Berkley EUROPE | a Berkley Company

Solvency and Financial Condition Report

W. R. Berkley Europe AG

For the Year ending December 31, 2022

DocuSigned by: Hans-Peter Naef 71120E8E57A44AD...	DocuSigned by: Barbara Hirzel 19B52C332D734B7...
Hans-Peter Naef	Barbara Hirzel
General Manager	Deputy General Manager

April 11, 2023

Approved by the Board of Directors of W. R. Berkley Europe AG on March 31, 2023

Forward Looking Statements

This is a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein, including statements related to our outlook for the industry and for performance for the year 2022 and beyond, are based upon the Company's historical performance and on current plans, estimates and expectations.

The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. They are subject to various risks and uncertainties, including but not limited to: the cyclical nature of the property casualty industry; the impact of significant competition, including new alternative entrants to the industry; the long-tail and potentially volatile nature of the insurance and reinsurance business; product demand and pricing; claims development and the process of estimating reserves; investment risks, including those of our portfolio of fixed maturity securities and investments in equity securities, investments in financial institutions, municipal bonds, mortgage-backed securities, loans receivable, investment funds, real estate, merger arbitrage, energy related and private equity investments; the effects of emerging claim and coverage issues; the uncertain nature of damage theories and loss amounts; natural and man-made catastrophic losses, including as a result of terrorist activities; general economic and market activities, including inflation, interest rates, and volatility in the credit and capital markets; the impact of the conditions in the financial markets and the global economy, and the potential effect of legislative, regulatory, accounting or other initiatives taken in response, on our results and financial condition; foreign currency and political risks; our ability to attract and retain key personnel and qualified employees; continued availability of capital and financing; the success of our new ventures or acquisitions and the availability of other opportunities; the availability of reinsurance; WRBC's retention under the Terrorism Risk Insurance Program Reauthorization Act of 2015; the ability of our reinsurers to pay reinsurance recoverable owed to us; other legislative and regulatory developments, including those related to business practices in the insurance industry; credit risk related to our policyholders, independent agents and brokers; changes in the ratings assigned to us by rating agencies; potential difficulties with technology and/or data security; the effectiveness of our controls to ensure compliance with guidelines, policies and legal and regulatory standards; and other risks detailed from time to time in the Group's filings with the U.S. Securities and Exchange Commission. These risks and uncertainties could cause our actual results for the year 2022 and beyond to differ materially from those expressed in any forward-looking statement we make.

Any projections of growth in our revenues would not necessarily result in commensurate levels of earnings. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Definitions

"BEU"	Berkley European Underwriters A S
"Board"	Board of Directors of W. R. Berkley Europe AG
"BOUM"	Berkley Offshore Underwriting Managers UK, Limited
"BIC"	Berkley Insurance Company
"BRUK"	Berkley Re UK Limited
"the Group"	W. R. Berkley Corporation and its subsidiaries
"EIOPA"	European Insurance and Occupational Pensions Authority
"ENID"	Events not in data
"EPIFP"	Expected Profits Included In Future Premiums
"FMA"	Financial Market Supervisory Authority of Liechtenstein
"MCR"	Minimum Capital Requirement
"MEC"	Management Executive Committee of W.R. Berkley Europe AG
"OFAC"	Office of Foreign Assets Controls
"ORSA"	Own Risk and Solvency Assessment
"QRT"	Quantitative Reporting Template
"the Panel"	Risk and Capital Technical Panel
"Nordic Branches"	Collectively the Norwegian and Swedish Branches of WRBEAG
"SCR"	Solvency Capital Requirement
"SFCR" or "the report"	Solvency and Financial Condition Report for the year ended December 31, 2022
"SII"	Solvency II
"Specialty lines"	Segment within BOUM writing asset protection and political risk insurance
"the prior period"	January 1, 2021 to December 31, 2021
"the reporting date"	31-Dec-22
"the reporting period"	January 1,2022 to December 31, 2022
"the SII Balance Sheet"	Quantitative Reporting Template S.02.01
"the SII Requirements"	The Directive, the Delegated Regulation and the Technical Standards combined
"TP"	Technical Provision
"UK"	United Kingdom
"USD"	United States Dollar

“WRBC”	W. R. Berkley Corporation
“WRBEAG” or “the Company” or “the undertaking” or “we” or “us”	W. R. Berkley Europe AG (formally W. R. Berkley Insurance Europe, Limited)
“WRBIE”	W. R. Berkley Insurance (Europe) SE

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Summary

Business summary

WRBEAG, headquartered in Vaduz, Liechtenstein, is an insurance company wholly owned by WRBC and authorized by the FMA to underwrite property and casualty insurance classes through its branches in Germany, Norway, Spain, Sweden (Norway and Sweden branches collectively referred to as the "Nordic Branches") and the United Kingdom.

BOUM, BRUK and BEU also underwrite on behalf of WRBEAG and are in the same Group as WRBEAG. BOUM and BRUK are insurance intermediaries authorized and regulated by the UK Financial Conduct Authority. BOUM specializes in writing international energy property, energy liability insurance and specialty lines. BRUK specializes in international property and casualty reinsurance. BEU is an insurance intermediary authorized and regulated by the Norwegian FSA. BEU on behalf of WRBEAG writes international energy property, energy liability and specialty lines accounts with risks located in the EU/EEA area.

Prior to the establishment of WRBEAG, WRBC operated the European business through its Lloyd's Syndicate 1967, and W. R. Berkley Insurance (Europe), SE ("WRBIE"). WRBIE was merged with WRBEAG on March 1, 2019. Consequently, WRBIE's assets, liabilities, rights and obligations (including WRBIE's run off business) have become assets, liabilities, rights and obligations of WRBEAG.

System of governance summary

The purpose of the Company is to underwrite insurance and reinsurance business with a focus on property and casualty including specialty lines in the commercial sector. The Company has a strong entrepreneurial spirit, with a strong emphasis on providing innovative solutions to its customer base. The Board of Directors (the "Board") of the Company has the responsibility to oversee the operation of the business, to maintain the Company's culture, including these special attributes, and to establish good governance, policies and procedures. The Company recognizes the importance of strong corporate governance and has established a well-defined governance framework, system of control and committee structure.

