total	<u>\$ 594,048</u>	<u>100.0 %</u>	<u>\$ 529,742</u>	<u>100.0 %</u>

Our net premiums written increased by \$64.3 million, or 12.1%, compared to the year ended December 31, 2022. The movement in net premiums written resulted from the changes in gross premiums written and ceded during the periods.

Net Premiums Earned

Details of net premiums earned are provided in the following table:

	Year ended December 31			
	2023		2022	
Property	\$ 86,539	14.8 %	\$ 52,397	11.2 %
Casualty	331,196	56.8	289,820	61.7
Other	165,412	28.4	127,260	27.1
Total	<u>\$ 583,147</u>	<u>100.0 %</u>	<u>\$ 469,477</u>	<u>100.0 %</u>

Net premiums earned increased by \$113.7 million or 24.2%, compared to the prior year. The change in net premiums earned is primarily a function of the amount and timing of net premiums written during the current and prior periods, coupled with the mix of business written in the form of excess of loss versus proportional contracts.

Loss and LAE Incurred, Net

The components of the loss ratio were as follows:

	Year ended December 31		
	2023	2022	Increase / (decrease) in loss ratio points
Current accident year loss ratio	59.8 %	67.4 %	(7.6)
Prior year reserve development ratio	1.9 %	— %	1.9
Loss ratio	<u>61.7 %</u>	<u>67.4 %</u>	<u>(5.7)</u>

Current accident year loss ratio improved by 7.6 points for the year ended December 31, 2023, compared to the same period in 2022 primarily due to 3.6 points in lower CAT losses, coupled with favorable pricing and change in business mix in 2023.

For the year ended December 31, 2023, prior year adverse loss development was 1.9%, compared to a negligible amount in 2022. Refer to Note 7 [Loss and Loss Adjustment Expense Reserves](#) to the consolidated financial statements for further details on prior year loss developments.

The following table provides a breakdown of net losses incurred by lines of business:

	Year ended December 31			
	2023		2022	
Property	\$ 62,266	17.3 %	\$ 40,885	12.9 %
Casualty	225,314	62.6	205,641	65.0
Other	72,424	20.1	69,959	22.1
Total	<u>\$ 360,004</u>	<u>100.0 %</u>	<u>\$ 316,485</u>	<u>100.0 %</u>

The loss ratios by lines of business were as follows:

	Year ended December 31		Increase / (decrease) in loss ratio points
	2023	2022	
Property	72.0 %	78.0 %	(6.0)%
Casualty	68.0	71.0	(3.0)
Other	43.8	55.0	(11.2)
Total	61.7 %	67.4 %	(5.7)%

The following provides further details on the change in 2023 vs. 2022:

	Increase (decrease) (\$ in millions)	Increase / (decrease) in loss ratio points	Explanation
Property	\$21.4	(6.0)%	<p>The increase in losses incurred is primarily due to 65.2% increase in net premiums earned, and to a lesser degree due to a higher dollar amount of current year CAT losses.</p> <p>However, our loss ratio improved mainly due to a decrease of 4.7 loss ratio points from current CAT losses, in part due to higher premiums earned. In 2023, the U.S. severe storms losses and other CAT events contributed 19.3 loss ratio points to the Property loss ratio. During the comparable period in 2022, CAT losses from Hurricane Ian, Typhoons Nanmadol and Hinnamnor, and Tennessee wildfires contributed 24.0 percentage points to the Property loss ratio.</p> <p>Additionally, the Property loss ratio benefited by 2.1 percentage points due to an increase in favorable prior year CAT loss development for various underwriting years (2017 to 2022).</p>
Casualty	\$19.7	(3.0)%	<p>The increase in losses incurred was primarily driven by the 14.3% increase in net premiums earned, coupled with an increase of \$19.7 million or 5.5 loss ratio points in prior year loss development predominantly driven by attritional losses relating to motor, general liability, multiline, workers' compensation and professional liability programs.</p> <p>However, our Casualty business benefited by 5.1 loss ratio points from lower current year CAT losses, compared to 2022 when the Multi-line class was adversely impacted by Hurricane Ian. Further, the overall decrease in loss ratio was also driven by the change in business mix. We significantly grew General Liability and Multi-line classes at much lower loss ratios than the Workers' Compensation class.</p>
Other	\$2.5	(11.2)%	<p>Despite the 30.0% increase in net premiums earned, driven from growth in our Marine and Other Specialty classes, we had only a marginal increase in losses incurred for Other, primarily due to 8.2 loss ratio point improvement from prior year favorable loss development, and to a lesser extent, from lower CAT losses. The prior year favorable loss development was predominantly from the following classes of business: Mortgage, Transactional Liability, and Whole Account Marine and Energy.</p>

See “[Critical Accounting Estimates](#), *Loss and Loss Adjustment Expense Reserves*” in this MD&A and “[Note 7. Loss and Loss Adjustment Expense Reserves](#)” to the consolidated financial statements for additional discussion of our reserving techniques and prior year development of net claims and claim expenses.

Acquisition Costs, Net

Our total acquisition costs increased by 18.0% to \$168.9 million, compared to 2022, mainly due to growth in net premiums earned, offset partially by lower broker commissions from excess of loss contracts compared to proportional treaties. For the year ended December 31, 2023, net profit commission expense of \$14.8 million, (2022: \$16.0 million) was included in our total acquisition costs.

The acquisition cost ratios by line of business were as follows:

	2023	2022	Increase / (decrease)
Property	18.7 %	22.2 %	(3.5)%
Casualty	30.5	29.0	1.5
Other	31.3	37.4	(6.1)
Total	29.0 %	30.5 %	(1.5)%

The following provides further details on the change in 2023 vs. 2022:

	Increase / (decrease) in acquisition cost ratio points	Explanation
Property	(3.5)%	The decrease was due primarily to the higher proportion of excess of loss contracts that have a lower ceding commission rate than proportional treaties. Based on net premiums earned for Property, excess of loss contracts accounted for 10% compared to 6% in 2022.
Casualty	1.5%	The marginal increase was due primarily to changes in our business mix, particularly with an increase in net premiums earned from General Liability, Professional Liability and Multi-line (including FAL) classes, which have higher ceding commission rates than the Workers' Compensation business.
Other	(6.1)%	The decrease was driven primarily by change in business mix, coupled with a higher proportion of excess of loss contracts than proportional treaties. Based on net premiums earned for Other, excess of loss contracts accounted for 23% compared to 18% in 2022.

Ratio Analysis

The following table provides our underwriting ratios by line of business:

	Year ended December 31 2023				Year ended December 31 2022			
	Property	Casualty	Other	Total	Property	Casualty	Other	Total
Loss ratio	72.0 %	68.0 %	43.8 %	61.7 %	78.0 %	71.0 %	55.0 %	67.4 %
Acquisition cost ratio	18.7	30.5	31.3	29.0	22.2	29.0	37.4	30.5
Composite ratio	90.7 %	98.5 %	75.1 %	90.7 %	100.2 %	100.0 %	92.4 %	97.9 %
Underwriting expense ratio				3.8				4.4
Combined ratio				94.5 %				102.3 %

Our underwriting expense ratio decreased by 0.6 points, compared to the same period in 2022, mainly due to 0.8 point reduction from lower interest expense on deposit-accounted contracts based on revised expectations of ultimate cash flows in 2023.

G&A Expenses

The breakdown of our G&A expenses between under underwriting and corporate functions was as follows:

	Year ended December 31	
	2023	2022
Underwriting expenses	\$ 19,587	\$ 13,813
Corporate expenses	23,653	17,793
Total G&A expenses	<u>\$ 43,240</u>	<u>\$ 31,606</u>

G&A expenses increased by \$11.6 million, or 36.8%, compared to the prior year. The increase was driven by:

- *Underwriting expenses:* Increased by \$5.8 million, or 41.8%, mainly due to scaling up as we added to our talent pool, which contributed to the growth in gross premiums written in 2023. Increase in allowance for credit losses relating to certain reinsurance balances receivable and loss recoverable also accounted for the increase in underwriting expenses. The increase was partially offset by lower legal and other professional fees. See above “Ratio Analysis” for a discussion on our underwriting expense ratio.
- *Corporate expenses:* Increased by \$5.9 million or 32.9%, driven mainly by \$6.4 million of severance related costs compared to \$1.1 million in the prior year. The 2023 severance costs included a \$1.5 million non-cash charge relating to the accelerated vesting of the former CEO’s restricted shares as well as the modified grant relating to his unvested performance-based restricted shares. The remaining increase was mainly due to an increase in personnel costs, including an increase in accrued incentive compensation costs in light of the Company’s performance in 2023. The incentive compensation cost for 2022 was nil due to the net underwriting loss. This increase in corporate expenses was partially offset by lower D&O insurance expense.

Total Investment Income

Total investment income incorporates (i) changes in the net asset value of our investment in SILP, (ii) interest income earned on cash and cash equivalents, including the restricted funds pledged as collateral to our clients, and (iii) gains (or losses) and interest on our portfolio of Innovations investments. We expect our total investment income, including any change in the net asset value of our investment in SILP, to fluctuate from period to period.

A summary of our total investment income is as follows:

	Year ended December 31	
	2023	2022
Interest and dividend income, net of withholding taxes and other expenses	\$ 35,629	\$ 4,466
Net realized and unrealized gains on other investments (see Note 4)	1,738	9,673
Net investment-related income	\$ 37,367	\$ 14,139
Share of SILP's net income (see Note 3)	28,696	54,844
Total investment income	<u>\$ 66,063</u>	<u>\$ 68,983</u>

Net investment-related income

Our net investment-related income increased by \$23.2 million or 164.3% compared to 2022 mainly due to rising U.S. interest rates, which resulted in an increase in interest income from our cash and cash equivalent (including restricted cash), partially offset by lower average outstanding balance in 2023. The U.S. Federal Reserve hiked its benchmark rate 11 times for a total of 5.25 percentage points since March 2022. Our Innovations-related investments had less gains in 2023 in part due to less favorable pricing conditions from completed financing rounds by some of our Innovation investees compared to 2022.

Share of SILP's Net Income

Our share of SILP's net income decreased by \$26.1 million in 2023 compared to 2022. For the year ended December 31, 2023, SILP reported a net investment return of 9.4%, compared to 25.3% for 2022. The following table provides a breakdown of the gross and net investment returns:

	Year ended December 31	
	2023	2022
Long portfolio gains (losses)	32.1 %	— %
Short portfolio gains (losses)	(22.1)	26.1
Macro gains (losses)	3.7	3.8
Other income and expenses ¹	(3.2)	(1.8)
Gross investment return	10.5 %	28.1 %
Net investment return ¹	9.4 %	25.3 %

¹ "Other income and expenses" excludes performance compensation but includes management fees. "Net investment return" incorporates both of these amounts. For further information about management fees and performance compensation, refer to Note 15 "[Related Party Transactions](#)" of the consolidated financial statements.

The most significant contributors to SILP's net investment return for the year ended December 31, 2023 were long positions in Green Brick Partners Inc., CONSOL Energy Inc., and a S&P 500 / U.S. interest rate derivative position. For the same period, the most significant detractors were three single-name short positions.

Each month, we post on our website (www.greenlightre.com) the returns from our investment in SILP.

Interest Expense

Our interest expense for the year ended December 31, 2023 increased by \$1.1 million to \$5.3 million compared to 2022. The increase was driven primarily by the increase in borrowing cost for new Term Loans, which were partially used to repay the outstanding Convertible Notes (see Note 9 "[Debt and Credit Facilities](#)" to the consolidated financial statements). The interest expense for the year ended December 31, 2023 included \$0.6 million of unrealized loss on the interest rate swaps used to partially hedge the Term Loans.

Income Taxes

For the year ended December 31, 2023, we incurred net income tax expense of \$0.1 million, net of a \$2.3 million reversal of deferred tax asset provision based on management's conclusion that it was more likely than not that the Company will fully realize the deferred tax asset. For the year ended December 31, 2022, we had a net income tax recovery of \$0.8 million primarily due to a tax refund relating to Verdant. For further information, see Note 14 "[Income Taxes](#)" to the consolidated financial statements.

Financial Condition

Investments

The following table provides a breakdown of our total investments:

	December 31			
	2023		2022	
Investment in related party investment fund (SILP)	\$ 258,890	78.0 %	\$ 178,197	71.7 %
Other investments:				
Private investments and unlisted equities	71,157	21.4	62,433	25.1
Debt and convertible debt securities	2,136	0.6	1,846	0.8
Certificates of deposit	—	—	6,000	2.4
Total other investments	<u>\$ 73,293</u>	<u>22.0 %</u>	<u>\$ 70,279</u>	<u>28.3 %</u>
Total investments	<u><u>\$ 332,183</u></u>	<u><u>100.0 %</u></u>	<u><u>\$ 248,476</u></u>	<u><u>100.0 %</u></u>

At December 31, 2023, our total investments increased by \$83.7 million, or 33.7%, to \$332.2 million from December 31, 2022. The increase was primarily driven from net additional contributions into SILP, coupled with the net investment return in 2023.

Investments in SILP

DME Advisors reports the composition of SILP's portfolio on a delta-adjusted basis, which it believes is the appropriate manner to assess the exposure and profile of investments and reflects how it manages the portfolio. An option's delta is the option price's sensitivity to the underlying stock (or commodity) price. The delta-adjusted basis is the number of shares or contracts underlying the option multiplied by the delta and the underlying stock (or commodity) price.

The following table represents the composition of SILP's investments:

	December 31			
	2023		2022	
	Long %	Short %	Long %	Short %
Equities and related derivatives	90.2	53.8	84.4	49.7
Private and unlisted equity securities	2.0	—	3.2	—
Debt instruments	0.3	—	0.6	—
Total	<u>92.5 %</u>	<u>53.8 %</u>	<u>88.2 %</u>	<u>49.7 %</u>

The above exposure analysis does not include cash (U.S. dollar and foreign currencies), gold and other commodities, credit default swaps, sovereign debt, foreign currency derivatives, interest rate derivatives, inflation swaps and other macro positions. Under this methodology, a total return swap's exposure is reported at its full notional amount and options are reported at their delta-adjusted basis. At December 31, 2023, SILP's exposure to gold on a delta-adjusted basis was 11.2% (2022: 15.2%).

The following table represents the composition of SILP by industry sector at December 31, 2023:

Sector	Long %	Short %	Net %
Communication Services	— %	(3.7)%	(3.7)%
Consumer Discretionary	38.7	(11.9)	26.8
Consumer Staples	—	(1.0)	(1.0)
Energy	14.2	—	14.2
Financial	15.5	(11.7)	3.8
Healthcare	7.2	(1.8)	5.4
Industrials	3.7	(7.6)	(3.9)
Materials	6.6	(0.6)	6.0
Real Estate	—	(4.0)	(4.0)
Technology	4.5	(8.2)	(3.7)
Utilities	1.3	(3.3)	(2.0)
Other	0.8	—	0.8
Total	92.5 %	(53.8)%	38.7 %

The following table represents the composition of SILP, by the market capitalization of the underlying issuer, at December 31, 2023:

Capitalization	Long %	Short %	Net %
Mega Cap Equity (≥\$25 billion)	0.6 %	(16.4)%	(15.8)%
Large Cap Equity (≥\$10 billion and <\$25 billion)	5.7	(6.3)	(0.6)
Mid Cap Equity (≥\$2 billion and <\$10 billion)	80.5	(25.3)	55.2
Small Cap Equity (<\$2 billion)	3.4	(5.8)	(2.4)
Debt Instruments	0.3	—	0.3
Other	2.0	—	2.0
Total	92.5 %	(53.8)%	38.7 %

At December 31, 2023, 95.0% of SILP’s portfolio was valued based on quoted prices in actively traded markets (Level 1), 3.6% was composed of instruments valued based on observable inputs other than quoted prices (Level 2), and a nominal amount was composed of instruments valued based on non-observable inputs (Level 3). At December 31, 2023, 1.4% of SILP’s portfolio consisted of private equity funds valued using the funds’ net asset values as a practical expedient.

Other Investments

The other investment holdings relate to private investments made by Innovations. During 2023, we made \$7.1 million of new private investments compared to \$13.2 million in the prior year. While we manage a diversified Innovations-related investment portfolio with approximately 40 holdings, our top five holdings accounted for 67% of the total carrying value as a result of favorable fair value remeasurement since our initial investments, net of impairment charges. For further information, see Note 4 “[Other Investments](#)” of the consolidated financial statements.

The certificate of deposit was redeemed in 2023 to provide cash collateral for the new Loan Facility (see “Debt” below).

Restricted cash and cash equivalents

We use our restricted cash and cash equivalents primarily for funding trusts and letters of credit issued to our ceding insurers. Our restricted cash decreased by \$63.7 million, or 9.5%, from \$668.3 million at December 31, 2022, to \$604.6 million at December 31, 2023, primarily due to release of collateral from our ceding insurers relating to legacy contracts in run-off. During the year ended December 31, 2023, we also pledged \$10.0 million collateral as security for the new Loan Facility (see “Debt” below).

Reinsurance balances receivable

Our reinsurance balances receivable increased by \$113.8 million, or 22.5%, to \$619.4 million from \$505.6 million at December 31, 2022. This increase was driven primarily by premiums held by Lloyd's syndicates through GCM. See "Concentration of Credit Risk - Reinsurance Balances Receivable, net" in Note 16 "[Commitments and Contingencies](#)" to the consolidated financial statements.

Loss and LAE Reserves; Loss and LAE Recoverable

Our reserves for loss and LAE by lines of business were as follows:

	December 31, 2023			December 31, 2022		
	Case Reserves	IBNR	Total	Case Reserves	IBNR	Total
Property	\$ 24,181	\$ 41,056	\$ 65,237	\$ 20,354	\$ 41,361	\$ 61,715
Casualty	136,713	299,933	436,646	146,702	227,979	374,681
Other	28,156	131,515	159,671	17,700	101,372	119,072
Total	<u>\$ 189,050</u>	<u>\$ 472,504</u>	<u>\$ 661,554</u>	<u>\$ 184,756</u>	<u>\$ 370,712</u>	<u>\$ 555,468</u>

Our total gross loss and LAE reserves increased by \$106.1 million, or 19.1%, to \$661.6 million from \$555.5 million at December 31, 2022. See Note 7 "[Loss and Loss Adjustment Expense Reserves](#)" of the consolidated financial statements for a summary of changes in outstanding loss and LAE reserves and a description of prior period loss developments.

Our total loss and LAE recoverable increased by \$12.4 million, or 94.0%, to \$25.7 million from \$13.2 million at December 31, 2022. See Note 8 "[Retrocession](#)" of the consolidated financial statements for a description of the credit risk associated with our retrocessionaires.

PML

For most of the contracts we write, defined limits of liability limit our risk exposure. Once each contract's limit of liability has been reached, we have no further exposure to additional losses from that contract. However, certain contracts, particularly quota share contracts covering first-dollar exposure, do not contain aggregate limits.

Our property and Lloyd's business, and to a lesser extent our casualty and other business, incorporate contracts that contain natural peril loss exposure. We currently monitor our catastrophe loss exposure in terms of our PML (net of retrocession and reinstatement premiums). We anticipate that our PMLs will vary from period to period depending upon the modeled simulated losses and the composition of our in-force book of business.

We monitor our natural peril PMLs on a worldwide basis, with a particular focus on our peak peril regions. When these perils consist of a large geographic area, we split them into sub-regions, where the underlying geographic components can also be considered individual peril zones.

For our natural catastrophe PMLs, we utilize the output of catastrophe models at the 1-in-250-year return period. The 1-in-250-year return period PML means that we believe there is a 0.4% probability that, in any given year, an occurrence of a natural catastrophe will lead to losses exceeding the stated estimate.

It is important to note that PMLs are best estimates based on the modeled data available for each underlying risk. As a result, we cannot provide assurance that any actual event will align with the modeled event or that actual losses from events similar to the modeled events will not vary materially from the modeled event PML.

Our PML estimates incorporate all significant exposure from our reinsurance operations, including coverage for property, marine and energy, motor, and catastrophe workers' compensation exposures.

At January 1, 2024, our estimated largest PML at a 1-in-250-year return period for a single event and in aggregate was \$89.7 million and \$97.0 million, respectively, both relating to the peril of North Atlantic Hurricane, compared to \$77.5 million and \$83.5 million, respectively, at January 1, 2023. We have increased our PMLs in response to favorable market conditions and attractive opportunities, coupled with increased surplus.

The below table contains the expected modeled loss for each of our peak peril regions and sub-regions for both a single event loss and aggregate loss measures at the 1-in-250-year return period.

Peril	January 1, 2024	
	Net 1-in-250 Year Return Period	
	Single Event Loss	Aggregate Loss
	(\$ in thousands)	
North Atlantic Hurricane	\$ 89,651	\$ 97,041
Southeast Hurricane	83,339	85,296
Gulf of Mexico Hurricane	66,557	68,830
Northeast Hurricane	51,028	51,028
North America Earthquake	87,227	90,414
California Earthquake	74,105	77,981
Other N.A. Earthquake	45,187	46,177
Japan Earthquake	34,998	35,941
Japan Windstorm	29,766	31,695
Europe Windstorm	52,360	55,980

Debt

Our total debt decreased by \$7.3 million, or 9.0%, to \$73.3 million from \$80.5 million at December 31, 2022. During 2023, we repurchased \$17.5 million of Convertible Notes for a marginal realized gain. Further, we repaid the remaining \$63.4 million of Convertible Notes, including accrued interest, which matured on August 1, 2023. To repay this debt, we entered into a \$75.0 million Loan Facility with a group of banks. In connection with this Loan Facility, we contractually agreed to hedge 50% of the floating rate Term Loans for the duration of the Loan Facility. Refer to Note 9 “[Debt and Credit Facilities](#)” of the consolidated financial statements for further information.

Total shareholders’ equity

Total shareholders’ equity increased by \$93.0 million to \$596.1 million, compared to \$503.1 million at December 31, 2022. The increase was primarily due to the net income of \$86.8 million reported for the year. For details of other movements in shareholders’ equity, see the consolidated statements of shareholders’ equity.

Liquidity and Capital Resources

Liquidity

Liquidity is a measure of a company’s ability to generate sufficient cash flows to meet the short-term and long-term cash requirements of its business operations. We manage liquidity at the holding company and operating subsidiary level.

Holding Company

Greenlight Capital Re is a holding company with no operations of its own and its assets consist primarily of investments in its subsidiaries. Accordingly, Greenlight Capital Re’s future cash flows depend on the availability of dividends or other statutorily permissible distributions, such as returns of capital, from its subsidiaries. The ability to pay dividends and/or distributions is limited by:

- the applicable laws and regulations of the countries in which Greenlight Capital Re’s subsidiaries operate (see Note 18 “[Statutory Requirements](#)” to the consolidated financial statements);
- the need to maintain adequate capital levels to support our reinsurance operations; and
- the need to preserve our current “A- (Excellent)” rating with a stable outlook by A.M. Best.

As a holding company, Greenlight Capital Re has minimal continuing cash needs, most of which are related to the payment of corporate and general administrative expenses and interest expenses. Our current policy is to retain earnings to support the growth of our business. We currently do not expect to pay dividends on our ordinary shares.

We anticipate positive cash flows from operations (underwriting activities and investment income) to be sufficient to cover cash outflows under most loss scenarios in the near term. Based on expected cash flows from operations, financing arrangements and redemptions from related party investment fund as needed (subject to three day's notice to the general partner), we believe we have sufficient liquidity to cover our working capital requirements and other contractual obligations and commitments through the foreseeable future.

Operating Subsidiaries

Our sources of funds from operating subsidiaries consist primarily of premium receipts (net of brokerage and ceding commissions), investment income, and other income. We use cash from our operations to pay losses and loss adjustment expenses, profit commissions, interest, and G&A expenses. Our reinsurance business inherently provides liquidity as premiums are received well in advance of the time claims are paid. However, the amount of cash required to fund loss payments can fluctuate significantly from period to period due to the low frequency / high severity nature of certain types of business we write.

The following table summarizes our sources and uses of funds:

	Year ended December 31	
	2023	2022
Total cash provided by (used in):		
Operating activities	\$ 7,507	\$ (31,799)
Investing activities	(53,133)	47,015
Financing activities	(5,292)	(19,828)
Effect of currency exchange on cash ⁽¹⁾	100	59
Net cash inflows (outflows)	(50,818)	(4,553)
Cash, beginning of period	706,548	711,101
Cash, end of period	\$ 655,730	\$ 706,548

⁽¹⁾ Cash includes unrestricted and restricted cash and cash equivalents - see Note 5 of the consolidated financial statements.

Cash provided by operating activities

The increase in cash provided by operating activities was driven mainly by \$42.7 million improved underwriting income, coupled with the ebb and flow from our underwriting activities, which may vary significantly from period to period depending on the mix of business, the nature of underwriting opportunities available and volume of claims submitted to us by our cedents.

Cash used in investing activities

The increase in cash used for investing activities was driven mainly by the net change in our investment in SILP where we made a net contribution of \$52.0 million during 2023 compared to a net redemption of \$60.2 million during 2022. During 2023, we deployed \$6.1 million less on Innovations-related investments compared to 2022, and collected \$6.0 million of proceeds from a matured term deposit.

Cash used in financing activities

The decrease in cash used in our financing activities was due to drawing \$74.1 million from the new Loan Facility, offset by the repayment of the remaining Convertible Notes on August 1, 2023, in addition to the partial repurchase of these Convertible Notes at a discount in 2023. In 2022, we had repurchased \$19.8 million of our Convertible Notes.

Capital Resources

The following table summarizes our capital structure:

	December 31, 2023	December 31, 2022
Debt	\$ 74,062	\$ 80,534
Shareholders' equity	596,095	503,120
Ratio of debt to shareholders' equity	12 %	16 %

The debt to shareholders' equity provides an indication of our leverage and capital structure, along with some insights into our financial strength. In addition to the above capital, we also have LOC facilities to support our reinsurance business operations where we are not licensed or admitted as a reinsurer.

The following is a summary of the changes in our capital:

Debt

At December 31, 2023, our debt consisted of the new \$75.0 million Loan Facility used principally to repay the Convertible Notes that were outstanding at December 31, 2022, net of repurchases during 2023. We also made the initial loan installment repayment on the Loan Facility. The facility will mature on August 1, 2026.

Ordinary Shares

At December 31, 2023, there were 35,336,732 outstanding ordinary shares, an increase of 512,671 since December 31, 2022, due to restricted shares granted to our employees and non-executive directors.

While our Board of Directors renewed the \$25.0 million share repurchase plan in 2023, we did not repurchase any ordinary shares for year ended December 31, 2023 (see "Item 5 - [Market for Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities](#)").

We expect that the existing capital base and internally generated funds will be sufficient to implement our business strategy for the foreseeable future. However, to provide us with flexibility and timely access to public capital markets should we require additional capital for working capital, capital expenditures, acquisitions, or other general corporate purposes, we have filed a Form S-3 registration statement, which expires in July 2024.

Secured LOC Facilities

At December 31, 2023, our total LOC capacity was \$489.0 million, compared to \$289.0 million at December 31, 2022. The increase was due to a new LOC credit facility established to accommodate future growth and to diversify the concentration risk of having a single facility. At December 31, 2023, we had \$290.7 million LOCs outstanding compared to \$203.9 million at December 31, 2022. The increase is driven by, among other factors, the amount of unearned premiums, development of loss reserves, the expansion of our business and loss experience of that business.

The amount drawn from the LOC facilities are secured by cash collateral, reported as restricted cash and cash equivalents in the consolidated balance sheets.

Contractual Obligations and Commitments

At December 31, 2023, our contractual obligations and commitments by period due were as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Operating activities					
Loss and loss adjustment expense reserves ⁽¹⁾	\$ 314,238	\$ 209,713	\$ 78,063	\$ 59,540	\$ 661,554
Operating lease obligations ⁽²⁾	637	1,005	—	—	1,642
Financing activities					
Debt ⁽³⁾	3,703	70,359	—	—	74,062
Total	<u>\$ 318,578</u>	<u>\$ 281,077</u>	<u>\$ 78,063</u>	<u>\$ 59,540</u>	<u>\$ 737,258</u>

⁽¹⁾ Due to the nature of our reinsurance operations, the amount and timing of the cash flows associated with our reinsurance contractual liabilities will fluctuate, perhaps materially, and, therefore, are highly uncertain.

⁽²⁾ See Note 16 “[Commitments and Contingencies](#)” of the consolidated financial statements.

⁽³⁾ See Note 9 “[Debt and Credit Facilities](#)” of the consolidated financial statements.

Critical Accounting Estimates

Our consolidated financial statements contain certain amounts that are inherently subjective and have required management to make assumptions and best estimates to determine reported values. If certain factors, including those described in “Part I, [Item 1A. — Risk Factors](#),” cause actual events or results to differ materially from our underlying assumptions or estimates, there could be a material adverse effect on our results of operations, financial condition, or liquidity. We believe the following accounting policies affect the more significant estimates used to prepare our consolidated financial statements. We have summarized the descriptions below for clarity. We have included a more detailed description of our significant accounting policies and recently issued accounting standards in Note 2 “[Significant Accounting Policies](#)” to the consolidated financial statements.

Premium Revenues

Gross Premiums Written

We record our property and casualty reinsurance premiums as premiums written based on our best estimate of the ultimate premiums for the contract period. Our estimates are based on actuarial pricing models and information received from ceding companies. Further, we record reinsurance premiums so long as they meet the risk transfer criteria under U.S. GAAP (see “Deposit Contracts” below).

Excess of loss reinsurance contracts typically state premiums as a percentage of the subject premiums written by the client, subject to a minimum and deposit premium. The minimum and deposit premium is generally based on an estimate of subject premiums expected to be written by the client during the contract term. The minimum and deposit premium is reported initially as premiums written and adjusted, if necessary, in subsequent periods once the actual subject premium is known.

For quota share (also known as proportional) contracts, we record premiums in the same periods in which the underlying insurance contracts are written, based on cession statements from cedents. We typically receive these statements monthly or quarterly, depending on the terms specified in each contract. For any reporting lag, we estimate premiums written based on the portion of the estimated ultimate premiums relating to the risks bound during the lag period.

For multi-year contracts, reinsurance premiums are recorded at the inception of the contract based on our best estimate of total premiums to be received. Premiums are recognized on an annual basis for multi-year contracts where the cedants have the ability to unilaterally commute or cancel coverage within the term of the contract.

We regularly review premium estimates. Such review includes our experience with the ceding companies, managing general underwriters, familiarity with each market, the timing of the reported information, a comparison of reported premiums to expected ultimate premiums, along with a review of the aging and collection of premiums. We evaluate the appropriateness of the premium estimates on the basis of these reviews and record 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 “*Reinsurance balances receivable*” in the consolidated 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 provide for reinstatement premiums in the event of a loss. Reinstatement premiums are written and earned when a triggering loss event occurs.

Net Premiums Earned

We earn premiums over the risk coverage period. Unearned premiums represent the unexpired portion of reinsurance provided. Changes in circumstances subsequent to the inception of contracts can impact the earnings period. For instance, when exposure limits for a reinsurance contract are reached, any associated unearned premiums are fully earned.

Excess of loss reinsurance contracts are generally written on a “losses occurring” or “claims made” basis over the term of the policy. Accordingly, premiums are earned evenly over the contract term, which is generally 12 months.

Line slip or proportional insurance/reinsurance contracts are generally written on a “risks attaching” basis, covering claims that relate to the underlying policies written during the terms of these contracts. As the underlying business incepts throughout the contract term, which is generally one year, and the underlying business generally has a one year coverage period, these premiums are generally earned evenly over a 24-month period from inception.

Deposit Contracts

If we determine that a reinsurance contract does not transfer sufficient risk to merit reinsurance accounting treatment, we report the premium we receive as a deposit liability. Similarly, we report the premium we pay as a deposit asset for ceded contracts that do not transfer sufficient risk to merit reinsurance accounting. Any income and expense on deposit-accounted contracts is calculated using the interest method and recorded in the consolidated statements of operations under “Other income (expense)” and “Deposit interest expense,” respectively.

Loss and Loss Adjustment Expense Reserves

Estimating our loss and LAE reserves involves a considerable degree of judgment, and our estimates as of any given date are inherently uncertain. Estimating loss and LAE reserves requires us to make assumptions regarding reporting and development patterns, frequency and severity trends, claims settlement practices, potential changes in legal environments, inflation, loss amplification, foreign exchange movements, and other factors. These estimates and judgments are based on numerous considerations and are often revised as (i) we receive changes in loss amounts reported by ceding companies and brokers; (ii) we obtain additional information, experience, or other data; (iii) we develop new or improved methodologies; or (iv) we observe changes in the legal environment.

Our loss and LAE reserves relating to short-tail property risks are typically reported to us and settled more promptly than those relating to long-tail risks. However, the timeliness of loss reporting can be affected by such factors as the nature of the event causing the loss, the location of the loss, whether the loss is from policies in force with primary insurers or with reinsurers, and where our exposure falls within the cedent’s overall reinsurance program.

Our loss and LAE reserves are composed of case reserves (based on claims reported to us) and IBNR reserves, including the associated claims handling costs.

We determine case reserve estimates based on loss reports received. We determine our IBNR reserve estimates using standard actuarial methods and a combination of our own historical and current loss experience, insurance industry loss experience, assessments of pricing adequacy trends, and our professional judgment. In estimating our IBNR reserve, we estimate the total ultimate loss and LAE we expect to incur and subtract paid claims and case reserves.

The nature and extent of our judgment in the reserving process depend in part upon the type of business. Some of our property treaty reinsurance contracts represent business with a low frequency of claims occurrence and a high potential loss severity, such as claims arising from natural catastrophes. Given the nature of these events, traditional actuarial reserving methods may not be reliable indicators of the final outcome. As such, for contracts or losses of this type, we estimate the ultimate cost associated with a single loss event rather than perform analysis on the historical development patterns of past events to estimate the ultimate losses for an entire accident year. We estimate our reserves for these large events on a by-contract basis by reviewing policies with known or potential exposure to a particular loss event.

For non-catastrophe losses, we apply standard actuarial methodologies in setting reserves, including paid and incurred loss development, Bornheutter-Ferguson, burning cost, and frequency and severity techniques. We supplement our analysis with industry loss ratio and development pattern information in conjunction with our own experience. The weight given to a particular method will depend on many factors, including the homogeneity within the class of business, the volume of losses, the maturity of the accident year, and the length of the expected development tail. For example, the expected loss ratio method assumes that the ratio of premiums and losses remains constant. In contrast, development methods rely on observable patterns within reported losses, both historical and newly reported, to establish a view of the ultimate loss incurred. Therefore, as an accident year matures, we may migrate from an expected loss ratio method to an incurred development method.

As a predominantly broker-market reinsurer for both excess-of-loss and proportional contracts, we rely on loss information reported to brokers by primary insurers who, in turn, must estimate their losses at the policy level, often based on incomplete and changing information. The information we receive varies by cedent and may include paid losses, estimated case reserves, and an estimated provision for IBNR reserves. Reserving practices and data-reporting quality differ among ceding

companies, which adds further uncertainty to our estimation of ultimate losses. The nature and extent of information received from ceding companies and brokers also vary widely depending on the type of coverage, the contractual reporting terms (which are affected by market conditions and practices), and other factors. Due to the lack of standardization of the terms and conditions of reinsurance contracts, the differences in coverage provided to individual clients, and the tendency of those coverages to change rapidly in response to market conditions, we cannot always reliably measure the ongoing economic impact of such uncertainties and inconsistencies.

Time lags are inherent in loss reporting, especially in the case of excess-of-loss reinsurance contracts. The time lags, coupled with the combined characteristics of low claim frequency and high claim severity on such contracts, make the available data less useful for predicting ultimate losses.

In the case of proportional contracts, we rely on an analysis of a cedent's historical experience, industry information, and the underwriters' professional judgment in estimating reserves. We also utilize ultimate loss ratio forecasts when reported by cedents and brokers, which are ordinarily subject to three to six-month lags for proportional business. Due to our reliance on ceding companies for claims reporting, our reserve estimates are highly dependent on ceding companies' judgment. Furthermore, during the loss settlement period, which may last several years, additional facts regarding individual claims and trends will often become known, and case law may change, affecting ultimate expected losses.

Since we rely on ceding company data in establishing our loss and LAE reserves, we maintain procedures designed to mitigate the risk that such information is incomplete or inaccurate. These procedures include: (i) comparisons of expected premiums to reported premiums, which helps us to identify delinquent client periodic reports; (ii) ceding company audits to identify inaccurate or incomplete reporting of claims and ensure that claims are actively and appropriately managed in line with agreed protocols and settlement authority limits; and (iii) underwriting reviews to ascertain that the losses ceded are covered as provided under the contract terms. These procedures are incorporated in our internal controls and are regularly evaluated and amended as market conditions, risk factors, and unanticipated areas of exposure develop.