The Company employs a "three lines of defense" governance model that aims to ensure that risk management is effective, appropriate decisions are made and best practices are implemented and maintained.

- **1st line of defense** – The business and its management form the first line of defense and are responsible for day-to-day risk management and control;
- **2nd line of defense** – Consist of Risk Management and Compliance functions. They are responsible for challenging the first line of defense. Both functions have a framework and tools in place to help the first line identify, understand, evaluate/develop control and report on risk. Other functions such as Legal, Finance, Actuarial may also assist in these activities, although not formally regarded as part of the second line of defense; and
- **3rd line of defense** – WRBC corporate management, internal and external audit form the third line of defense and provide independent assurance of risk management across the Company.

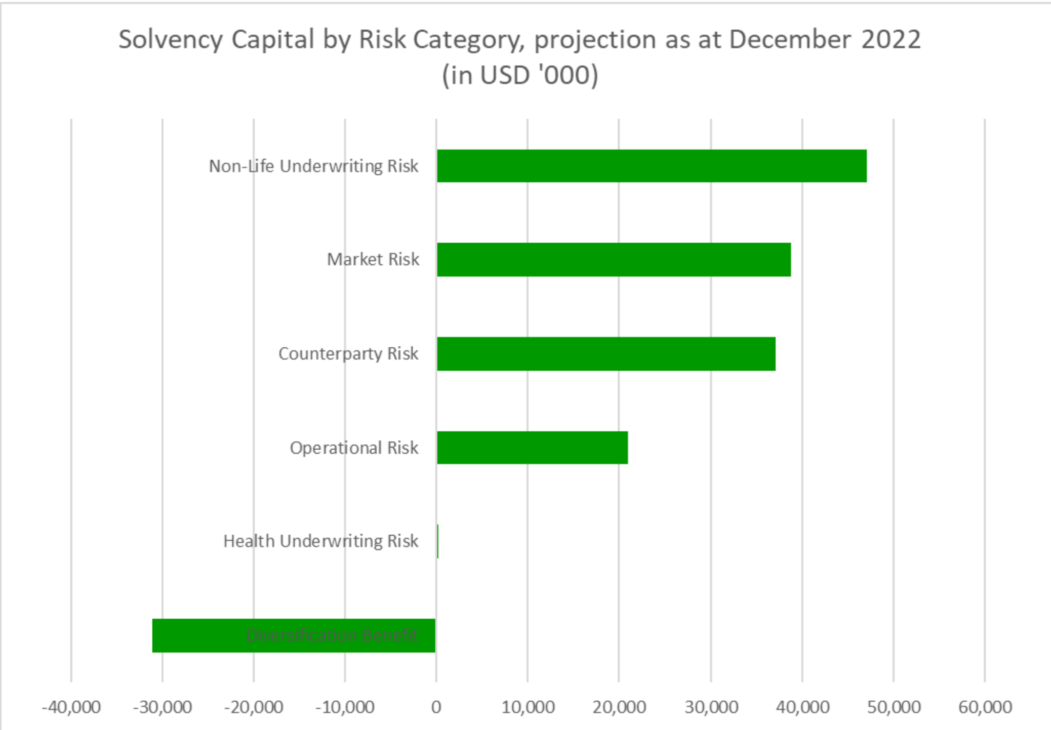
The governance structure of WRBEAG has not changed materially in the 2022 calendar year. Changes in the directors of the business are outlined in section B.1. Ultimate responsibility for the performance and strategy of the Company resides with the Board. The Board delegates authority within the Company as it considers appropriate. The Board sub-committees include the Board Risk Committee and the Audit Committee. The roles of those as well as the roles of the Management Executive Committee and the Reserving Committee are also described in section B.1.

Risk profile summary

The Company's key strategic goal is to underwrite insurance and reinsurance products.

The Company's product range covers energy property, energy liability, specialty lines, casualty treaty reinsurance, property insurance and facultative and treaty reinsurance, motor insurance and treaty reinsurance, professional indemnity, general liability (including medical malpractice, financial lines and cyber), personal accident, surety, marine hull and cargo.

The following chart shows the relative composition of the standard formula risk capital components as at December 31, 2022.



Non-Life Underwriting Risk refers to the risk that the premiums earned are not adequate to cover the claims, expense and profit margin. It also includes the risk that the reserves held for past claims are not adequate to cover the ultimate cost of paying claims if they emerge and / or are settled in a way that differs from expectations. This risk is managed by a number of approaches, including rate changes and reserve analysis, underwriting and claims controls, as well use of reinsurance.

Market Risk is the risk of changes in values caused by market prices or volatilities of market prices differing from their expected values. This includes the risk of changes in values of assets and / or liabilities caused by changes in exchange rates.

Counterparty Risk is the risk of a change in value due to actual credit losses deviating from expected credit losses due to the failure of our counterparties to meet their contractual debt obligations.

Operational Risk is the risk of loss arising from inadequate or failed internal processes, people, systems and/or external events.

Diversification Benefit is the benefit of a reduction in risk among assets and/or obligations of an insurance entity by accumulating risks that are not fully correlated in an aggregate risk position, e.g. the aggregated amount of risk within a portfolio or an insurance entity is smaller compared to the simple addition of the individual risks.

The Company operates a Risk Management Framework that sets out how all risks are identified, analyzed, measured, reported and monitored.

Valuation for solvency purposes summary

An analysis of the valuation of assets and liabilities per the Solvency II balance sheet QRT [S.02.01.01.C0010] is provided in the report in section D. The section provides details of the recognition and valuation basis applied, including inputs and methods used, as well as judgments made and any assumptions, including those about the future and other sources of estimation uncertainty. Comparisons are made to the prior year and between FL GAAP and SII valuations as of the reporting date.

Section D.2. discloses the value of technical provisions, including the amount of the best estimate and the risk margin, as well as a description of the bases, methods and main assumptions used for its valuation for solvency purposes. An analysis of the uncertainties associated with the value of technical provisions is provided for each material assumption made in the technical provisions.

Capital management summary

The Solvency II framework requires that the Company holds economic capital to cover the impact of a 1 in 200-year adverse event or series of events. This is known as the Solvency Capital Requirement ("SCR"). The SCR for the Company is calculated using standard formula model. As at December 31, 2022, the Solvency Capital Requirement coverage ratio defined as eligible own funds divided by Solvency Capital Requirement for WRBEAG was 2.51, with eligible own funds of USD 283,873,204 and a SCR of USD 113,114,792.