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

We monitor the development of our prior-year losses during subsequent calendar years by comparing the actual reported losses against previous estimates and current expectations. The analysis of this loss development is important to the ongoing refinement of our reserving assumptions. Each additional year of loss experience with a given cedent provides additional insight into the accuracy and timeliness of previously reported information.

Estimating loss reserves for our book of longer-tail casualty reinsurance business, which we write on both a proportional and non-proportional basis, involves further uncertainties. In addition to the uncertainties described above, casualty business is generally subject to longer reporting lags than property business, and claims often take several years to settle. During this period, additional factors and trends will be revealed, and we may adjust our reserves accordingly. Therefore, any factors that extend the time until our cedents settle claims add uncertainty to the reserving process.

The uncertainties inherent in the reserving process and the potential for unforeseen developments, including changes in laws and the prevailing interpretation of policy terms, may result in our loss and LAE reserves being materially greater or less than the loss and LAE reserves we initially established. We reflect adjustments to our loss and LAE reserves in our financial results during the period they are determined. Changes to our prior year loss reserves will impact our current underwriting results by improving our results if the prior year reserves prove redundant or impairing our results if the prior year reserves prove insufficient.

We believe that our reserves for loss and LAE are sufficient to cover losses that fall within the terms of our policies and agreements with our insured and reinsured customers based on the methodologies used to estimate those reserves. However, we can provide no assurance that actual losses will not (i) be less than or (ii) exceed our total established reserves.

Please refer to Notes 2 “[Significant Accounting Policies - Loss and Loss Adjustment Expense Reserves and Recoverable](#)” and 7 “[Loss and Loss Adjustment Expense Reserves](#)” of our consolidated financial statements for a more detailed explanation of our loss reserving methodology and the loss development tables by accident year, respectively, as required under U.S. GAAP.

Investments

We carry our investment in SILP at fair value, based on the most recent net asset value obtained from SILP’s third-party administrator. Further, SILP’s financial statements for the years ended December 31, 2023, 2022, and 2021 were subject to an independent audit in which SILP’s external auditors issued an unqualified opinion for these years (see “[Report of Independent Registered Public Accounting Firm](#)” in the Exhibits).

Other investments in our consolidated balance sheets includes private and unlisted equity securities that do not have readily determinable fair values. We determine these private equity securities’ carrying value based on the original cost, less impairment, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer. At each reporting date, we qualitatively consider whether the investment is impaired on the basis of certain impairment indicators. If we determine that the equity security is impaired on the basis of the qualitative assessment and the estimated fair value is less than the carrying value, we recognize an impairment loss in “Net investment income (loss)” in the consolidated statements of operations. We determine realized gains and losses from other investments based on the specific identification method (by reference to cost or amortized cost, as appropriate). These gains and losses are included in “Net investment income (loss)” in the consolidated statements of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our financial instruments are subject to a variety of market risks. The term market risk refers to the risk of loss arising from adverse changes from:

- equity price;
- commodity price;
- foreign currency; and
- interest rate (including credit spreads).

We performed a sensitivity analysis below to estimate the effects that market risk exposure could have on the future earnings, fair values or cash flows of our financial instruments. These represent forward-looking statements of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

Equity Price Risk

At December 31, 2023, our investments consisted primarily of an investment in SILP. Among SILP’s holdings are equity securities, the carrying values of which are based primarily on quoted market prices. Generally, market prices of common equity securities are subject to fluctuation, which could cause the amount to be realized upon closing a position to differ significantly from its current reported value. This risk is partly mitigated by the presence of both long and short equity securities as part of our investment strategy. At December 31, 2023, a 10% decline in the price of each of the underlying listed equity securities and equity-based derivative instruments would result in a \$12.3 million (2022: \$8.1 million) unrealized loss in our investment in SILP.

Commodity Price Risk

Generally, market prices of commodities are subject to fluctuation. SILP’s investments periodically include long or short investments in commodities or derivatives directly impacted by fluctuations in the prices of commodities. At December 31, 2023, SILP’s investments incorporate unhedged exposure to changes in gold, uranium, and crude oil prices.

The following table summarizes the net impact that a 10% movement in commodity prices would have on the fair value of SILP's investment portfolio. The below table excludes the indirect effect that changes in commodity prices might have on equity securities in the SILP's investment portfolio.

	10% increase in commodity prices	10% decrease in commodity prices
	(\$ in millions)	
At December 31, 2023		
Gold	\$ 3.8	\$ (3.8)
Uranium	0.8	(0.8)
Crude oil	1.6	(1.5)
Total	\$ 6.2	\$ (6.1)
	10% increase in commodity prices	10% decrease in commodity prices
	(\$ in millions)	
At December 31, 2022		
Gold	\$ 3.6	\$ (3.6)
Silver	0.3	(0.3)
Uranium	0.3	(0.3)
Crude oil	0.2	(0.2)
Total	\$ 4.4	\$ (4.4)

Foreign Currency Risk

Underwriting Related

Certain of our reinsurance contracts are denominated in foreign currencies, whereby premiums are receivable and losses are payable in foreign currencies. Foreign currency exchange rate risk exists to the extent that our foreign currency reinsurance balances are more than (or less than) the corresponding foreign currency cash balances, and there is an increase (or decrease) in the exchange rate of that foreign currency.

While we do not seek to precisely match our liabilities under reinsurance policies that are payable in foreign currencies with investments denominated in such currencies, we continually monitor our exposure to potential foreign currency losses and may use foreign currency cash and cash equivalents or forward foreign currency exchange contracts to mitigate against adverse foreign currency movements.

Certain cedents, particularly the Lloyd's syndicates, report to us in foreign currencies even though some or all of the underlying exposure is denominated in U.S. dollars. Our consolidated statements of operations may report a foreign exchange gain or loss associated with this exposure when reported by the cedents. Additionally, we may report foreign exchange gains or losses due to the mismatch between the currency exchange rates applied to foreign-denominated (i) monetary balances and (ii) non-monetary balances under U.S. GAAP. See Note 2 of the accompanying consolidated financial statements for further information regarding our accounting treatment of foreign currency transactions.

We monitor our foreign currency-denominated assets and liabilities on an "underlying exposure" basis without distinguishing between monetary and non-monetary balances.

The following table summarizes the net impact of a hypothetical 10% currency rate movement relating to our primary foreign denominated reinsurance net assets or liabilities (including balances held at Lloyd's):

	Net Asset (Liability) Exposure	10% increase in currency rate	10% decrease in currency rate
At December 31, 2023			
GBP	£ 25,337	\$ (3,228)	\$ 3,228
Euro	€ (13,975)	1,543	(1,543)
Total foreign exchange gain (loss)		\$ (1,685)	\$ 1,685

At December 31, 2022	Net Asset (Liability) Exposure	10% increase in currency rate	10% decrease in currency rate
GBP	£ 5,235	\$ (633)	\$ 633
Euro	€ (10,526)	1,126	(1,126)
Total foreign exchange gain (loss)		\$ 493	\$ (493)

Investment in SILP

We may also be exposed to foreign currency risk through SILP's underlying cash, forwards, options, and investments in securities denominated in foreign currencies. At December 31, 2023, most of SILP's currency exposures resulting from foreign-denominated securities (longs and shorts) were reduced by offsetting cash balances denominated in the corresponding foreign currencies.

At December 31, 2023 and 2022, a 10% increase or decrease in the value of the U.S. dollar against foreign currencies would have no meaningful impact on our investment in SILP.

Interest Rate Risk

The primary market risk exposure for any debt instrument is interest rate risk, including credit spreads. Most of our interest rate risk relates to interest rate derivatives held in SILP, and their value may fluctuate with changes in interest rates.

At December 31, 2023, our investment in SILP includes interest-rate sensitive securities, such as corporate and sovereign debt instruments and interest rate derivatives. A 100 basis points (increase or decrease) in interest rates would result in a \$1.6 million gain (2022: \$4.4 million) or a \$3.5 million (2022: \$4.9 million) loss, respectively, to our investment in SILP.

We, along with DME Advisors, monitor the net exposure to interest rate risk and generally do not expect changes in interest rates to have a materially adverse impact on our operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this Item is set forth under Part IV Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(f) and 15(d)-15 of the Exchange Act at December 31, 2023. Based on upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the 2013 framework). Based on this evaluation, our management concluded that our system of internal control over financial reporting was effective as of December 31, 2023.

Deloitte Ltd., an independent registered public accounting firm, which has audited the financial statements included in this Annual Report on 10-K, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2023, as required under this Item 9A, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Greenlight Capital Re, Ltd.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Greenlight Capital Re, Ltd. and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated March 5, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte Ltd.

Hamilton, Bermuda

March 5, 2024

ITEM 9B. OTHER INFORMATION

(c) Insider Trading Arrangements and Related Disclosures

Our directors and executive officers may purchase or sell shares of our ordinary shares in the market from time to time, including pursuant to equity trading plans adopted in accordance with Rule 10b5-1 under the Exchange Act ("Rule 10b5-1") and in compliance with guidelines specified by the Company. In accordance with Rule 10b5-1 and our insider trading policy, directors, officers, and certain employees who, at such time, are not in possession of material non-public information about the Company are permitted to enter into written plans that pre-establish amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including shares acquired pursuant to the Company's equity plans ("Rule 10b5-1 Trading Plans"). Under Rule 10b5-1 Trading Plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them.

During the three months ended December 31, 2023, we did not have any Rule 10b5-1 trading arrangements or any "non-Rule 10b5-1 arrangements" (as defined in Item 408(a) of Regulation S-K) in place for our directors and officers.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this Form 10-K

	<u>Page</u>
(a)(1) Financial Statements	
Report of Independent Registered Public Accounting Firm (on the consolidated financial statements) (Deloitte Ltd.; PCAOB ID#5230)	F-1
Report of Independent Registered Public Accounting Firm (on the consolidated financial statements) (BDO USA, LLP; Grand Rapids, Michigan, USA.; PCAOB ID#243)	F-3
Report of Independent Registered Public Accounting Firm (on the financial statements of Solasglas Investments, LP) (Ernst & Young Ltd.; Grand Cayman, Cayman Islands; PCAOB ID#1655)	F-4
Consolidated Balance Sheets as of December 31, 2023 and 2022	F-5
Consolidated Statements of Operations for the years ended December 31, 2023, 2022, and 2021	F-6
Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2023, 2022, and 2021	F-7
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022, and 2021	F-8
Notes to the Consolidated Financial Statements	F-9
(a)(2) Financial Statement Schedules*	
Schedule I – Summary of Investments — Other Than Investments in Related Parties	F-49
Schedule II – Condensed Financial Information of Registrant	F-50
Schedule III – Supplementary Insurance Information	F-52
Schedule IV – Supplementary Reinsurance Information	F-53
(a)(3) The exhibits required to be filed by this Item 15. are set forth in the Exhibit Index accompanying this report.	
The financial statements of Solasglas Investments, LP required by Rule 3-09 of Regulation S-X are included in this filing as Exhibit 99.1.	

*Schedules V and VI have been omitted as the information is provided in Note 7. “Loss and Loss Adjustment Expense Reserves”.

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Fourth Amended and Restated Memorandum and Articles of Association of the Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on July 27, 2023).
4.1	Description of Registrant's Securities.
10.1	Form of Securities Purchase Agreement for Class A ordinary shares by and between the Registrant and each of the subscribers thereto (incorporated by reference to Exhibit 10.2 of the Company's Registration Statement No. 333-139993).
10.2 (1)	Greenlight Capital Re, Ltd. 2023 Omnibus Incentive Plan (incorporated by reference to Appendix E of the Registrant's Definitive Proxy Statement filed April 26, 2023)
10.3 (1)	Form of Stock Option Agreement (incorporated by reference to Exhibit 10.7 of the Company's Registration Statement No. 333-139993).
10.4	Form of Shareholders' Agreement, dated August 11, 2004, by and among the Registrant and each of the subscribers (incorporated by reference to Exhibit 10.8 of the Company's Registration Statement No. 333-139993).
10.5	Amendment No. 2 to Shareholders Agreement, dated and effective as of June 30, 2021 (incorporated by reference to Exhibit 10.1 to the Company Form 8-K filed June 30, 2021).
10.6	Form of Deed of Indemnity between the Registrant and each of its directors and certain of its officers (incorporated by reference to Exhibit 10.11 of the Company's Registration Statement No. 333-139993).
10.7	Service Agreement, dated as of February 21, 2007, between DME Advisors, LP and Greenlight Capital Re, Ltd. (incorporated by reference to Exhibit 10.17 of the Company's Registration Statement No. 333-139993).
10.8	Letter of Credit Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc. (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on November 2, 2010).
10.9	Master Reimbursement Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on November 2, 2010).
10.10	Reinsurance Deposit Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc. (incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q filed on November 2, 2010).
10.11 (1)	Amended and Restated Employment Agreement, dated as of February 22, 2022, by and among Greenlight Capital Re, Ltd, Greenlight Reinsurance, Ltd. and Simon Burton (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on February 22, 2022).
10.12 (1)	Employment Agreement by and between Greenlight Reinsurance Ireland, DAC and Patrick O'Brien dated February 16, 2018 (incorporated by reference to Exhibit 10.40 to the Company's Form 10-K filed on Feb 20, 2018).
10.13 (1)	Amendment to Employment Agreement, dated as of September 2, 2019, by and between Greenlight Reinsurance Ireland, DAC and Patrick O'Brien (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 3, 2019).
10.14	Investment Advisory Agreement among DME Advisors, LP, and Solasglas Investments, LP, dated as of September 1, 2018 (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 4, 2018).
10.15	Participation Agreement among Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, Designated Activity Company, DME Advisors II, LLC and Solasglas Investments, LP, dated as of September 1, 2018 (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on September 4, 2018).
10.16	Collateral Assets Investment Management Agreement among DME Advisors, LP, Greenlight Reinsurance, Ltd. and Greenlight Reinsurance Ireland DAC dated January 1, 2019 (incorporated by reference to Exhibit 10.49 of the Company's Form 10-K filed on February 27, 2019).
10.17 (1)	Stock Option Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton dated July 6, 2017 (incorporated by reference to Exhibit 10.50 of the Company's Form 10-K filed on February 27, 2019).
10.18 (1)	Stock Option Agreements by and between Greenlight Capital Re, Ltd. and Leonard Goldberg dated April 3, 2017 and August 1, 2017 (incorporated by reference to Exhibit 10.51 of the Company's Form 10-K filed on February 27, 2019).

- 10.19 (1) [Restricted Stock Award Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton dated March 15, 2018 \(incorporated by reference to Exhibit 10.52 of the Company's Form 10-K filed on February 27, 2019\).](#)
- 10.20 (1) [Deed of Settlement and Release, dated as of October 25, 2022, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Laura Accurso \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed October 25, 2022\).](#)
- 10.21 (1) [Restricted Stock Award Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton, dated March 15, 2019 \(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on May 6, 2019\).](#)
- 10.22 (1) [Greenlight Capital Re, Ltd. Form of Employees' Restricted Stock Unit Award \(incorporated by reference to Exhibit 4.10 of the Company's Registration Statement No 333-231214 filed on May 3, 2019\).](#)
- 10.23 [Second Amended and Restated Exempted Limited Partnership Agreement of Solasglas Investments, LP, between DME Advisors II, LLC, as General Partner, Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, a Designated Activity Company, Greenlight Capital Re, Ltd. and the initial limited partner, dated as of January 7, 2021 \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on January 12, 2021\).](#)
- 10.24 [Amendment No. 1, dated as of December 15, 2022, to the Second Amended and Restated Exempted Limited Partnership Agreement of Solasglas Investments, LP, between DME Advisors II, LLC, as General Partner, Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, Designated Activity Company, Greenlight Capital Re, Ltd. and the initial limited partner, dated as of January 7, 2021 and effective as of January 1, 2021 \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 15, 2022\).](#)
- 10.25 (1) [Employment Offer, dated March 23, 2009, by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.54 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.26 (1) [Amendment to Employment Offer entered into as of October 31, 2018 by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.55 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.27 (1) [Second Amendment to Employment Offer entered into September 10, 2019, by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.56 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.28 (1) [Amended and Restated Restricted Stock Award Agreement dated July 30, 2020, by and between Greenlight Capital Re, Ltd and Simon Burton \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed August 5, 2020\).](#)
- 10.29 [Letter Agreement between Greenlight Reinsurance, Ltd, Greenlight Reinsurance Ireland, DAC, DME Advisors II, LLC and DME Advisors LP, effective July 1, 2020 \(incorporated by reference to Exhibit 10.9 to the Company's Form 10-Q filed August 5, 2020\).](#)
- 10.30 [Greenlight Capital Re, Ltd. Share Ownership and Retention Policy for Executives and Non-Employee Directors \(incorporated by reference to Exhibit 99.4 of the Company's Form 8-K filed August 3, 2021\)](#)
- 10.31 (1) [Greenlight Capital Re, Ltd., Short-Term Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed November 3, 2021\)](#)
- 10.32 (1) [Amended and Restated Employment Agreement, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Faramarz Romer \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on March 9, 2023\).](#)
- 10.33 (1) [Deed of Settlement and Release, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Neil Greenspan \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on March 9, 2023\).](#)
- 10.34 (1) [Employment Agreement dated March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and David Sigmon.](#)
- 10.35 [Credit Agreement, dated as of June 16, 2023, among the Company, as borrower, the subsidiaries of the Company party thereto, as subsidiary guarantors, the lenders party thereto, and CIBC Bank USA, as administrative agent for the lenders \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on June 22, 2023\).](#)
- 10.36 (1) [Employment Agreement, dated as of November 3, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Greg Richardson \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on June 22, 2023\).](#)
- 10.37 (1) [Deed of Settlement and Release, dated as of November 3, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Simon Burton \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K on November 11, 2023\).](#)
- 10.38 [Credit Agreement, dated as of December 22, 2023, by and between Greenlight Reinsurance, Ltd. and CIBC Bank USA, as lender.](#)

- 10.39 (1) [Stock Option Agreement by and between Greenlight Capital Re, Ltd. and Gregory Richardson dated January 4, 2024.](#)
- 10.40 (1) [Consulting Agreement, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Neil Greenspan \(incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on March 9, 2023\).](#)
- 21.1 [Subsidiaries of the registrant.](#)
- 23.1 [Consent of Deloitte Ltd.](#)
- 23.2 [Consent of BDO USA, P.C.](#)
- 23.3 [Consent of Ernst & Young Ltd.](#)
- 24.1 Power of Attorney (included as part of signature page hereto)
- 31.1 [Certification of the Chief Executive Officer of Greenlight Capital Re, Ltd. filed herewith pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of the Chief Financial Officer of Greenlight Capital Re, Ltd. filed herewith pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of the Chief Executive Officer of Greenlight Capital Re, Ltd. furnished herewith pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of the Chief Financial Officer of Greenlight Capital Re, Ltd. furnished herewith pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 97 [Greenlight Capital Re, Ltd. Clawback Policy](#)
- 99.1* [Audited Financial Statements of Solasglas Investments, LP as of and for the year ended December 31, 2023.](#)
- 101 The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Changes in Shareholders' Equity; (iv) the Consolidated Statements of Cash Flows; and (v) the Notes to Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
- (1) Management contract or compensatory plan or arrangement.
- * Exhibit 99.1 is being filed to provide audited financial statements and the related footnotes of Solasglas Investments, LP in accordance with SEC rule 3-09 of Regulation S-X. The management of Solasglas Investments, LP is solely responsible for the form and content of the Solasglas Investments LP financial statements. The Registrant has no responsibility for the form or content of the Solasglas Investments, LP financial statements since it does not control Solasglas Investments, LP.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREENLIGHT CAPITAL RE, LTD.