As at December 31, 2022 the Minimum Capital Requirement coverage ratio under Solvency II defined as a ratio between eligible own funds and MCR was 10.04, with eligible own funds of USD 283,873,204 and an MCR of USD 28,278,698.

WRBEAG has complied continuously with both the MCR and the SCR throughout the reporting period.

The objective of WRBEAG's capital management strategy is to maintain sufficient own funds to cover the SCR and MCR with an appropriate buffer. WRBEAG carries out a regular review of the solvency ratio as part of the risk monitoring and capital management system.

A. Business and Performance

A.1. Business

A.1.1. Name and legal form of undertaking

WRBEAG is incorporated in Liechtenstein as a company limited by shares pursuant to Art. 261 et seq. of the Liechtenstein Persons and Companies Act. The Company's domicile is:

Städtle 35A
9490 Vaduz
Liechtenstein

This Solvency and Financial Condition Report covers WRBEAG.

A.1.2. Name and contact details of the external auditor of the undertaking

The independent auditors of the Company are:

KPMG (Liechtenstein) AG
Aeulestrasse 2
LI-9490 Vaduz
Liechtenstein

A.1.3. Shareholders of the undertaking

The persons, to the knowledge of the Company, who were direct and indirect holders of qualifying holdings at any time during the reporting period and at the end of the financial year, are:

- W. R. Berkley European Holdings AG is a limited company incorporated in Switzerland. W. R. Berkley European Holdings AG owns 100% of the shares of the Company and is able to exercise 100% of the voting power at any general meeting of the Company;
- Berkley London Holdings, Inc. is a company incorporated in the state of Delaware in the United States of America. Berkley London Holdings, Inc. owns 100% of the shares of W. R. Berkley European Holdings AG and is able to exercise 100% of the voting power at any general meeting of W. R. Berkley European Holdings AG;
- Berkley Insurance Company is a company incorporated in the state of Delaware in the United States of America. Berkley Insurance Company owns 100% of the shares of Berkley London Holdings, Inc., and is able to exercise 100% of the voting power at any general meeting of Berkley London Holdings, Inc;
- Signet Star Holdings, Inc. is a company incorporated in the state of Delaware in the United States of America. Signet Star Holdings, Inc., owns 100% of the shares of Berkley Insurance Company and is able to exercise 100% of the voting power at any general meeting of BIC; and
- W. R. Berkley Corporation is a publicly traded company incorporated in the state of Delaware in the United States of America. W. R. Berkley Corporation owns 100% of the shares of Signet Star Holdings, Inc., and is able to exercise 100% of the voting power at any general meeting of Signet Star Holdings, Inc.

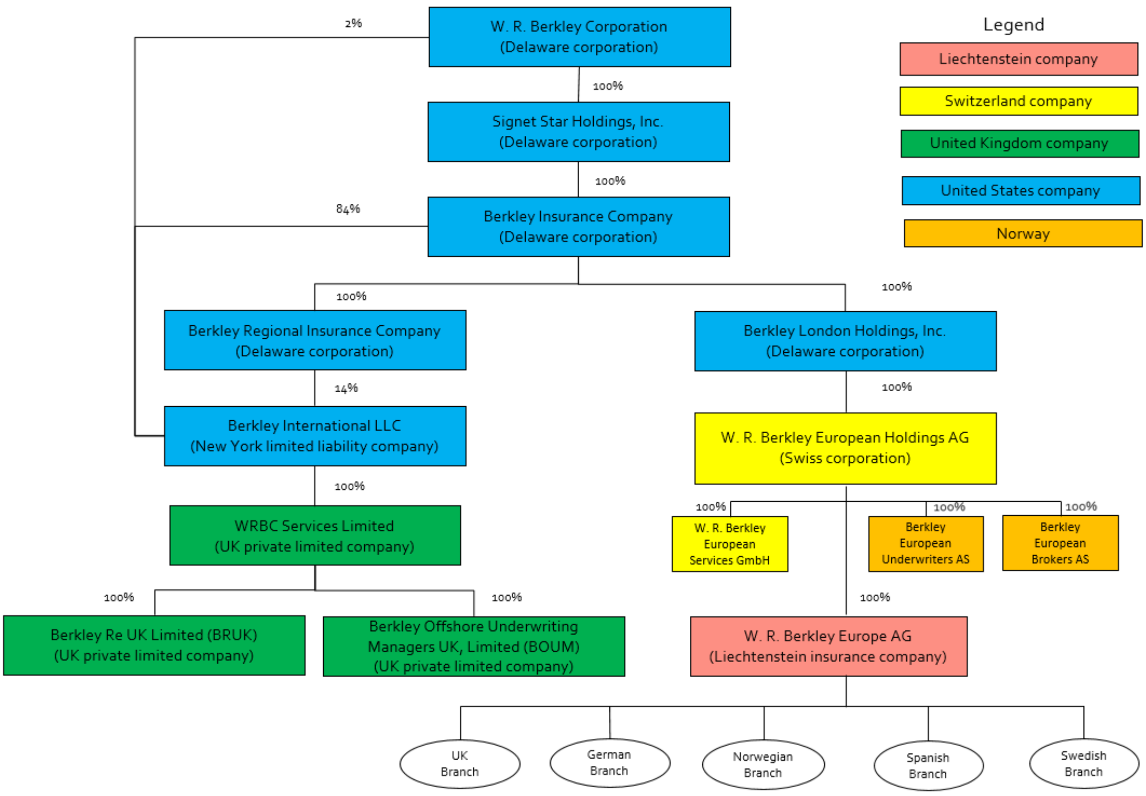
A.1.4. Name of the Supervisory Authority responsible for the financial supervision of the undertaking

The supervisory authority of the Company is the Financial Market Authority Liechtenstein (the "FMA") and the FMA can be contacted at:

Financial Market Authority Liechtenstein
Landstrasse 109
P.O. Box 279
9490 Vaduz
Liechtenstein

A.1.5. Details of the undertaking's position within the Group

The structure chart below explains the ownership and legal links between the Company, its ultimate parent undertaking WRBC and its related undertakings BOUM, BRUK and BEU:



A.1.6. The undertaking's lines of business and material geographical areas where it carries out business

The Company is licensed in the following insurance classes:

- Class 1: Accident;
- Class 2: Sickness / Health;
- Class 3: Motor (car) own damage;
- Class 4: Railway own damage;
- Class 5: Aircraft own damage;
- Class 6: Vessel own damage;
- Class 7: Transport of goods;
- Class 8: Fire, natural hazard, property;
- Class 9: Other property (hail, frost, burglary);
- Class 10: Motor vehicle liability;
- Class 11: Aircraft liability;
- Class 12: Marine / vessel liability;
- Class 13: General Liability;
- Class 14: Credit;
- Class 15: Suretyship;
- Class 16: Miscellaneous financial losses;
- Class 17: Legal protection, legal defense costs; and
- Class 18: Assistance.

The Company's Continental European Branches writes the majority of their business in their "home" markets, i.e. Spain, Germany, Norway and Sweden. Based on the Freedom of Services that were notified for all European Economic Area member states, cover is also provided in other jurisdictions of the European Economic Area.

Effective January 1, 2021, WRBEAG's branch in the United Kingdom writes UK and rest of the world business (excluding the EU/EEA business), sourced from BOUM and BRUK. Risks located in the EU/EEA are transacted via BEU or by using a WRBEAG Liechtenstein stamp depending on certain factors.

A.1.7. Any significant business or other events that have occurred over the reporting period that had a material impact on the undertaking

Significant events that impacted the Company are as follows:

- In the wake of the war in Ukraine, WRBEAG is closely monitoring sanctions related to this war that were imposed by US, UK and EU. Sanction-related actions were taken where applicable. In addition, the Company has been in communication with regulators and enhanced its early warning system for operational risks, in particular as regards cyber-attacks.
- The significant rise in inflation that affected individuals, companies as well as the global economy will lead to higher costs for claims, etc., especially if higher inflation remains for longer. WRBEAG closely monitors the potential impact of rising inflation on claims, reserves and expenses and performs quantitative analysis in the areas of Reserving, Planning and Capital modeling.

A.2. Underwriting Performance

Gross written premiums as disclosed in QRT [S.05.01.02. R0110 C0010], grew year over year by USD 13.9m from USD 351.6m in 2021 to USD 365.4m in 2022.

In 2022, the Continental European branches wrote USD 115.6m of gross premium, which is USD 5.7m more than in 2021 (USD 109.9m). Overall, the increase in gross written premium is driven by rate increases across all the branches and the strong flow of new business in Spain. The growth was partly offset by the shrinkage in the Nordic Marine book due to underwriting actions being taken and the adverse impact of the weakening of EUR/NOK/SEK against the reporting currency USD.

The Spanish Branch, the largest operation in Continental Europe, wrote 10.0% (USD 5.3m) more gross premium in 2022 (USD 58.8m) than in 2021 (USD 53.4m). Higher than prior year's gross premium was achieved across all lines of business with the exception of Surety (USD -0.6m). Casualty Lines grew by USD 3.1m, with General Liability including Medical Malpractice and Professional Liability growing by USD 1.7m, Financial Lines growing by USD 0.8m and Accident & Health growing by USD 0.2m.

Gross written premiums in the Nordic Branches decreased by 6.0% from USD 34.8m in 2021 to USD 32.7m in 2022. The Swedish Branch contributed with a growth of USD 1.1m in reporting currency. The growth in Financial Lines (USD 1.4m) and Casualty Lines was partly offset by adverse currency movements. The Norwegian Branch wrote USD 3.2m less gross premium in reporting currency mainly because of underwriting actions being taken in the Marine book (USD -1.7m) and adverse currency movements.

The German Branch grew its gross written premium by 11.6% (USD 2.5m) from USD 21.7m in 2021 to USD 24.2m in 2022. Most growth was achieved in Financial Lines (USD 1.1m) and Cyber (USD 1.3m). Gross premium written in Casualty Lines remained stable at USD 14.5m.

Overall, BOUM's gross written premium increased by 3% or by USD 2.4m, from USD 78.7m in 2021 to USD 81.1m in 2022. BOUM's Energy Liability book benefitted from favorable market conditions in both rates and new business and increased by 10%. The Energy Property book decreased by 2% because of the cancellation of policies following the Russian sanctions which was partly offset by new business.

BRUK's overall gross written premium increased by USD 5.7m from USD 163.0m in 2021 to USD 168.7m in 2022. This increase in gross written premium is due to good market conditions in the non-proportional Casualty Lines, notably in Motor, Professional Lines and General Liability as well as in the Property Treaty and Property FAC book where higher retention rates were achieved in 2022. This increase in gross written premium was partly offset by the reduction in the Proportional Casualty and Property book following underwriting actions being taken. Further, USD 5.6m less reinstatement premium in relation to CAT events were collected in 2022 compared to 2021.

It is to be noted that the BOUM and BRUK gross written premium development described above is summarized in the table below under BOUM/BRUK Liechtenstein and BOUM/BRUK UK.

The Company's net loss ratio was 62.0% in 2022 compared to 68.1% in 2021. WRBEAG's loss ratio was adversely impacted by BRUK's natural catastrophe losses in relation to Durban Flooding, Hurricane Ian, Winter storm Eunice in the UK and adverse developments of older UWY losses in General Liability and Professional Lines. The net loss ratio of BOUM has improved from 42.9% in 2021 to 36.6% in 2022 resulting from little loss activities throughout the year and favourable development of older underwriting years. Continental Europe's net loss ratio of 33.1% has improved as well compared to the net loss ratio of 38.7% in 2021 due to a good claims performance throughout the year and the favourable impact of the positive claims run-off of older underwriting years across all the branches.

The Company is ceding 90% of the net retained premium and claims via a fixed quota share reinsurance agreement to BIC. The Company has also entered into a number of proportional third-party reinsurance agreements.

In 2022, the net commission earned was USD 50.2m, which is USD 4.0m more than in 2021 (USD 46.2m). The increase is driven by more ceding commission received for the business ceded to BIC in line with the growth of the business.

Total management expense decreased by USD 1.5m from USD 65.1m in 2021 to USD 63.6m in 2022. The decrease is primarily due to lower management expenses incurred across the continental European branches and BOUM.