By: /s/ Gregory Richardson
Gregory Richardson
Chief Executive Officer
March 5, 2024

POWER OF ATTORNEY

We, the undersigned directors and executive officers of Greenlight Capital Re, Ltd., hereby appoint Faramarz Romer and David Sigmon, and each of them singly, as our true and lawful attorneys with full power to them to sign for us, and in our name in the capacities indicated below, any and all amendments to the Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 5, 2024.

/s/ DAVID M. EINHORN

David M. Einhorn
Director

/s/ LEONARD GOLDBERG

Leonard Goldberg
Director

/s/ URSULINE FOLEY

Ursuline Foley
Director

/s/ BRYAN MURPHY

Bryan Murphy
Director

/s/ IAN ISAACS

Ian Isaacs
Director

/s/ VICTORIA GUEST

Victoria Guest
Director

/s/ FARAMARZ ROMER

Faramarz Romer
Chief Financial Officer
(principal financial and accounting officer)

/s/ JOHNNY FERRARI

Johnny Ferrari
Director

/s/ GREGORY RICHARDSON

Gregory Richardson
Director and Chief Executive Officer
(principal executive officer)

/s/ JOSEPH PLATT

Joseph Platt
Director

/s/ DANIEL ROITMAN

Daniel Roitman
Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Greenlight Capital Re, Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Greenlight Capital Re, Ltd. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes and the schedules listed in the Index at Item 18 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, as of December 31, 2023 and 2022, and for each of the two years in period ended December 31, 2023. The Company's investment in Solasglas Investments, LP as of December 31, 2023 and 2022 was \$258.9 million and \$178.2 million, respectively, and its equity in net income of Solasglas Investments, LP was \$28.7 million and \$54.8 million for the years ended December 31, 2023 and 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

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Critical Audit Matter

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 consolidated 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.

/s/ Deloitte Ltd.

Hamilton, Bermuda

March 5, 2024

We have served as the Company's auditor since 2022.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

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

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, for the year ended December 31, 2021. The Company's equity in net income of Solasglas Investments, LP was \$18.1 million for the year ended December 31, 2021. The financial statements of Solasglas Investments, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Solasglas Investments, LP, is based solely on the report of the other auditors.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BDO USA, LLP.

We have served as the Company's auditor from 2006 to 2022

Grand Rapids, Michigan, U.S.A.

March 8, 2022

Report of Independent Registered Public Accounting Firm

The General Partner
Solasglas Investments, LP

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Solasglas Investments, LP (the “Partnership”), including the condensed schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and performance allocation, changes in partners’ capital and cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2023 and 2022, and the results of its operations, changes in its partners’ capital and its cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 in conformity with U.S. generally accepted accounting principles.

Basis of Opinion

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

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

/s/ Ernst & Young Ltd.

We have served as the Partnership’s auditor since 2018.
Grand Cayman, Cayman Islands
March 5, 2024

**GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED BALANCE SHEETS**

December 31, 2023 and 2022
(expressed in thousands of U.S. dollars, except per share and share amounts)

	December 31, 2023	December 31, 2022
Assets		
Investments		
Investment in related party investment fund, at fair value	\$ 258,890	\$ 178,197
Other investments	73,293	70,279
Total investments	332,183	248,476
Cash and cash equivalents	51,082	38,238
Restricted cash and cash equivalents	604,648	668,310
Reinsurance balances receivable (net of allowance for expected credit losses of 2023: \$854 and 2022: \$356)	619,401	505,555
Loss and loss adjustment expenses recoverable (net of allowance for expected credit losses of 2023: \$487 and 2022: \$62)	25,687	13,239
Deferred acquisition costs	79,956	82,391
Unearned premiums ceded	17,261	18,153
Other assets	5,089	6,019
Total assets	\$ 1,735,307	\$ 1,580,381
Liabilities and equity		
Liabilities		
Loss and loss adjustment expense reserves	\$ 661,554	\$ 555,468
Unearned premium reserves	306,310	307,820
Reinsurance balances payable	68,983	105,135
Funds withheld	17,289	21,907
Other liabilities	11,795	6,397
Debt	73,281	80,534
Total liabilities	1,139,212	1,077,261
Commitments and Contingencies (Note 16)		
Shareholders' equity		
Preferred share capital (par value \$0.10; none issued)	—	—
Ordinary share capital (par value \$0.10; issued and outstanding, 35,336,732 (2022: Class A: par value \$0.10; issued and outstanding, 28,569,346: Class B: 2022: par value \$0.10; issued and outstanding, 6,254,715)	3,534	3,482
Additional paid-in capital	484,532	478,439
Retained earnings	108,029	21,199
Total shareholders' equity	596,095	503,120
Total liabilities and equity	\$ 1,735,307	\$ 1,580,381

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

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars, except per share and share amounts)

	2023	2022	2021
Revenues			
Gross premiums written	\$ 636,810	\$ 563,171	\$ 565,393
Gross premiums ceded	(42,762)	(33,429)	(41)
Net premiums written	594,048	529,742	565,352
Change in net unearned premium reserves	(10,901)	(60,265)	(26,073)
Net premiums earned	583,147	469,477	539,279
Income from investment in related party investment fund (net of related party expenses of \$7,954, \$9,674, and \$5,502, respectively)	28,696	54,844	18,087
Net investment income	37,367	14,139	32,065
Foreign exchange gains (losses)	11,566	(5,988)	(1,540)
Other income (expense), net	6,306	(5,789)	660
Total revenues	667,082	526,683	588,551
Expenses			
Net loss and loss adjustment expenses incurred	360,004	316,485	374,980
Acquisition costs	168,877	143,148	144,960
General and administrative expenses	43,240	31,606	29,369
Deposit interest expense	2,687	6,717	11,655
Interest expense	5,344	4,201	6,263
Total expenses	580,152	502,157	567,227
Income before income tax	86,930	24,526	21,324
Income tax (expense) benefit	(100)	816	(3,746)
Net income	\$ 86,830	\$ 25,342	\$ 17,578
Earnings per share			
Basic	\$ 2.55	\$ 0.75	\$ 0.51
Diluted	\$ 2.50	\$ 0.73	\$ 0.51
Weighted average number of ordinary shares used in the determination of earnings and loss per share			
Basic	34,067,974	33,908,156	34,204,364
Diluted	34,797,859	39,769,790	34,351,016

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

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

For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars)

	2023	2022	2021
Ordinary share capital			
Balance - beginning of period	\$ 3,482	\$ 3,384	\$ 3,452
Issue of ordinary shares, net of forfeitures	52	99	41
Repurchase of ordinary shares	—	(1)	(109)
Balance - end of period	3,534	3,482	3,384
Additional paid-in capital			
Balance - beginning of period	478,439	481,784	488,488
Cumulative effect of adoption of accounting guidance for convertible debt at January 1, 2022	—	(7,896)	—
Repurchase of ordinary shares	—	(34)	(9,891)
Share-based compensation expense	6,093	4,585	3,187
Balance - end of period	484,532	478,439	481,784
Retained earnings (deficit)			
Balance - beginning of period	21,199	(9,505)	(27,083)
Cumulative effect of adoption of accounting guidance for convertible debt at January 1, 2022	—	5,362	—
Net income	86,830	25,342	17,578
Balance - end of period	108,029	21,199	(9,505)
Total shareholders' equity	<u>\$ 596,095</u>	<u>\$ 503,120</u>	<u>\$ 475,663</u>

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

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars)

	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 86,830	\$ 25,342	\$ 17,578
Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities:			
Income from investments in related party investment fund	(28,696)	(54,844)	(18,087)
Net realized gain on repurchase of convertible senior notes payable	(265)	(343)	—
Net realized and unrealized losses (gains) on other investments	(1,738)	(9,858)	(33,770)
Net realized and unrealized losses on derivatives	577	—	—
Current expected credit losses recognized on reinsurance assets	923	282	—
Share-based compensation expense	6,145	4,684	3,228
Accretion of debt offering costs and change in interest accruals	(1,696)	79	2,263
Depreciation expense	—	—	16
Net change in:			
Reinsurance balances receivable	(114,344)	(100,456)	(75,133)
Loss and loss adjustment expenses recoverable	(12,873)	(2,155)	5,751
Deferred acquisition costs	2,435	(19,365)	(12,012)
Unearned premiums ceded	892	(18,111)	(42)
Loss and loss adjustment expense reserves	106,086	31,458	29,831
Unearned premium reserves	(1,510)	80,236	26,495
Reinsurance balances payable	(36,152)	13,911	(1,023)
Funds withheld	(4,618)	18,115	(683)
Other items, net	5,511	(774)	(708)
Net cash provided by (used in) operating activities	7,507	(31,799)	(56,296)
Cash flows from investing activities			
Proceeds from redemptions from related party investment fund	78,997	125,365	115,835
Contributions to related party investment fund	(130,994)	(65,127)	(114,604)
Purchases of investments	(7,136)	(13,223)	(4,996)
Proceeds from maturity of term deposit	6,000	—	20,755
Change in notes receivable	—	—	6,101
Net cash provided by (used in) investing activities	(53,133)	47,015	23,091
Cash flows from financing activities			
Proceeds from term loans	75,000	—	—
Repayment of term loans	(947)	—	—
Repayment of convertible senior notes payable	(62,147)	—	—
Repurchases of convertible senior notes payable	(17,198)	(19,793)	—
Repurchase of Class A ordinary shares	—	(35)	(10,000)
Net cash used in financing activities	(5,292)	(19,828)	(10,000)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	100	59	—
Decrease in cash, cash equivalents and restricted cash	(50,818)	(4,553)	(43,205)
Cash, cash equivalents and restricted cash at beginning of the period	706,548	711,101	754,306
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 655,730</u>	<u>\$ 706,548</u>	<u>\$ 711,101</u>
Supplementary information			
Interest paid in cash	\$ 5,121	\$ 4,124	\$ 4,000
Income tax paid (refund received) in cash	(1,022)	664	3,703

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

**GREENLIGHT CAPITAL RE, LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Years ended December 31, 2023, 2022, and 2021

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Greenlight Capital Re, Ltd. (“GLRE” and, together with its wholly-owned subsidiaries, the “Company”) was incorporated as an exempted company under the Companies Law of the Cayman Islands on July 13, 2004. At December 31, 2023, the Company has the following wholly-owned subsidiaries:

- Greenlight Reinsurance, Ltd. (“Greenlight Re”), domiciled in the Cayman Islands, is 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”). Greenlight Re commenced underwriting in April 2006.
- Greenlight Reinsurance Ireland, Designated Activity Company (“GRIL”), domiciled in Ireland since 2010, is authorized as a non-life reinsurance undertaking in accordance with the provisions of the European Union (Insurance and Reinsurance) Regulations 2015. GRIL provides multi-line property and casualty reinsurance capacity to the European broker market and provides GLRE with an additional platform to serve clients located in Europe and North America.
- Greenlight Re Marketing (UK) Limited, domiciled in the United Kingdom (“U.K.”) since 2020, is a U.K. company formed to expand GLRE’s presence in the Lloyd’s of London market (“Lloyd’s”).
- Greenlight Re Corporate Member Ltd. (“GCM”), domiciled in the U.K., is a corporate member that became a wholly-owned subsidiary of GLRE in 2023 and provides underwriting capacity for various Lloyd’s syndicates, including Greenlight Innovation Syndicate 3456 (“Syndicate 3456”).
- Verdant Holding Company, Ltd., domiciled in the United States since 2008, is an investment holding company.
- Viridis Re SPC, Ltd., domiciled in the Cayman Islands, is an exempted segregated portfolio company which was incorporated in the Cayman Islands in 2023 and is currently in the process of applying to CIMA for a Class B(iii) general insurer license.

Additionally, through Syndicate 3456, Greenlight Re provides a (re)insurance platform to its growing portfolio of insurtech partnerships. Domiciled in the U.K. since 2022, Syndicate 3456 is authorized to underwrite under the Lloyd’s syndicate-in-a-box model.

The ordinary shares of GLRE are listed on Nasdaq Global Select Market under the symbol “GLRE.”

Basis of Presentation

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

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the presentation of the current consolidated financial statements. The Company has reported separately the foreign exchange gains (losses) from “Other income” in the consolidated statements of operations. This resulted in no change to the previously reported total revenues or net income. The Company has also included the foreign exchange gains (losses) as part of the net change in working capital in the consolidated statements of cash flows. Further, the Company combined “Other assets, excluding depreciation” and “Other liabilities” and presented the sum as “Other items, net” in the consolidated statements of cash flows.

These changes in presentation in the consolidated statements of cash flows have resulted in no change to the previously reported net cash provided by (used in) operating activities.

Tabular dollar are in thousands, with the exception of per share amounts or otherwise noted. All amounts are reported in U.S. dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are as follows:

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. The Company's principal estimates include:

- loss and loss adjustment expense reserves;
- premiums written and earned and related premium receivable, net of expected credit losses;
- reinsurance recoverable on unpaid losses and loss adjustment expenses, including expected credit losses; and
- valuation of investments, including impairments.

Investments

Investment in related party investment fund

The Company records its investment in the related party investment fund based on fair value using the net asset value practical expedient, with the Company's share of the fund's net income (loss) reported as "*Income (loss) from investment in related party investment fund*" in the consolidated statements of operations.

Other investments

The Company's other investments include short-term investments and private investments and unlisted equity securities without readily determinable fair values.

Short-term investments are measured at amortized cost, which approximates fair value. These include certificate of deposit and other financial instruments with original maturities greater than three months but less than one year.

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 "*Net investment income (loss)*" in the consolidated statements of operations. The Company considers the need for impairment on a by-investment basis based on certain indicators. Under the measurement alternative, the Company makes two types of valuation adjustments:

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments and certificates of deposit with original maturity dates of three months or less. Restricted cash and cash equivalents are presented separately in the consolidated balance sheets.

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.

For multi-year contracts, reinsurance premiums are recorded at the inception of the contract based on management's best estimate of total premiums to be received. Premiums are recognized on an annual basis for multi-year contracts where the cedants have the ability to unilaterally commute or cancel coverage within the term of the contract.

Management regularly reviews premium estimates. Such review includes the Company's experience with the ceding companies, managing general underwriters, familiarity with each market, the timing of the reported information, 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 "*Reinsurance balances receivable*" in the consolidated 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.

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.

Loss and Loss Adjustment Expense Reserves and Recoverable

The Company's loss and loss adjustment expense reserves ("LAE") are composed of:

- case reserves for loss and LAE resulting from claims notified to the Company by its clients; and
- reserves for estimated loss and LAE incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer ("IBNR"), including unknown future developments on loss and LAE 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 "*Loss and loss adjustment expenses recoverable*" in the consolidated balance sheets represents the amounts due from retrocessionaires for unpaid loss and LAE 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 LAE recoverable amounts due as a result of the retrocessionaires' inability to pay. The Company regularly evaluates the financial condition of its retrocessionaires 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 material claims processing backlogs, although such backlogs may occur following a major catastrophic event. At December 31, 2023, and 2022, the Company did not have a material backlog in its 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 for the years presented in the consolidated financial statements.

Reinsurance Assets

The Company calculates an allowance for expected credit losses for its reinsurance balances receivable and loss and LAE 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 LAE 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.

Deposit Assets and Liabilities

The Company applies deposit accounting to reinsurance contracts that do not transfer sufficient insurance risk to merit reinsurance accounting. Under deposit accounting, the Company recognizes an asset or liability based on its paid or received consideration. The deposit asset or liability balance is subsequently adjusted using the interest method with the corresponding income and expense recorded in the Company's consolidated statements of operations under "*Other income (expense)*" and "*Deposit interest expense*," respectively. The Company records deposit assets and liabilities in its consolidated balance sheets in "*Reinsurance balances receivable*" and "*Reinsurance balances payable*," respectively. At December 31, 2023, deposit assets and liabilities were \$0.9 million and \$5.2 million, respectively (December 31, 2022: \$3.1 million and \$10.7 million, respectively).

Net investment income (loss)

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

Any realized and unrealized gains or losses from other investments are determined on the basis of the specific identification method (by reference to cost or amortized cost, as appropriate). Additionally, net investment income (loss) includes realized and unrealized gains (losses) on derivative instruments.

Other Income (Expense), net

In connection with the Company's participation interest in Lloyd's syndicates, 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 as other income (expense) as reported by the syndicates on a quarterly lag basis due to the timing of the availability of these quarterly financial reports.

Share-Based Compensation

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

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

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

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

Convertible Notes

Prior to the adoption of Accounting Standards Update (“ASU”) 2020-06 in January 2022, “Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (“ASU 2020-06”),” the Company determined that the senior convertible notes’ cash conversion option represented an embedded derivative and bifurcated it from the underlying contract for financial reporting purposes. For the debt component, the Company recorded a liability equivalent to the present value of comparable debt without the conversion features at the time of issuance. The remainder of the proceeds, which represented the embedded derivative, was included in “*Additional paid-in capital*” in the consolidated balance sheets.