The total underwriting result for the year 2022 was a loss USD -3.8m. This is an improvement of USD 7.3m compared to 2021 (USD -11.2m).

The following tables show WRBEAG's underwriting result in 2022 by lines of business and underwriting location, compared to the previous reporting period:

Underwriting Result 2022 versus 2021 by geographical area

Actuals 2022 vs Actuals 2021	**WRBEAG Continental Branches, incl BEU Norway**								**BOUM/BRUK**		**BOUM/BRUK**		**WRBEAG**	
	Germany		Spain		Norway		Sweden		Liechtenstein		UK		Total	
in USD	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021	Actuals 2022	Actuals 2021
Gross Written Premium	24,170,052	21,654,703	58,756,172	53,437,356	33,183,113	40,772,887	16,508,349	15,450,856	36,096,777	47,138,308	196,727,081	173,102,931	365,441,545	351,557,040
RI Written Premium	-5,070,286	-4,163,233	-5,163,339	-6,062,698	-17,838,413	-23,761,277	-1,545,248	-1,156,320	-4,607,737	-9,809,808	-55,208,992	-46,063,440	-89,434,015	-91,016,775
Net Written Premium	**19,099,766**	**17,491,470**	**53,592,833**	**47,374,658**	**15,344,701**	**17,011,610**	**14,963,101**	**14,294,536**	**31,489,040**	**37,328,500**	**141,518,089**	**127,039,492**	**276,007,530**	**260,540,265**
Gross Earned Premium	22,702,954	18,645,841	54,833,263	49,851,893	32,986,914	57,111,260	15,412,590	12,816,600	36,184,491	95,502,746	181,236,095	99,040,211	343,356,306	332,968,551
Ceded Earned Premium	-21,046,978	-17,117,197	-49,845,140	-45,233,189	-31,442,265	-54,659,353	-14,063,736	-11,669,598	-32,898,602	-87,778,396	-168,880,806	-92,172,318	-318,177,528	-308,630,051
Net Earned Premium	**1,655,976**	**1,528,645**	**4,988,123**	**4,618,704**	**1,544,648**	**2,451,907**	**1,348,853**	**1,147,002**	**3,285,889**	**7,724,349**	**12,355,289**	**6,867,893**	**25,178,778**	**24,338,500**
Gross Incurred Losses - incl ULAE	-8,996,074	-6,298,490	-24,357,481	-21,626,068	-7,772,137	-22,606,675	-8,215,817	-6,929,073	-33,301,625	-94,540,271	-104,850,926	-45,668,384	-187,494,059	-197,668,961
Recoveries	9,162,069	6,129,016	21,975,930	19,458,883	7,650,079	21,698,171	7,475,973	6,210,685	30,261,207	85,910,965	95,349,578	41,682,556	171,874,836	181,090,276
Net Incurred Claims	**165,995**	**-169,473**	**-2,381,550**	**-2,167,184**	**-122,057**	**-908,505**	**-739,844**	**-718,388**	**-3,040,419**	**-8,629,307**	**-9,501,348**	**-3,985,828**	**-15,619,223**	**-16,578,685**
Gross Earned Commission	-5,114,946	-5,014,073	-11,475,348	-10,464,518	-2,325,599	-3,747,419	-862,995	-910,455	-4,106,193	-6,754,136	-25,248,926	-22,388,903	-49,134,006	-49,279,505
Ceded Earned Commission	5,538,965	5,419,897	16,885,814	15,476,363	8,822,243	14,483,224	4,526,131	3,725,042	10,819,345	27,413,679	52,754,395	28,967,856	99,346,894	95,486,060
Net Earned Commission	**424,019**	**405,823**	**5,410,466**	**5,011,846**	**6,496,645**	**10,735,804**	**3,663,137**	**2,814,587**	**6,713,152**	**20,659,543**	**27,505,469**	**6,578,953**	**50,212,888**	**46,206,556**
Management Expenses	**-5,973,893**	**-6,169,028**	**-10,584,975**	**-10,612,668**	**-7,691,602**	**-9,139,213**	**-4,283,381**	**-3,993,877**	**-4,624,552**	**-6,859,780**	**-30,461,762**	**-28,349,423**	**-63,620,163**	**-65,123,990**
Underwriting Gain/(Loss)	**-3,727,903**	**-4,404,034**	**-2,567,936**	**-3,149,303**	**227,634**	**3,139,994**	**-11,234**	**-750,677**	**2,334,071**	**12,894,805**	**-102,352**	**-18,888,405**	**-3,847,720**	**-11,157,620**
Net Loss Ratio	-10.0%	11.1%	47.7%	46.9%	7.9%	37.1%	54.8%	62.6%	92.5%	111.7%	76.9%	58.0%	62.0%	68.1%
Net Commission Ratio	-25.6%	-26.5%	-108.5%	-108.5%	-420.6%	-437.9%	-271.6%	-245.4%	-204.3%	-267.5%	-222.6%	-95.8%	-199.4%	-189.8%
NetTechnical Ratio	**-35.6%**	**-15.5%**	**-60.7%**	**-61.6%**	**-412.7%**	**-400.8%**	**-216.7%**	**-182.8%**	**-111.8%**	**-155.7%**	**-145.7%**	**-37.8%**	**-137.4%**	**-121.7%**
Net Expense Ratio	360.7%	403.6%	212.2%	229.8%	498.0%	372.7%	317.6%	348.2%	140.7%	88.8%	246.5%	412.8%	252.7%	267.6%
Net Combined Ratio	**325.1%**	**388.1%**	**151.5%**	**168.2%**	**85.3%**	**-28.1%**	**100.8%**	**165.4%**	**29.0%**	**-66.9%**	**100.8%**	**375.0%**	**115.3%**	**145.8%**
Gross Loss Ratio	39.6%	33.8%	44.4%	43.4%	23.6%	39.6%	53.3%	54.1%	92.0%	99.0%	57.9%	46.1%	54.6%	59.4%
Gross Commission Ratio	22.5%	26.9%	20.9%	21.0%	7.1%	6.6%	5.6%	7.1%	11.3%	7.1%	13.9%	22.6%	14.3%	14.8%
Gross Technical Ratio	**62.2%**	**60.7%**	**65.3%**	**64.4%**	**30.6%**	**46.1%**	**58.9%**	**61.2%**	**103.4%**	**106.1%**	**71.8%**	**68.7%**	**68.9%**	**74.2%**
Gross Expense Ratio	26.3%	33.1%	19.3%	21.3%	23.3%	16.0%	27.8%	31.2%	12.8%	7.2%	16.8%	28.6%	18.5%	19.6%
Gross Combined Ratio	**88.5%**	**93.8%**	**84.7%**	**85.7%**	**53.9%**	**62.1%**	**86.7%**	**92.3%**	**116.2%**	**113.2%**	**88.6%**	**97.3%**	**87.4%**	**93.7%**

Underwriting Result 2022 versus 2021 by material SII Lines of Business

	Marine, aviation and transport insurance		Fire and other damage to property insurance		General liability insurance		Other direct lines		Casualty NP		Property NP		Total	
Actuals 2022 vs Actuals 2021	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21
in USD	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Gross Written Premium	59,926,269	63,897,904	23,464,203	23,733,825	131,069,689	126,553,151	8,005,276	8,532,898	83,776,290	74,084,669	59,199,818	54,754,593	365,441,545	351,557,040
RI Written Premium	- 41,687,617	- 45,691,654	- 2,218,818	- 2,178,937	- 24,489,182	- 22,465,454	- 2,225,664	- 2,406,625	- 4,494,075	- 4,824,605	- 14,318,658	- 13,449,500	- 89,434,015	- 91,016,775
Net Written Premium	**18,238,651**	**18,206,250**	**21,245,384**	**21,554,888**	**106,580,507**	**104,087,697**	**5,779,613**	**6,126,272**	**79,282,214**	**69,260,064**	**44,881,160**	**41,305,093**	**276,007,530**	**260,540,265**
Gross Earned Premium	57,223,460	59,490,030	23,212,526	24,123,466	122,570,932	117,004,467	7,762,458	7,874,750	76,522,717	70,153,137	56,064,212	54,322,700	343,356,306	332,968,551
Ceded Earned Premium	- 55,478,012	- 57,762,985	- 21,285,822	- 22,090,088	- 112,999,260	- 107,871,643	- 7,073,591	- 7,128,489	- 71,353,638	- 63,556,564	- 49,987,204	- 50,220,283	- 318,177,528	- 308,630,051
Net Earned Premium	**1,745,448**	**1,727,045**	**1,926,704**	**2,033,379**	**9,571,672**	**9,132,824**	**688,867**	**746,261**	**5,169,079**	**6,596,573**	**6,077,008**	**4,102,418**	**25,178,778**	**24,338,500**
Gross Incurred Losses - incl ULAE	- 18,549,177	- 23,631,697	- 29,774,507	- 18,832,921	- 48,181,447	- 44,833,530	- 2,514,226	- 8,345,105	- 53,978,729	- 53,590,902	- 34,495,973	- 48,434,807	- 187,494,059	- 197,668,961
Recoveries	18,039,450	23,018,220	26,432,559	17,680,458	44,963,184	39,872,901	2,286,962	7,764,740	48,351,009	48,793,789	31,801,673	43,960,169	171,874,836	181,090,276
Net Incurred Claims	**- 509,727**	**- 613,477**	**- 3,341,949**	**- 1,152,463**	**- 3,218,263**	**- 4,960,628**	**- 227,265**	**- 580,366**	**- 5,627,719**	**- 4,797,113**	**- 2,694,300**	**- 4,474,638**	**- 15,619,223**	**- 16,578,685**
Gross Earned Commission	- 6,078,005	- 8,033,318	- 6,160,198	- 6,943,737	- 20,389,363	- 19,810,225	- 1,463,941	- 1,436,739	- 8,035,893	- 7,279,333	- 7,006,606	- 5,776,154	- 49,134,006	- 49,279,505
Ceded Earned Commission	16,767,501	17,715,360	6,902,085	7,104,460	33,831,162	32,745,156	2,343,127	2,359,083	24,913,282	22,104,188	14,589,736	13,457,812	99,346,894	95,486,060
Net Earned Commission	**10,689,497**	**9,682,043**	**741,888**	**160,723**	**13,441,799**	**12,934,932**	**879,186**	**922,344**	**16,877,389**	**14,824,855**	**7,583,129**	**7,681,659**	**50,212,888**	**46,206,556**
Management Expenses	**- 11,542,536**	**- 12,126,458**	**- 3,828,550**	**- 4,490,157**	**- 25,609,320**	**- 26,449,104**	**- 1,825,329**	**- 4,139,831**	**- 13,651,894**	**- 11,562,035**	**- 7,162,535**	**- 6,356,406**	**- 63,620,163**	**- 65,123,990**
Underwriting Gain/(Loss)	**382,683**	**- 1,330,847**	**- 4,501,907**	**- 3,448,519**	**- 5,814,112**	**- 9,341,977**	**- 484,541**	**- 3,051,591**	**2,766,854**	**5,062,281**	**3,803,303**	**953,033**	**- 3,847,720**	**- 11,157,620**
Net Loss Ratio	29.2%	35.5%	173.5%	56.7%	33.6%	54.3%	33.0%	77.8%	108.9%	72.7%	44.3%	109.1%	62.0%	68.1%
Net Commission Ratio	-612.4%	-560.6%	-38.5%	-7.9%	-140.4%	-141.6%	-127.6%	-123.6%	-326.5%	-224.7%	-124.8%	-187.2%	-199.4%	-189.8%
NetTechnical Ratio	**-583.2%**	**-525.1%**	**134.9%**	**48.8%**	**-106.8%**	**-87.3%**	**-94.6%**	**-45.8%**	**-217.6%**	**-152.0%**	**-80.4%**	**-78.2%**	**-137.4%**	**-121.7%**
Net Expense Ratio	661.3%	702.2%	198.7%	220.8%	267.6%	289.6%	265.0%	554.7%	264.1%	175.3%	117.9%	154.9%	252.7%	267.6%
Net Combined Ratio	**78.1%**	**177.1%**	**333.7%**	**269.6%**	**160.7%**	**202.3%**	**170.3%**	**508.9%**	**46.5%**	**23.3%**	**37.4%**	**76.8%**	**115.3%**	**145.8%**
Gross Loss Ratio	32.4%	39.7%	128.3%	78.1%	39.3%	38.3%	32.4%	106.0%	70.5%	76.4%	61.5%	89.2%	54.6%	59.4%
Gross Commission Ratio	10.6%	13.5%	26.5%	28.8%	16.6%	16.9%	18.9%	18.2%	10.5%	10.4%	12.5%	10.6%	14.3%	14.8%
Gross Technical Ratio	**43.0%**	**53.2%**	**154.8%**	**106.9%**	**55.9%**	**55.2%**	**51.2%**	**124.2%**	**81.0%**	**86.8%**	**74.0%**	**99.8%**	**68.9%**	**74.2%**
Gross Expense Ratio	20.2%	20.4%	16.5%	18.6%	20.9%	22.6%	23.5%	52.6%	17.8%	16.5%	12.8%	11.7%	18.5%	19.6%
Gross Combined Ratio	**63.2%**	**73.6%**	**171.3%**	**125.5%**	**76.8%**	**77.9%**	**74.8%**	**176.8%**	**98.9%**	**103.2%**	**86.8%**	**111.5%**	**87.4%**	**93.7%**