Upon adoption of ASU 2020-06, U.S. GAAP no longer permits entities to bifurcate embedded conversion features from the underlying contract. Therefore, effective January 1, 2022, the Company no longer presents the embedded conversion features separately in equity; instead, the Company’s senior convertible debt is presented as a single liability in the Company’s consolidated balance sheet. The adoption of ASU 2020-06 resulted in a decrease in the Company’s opening shareholders’ equity of \$2.5 million, with a corresponding increase in the carrying value of the senior convertible notes.

Costs incurred in issuing the convertible notes consisted primarily of underwriting, legal, accounting, and printing fees. These costs are amortized over the term of the debt and are included in “*Interest expense*” in the consolidated statements of operations.

Foreign Exchange

The reporting and functional currency of the Company and all its significant subsidiaries is the U.S. dollar. The Company records foreign currency transactions at the exchange rates in effect on the transaction date. Monetary assets and liabilities in foreign currencies 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.

Derivative instruments

The Company recognizes derivative financial instruments in the consolidated balance sheets at their fair values.

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

Other Assets

The Company’s other assets consist primarily of prepaid expenses, right-of-use lease assets, derivative assets, taxes recoverable, and deferred tax assets.

Other Liabilities

The Company’s other liabilities consist primarily of accruals for legal and other professional fees, employee bonuses and severances, taxes payable, derivative liabilities, and lease liabilities.

Comprehensive Income (Loss)

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

Earnings (Loss) Per Share

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

- Restricted Stock Units (“RSUs”) issued that convert to ordinary shares upon vesting;
- Unvested restricted share awards which are not considered “participating securities”;

- Additional potential ordinary shares issuable when in-the-money stock options are exercised, determined using the treasury stock method;
- For periods prior to January 1, 2022, those ordinary shares with the potential to be issued in connection with convertible notes and other such convertible instruments, determined using the treasury stock method; and
- Effective January 1, 2022, the dilutive effect of the convertible notes calculated using the if-converted method. Under the if-converted method, the convertible notes are assumed to be converted at the beginning of the period. The resulting common shares are included in the denominator of the diluted net income per common share calculation. Interest expense related to the convertible notes incurred in the period is added back to the numerator for purposes of the if-converted calculation.

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

Taxation

The Company records current and deferred income taxes based on enacted tax laws and rates applicable in the relevant jurisdiction in the period in which the tax becomes accruable or realizable. Deferred income taxes are provided for all temporary differences between the bases of assets and liabilities reported in the consolidated balance sheets and those reported in the various jurisdictional tax returns.

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

Segment Information

Operating segments are based on the internal information that the Chief Operating Decision Maker uses for allocating the Company's resources and assessing its performance. The Company has one operating segment, Property and Casualty Reinsurance.

Recent Accounting Pronouncements

Recently Issued Accounting Standards Not Yet Adopted

On November 27, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*. The new ASU requires incremental disclosures related to a public entity's reportable segments but does not change the definition of a segment, the method for determining segments, or the criteria for aggregating operating segments into reportable segments. This new guidance is effective for the Company's 2024 year-end financial statements, and should be adopted retrospectively unless impracticable. Early adoption is permitted.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The amendments in this Update provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. Early adoption is permitted. The amendments should be applied on a prospective basis; however, retrospective application is permitted. This ASU is effective for the Company's 2024 year-end financial statements.

As the above ASUs relate solely to financial statement disclosures, the adoption of these ASUs will not impact the Company's financial condition, results of operations, or cash flows.

Recently Issued Accounting Standards Adopted

There are none that would be relevant and material to the Company.

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, 2023, 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 (60%), and the General Partner will designate any portion of a Partner’s Investment Portfolio as Designated Securities to effectuate such limit.”

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 consolidated balance sheets in the caption “Investment in related party investment fund.”

The Company’s maximum exposure to loss relating to SILP is limited to the net asset value of the GLRE Limited Partners’ investment in SILP. At December 31, 2023, the net asset value of the GLRE Limited Partners’ investment in SILP was \$258.9 million (December 31, 2022: \$178.2 million), representing 72.7% (December 31, 2022: 69.3%) of SILP’s total net assets. DME II held the remaining 27.3% (December 31, 2022: 30.7%) of SILP’s total net assets. The investment in SILP is recorded at the GLRE Limited Partners’ share of the net asset value of SILP as reported by SILP’s third-party administrator. The GLRE Limited Partners can redeem their assets from SILP for operational purposes by providing 3 business days’ notice to DME II. At December 31, 2023, the majority of SILP’s long investments were composed of cash and publicly-traded equity securities, which could be readily liquidated to meet the GLRE Limited Partners’ redemption requests.

The Company’s share of the change in the net asset value of SILP for the years ended December 31, 2023, 2022, and 2021, was \$28.7 million, \$54.8 million, and \$18.1 million, respectively, and shown in the caption “Income from investment in related party investment fund” in the Company’s consolidated statements of operations.

At December 31, 2023, the Company’s investment in SILP exceeded 10% of the Company’s total shareholders’ equity, with a fair value of \$258.9 million (December 31, 2022: \$178.2 million), representing 43.4% (December 31, 2022: 35.4%), of total shareholders’ equity.

The Company has determined that for its fiscal year ended December 31, 2023, the Company’s investment in SILP met at least one of the conditions of a significant subsidiary under SEC’s Regulation S-X, Rule 3-09. Accordingly, the audited financial statements for SILP have been attached as an exhibit (Exhibit 99.1) to this Form 10-K.

The summarized financial statements of SILP are presented below.

Summarized Statements of Financial Condition of Solasglas Investments, LP

	December 31, 2023	December 31, 2022
Assets		
Investments, at fair value	\$ 453,358	\$ 304,806
Derivative contracts, at fair value	11,167	17,547
Due from brokers	121,754	109,169
Interest and dividends receivable	1,143	527
Total assets	587,422	432,049
Liabilities and partners' capital		
Liabilities		
Investments sold short, at fair value	(197,571)	(159,382)
Derivative contracts, at fair value	(12,917)	(12,443)
Due to brokers	(17,398)	(2,050)
Capital withdrawals payable	(1,000)	(75)
Interest and dividends payable	(2,315)	(760)
Accrued expenses and other liabilities	(247)	(159)
Total liabilities	(231,448)	(174,869)
Partners' capital	\$ 355,974	\$ 257,180
GLRE's share of Partners' capital	\$ 258,890	\$ 178,197

Summarized Statements of Operations of Solasglas Investments, LP

	Year ended December 31		
	2023	2022	2021
Investment income			
Dividend income (net of withholding taxes)	\$ 1,869	\$ 1,586	\$ 641
Interest income	9,211	2,390	228
Total Investment income	11,080	3,976	869
Expenses			
Management fee	(4,766)	(3,580)	(3,492)
Interest	(6,969)	(1,950)	(1,055)
Dividends	(2,802)	(1,374)	(1,147)
Professional fees and other	(1,750)	(988)	(1,221)
Total expenses	(16,287)	(7,892)	(6,915)
Net investment income (loss)	(5,207)	(3,916)	(6,046)
Realized and change in unrealized gains (losses)			
Net realized gain (loss)	(1,394)	75,172	(3,420)
Net change in unrealized appreciation	55,279	11,886	35,482
Net gain (loss) on investment transactions	53,885	87,058	32,062
Net increase in Partners' capital	\$ 48,678	\$ 83,142	\$ 26,016
GLRE's share of the increase in Partners' capital⁽¹⁾	\$ 28,696	\$ 54,844	\$ 18,087

¹ The net increase in Partners' capital is net of management fees and performance allocation presented below:

	Year ended December 31		
	2023	2022	2021
Management fees	\$ 4,766	\$ 3,580	\$ 3,492
Performance allocation	3,188	6,094	2,010
Total	\$ 7,954	\$ 9,674	\$ 5,502

See Note 15 for further details on management fees and performance allocation.

4. OTHER INVESTMENTS

Portfolio

The Company's other investments consist of the following:

- Private investments, unlisted equities, and debt and convertible debt instruments, which consist primarily of Innovations-related investments supporting technology innovators in the (re)insurance market; and
- Certificates of deposit with original maturities greater than three months.

At December 31, 2023, the breakdown of the Company's other investments was as follows:

	Cost	Unrealized gains	Unrealized losses	Accrued interest	Fair value / carrying value
Private investments and unlisted equities	\$ 28,470	\$ 49,424	\$ (6,737)	\$ —	\$ 71,157
Debt and convertible debt securities	2,499	—	(499)	136	2,136
Certificates of deposit	—	—	—	—	—
Total other investments	\$ 30,969	\$ 49,424	\$ (7,236)	\$ 136	\$ 73,293

At December 31, 2022, the breakdown of the Company's other investments was as follows::

	Cost	Unrealized gains	Unrealized losses	Fair value / carrying value
Private investments and unlisted equities	\$ 22,787	\$ 42,461	\$ (2,815)	\$ 62,433
Debt and convertible debt securities	1,846	—	—	1,846
Certificates of deposit	6,000	—	—	6,000
Total other investments	\$ 30,633	\$ 42,461	\$ (2,815)	\$ 70,279

The following table presents the carrying values of the private investments and unlisted equity securities carried under the measurement alternative at December 31, 2023, 2022, and 2021, and the related adjustments recorded during the years then ended.

	Year ended December 31		
	2023	2022	2021
Carrying value ⁽¹⁾	\$ 71,157	\$ 62,433	\$ 47,049
Upward carrying value changes ⁽²⁾	\$ 7,262	\$ 11,277	\$ 20,814
Downward carrying value changes and impairment ⁽³⁾	\$ (5,003)	\$ (1,073)	\$ (500)

⁽¹⁾ The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes.

⁽²⁾ The cumulative upward carrying value changes from inception to December 31, 2023, totaled \$49.9 million.

⁽³⁾ The cumulative downward carrying value changes and impairments from inception to December 31, 2023, totaled \$7.1 million.

Net investment income

The following table summarizes the change in unrealized gains (losses) and the realized gains (losses) for the Company's other investments, which are included in "Net investment income" in the consolidated statements of operations (see Note 13):

	Year ended December 31		
	2023	2022	2021
Gross realized gains	\$ 7	\$ —	\$ 14,210
Gross realized losses	(811)	—	—
Net realized gains (losses)	\$ (804)	\$ —	\$ 14,210
Change in unrealized gains	2,542	9,858	19,560
Net realized and unrealized gains on other investments	\$ 1,738	\$ 9,858	\$ 33,770

5. RESTRICTED CASH AND CASH EQUIVALENTS

The following table shows the breakdown of the Company's restricted cash and cash equivalents, along with a reconciliation of the total cash, cash equivalents, and restricted cash reported in the consolidated statements of cash flows:

	December 31, 2023	December 31, 2022
Restricted cash and cash equivalents:		
Cash securing trust accounts	\$ 300,152	\$ 463,659
Cash securing letters of credit issued	291,456	204,651
Cash securing Loan Facility	10,000	—
Other	3,040	—
Total restricted cash and cash equivalents	604,648	668,310
Cash and cash equivalents	51,082	38,238
Total cash, cash equivalents, and restricted cash	\$ 655,730	\$ 706,548

Where the Company operates as a non-admitted carrier in certain foreign jurisdictions, regulatory trust accounts and letters of credit are issued to cedents. Additionally, the Company has provided cash collateral for the Loan Facility (see Note 9).

6. FAIR VALUE MEASUREMENTS

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.

There have been no material change in the Company’s valuation techniques, nor have there been any transfers between Level 1 and Level 2, or Level 2 and Level 3 for the years presented in these consolidated financial statements.

Assets measured at fair value on a nonrecurring basis

At December 31, 2023, the Company held \$61.3 million (2022: \$53.6 million) of private investments and unlisted equities measured at fair value on a nonrecurring basis. At December 31, 2023, the Company held \$9.9 million (2022: \$8.9 million) of private investments and unlisted equities measured at cost. The Company classifies these investments 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, 2023, 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
Fair values measured on a nonrecurring basis	\$ 26,438	\$ 1,361	\$ 33,490	\$ 61,289

Assets measured at fair value on a recurring basis

Derivative financial instruments

The Company uses interest rate swaps in connection with its risk management activities to hedge 50% of the interest rate risk relating to the outstanding Term Loans (see Note 9). The interest rate swaps are carried at fair value and are determined using a market approach valuation technique based on significant observable market inputs from third-party pricing vendors.

Accordingly, the interest rates swaps are classified as Level 2 within the fair value hierarchy. These derivative instruments are not designated as accounting hedges under U.S. GAAP.

For the year ended December 31, 2023, the Company recognized unrealized loss for the above derivatives of \$0.6 million (2022: \$nil), which is included in “*Other liabilities*” in the consolidated balance sheets, in “*Interest expense*” in the consolidated statements of operations, and in “*Net realized and unrealized losses on derivatives*” in the consolidated statements of cash flows.

Financial Instruments Disclosed, But Not Carried, at Fair Value

The carrying value of debt and convertible debt securities within “*Other Investments*” (see “Private investments and unlisted equity securities without readily determinable fair values” above) and certificates of deposit with original maturities of one year or less approximates their fair values. The Company classifies these assets as Level 2 within the fair value hierarchy.

At December 31, 2023, the carrying values of the Term Loans approximate their fair values.

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

The Company’s loss and LAE reserves were composed of the following:

	December 31, 2023	December 31, 2022
Case reserves	\$ 189,050	\$ 184,756
IBNR	472,504	370,712
Total	\$ 661,554	\$ 555,468

Reserve Roll-forward

The following provides a summary of changes in outstanding loss and LAE reserves for all lines of business:

Consolidated	Year ended December 31		
	2023	2022	2021
Gross balance at January 1	\$ 555,468	\$ 524,010	\$ 494,179
Less: Losses recoverable	(13,239)	(11,100)	(16,851)
Net balance at January 1	542,229	512,910	477,328
Incurred losses related to:			
Current year	348,798	316,367	389,080
Prior years	11,206	118	(14,100)
Total incurred	360,004	316,485	374,980
Paid losses related to:			
Current year	(75,678)	(78,517)	(152,214)
Prior years	(198,613)	(198,897)	(185,549)
Total paid	(274,291)	(277,414)	(337,763)
Foreign currency revaluation	7,926	(9,752)	(1,635)
Net balance at December 31	635,867	542,229	512,910
Add: Losses recoverable (see Note 8)	25,687	13,239	11,100
Gross balance at December 31	\$ 661,554	\$ 555,468	\$ 524,010

Estimates for Significant Catastrophe Events

At December 31, 2023 and 2022, the Company’s net reserves for losses and loss expenses include estimated amounts for several catastrophe and weather-related events (“CAT loss”). The magnitude and volume of losses arising from these events is inherently uncertain and, consequently, actual losses for these events may ultimately differ, potentially materially, from current estimates.

During the year ended December 31, 2023, the Company recognized CAT loss, net of reinsurance, of \$28.8 million for current year CAT loss events, driven mainly by the U.S. severe storms and the Mexican state-owned oil platform fire loss. This was partially offset by \$10.7 million of net favorable prior year CAT development. For the year ended December 31, 2022, the Company recognized current year CAT loss of \$39.7 million driven primarily by \$13.6 million from the Russian-Ukrainian conflict and \$19.5 million from hurricane Ian. This was partially offset by \$5.0 million net favorable prior year CAT development.

Prior Year Reserve Development

Year ended December 31, 2023

During the year ended December 31, 2023, the Company experienced \$11.2 million in net adverse development on prior year loss and LAE reserves. This was comprised of \$39.8 million of reserve strengthening on casualty, workers' compensation and auto classes of business due to current economic and social inflation trends (various underwriting years); homeowners business primary due to the deterioration in the CAT loss estimate relating to Winter Storm Elliott (2022 underwriting year), coupled with a final claim settlement on a professional liability contract (2008 underwriting year). This was partially offset by \$28.6 million favorable loss development from property catastrophe events and better than expected loss emergence for mortgage, marine and energy, and specialty contracts from underwriting years 2020-2022.

See the loss development tables by lines of business below under "Disclosure about Short-Duration Contracts" for more information on prior year loss reserve development.

Year ended December 31, 2022

During the year ended December 31, 2022, the Company experienced \$0.1 million in net adverse development on prior year loss and LAE reserves. This was comprised of \$21.9 million of reserve strengthening on motor, health, casualty, professional liability, and workers' compensation contracts from underwriting years 2014-2021, coupled with higher claim settlements on certain general liability contracts for 2015-2016 underwriting years. This was partially offset by \$21.8 million favorable loss development from various pre-2021 years' property catastrophe events, including COVID-19, and better than expected loss emergence for mortgage business (from 2017-2020 underwriting years), a multi-line combined workers' compensation and commercial packages contract across multiple underwriting years, coupled with favorable development on a whole account contract (2020 underwriting year).

Year ended December 31, 2021

During the year ended December 31, 2021, the Company experienced \$14.1 million in net favorable development on prior year loss and LAE reserves. This was comprised of \$37.4 million favorable loss development from better-than-expected loss emergence for motor, mortgage, and various specialty contracts (including crop, space, and marine and energy) from underwriting years 2015-2018, coupled with a multi-line contract that inceptioned in 2019. This was partially offset by \$23.3 million adverse loss development primarily due to reserve strengthening on multi-line casualty, general liability and workers' compensation contracts from underwriting years 2014-2019.

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, 2014, through 2023.

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." Other specialty business, including aviation, crop, cyber, and energy, which are individually insignificant to the Company's overall business, have been grouped as "Other." As the Company's accident and health business has become immaterial in recent years, the Company has grouped accident and health business with "Other" during 2023. Additionally, the Company has elected to present the loss development table for "Marine" separately from "Other" due to its growth in 2023. 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 as part of the "Consolidated" table for the years ended December 31, 2022, and 2021. The amounts shown in "Net loss and loss adjustment expenses incurred" in the consolidated 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, 2023, 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.

The tables below present incurred and paid claims development for the years ended December 31, 2014 to 2022. They are presented as unaudited supplementary information. Totals may not sum due to rounding.