A.3. Investment Performance

After two years of the pandemic, 2022 continued to be a difficult investment year with a lot of challenges und uncertainties in the financial markets, driven by the war in the Ukraine, supply chain issues, rising inflation rates and rising interest rates. Despite all these difficulties, WRBEAG's portfolio of fixed-maturity securities performed relatively well. The high yields on the Bond markets contributed positively to the performance of WRBEAG's portfolio. In 2022, WRBEAG earned USD 10.6m of investment income (2021: USD 8.5m), which was offset by the change in market value, resulting in an unrealized loss of USD -22.6m. After investment management expenses of USD 0.6m, WRBEAG reports a net investment loss of USD -12.7m.

WRBEAG continues its conservative investment strategy combining low durations, strong credit quality and high liquidity positions.

in USD 000's

Investment Income	**2022**	**2021**
Income from investments	8,582	7,959
Income from accretion and reversal of impai	1,943	452
Realised gains on investments	75	42
Total Investement Income	**10,599**	**8,453**
Investment expense		
Investment management and interest exp	(596)	(497)
Depreciation and impairments of investm	(22,634)	(2,562)
Realised losses on investments	(36)	-
Total Investment Expense	**(23,266)**	**(3,059)**
Net Investment Income	**(12,667)**	**5,395**

Investment income by the relevant asset classes was the following:

in USD 000's

Investment Performance by Asset Class	**2022**	**2021**
Government Bonds	(5,422)	1,565
Corporate Bonds	(6,047)	1,900
Loan	(601)	2,426
Investment management fees	(596)	(497)
	(12,667)	**5,395**

A.4. Performance of other activities

A.4.1. Other material income and expenses

No other information.

A.4.2. Any other information

No other information.

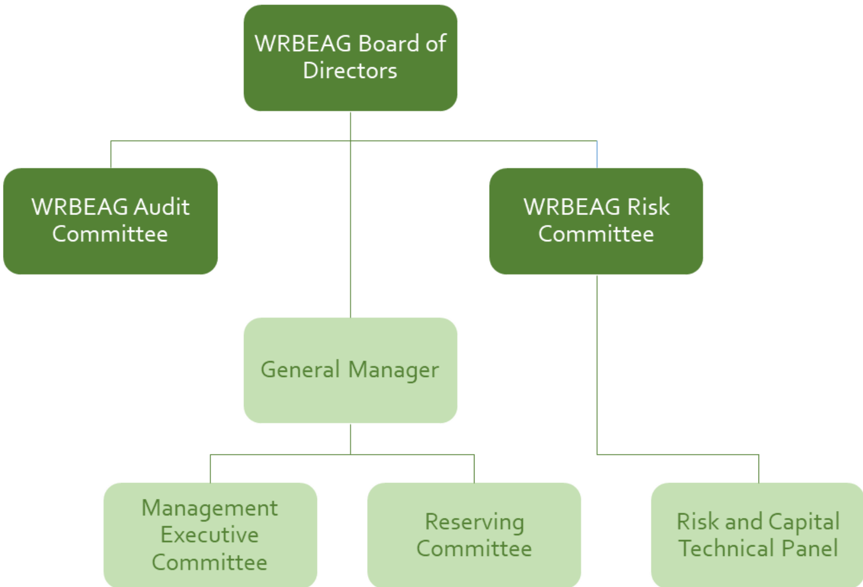
B. System of Governance

B.1. General information on the system of governance

B.1.1. Role and responsibilities of the administrative, management or supervisory body and key functions

The purpose of the Company is to underwrite insurance and reinsurance business with a focus on property and casualty including specialty lines in the commercial sector. The Company has a strong entrepreneurial spirit with an emphasis on providing innovative solutions to its customer base. The Board has the responsibility of preserving these special attributes, while at the same time ensuring that the principles of good governance are observed.

Overview of the Board and its sub-committees



The Board

The directors of WRBEAG will, collectively and individually, properly consider and take responsibility for the Company's business plans, strategy, resourcing requirements (human, financial and technical) and the monitoring thereof, to the best of their ability and in the best interests of WRBEAG.

The Board is ultimately responsible for the performance and the strategy of the Company. By selectively delegating authority and certain functions to various committees, the Board does not absolve themselves of their own responsibility for the Company. Matters such as long-term strategic objectives, business strategy & planning, setting risk appetite, capital management, investment strategy, and reinsurance strategy are reserved for the Board. Other matters such as monitoring underwriting and claims performance are delegated.

WRBEAG's Corporate Governance Policy establishes clear accountability and decision making throughout the Company that is easy to communicate and to demonstrate to employees and other stakeholders. The policy operates alongside a framework of robust internal systems and controls, effective accountability and within an overall corporate culture of good business ethics.

At the end of each year, or earlier, the Board agrees upon its meeting schedule for the following year. The Board meets formally at least once a quarter. Other meetings are called as needed.

WRBEAG has established Board Committees to carry out oversight of the day to day running of the business. The terms of reference of each Board Committee are approved by the Board. The responsibilities of the Board Committees are outlined below:

Audit Committee

The Audit Committee is a body, independent of all other committees, to oversee the relationship with internal and external audit on behalf of the Board and to provide oversight of the adequacy and effectiveness of internal systems and controls.