Multiline

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance										December 31, 2023
	For the years ended December 31,										Total IBNR plus expected development on reported claims
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 2,390	\$ 2,390	\$ 2,390	\$ 2,609	\$ 2,625	\$ 2,586	\$ 2,653	\$ 3,010	\$ 3,256	\$ 3,092	\$ 281
2015		27,899	28,038	30,458	31,955	30,858	32,259	34,983	36,788	37,545	5,091
2016			55,631	59,877	60,583	59,626	62,085	67,494	70,360	74,235	13,074
2017				83,105	79,246	83,008	84,836	89,340	91,342	96,168	17,367
2018					58,528	50,706	53,662	53,917	54,389	56,691	7,865
2019						45,764	49,131	48,342	46,976	48,622	8,068
2020							53,520	52,573	46,986	45,443	5,077
2021								80,697	77,969	78,332	20,877
2022									126,496	129,612	74,363
2023										122,247	95,652
									Total	\$ 691,986	\$ 247,715

Multiline

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance										
	For the years ended December 31,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ —	\$ —	\$ 145	\$ 566	\$ 1,092	\$ 1,413	\$ 1,995	\$ 2,281	\$ 2,546	\$ 2,811	
2015		28	2,810	9,925	16,023	18,973	24,685	27,318	30,086	32,454	
2016			5,844	16,493	26,948	32,822	42,535	48,843	56,096	61,161	
2017				9,534	27,250	39,438	53,819	63,733	71,551	78,801	
2018					8,106	20,619	32,116	38,762	43,387	48,826	
2019						10,996	23,326	30,238	36,884	40,554	
2020							12,421	24,209	34,935	40,366	
2021								13,674	33,315	57,454	
2022									19,216	55,248	
2023										26,595	
									Total	444,271	
	All outstanding liabilities before 2014, net of reinsurance										213
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Multiline)										\$ 247,929

General Liability

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 1,238	\$ 1,229	\$ 1,174	\$ 1,033	\$ 1,355	\$ 1,000	\$ 1,000	\$ 3,606	\$ 1,144	\$ 1,024	\$ 47
2015		1,699	1,690	1,756	1,979	2,152	2,190	2,294	1,866	1,862	243
2016			6,203	6,519	7,124	7,867	8,095	8,444	9,389	9,972	363
2017				5,429	6,523	7,377	8,447	9,954	7,538	9,971	2,488
2018					2,891	3,429	3,938	4,602	4,120	4,861	1,681
2019						1,001	986	1,033	650	819	480
2020							1,814	1,776	1,633	1,544	1,014
2021								5,152	12,059	11,417	10,852
2022									16,280	12,741	10,701
2023										48,721	46,961
									Total	\$102,933	\$ 74,830

General Liability

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 18	\$ 146	\$ 413	\$ 548	\$ 492	\$ 762	\$ 473	\$ 1,014	\$ 1,066	\$ 977	
2015		69	293	532	548	925	945	1,430	1,694	1,619	
2016			122	1,589	3,277	4,670	6,109	6,565	9,191	9,609	
2017				136	1,412	2,823	4,383	5,705	7,402	7,483	
2018					165	1,286	2,285	2,800	2,691	3,180	
2019						26	227	306	288	339	
2020							71	71	126	530	
2021								—	102	565	
2022									408	2,039	
2023											1,760
									Total		28,103
	All outstanding liabilities before 2014, net of reinsurance										22
	Liabilities for claims and claims adjustment expenses, net of reinsurance (General Liability)										\$ 74,853

Motor Casualty

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 93,718	\$ 92,844	\$ 94,688	\$ 94,131	\$ 94,147	\$ 94,192	\$ 94,230	\$ 94,226	\$ 94,230	\$ 94,156	\$ 3
2015		128,199	130,410	129,745	132,853	134,951	133,632	128,536	128,567	128,332	6
2016			166,389	169,789	174,037	183,801	180,118	180,003	180,045	180,047	366
2017				187,029	188,754	199,258	191,064	188,718	188,207	188,459	432
2018					150,700	162,016	149,467	148,830	147,369	142,954	1,040
2019						168,124	193,243	189,971	190,477	188,497	1,120
2020							98,242	97,356	99,091	97,118	3,147
2021								102,390	104,647	101,415	4,481
2022									21,979	33,898	5,524
2023										8,786	6,502
									Total	\$1,163,661	\$ 22,620

Motor Casualty

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 49,994	\$ 86,297	\$ 89,348	\$ 94,046	\$ 94,105	\$ 94,151	\$ 94,150	\$ 94,153	\$ 94,153	\$ 94,153	\$ 94,153
2015		81,093	125,645	129,174	129,351	129,454	128,121	128,280	128,309	128,326	
2016			97,325	157,948	170,658	182,800	179,033	179,540	179,631	179,681	
2017				115,204	170,157	188,225	186,105	187,047	187,270	188,027	
2018					83,652	143,267	141,593	141,764	141,918	141,915	
2019						99,043	170,332	184,519	186,678	187,377	
2020							42,778	87,179	92,252	93,971	
2021								56,700	90,786	96,934	
2022									20,522	28,374	
2023											2,284
									Total	1,141,041	
	All outstanding liabilities before 2014, net of reinsurance										3
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Casualty)										\$ 22,622

Motor Property

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 18,870	\$ 18,797	\$ 19,056	\$ 19,000	\$ 19,006	\$ 19,004	\$ 19,020	\$ 19,036	\$ 19,020	\$ 18,974	\$ 1
2015		22,035	22,516	23,005	23,263	23,396	23,246	22,901	22,712	22,653	6
2016			27,753	28,279	29,090	30,367	29,822	29,858	29,835	29,774	25
2017				39,436	39,621	41,394	39,720	39,643	39,334	39,228	83
2018					42,336	45,209	43,266	41,122	40,753	40,447	114
2019						43,099	48,007	49,140	48,782	48,276	227
2020							23,785	23,837	24,310	23,891	485
2021								25,743	28,845	28,651	828
2022									3,731	5,822	265
2023										1,463	954
									Total	\$259,179	\$ 2,989

Motor Property

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 10,305	\$ 17,621	\$ 18,370	\$ 18,951	\$ 18,957	\$ 18,972	\$ 18,972	\$ 18,973	\$ 18,973	\$ 18,973	
2015		13,859	22,123	22,615	22,705	22,749	22,625	22,642	22,646	22,647	
2016			16,707	27,005	28,591	30,033	29,647	29,726	29,740	29,749	
2017				23,091	37,058	39,711	38,971	39,115	39,132	39,146	
2018					23,576	40,118	40,086	40,246	40,323	40,333	
2019						25,103	43,672	47,346	47,881	48,049	
2020							10,880	21,684	22,764	23,406	
2021								14,955	26,605	27,823	
2022									3,087	5,557	
2023											508
									Total		256,191
	All outstanding liabilities before 2014, net of reinsurance										(16)
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Property)										\$ 2,972

Property

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 41,738	\$ 45,152	\$ 46,844	\$ 47,084	\$ 46,873	\$ 47,029	\$ 46,996	\$ 46,953	\$ 46,931	\$ 46,757	\$ 86
2015		27,852	30,333	31,728	30,930	30,591	30,530	30,401	30,445	30,340	116
2016			25,618	26,093	23,970	23,441	23,173	22,992	23,047	23,052	221
2017				81,413	76,644	67,449	67,894	67,696	67,063	65,814	28
2018					27,920	29,795	24,548	23,847	23,283	22,813	2,318
2019						22,143	14,639	14,052	12,250	12,489	1,570
2020							29,591	25,633	21,978	21,724	4,441
2021								26,977	27,177	21,721	5,759
2022									41,296	48,528	7,655
2023										60,443	26,581
									Total	\$353,681	\$ 48,775

Property

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
	For the years ended December 31,											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	(Unaudited - Supplementary Information)											
2014	\$ 20,230	\$ 40,172	\$ 43,639	\$ 45,209	\$ 46,299	\$ 46,519	\$ 46,617	\$ 46,633	\$ 46,669	\$ 46,671		
2015		12,939	25,442	28,830	29,798	30,004	30,107	30,129	30,221	30,224		
2016			9,938	18,179	21,015	22,000	22,348	22,681	22,772	22,831		
2017				43,272	55,549	62,893	64,125	65,293	65,404	65,786		
2018					5,191	15,424	18,164	18,883	19,899	20,495		
2019						4,051	6,969	8,369	9,857	10,919		
2020							6,118	11,496	15,349	17,283		
2021								4,968	13,256	15,963		
2022									19,199	40,873		
2023											33,862	
									Total		304,906	
											All outstanding liabilities before 2014, net of reinsurance	139
											Liabilities for claims and claims adjustment expenses, net of reinsurance (Property)	\$ 48,914

Professional Liability

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 18,494	\$ 17,917	\$ 17,882	\$ 20,340	\$ 21,304	\$ 21,615	\$ 21,364	\$ 20,817	\$ 20,816	\$ 20,619	\$ 665
2015		18,115	18,105	20,614	21,973	22,167	21,468	21,296	22,158	21,234	1,188
2016			13,624	16,765	17,118	16,715	16,522	16,981	17,808	18,267	3,806
2017				10,219	9,906	9,728	9,950	10,334	11,207	12,360	2,894
2018					4,477	4,464	4,584	5,181	6,176	6,744	1,520
2019						586	611	762	922	922	209
2020							66	62	62	62	62
2021								158	165	150	150
2022									472	604	603
2023										4,524	4,437
									Total	\$ 85,485	\$ 15,534

Professional Liability

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 1,317	\$ 5,232	\$ 9,344	\$ 13,631	\$ 15,818	\$ 15,828	\$ 19,308	\$ 19,270	\$ 19,851	\$ 19,953	
2015		1,141	3,223	8,716	11,582	12,417	17,097	18,592	19,598	20,046	
2016			334	2,139	4,814	7,744	10,412	11,513	13,550	14,461	
2017				225	1,429	3,077	4,843	5,813	8,335	9,467	
2018					241	1,140	1,982	3,234	4,580	5,224	
2019						145	266	544	658	713	
2020							—	—	—	—	
2021								—	—	—	
2022									—	—	
2023											88
									Total		69,951
	All outstanding liabilities before 2014, net of reinsurance										233
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Professional Liability)										\$ 15,767

Workers' Compensation

Incurred claims and allocated claim adjustment expenses, net of reinsurance												December 31, 2023
For the years ended December 31,												Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	(Unaudited - Supplementary Information)											
2014	\$ —	\$ —	\$ —	\$ 3	\$ —	\$ —	\$ —	\$ 160	\$ —	\$ —	\$ —	—
2015		1,014	1,010	948	950	951	919	919	889	889		14
2016			4,342	4,275	4,266	3,975	3,778	3,716	3,646	3,645		63
2017				10,881	10,345	9,602	9,062	8,758	8,980	8,954		287
2018					13,604	13,494	13,048	12,554	12,921	12,863		533
2019						22,927	23,311	22,613	23,956	25,300		3,295
2020							44,845	40,826	43,633	47,359		9,757
2021								64,679	63,398	68,073		14,223
2022									33,284	33,279		16,687
2023										12,872		10,934
									Total	\$213,234	\$	55,792

Workers' Compensation

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
2015		28	251	564	688	777	832	851	870	875	
2016			613	1,920	2,782	3,274	3,459	3,521	3,565	3,583	
2017				2,028	5,356	7,399	8,004	8,380	8,552	8,667	
2018					4,213	8,321	10,778	11,811	12,114	12,330	
2019						5,473	13,600	17,655	20,148	22,006	
2020							11,288	23,463	32,108	37,601	
2021								23,210	42,854	53,850	
2022									9,066	16,592	
2023										1,938	
									Total	157,442	
All outstanding liabilities before 2014, net of reinsurance											—
Liabilities for claims and claims adjustment expenses, net of reinsurance (Workers' Compensation)											\$ 55,792

Financial Lines

Incurred claims and allocated claim adjustment expenses, net of reinsurance												December 31, 2023
For the years ended December 31,												Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
(Unaudited - Supplementary Information)												
2014	\$ 500	\$ 503	\$ 580	\$ 506	\$ 1,096	\$ 2,063	\$ 2,228	\$ 1,668	\$ 1,959	\$ 2,344	\$	65
2015		1,947	2,206	3,025	3,010	3,121	3,087	3,034	3,035	2,889		81
2016			4,820	6,670	6,289	7,470	7,470	6,694	6,676	6,613		155
2017				9,006	5,865	6,277	8,339	6,789	6,068	6,139		58
2018					4,069	4,429	6,646	4,838	4,775	4,605		351
2019						7,743	12,321	10,514	8,526	8,243		1,972
2020							18,655	19,833	17,623	17,475		6,616
2021								17,704	16,401	14,313		9,180
2022									23,985	22,189		17,637
2023										22,119		20,057
Total										\$106,928	\$	56,171

Financial Lines

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
For the years ended December 31,											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
(Unaudited - Supplementary Information)											
2014	\$ 90	\$ 347	\$ 429	\$ 587	\$ 1,210	\$ 2,279	\$ 2,483	\$ 1,896	\$ 2,216	\$	2,279
2015		223	851	1,399	1,963	2,476	2,650	2,745	2,815		2,808
2016			1,193	2,426	4,727	6,339	6,278	6,294	6,422		6,458
2017				187	2,894	4,604	5,585	5,684	5,994		6,081
2018					671	3,931	3,655	3,807	4,207		4,253
2019						2,949	4,013	4,765	6,129		6,271
2020							2,709	5,021	9,129		10,860
2021								500	2,196		5,133
2022									820		4,552
2023											2,062
Total										50,757	
All outstanding liabilities before 2014, net of reinsurance											30
Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)											\$ 56,202

Marine

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
	For the years ended December 31,											Total IBNR plus expected development on reported claims
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	(Unaudited - Supplementary Information)											
2014	\$ 3,388	\$ 2,369	\$ 545	\$ 546	\$ 544	\$ 488	\$ 488	\$ 488	\$ 488	\$ 488	\$	—
2015		1,717	3,435	2,744	678	680	—	—	—	—		—
2016			1,711	1,711	169	—	—	—	—	—		—
2017				—	—	—	—	—	—	—		—
2018					381	374	361	180	180	180		—
2019						360	234	12	93	93		38
2020							1,882	1,041	1,456	846		305
2021								5,612	5,001	4,301		2,252
2022									15,658	11,024		6,749
2023										20,894		17,806
									Total	\$ 37,826	\$	27,150

Marine

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance											
	For the years ended December 31,											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	(Unaudited - Supplementary Information)											
2014	\$ 101	\$ 174	\$ 545	\$ 543	\$ 516	\$ 488	\$ 488	\$ 488	\$ 488	\$ 488	\$	488
2015		—	—	—	—	—	—	—	—	—		—
2016			—	—	—	—	—	—	—	—		—
2017				—	—	—	—	—	—	—		—
2018					—	180	180	180	180	180		180
2019						—	12	12	56	56		56
2020							1	96	477	541		541
2021								158	397	2,049		2,049
2022									691	4,274		4,274
2023										3,088		3,088
									Total	10,676		10,676
All outstanding liabilities before 2014, net of reinsurance												—
Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)												\$ 27,150

Other

Incurred claims and allocated claim adjustment expenses, net of reinsurance											December 31, 2023
For the years ended December 31,											Total IBNR plus expected development on reported claims
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 33,755	\$ 30,844	\$ 30,164	\$ 29,722	\$ 29,475	\$ 29,407	\$ 29,398	\$ 29,590	\$ 29,394	\$ 29,394	\$ —
2015		35,226	34,658	35,245	34,725	34,672	34,713	34,672	34,709	34,604	26
2016			39,571	42,903	42,934	43,010	42,979	42,845	42,858	42,802	221
2017				46,913	48,351	48,412	48,715	48,706	48,655	48,627	294
2018					58,858	63,363	62,984	62,714	62,628	63,126	585
2019						43,395	43,803	42,688	42,637	41,870	288
2020							59,653	53,565	57,044	55,300	3,103
2021								62,533	60,443	60,302	7,389
2022									37,193	32,776	21,958
2023										46,729	43,236
									Total	\$455,529	\$ 77,100

Other

Accident year	Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance										
	For the years ended December 31,										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Unaudited - Supplementary Information)										
2014	\$ 19,329	\$ 28,919	\$ 29,532	\$ 29,452	\$ 29,446	\$ 29,406	\$ 29,397	\$ 29,397	\$ 29,393	\$ 29,393	
2015		14,778	32,338	34,655	34,536	34,514	34,540	34,546	34,568	34,579	
2016			22,160	40,667	42,170	42,200	42,352	42,404	42,527	42,581	
2017				24,130	45,145	47,869	48,005	48,091	48,282	48,333	
2018					35,161	60,488	61,714	61,997	62,085	62,541	
2019						19,844	38,466	40,058	40,624	41,582	
2020							23,936	48,917	51,111	52,197	
2021								37,578	51,208	52,913	
2022									5,617	10,818	
2023										3,493	
									Total	378,430	
	All outstanding liabilities before 2014, net of reinsurance										(8)
	Liabilities for claims and claims adjustment expenses, net of reinsurance (Other)										\$ 77,092

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, 2023, 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 consolidated balance sheet is as follows:

	December 31, 2023
Net outstanding liabilities	
Multiline	\$ 247,929
General Liability	74,853
Motor Casualty	22,622
Motor Property	2,972
Property	48,914
Professional Liability	15,767
Workers' Compensation	55,792
Financial Lines	56,202
Marine	27,150
Other	77,092
Liabilities for claims and claims adjustment expenses, net of reinsurance	629,293
Add: Reinsurance recoverable on unpaid claims	25,687
Add: Unallocated claims adjustment expenses	6,087
Add: Allowance for credit losses	487
Total gross liabilities for unpaid claims and claim adjustment expense	<u>\$ 661,554</u>

The average historical annual percentage payout of net incurred claims (excluding health) at December 31, 2023, is as follows:

Years	1	2	3	4	5	6	7	8	9	10
(Unaudited - Supplementary Information)										
Multiline	11.2 %	17.3 %	16.0 %	11.6 %	9.8 %	9.9 %	9.2 %	8.1 %	4.7 %	2.2 %
General Liability	4.7 %	13.6 %	13.1 %	12.5 %	18.2 %	27.5 %	6.9 %	3.0 %	0.4 %	0.1 %
Motor Casualty	49.5 %	35.8 %	7.7 %	3.6 %	1.5 %	0.9 %	0.8 %	0.2 %	— %	— %
Motor Property	53.3 %	40.8 %	4.9 %	1.0 %	— %	— %	— %	— %	— %	— %
Property	49.0 %	34.4 %	8.2 %	3.2 %	2.7 %	0.9 %	1.0 %	0.5 %	0.1 %	— %
Professional Liability	2.7 %	9.8 %	14.3 %	12.7 %	8.7 %	7.3 %	5.6 %	2.3 %	2.6 %	34.0 %
Workers' Compensation	30.9 %	35.2 %	20.4 %	9.2 %	3.0 %	0.9 %	0.2 %	0.2 %	— %	— %
Financial Lines	18.5 %	33.8 %	23.6 %	12.0 %	4.1 %	3.7 %	1.7 %	1.5 %	1.1 %	— %
Marine	4.3 %	25.2 %	40.0 %	2.3 %	11.3 %	1.7 %	15.2 %	— %	— %	— %
Other	19.7 %	27.2 %	7.7 %	9.3 %	7.7 %	7.1 %	7.1 %	6.9 %	7.3 %	— %

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.

The following table provides a breakdown of ceded reinsurance:

	Year ended December 31		
	2023	2022	2021
Gross ceded premiums	\$ 42,762	\$ 33,429	\$ 41
Earned ceded premiums	\$ 43,653	\$ 15,318	\$ —
Loss and loss adjustment expenses ceded	\$ 25,554	\$ 6,615	\$ (12)

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. The following table shows a breakdown of losses recoverable on a gross and net of collateral basis:

	December 31, 2023		December 31, 2022	
	Gross	Net of Collateral ⁽¹⁾	Gross	Net of Collateral ⁽¹⁾
A- or better by A.M. Best	\$ 8,767	\$ 8,767	\$ 3,797	\$ 3,792
Not rated	17,407	2,432	9,504	286
Total before provision	26,174	\$ 11,199	\$ 13,301	\$ 4,078
Provision for credit losses	(487)		(62)	
Total loss and loss adjustment expenses recoverable, net	\$ 25,687		\$ 13,239	

(1) Collateral is in the form of cash, letters of credit, funds withheld, and/or cash collateral held in trust accounts. This excludes any excess collateral in order to disclose the aggregate net exposure for each retrocessionaire.

At December 31, 2023, we had 3 reinsurers (2022: 4) that accounted for 10% or more each of the total loss and loss adjustment expenses recoverable, net, for an aggregate gross amount of \$20.4 million (2022: \$11.1 million).

9. DEBT AND CREDIT FACILITIES

Debt Obligations

The following table summarizes the Company's outstanding debt obligations.

	December 31, 2023	December 31, 2022
Term loans	\$ 74,062	\$ —
Senior convertible notes	—	79,610
Total principal amount	74,062	79,610
Accrued interest payable	—	1,331
Less: deferred financing costs	(781)	(407)
Total debt	\$ 73,281	\$ 80,534

Term Loans

On June 16, 2023, the Company entered into a Credit Agreement (the "Credit Agreement") with a group of banks (the "Banks"), for which CIBC Bank USA is acting as administrative agent. The Credit Agreement provides, subject to certain customary conditions, for a delayed draw term loan facility (the "Loan Facility"), in an aggregate amount of \$75.0 million. Outstanding loans ("Term Loans") under the Facility will (i) amortize in equal quarterly installments in an aggregate annual amount equal to 5.0% of the Term Loans and (ii) accrue interest at a rate equal to an adjusted term Secured Overnight Financing Rate ("SOFR") plus 3.5% per annum. The Company posted \$10.0 million of collateral as security for the Loan Facility. The Loan Facility matures on August 1, 2026.

During the year ended December 31, 2023, the Company borrowed \$75.0M from the Loan Facility of which \$63.4 million was used to repay all of the outstanding Convertible Senior Notes (see below), with the remaining proceeds for general corporate purposes. The Company also made \$0.9 million partial repayment on the Term Loans. The interest rate on the outstanding Terms Loans was 8.9% at December 31, 2023. To manage interest rate risk, the Company hedged 50% of the floating interest rate on the Term Loans (see Note 6).

The Company was in compliance with all covenants relating to the Loan Facility at December 31, 2023.

Senior Convertible Notes

On August 7, 2018, the Company issued \$100.0 million of senior unsecured convertible notes (the "Convertible Notes"), with a maturity date of August 1, 2023. The Convertible Notes paid interest at 4.0%, payable semi-annually on February 1 and August 1 of each year beginning February 1, 2019. The conversion price was \$17.19 per ordinary share of the Company.

During the year ended December 31, 2023 the Company repurchased and canceled \$17.5 million (2022: \$20.4 million) of the Convertible Notes, respectively, resulting in realized gains of \$0.3 million (2022: \$0.3 million), which is included in "Other income (expense), net" in the consolidated statements of operations. As noted above, the Company fully repaid the remaining outstanding Convertible Notes on August 1, 2023, from the proceeds of the new Term Loans.

Financing Costs

The Company incurred \$0.9 million of issuance costs relating to the Credit Agreement, which are deferred and amortized through the maturity of the Loan Facility. The remaining unamortized deferred financing costs are reported separately in the above table.

For the year ended December 31, 2023, the Company recognized interest expense of \$5.3 million (2022: \$4.2 million, 2021: \$6.3 million) relating to the total debt, which included the interest coupon, the amortization of issuance costs and the change in fair value of the interest rate swap (see Note 6).

Credit Facilities

At December 31, 2023, the Company had the following letter of credit (“LOC”) facilities:

	Capacity	LOCs issued	Termination Date
Citibank Europe plc ("Citi LOC") ¹	\$ 289,000	\$ 276,756	August 20, 2024
CIBC Bank USA ("CIBC LOC")	200,000	13,903	December 21, 2024
	<u>\$ 489,000</u>	<u>\$ 290,659</u>	

1) Includes \$14.0 million of uncommitted capacity.

The above LOCs issued are cash collateralized (see Note 5). The LOC facilities are subject to various customary affirmative, negative and financial covenants. At December 31, 2023, the Company was in compliance with all LOC facilities covenants.

Citi LOC

The Citi LOC facility automatically renews each year unless terminated by either party subject to a 120 days notice prior to termination date.

CIBC LOC

On December 22, 2023, through a subsidiary, the Company entered into a credit agreement with CIBC Bank USA for a \$200.0 million committed LOC facility (the “CIBC LOC Facility”), with a \$30.0 million sublimit for unsecured LOCs (the “CIBC Revolving Credit Facility”). Loans made under the CIBC Revolving Credit Facility, solely for supporting unsecured LOCs, will accrue interest at a rate of base rate plus 2.5% per annum in the event that the beneficiary draws down on an unsecured LOC and the Company does not provide cash collateral within the stipulated period. The CIBC LOC Facility is subject to an automatic extension of one year without prior written notice by the Company. The CIBC Revolving Credit Facility expires after one year.

10. SHARE CAPITAL

Ordinary Shares

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

	2023			2022		2021	
	Ordinary	Class A	Class B	Class A	Class B	Class A	Class B
Balance – beginning of year	—	28,569,346	6,254,715	27,589,731	6,254,715	28,260,075	6,254,715
Issue of shares, net of forfeitures	64,719	447,952	—	984,548	—	409,200	—
Repurchase of shares	—	—	—	(4,933)	—	(1,079,544)	—
Re-designate Class B to Class A shares	—	6,254,715	(6,254,715)	—	—	—	—
Reclassify Class A to Ordinary shares	35,272,013	(35,272,013)	—	—	—	—	—
Balance – end of year	<u>35,336,732</u>	<u>—</u>	<u>—</u>	<u>28,569,346</u>	<u>6,254,715</u>	<u>27,589,731</u>	<u>6,254,715</u>

The Company’s authorized share capital is 125,000,000 ordinary shares, par value of \$0.10 per share.

On July 25, 2023, at the Company’s Annual General Meeting the shareholders approved the re-designation of Class B ordinary shares as Class A ordinary shares, and then reclassified Class A ordinary shares as “ordinary shares”, resulting in the elimination of the dual-class share structure.

At December 31, 2023, the Company has an effective Form S-3 registration statement on file with the SEC for an aggregate principal amount of \$200.0 million in securities.

Share Repurchase Plan

On May 2, 2023, the Board of Directors re-approved the share repurchase plan effective from July 1, 2023 until June 30, 2024, authorizing the Company to repurchase up to \$25.0 million of ordinary shares or securities convertible into ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. Any shares repurchased are canceled immediately upon repurchase. For the year ended December 31, 2023, there was no repurchase of ordinary shares (2022: 4,933 at an average price of \$7.04 per share).

Preferred Shares

The Company's authorized share capital also consists of 50,000,000 preference shares with a par value of \$0.10 each. At December 31, 2023, the Company has no issued and outstanding preferred shares.

11. SHARE-BASED COMPENSATION

On July 25, 2023, at the Company's Annual General Meeting the shareholders approved the Greenlight Capital Re, Ltd. 2023 Omnibus Incentive Plan, or the 2023 Incentive Plan. The 2023 Incentive Plan replaces the Greenlight Capital Re, Ltd. Amended and Restated 2004 Stock Incentive Plan, or the 2004 Stock Incentive Plan. The aggregate number of ordinary shares that are available to be delivered pursuant to awards granted under the 2023 Incentive Plan is equal to the sum of (i) 2,000,000 shares, and (ii) any shares that remained or otherwise become available under the 2004 Stock Incentive Plan as of July 25, 2023. If, after July 25, 2023, any award granted under the 2023 Incentive Plan or the 2004 Stock Incentive Plan is forfeited or otherwise expires, terminates or is canceled, then the number of ordinary shares subject to such award that were not issued shall become available for issuance under the 2023 Incentive Plan. The 2023 Incentive Plan is administered by the Compensation Committee of the Board of Directors.

At December 31, 2023, 3,296,771 (2022: 2,011,426) ordinary shares remained available for future issuance under the Company's 2023 Incentive Plan. Under this plan, the Company is authorized to issue restricted shares, RSUs, and stock options. Share-based awards contain restrictions relating to vesting (service-based and/or performance-based), forfeiture in the event of termination of employment, transferability, and other matters.

Employee and Director Restricted Shares

The following table summarizes the activity for unvested outstanding restricted share awards:

	Performance Restricted Shares		Service Restricted Shares	
	Number of non-vested restricted shares	Weighted average grant date fair value	Number of non-vested restricted shares	Weighted average grant date fair value
Balance at December 31, 2021	193,149	\$ 10.10	753,407	\$ 8.68
Granted	601,213	6.82	356,422	7.02
Vested	—	—	(268,457)	9.38
Forfeited	—	—	(8,476)	7.67
Balance at December 31, 2022	794,362	\$ 7.62	832,896	7.76
Granted	357,766	10.84	242,957	10.58
Vested	—	—	(599,942)	8.74
Forfeited	(109,440)	9.37	(56,307)	8.44
Balance at December 31, 2023	1,042,688	\$ 9.94	419,604	\$ 9.18

For the year ended December 31, 2023, the Company issued to non-employee directors an aggregate of 65,394 (2022: 107,763) restricted ordinary shares as part of their remuneration for services to the Company (included in "Service Restricted Shares" column in the above table). They will vest on the earlier of (i) the first anniversary of the date of the share issuance and (ii) the Company's next annual general meeting, subject to the grantee's continued service with the Company.

For the year ended December 31, 2023, the Company granted to employees (i) 357,766 (2022: 601,213) restricted shares with both performance and service-based vesting conditions (“Performance RSs”) and (ii) 177,563 (2022: 248,659) restricted shares with only service-based vesting conditions (“Service RSs”). Most of these Service RSs vest evenly each year on January 1, subject to the grantee’s continued service with the Company. If performance goals are achieved, the Performance RSs will cliff vest at the end of a three-year performance period within a range of 25% and 100% of the awarded Performance RSs, with a target of 50%.

Prior to fiscal year 2021, the Company issued ordinary shares to the Chief Executive Officer (“CEO”) pursuant to the Company’s stock incentive plan (“CEO RSs”). These shares contain performance and service conditions and certain restrictions relating to, among other things, vesting, forfeiture in the event of termination of the CEO’s employment, and transferability. The CEO RSs cliff vest five years after the date of issuance, subject to the performance condition being met and the CEO’s continued service with the Company. At December 31, 2023, there were 162,489 non-vested CEO RSs with a weighted average grant date fair value of \$9.00 per share. As the performance conditions associated with these restricted shares have not been met, the Company recognized no compensation cost relating to the unvested CEO RSs for the years ended December 31, 2023, 2022, and 2021. During the year ended December 31, 2023, the Company modified certain share-based awards previously granted to the CEO in connection with the Separation Agreement (see Note 15), resulting in an incremental share-based compensation charge of \$1.5 million (see below “Stock Compensation Expense”).

At December 31, 2023, there was \$3.0 million (2022: \$3.3 million) of unrecognized compensation cost relating to non-vested restricted shares (excluding the above CEO RSs), which the Company expects to recognize over a weighted-average period of 1.4 years (2022: 1.4 years). For the year ended December 31, 2023, the total fair value of restricted shares vested was \$5.2 million (2022: \$2.5 million).

Employee Restricted Stock Units

The following table summarizes the activity for unvested outstanding RSUs:

	Performance RSUs		Service RSUs	
	Number of non-vested RSUs	Weighted average grant date fair value	Number of non-vested RSUs	Weighted average grant date fair value
Balance at December 31, 2021	—	\$ —	154,134	\$ 8.59
Granted	105,008	6.82	54,207	6.82
Vested	—	—	(35,389)	10.84
Forfeited	—	—	—	—
Balance at December 31, 2022	105,008	\$ 6.82	172,952	7.58
Granted	71,121	9.85	42,811	9.85
Vested	—	—	(77,695)	6.74
Forfeited	(21,684)	8.15	(27,643)	8.62
Balance at December 31, 2023	154,445	\$ 8.03	110,425	\$ 8.78

Prior to 2022, the RSUs issued to employees cliff vested three years after the date of issuance, subject to the grantee’s continued service with the Company. From 2022, the Service RSUs vest evenly over three years on January 1, subject to the grantee’s continued service with the Company. If performance goals are achieved, the Performance RSUs will cliff vest at the end of a three-year performance period within a range of 25% and 100% of the awarded Performance RSUs, with a target of 50%.

At December 31, 2023, the total compensation cost related to non-vested RSUs not yet recognized was \$0.4 million (2022: \$0.6 million), which the Company expects to recognize over a weighted-average period of 1.5 years (2022: 1.6 years).

Employee and Director Stock Options

The following table summarizes the stock option activity:

	Number of options outstanding	Weighted average exercise price	Weighted average grant date fair value	Intrinsic value (\$ in millions)	Weighted average remaining contractual term
Balance at December 31, 2021	735,627	22.35	10.23	—	4.7 years
Expired	(45,290)	23.80	11.04		
Balance at December 31, 2022	690,337	22.25	10.18	—	4.0 years
Expired	(38,197)	26.44	13.09		
Balance at December 31, 2023	652,140	\$ 22.01	\$ 10.01	\$ —	3.2 years

The following table summarizes information about options exercisable:

	December 31, 2023	December 31, 2022	December 31, 2021
Number of options exercisable	652,140	610,337	575,627
Weighted-average exercise price	\$ 22.01	\$ 22.39	\$ 22.67
Weighted-average remaining contractual term	3.2	3.9	4.5
Intrinsic value (\$ in millions)	\$ —	\$ —	\$ —

During the year ended December 31, 2023, 80,000 (2022: 80,000) options vested. They had a weighted average grant date fair value of \$9.60 (2022: \$9.60). All outstanding options are fully vested and exercisable.

Stock Compensation Expense

For the year ended December 31, 2023, the Company recorded \$6.1 million (2022: \$4.7 million, 2021: \$3.2 million) of total stock compensation expense (net of forfeitures), including the incremental costs for modified grants. The stock compensation expense is included in “*General and administrative expenses*” in the consolidated statements of operations. Forfeiture recoveries were immaterial for the current and last two fiscal years.

12. EARNINGS PER SHARE

The following table reconciles net income and weighted average shares used in computing basic and diluted net income per share:

	Year ended December 31		
	2023	2022	2021
Numerator for earnings per share			
Net income - basic	\$ 86,830	\$ 25,342	\$ 17,578
Add: interest on convertible notes	—	4,201	—
Less: gain on debt repurchases	—	(343)	—
Net income - diluted	<u>\$ 86,830</u>	<u>\$ 29,200</u>	<u>\$ 17,578</u>
Denominator for earnings per share			
Weighted average shares outstanding - basic	34,067,974	33,908,156	34,204,364
Effect of dilutive employee and director share-based awards	729,885	368,096	146,652
Shares potentially issuable in connection with convertible notes	—	5,493,538	—
Weighted average shares outstanding - diluted	<u>34,797,859</u>	<u>39,769,790</u>	<u>34,351,016</u>
Anti-dilutive stock options outstanding	652,140	690,337	735,627
Earnings per share			
Basic	\$ 2.55	\$ 0.75	\$ 0.51
Diluted	2.50	0.73	0.51

13. NET INVESTMENT INCOME

The following table provides a breakdown of net investment income:

	Year ended December 31		
	2023	2022	2021
Interest and dividend income, net of withholding taxes and other expenses	\$ 35,629	\$ 4,466	\$ (1,660)
Net realized and unrealized gains on other investments (see Note 4)	1,738	9,673	33,725
Net investment-related income	37,367	14,139	32,065
Share of SILP's net income (see Note 3)	28,696	54,844	18,087
Total investment income	<u>\$ 66,063</u>	<u>\$ 68,983</u>	<u>\$ 50,152</u>

14. INCOME TAXES

Components of Income Taxes

The following table shows the breakdown of the Company's current and deferred income tax benefit (expense) on a consolidated basis:

	Year ended December 31		
	2023	2022	2021
Current tax (expense) benefit			
Europe	\$ (587)	\$ (30)	\$ (10)
U.S.	(100)	846	(3,734)
Deferred tax (expense) benefit			
Europe	(1,698)	(442)	(254)
U.S.	—	—	(2)
Decrease in deferred tax valuation allowance	2,285	442	254
Income tax (expense) benefit	\$ (100)	\$ 816	\$ (3,746)

Under current Cayman Islands law, no corporate entity, including GLRE and Greenlight Re, is obligated to pay taxes in the Cayman Islands on either income or capital gains. The Company has an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the provisions of the Tax Concessions Act, as amended, that, in the event that the Cayman Islands enacts any legislation that imposes 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 GLRE, Greenlight Re nor their respective operations, or to the ordinary shares or related obligations, before February 1, 2025.

Verdant is incorporated in Delaware and therefore is subject to taxes in accordance with the U.S. federal rates and regulations prescribed by the U.S. Internal Revenue Service ("IRS"). Verdant's taxable income is generally expected to be taxed at a marginal rate of 21% (2022: 21%). Verdant's tax years 2019 and beyond remain open and may be subject to examination by the IRS.

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

Greenlight Re UK and GCM are incorporated in the United Kingdom and therefore are subject to the U.K. corporate tax rate of 25% (2022 and 2021: 19%) on their respective profits.

Deferred Tax Assets

The following table provides details of the significant components of deferred tax assets:

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Operating and capital loss carryforwards	\$ 1,087	\$ 2,785
Deferred tax assets before valuation allowance	1,087	2,785
Valuation allowance	—	(2,285)
Deferred tax assets, net of valuation allowance	\$ 1,087	\$ 500

At December 31, 2023, the Company has determined that it is more likely than not that it will fully realize the recorded deferred tax asset in the future based on the expected timing of the reversal of the temporary differences and the likelihood of generating sufficient taxable income to realize the future tax benefit.

Tax Loss Carryforwards

At December 31, 2023, GRIL had a net operating loss carryforward of \$8.7 million (2022: \$20.4 million) which can be carried forward indefinitely.

15. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

Each of DME, DME II, and DME Advisors is an affiliate of the Chairman and, therefore, is a related party to the Company.

The Company has entered into the SILP LPA (as described in Note 3 of the consolidated financial statements). DME II receives a performance allocation equal to (with capitalized terms having the meaning provided under the SILP LPA) (a) 10% of the portion of the Positive Performance Change for each limited partner's capital account that is less than or equal to the positive balance in such limited partner's Carryforward Account, plus (b) 20% of the portion of the Positive Performance Change for each limited partner's capital account that exceeds the positive balance in such limited partner's Carryforward Account. The Carryforward Account for Greenlight Re and GRIL includes the amount of investment losses to be recouped, including any loss generated on the assets invested in SILP, subject to adjustments for redemptions. The loss carry-forward provision in the SILP LPA allows DME II to earn a reduced performance allocation of 10% of profits in years subsequent to any year in which SILP has incurred a loss until all losses are recouped, and an additional amount equal to 150% of the loss is earned.

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

For a detailed breakdown of management fees and performance compensation for the years ended December 31, 2023, 2022, and 2021, refer to Note 3.

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, 2023, SILP, along with certain affiliates of DME Advisors, collectively owned 27.1% 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, 2023, SILP held 2.7 million shares of GRBK.

Service Agreement

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

Collateral Assets Investment Management Agreement

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

Separation Agreement with CEO

On November 3, 2023, the Company entered into a Deed of Settlement and Release (“Separation Agreement”) with the CEO (Mr. Simon Burton) pursuant to which Mr. Burton’s employment with the Company would terminate by mutual consent, including resignation from the Board of Directors, effective as of December 31, 2023. The following is a summary of the material financial terms of the Separation Agreement:

- \$2.4 million cash severance payable over 18 months and \$0.3 million salary continuance to April 30, 2024 (these have been accrued and included in “*Other liabilities*” in the consolidated balance sheets at December 31, 2023);
- \$1.5 million non-cash charge for accelerated vesting for Mr. Burton’s remaining 235,936 service restricted shares and modified vesting condition for Mr. Burton’s remaining 532,035 performance restricted shares in which the service condition is no longer a requirement for vesting (see Note 11); and
- \$1.6 million grant date fair value of performance restricted shares to be granted in March 2024.

As a result of the above Separation Agreement, for the year ended December 31, 2023, the Company recognized a total charge of \$4.3 million including the incremental share-based compensation cost for the modified grants, which is included in “*General and administrative expenses*” in the consolidated statements of operations.

16. COMMITMENTS AND CONTINGENCIES

a) Concentration of Credit Risk

Cash and cash equivalents

The Company monitors its concentration of credit risk with financial institutions and limits acceptable counterparties based on current rating, outlook and other relevant factors.

Investments

The Company’s credit risk exposure to private debt and convertible debt securities within its “*Other investments*” are immaterial (see Note 4).

Reinsurance balances receivable, net

The following table shows the breakdown of reinsurance balances receivable:

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Premiums receivable	\$ 186,940	30.2 %	\$ 160,559	31.8 %
Funds withheld:				
Funds held by cedants	50,075	8.1 %	45,351	9.0 %
Premiums held by Lloyds' syndicates	264,278	42.7 %	188,056	37.2 %
Funds at Lloyd’s	115,772	18.6 %	103,947	20.5 %
Profit commission receivable	2,302	0.4 %	4,888	1.0 %
Deposit assets	888	0.1 %	3,110	0.6 %
Total before provision	620,255	100.1 %	505,911	100.1 %
Provision for expected credit losses	(854)	(0.1)%	(356)	(0.1)%
Reinsurance balances receivable, net	\$ 619,401	100.0 %	\$ 505,555	100.0 %

The Company has posted deposits at Lloyd’s to support underwriting capacity for certain syndicates, including Syndicate 3456 (see Note 18). Lloyd’s has a credit rating of “A” (Excellent) from A.M. Best.

Premiums receivable includes a significant portion of estimated premiums not yet due. Brokers and other intermediaries are responsible for collecting premiums from customer on the Company's behalf. The Company monitors its concentration of credit risks from brokers (see Note 17). The diversity in the Company's client base limits credit risk associated with premiums receivable and funds (premiums) held by cedents. Further, under the reinsurance contracts the Company has contractual rights to offset premium balances receivable and funds held by cedants against corresponding payments for losses and loss expenses.

Loss and loss adjustment expenses recoverable, net

The Company regularly evaluates its net credit exposure to the retrocessionaires and their abilities to honor their respective obligations. See Note 8 for analysis of concentration of credit risk relating to retrocessionaires.

b) Lease Obligations

The Company operates in the Cayman Islands, United Kingdom, and Ireland under various non-cancelable operating lease agreements. The Company's weighted-average remaining operating lease term is approximately 2.5 years at December 31, 2023.

As the lease contracts generally do 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, 2023, the right-of-use assets and lease liabilities relating to the operating leases were \$1.4 million and \$1.5 million, respectively (2022: \$1.9 million and \$2.0 million, respectively). For the year ended December 31, 2023, the Company recognized operating lease expense \$0.6 million (2022: \$0.6 million, 2021: \$0.4 million).

At December 31, 2023, the commitment for operating lease liabilities for future annual periods was as follows:

Year ending December 31,	
2024	\$ 637
2025	653
2026	352
Total lease payments	1,642
Less Imputed Interest	(142)
Present value of lease liabilities	<u>\$ 1,500</u>

c) 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.

17. 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.

Year ended December 31,	Broker	Premiums	% of Total Premiums
2023			
	Guy Carpenter (Marsh)	\$ 122,766	19.3 %
	Aon Benfield	91,642	14.4 %
			33.7 %
2022			
	Aon Benfield	\$ 159,421	28.3 %
	Gallagher Re	91,239	16.2 %
			44.5 %
2021			
	Guy Carpenter (Marsh)	\$ 178,336	31.5 %
	Aon Benfield	139,044	24.6 %
	BMS Group	63,958	11.3 %
			67.4 %

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					
	2023		2022		2021	
Property						
Commercial	\$ 51,859	8.1 %	\$ 14,750	2.6 %	\$ 10,853	1.9 %
Motor	671	0.1	2,346	0.4	29,953	5.3
Personal	60,761	9.5	68,227	12.1	12,141	2.1
Total Property	113,291	17.8	85,323	15.2	52,947	9.4
Casualty						
General Liability	96,535	15.2	60,276	10.7	18,037	3.2
Motor Liability	16,223	2.5	8,601	1.5	118,251	20.9
Professional Liability	11,953	1.9	1,921	0.3	316	0.1
Workers' Compensation	10,034	1.6	28,381	5.0	62,188	11.0
Multi-line	216,292	34.0	225,924	40.1	180,321	31.9
Total Casualty	351,037	55.1	325,103	57.7	379,113	67.1
Other						
Accident & Health	8,339	1.3	8,947	1.6	31,612	5.6
Financial	56,114	8.8	66,528	11.8	66,612	11.8
Marine	31,138	4.9	22,700	4.0	10,652	1.9
Other Specialty	76,891	12.1	54,570	9.7	24,457	4.3
Total Other	172,482	27.1	152,745	27.1	133,333	23.6
	\$ 636,810	100.0 %	\$ 563,171	100.0 %	\$ 565,393	100.0 %

Gross Premiums Written by Geographic Area of Risks Insured

	Year ended December 31					
	2023		2022		2021	
U.S. and Caribbean	\$ 254,792	40.0 %	\$ 295,428	52.4 %	\$ 316,015	55.9 %
Worldwide ⁽¹⁾	321,578	50.5	242,561	43.1	240,285	42.5
Asia	46,936	7.4	20,334	3.6	4,609	0.8
Europe	13,504	2.1	4,848	0.9	4,484	0.8
	<u>\$ 636,810</u>	<u>100.0 %</u>	<u>\$ 563,171</u>	<u>100.0 %</u>	<u>\$ 565,393</u>	<u>100.0 %</u>

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

18. STATUTORY REQUIREMENTS

The Company’s reinsurance operations are subject to insurance laws and regulations in the jurisdictions in which they operate, principally in the Cayman Islands and in Ireland. Additionally, the Company’s Syndicate 3456 is regulated by Lloyd’s. These regulations include certain restrictions on the amount of dividends or other distribution, such as loans or cash advances, available to shareholders without prior approval of the respective regulatory authorities.

The statutory capital and surplus and required minimum statutory capital and surplus of the Company’s most significant regulated reinsurance operations are detailed below:

At December 31,	Cayman Islands		Ireland	
	2023	2022	2023	2022
Statutory capital and surplus	569,044	\$ 474,985	58,721	68,881
Required statutory capital surplus	256,586	226,507	39,367	41,859
Excess statutory capital	312,458	\$ 248,478	19,354	\$ 27,022

The statutory net income for the Company’s most significant regulated reinsurance operations were as follows:

	Greenlight Re		GRIL	
Year ended December 31, 2023	\$	85,464	\$	11,479
Year ended December 31, 2022	\$	32,290	\$	4,612
Year ended December 31, 2021	\$	15,912	\$	3,800

Cayman Islands

Greenlight Re is subject to the Cayman Islands’ Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations, (2018 Revision) (the “Insurance Regulations”). Under this Insurance Regulations, Greenlight Re is required to maintain minimum statutory capital and surplus equal to the greater of: a) the Minimum Capital Requirement of \$50.0 million and b) the Prescribed Capital Requirement (“PCR”) as defined in the Insurance Regulations.

Greenlight Re is not required to prepare statutory financial statements for filing with CIMA. There were no material differences between Greenlight Re’s GAAP capital, surplus, and net income and its statutory capital, surplus, and net income at December 31, 2023 and 2022, and for the years then ended.

Any dividends declared and paid from Greenlight Re to the Company requires CIMA’s approval. During the year ended December 31, 2023, \$8.3 million of dividends (2022: \$60.1 million, 2021: \$4.0 million) were declared or paid by Greenlight Re to the Company. The dividends were approved by CIMA and resulted in the return of additional share capital to the Company. The dividends were used primarily to repurchase and repay the Company’s Convertible Notes (see Note 9). At December 31, 2023, \$312.5 million (2022: \$248.5 million) of Greenlight Re’s capital and surplus was available for distribution as dividends.

Ireland

Effective January 1, 2016, the Company's Irish subsidiary (GRIL) is obligated to maintain at all times the Minimum Capital Requirement ("Irish MCR") and the Solvency Capital Requirement ("SCR") as calculated by reference to Solvency II definition.

There were no material differences between the statutory financial statements and statements prepared in accordance with U.S. GAAP for GRIL at December 31, 2023 and 2022, and for the years then ended.

The amount of dividends that GRIL is permitted to distribute is limited to its retained earnings. The Central Bank of Ireland has powers to intervene if a dividend payment were to breach regulatory capital requirements. At December 31, 2023 and 2022, none of GRIL's capital and surplus was available for distribution as dividends.

Lloyd's of London

The Company operates in the Lloyd's market through its corporate member, GCM, which provides 100% of Syndicate 3456's capital support. Syndicate 3456 is managed by a third party managing agency. GCM and Syndicate 3456 are bound by the rules of Lloyd's, which are prescribed by Bye-laws and Requirements made by the Council of Lloyd's under powers conferred by the Lloyd's Act 1982. These rules prescribe members' membership subscription, the level of their contributions to the Lloyd's Central Fund and the assets they must deposit with Lloyd's in support of their underwriting. Further, the Council of Lloyd's has broad powers to sanctions breaches of its rules, including the power to restrict or prohibit a member's participation on Lloyd's syndicates.

The underwriting capacity of a member of Lloyd's must be supported by providing a deposit, known as "Funds at Lloyds" or "FAL", in the form of cash, certain investment securities, or letters of credit. The FAL is not available for distributions for the payment of dividends or for working capital requirements. Further, corporate members may also be required to maintain funds under the control of Lloyd's in excess of their capital requirements and such funds also may not be available for distribution for the payment of dividends. The amount of FAL for Syndicate 3456 is determined by Lloyd's and is based on Syndicate 3456's solvency and capital requirement based on an internal capital model. See Note 16 for total FAL for Syndicate 3456 and other syndicates in which the Company has a participation interest.

GREENLIGHT CAPITAL RE, LTD.
SUMMARY OF INVESTMENTS — OTHER THAN INVESTMENTS IN RELATED PARTIES
AS OF DECEMBER 31, 2023

(expressed in thousands of U.S. dollars)

Type of Investment	Cost	Fair Value	Balance Sheet Value
Other investments:			
Private investments and unlisted equities	\$ 28,470	\$ 71,157	\$ 71,157
Debt and convertible debt securities	2,499	2,136	2,136
Total other investments	30,969	73,293	73,293
Total investments - other than investments in related parties	\$ 30,969	\$ 73,293	\$ 73,293

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

(expressed in thousands of U.S. dollars)

	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 1,924	\$ 975
Investment in subsidiaries	667,732	554,438
Due from subsidiaries	—	28,400
Other assets	628	753
Total assets	\$ 670,284	\$ 584,566
Liabilities and equity		
Liabilities		
Debt	\$ 73,281	\$ 80,534
Other liabilities	712	81
Due to subsidiaries	196	831
Total liabilities	74,189	81,446
Shareholders' equity		
Share capital	3,534	3,482
Additional paid-in capital	484,532	478,439
Retained earnings	108,029	21,199
Total shareholders' equity	596,095	503,120
Total liabilities and equity	\$ 670,284	\$ 584,566

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

(expressed in thousands of U.S. dollars)

	Year ended December 31		
	2023	2022	2021
Revenue			
Net investment income	\$ 5	\$ 1	\$ 22
Other income (expense)	239	366	—
Total revenues	244	367	22
Expenses			
General and administrative expenses	9,042	6,887	4,263
Interest expense	5,344	4,201	6,263
Total expenses	14,386	11,088	10,526
Net income (loss) before equity in earnings of consolidated subsidiaries	(14,142)	(10,721)	(10,504)
Equity in earnings of consolidated subsidiaries	100,972	36,063	28,082
Consolidated net income	\$ 86,830	\$ 25,342	\$ 17,578
Comprehensive income	\$ 86,830	\$ 25,342	\$ 17,578

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

(expressed in thousands of U.S. dollars)

	Year ended December 31		
	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 86,830	\$ 25,342	\$ 17,578
Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities:			
Equity in earnings of consolidated subsidiaries	(100,972)	(36,063)	(28,082)
Net realized gain on repurchase of convertible senior notes payable	(265)	(343)	—
Net change in unrealized gains and losses on investments	—	—	—
Share-based compensation expense	5,550	4,028	2,813
Accretion of debt offering costs and change in interest accruals	(1,696)	79	2,263
Net change in			
Due from subsidiaries	28,400	(28,400)	—
Other assets	125	(753)	—
Other liabilities	631	(69)	150
Due to subsidiaries	(635)	(2,071)	1,050
Net cash provided by (used in) operating activities	<u>17,968</u>	<u>(38,250)</u>	<u>(4,228)</u>
Cash flows from investing activities			
Change in notes receivable	—	—	10,706
Contributed surplus (to) from subsidiaries, net	(11,727)	58,568	4,000
Net cash provided by (used in) investing activities	<u>(11,727)</u>	<u>58,568</u>	<u>14,706</u>
Cash flows from financing activities			
Proceeds from term loans	75,000	—	—
Repayment of convertible senior notes payable	(62,147)	—	—
Repurchases of convertible senior notes payable	(17,198)	(19,793)	—
Repurchase of Class A ordinary shares	—	(35)	(10,000)
Net cash used in financing activities	<u>(4,345)</u>	<u>(19,828)</u>	<u>(10,000)</u>
Net increase (decrease) in cash and cash equivalents	1,896	490	478
Cash and cash equivalents at beginning of the year	975	485	7
Cash and cash equivalents at end of the year	<u>\$ 2,871</u>	<u>\$ 975</u>	<u>\$ 485</u>
Supplementary information			
Non cash consideration from (to) subsidiaries, net	\$ (595)	\$ (656)	\$ (415)

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY INSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

(expressed in thousands of U.S. dollars)

Year	Segment	Deferred acquisition costs, net	Reserves for losses and loss adjustment expenses – gross	Unearned premiums – gross	Net premiums earned	Total investment related income (loss)	Net losses, and loss adjustment expenses	Amortization of deferred acquisition costs	Other operating expenses	Gross premiums written
2023	Property & Casualty	\$ 79,956	\$ 661,554	\$ 306,310	\$ 583,147	\$ 66,063	\$ 360,004	\$ 168,877	\$ 43,240	\$ 636,810
2022	Property & Casualty	\$ 82,391	\$ 555,468	\$ 307,820	\$ 469,477	\$ 68,983	\$ 316,485	\$ 143,148	\$ 31,606	\$ 563,171
2021	Property & Casualty	\$ 63,026	\$ 524,010	\$ 227,584	\$ 539,279	\$ 50,152	\$ 374,980	\$ 144,960	\$ 29,369	\$ 565,393

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY REINSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

(expressed in thousands of U.S. dollars)

Year	Segment	Direct gross premiums	Premiums ceded to other companies	Premiums assumed from other companies	Net written premiums	Percentage of amount assumed to net
2023	Property & Casualty	\$ —	\$ 42,762	\$ 636,810	\$ 594,048	107 %
2022	Property & Casualty	\$ —	\$ 33,429	\$ 563,171	\$ 529,742	106 %
2021	Property & Casualty	\$ —	\$ 41	\$ 565,393	\$ 565,352	100 %