Board Risk Committee

The Board Risk Committee provides oversight, management and control of the Enterprise Risk Management Framework, including the Standard Formula, on behalf of the Board. These activities include the Own Risk and Solvency Assessment ("ORSA"). The ORSA process and ORSA reporting will allow the Board Risk Committee to assess the governance, use and validation of the Solvency Standard Formula and capital requirements (both regulatory capital and own capital) and effectiveness of the overall Risk Management Framework, risk appetite, risk register and control environment.

Management Executive Committee

The Management Executive Committee ("MEC") acts as a decision-making forum for executive management responsibilities delegated by the Board. The Board delegates certain underwriting, finance, risk management, reinsurance, business development and operational decisions to the MEC, which also acts as a forum for discussion of matters on which Board approval is required. It regularly oversees performance against plans and ensures robust management over all areas of operation on behalf of the Board.

Reserving Committee

The Reserving Committee is responsible for the oversight of WRBEAG's reserves and Technical Provision's processes and for ensuring that appropriate methodologies, models and assumptions are in place. The Reserving Committee has responsibility for providing oversight of reserving risk as part of the Risk Management Framework, and the reporting thereon to the Board.

Risk and Capital Technical Panel

The Panel provides oversight, management and control of the Risk Management Framework, including ORSA; specific aspects of the SCR calculations; the Solvency II Reporting; and the Standard Formula Appropriateness review on behalf of the Board Risk Committee and of the Board.

General information on the key functions

The following section provides a summary of the authority, resources and operational independence of the key functions.

- **Risk function** - The risk function reports to the General Manager and is composed of the Head of Risk and Compliance and Branch Risk Champions. The Risk Management Function is responsible for providing suitable challenge around the assumptions and assessments made by the business when reviewing their exposure to risks;
- **Internal audit function** – The function is headed by an Internal Audit Officer of the Group who is supported by a consultancy firm that has access to a wide range of skills. The internal audit function maintains independence as the officer that conducts the audit work is from WRBC, which gives them a strong level of independence;
- **Compliance function** – The compliance function reports to the General Manager and is composed of the Head of Risk and Compliance and Branch Compliance Champions who together form a team with skills that include regulatory environment, financial crime, data protection, monitoring, compliance etc.; and
- **Actuarial function** – The actuarial function is headed by the Responsible Actuary, information on the authority, resources and independence of the actuarial function is provided in section B.6.

The system of governance is considered appropriate for the Company, considering the nature, scale and complexity of the risks inherent in the business.

B.1.2. Material changes in the system of governance that have taken place over the reporting period

No changes in the Board or Management took place in the reporting period.

B.1.3. Remuneration policy for administrative, management or supervisory body and employees

Principles of the remuneration policy

The Company's remuneration policy is intended to:

- Attract, retain and motivate diverse and highly skilled employees;
- Encourage and reward employees to achieve or exceed business objectives;
- Align the economic interests of employees with those of shareholders; and
- Provide an environment that encourages performance.

WRBEAG's philosophy is to balance a flexible approach that recognizes differences in individual performance, value and contribution to the Company. A robust performance management practice with individual performance appraisals identifies talent at all levels in the business and enables fair and competitive pay. The Company's remuneration policies and practices are free from discrimination based on race, gender, age, sexual orientation, religion or belief, marital status, disability and ethnic or social origin.

The Company's remuneration consists of the following components:

- Fixed remuneration, composed of base salary and benefits whereby the salary levels are based on function, experience and market pay levels; and
- Variable remuneration, with short- and long-term incentives awarded on a discretionary basis in relation to Company and individual performance.

Fixed remuneration

This is the core element of remuneration that gives the Company's staff security of regular income in order to manage and plan their financial affairs. Benefits are designed to provide non-monetary items in a cost-effective way.

It is the Company's policy to pay a market rate comparable to similar roles in the insurance industry of the jurisdictions in which the Company operates.

Variable remuneration – short-term incentive

The short-term incentive is in the form of an annual discretionary bonus payment. This bonus is designed to reward and incentivize those individuals who have achieved individual and collective business targets over the last business year. It is designed to encourage a performance culture aligned to our values. This bonus creates a clear link between performance and reward where good results are recognized and retention of high achievers enabled.

The criteria used to determine the level of bonus is determined using key performance indicators (both financial and non-financial). There are no formula-based bonuses driven by sales volumes.

The bonuses are based on the performance measured against the business targets agreed with the Board, rather than being focused primarily on sales volumes. Consequently, bonuses are intended to influence management to make decisions in the best long-term interests of WRBEAG.

Variable remuneration – long-term incentives

The purpose of long-term incentives is to incentivize members of the MEC and other key individuals to deliver improvements in performance, by aligning their interests with the longer-term strategic goals of the Company.

Long term incentives are awarded in the form of WRBC restricted stock units, which vest at 1/3 intervals in years 3, 4 and 5 after issuance of the restricted stock unit awards.

The annual bonus potential for senior staff is within a limited range of basic salary. This measure is in place to promote sound and effective risk management and not to promote excessive risk taking.

Non-Executive Directors of the Board (not Group employees) receive annual payments in consideration of their board duties. Executive Directors (Group employees) receive no specific remuneration for their Board activities.

Supplementary pension or early retirement schemes for members of the administrative, management or supervisory body and other key function holders

Subject to being in accordance with the respective legal requirements of the jurisdictions in which the Company's staff are employed, the Company makes contributions into defined contribution pension schemes. Once the contributions have been paid, the Company has no further payment obligations in respect of pensions or retirement schemes.

The Company has no defined benefit pension liabilities.

B.1.4. Material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

Pursuant to a 90-10 quota share reinsurance agreement, the Company pays a proportion of reinsurance premiums to BIC, in return for which BIC pays to the Company a ceding commission and a proportion of the Company's losses.

The Company pays fees for outsourced functions noted in section B.7.

Other than these items, there were no material transactions during the reporting period with shareholders, with persons who exercise a significant influence on the Company, and with members of the administrative, management or supervisory body.

B.2. Fit and proper requirements

B.2.1. Requirements for skills, knowledge and expertise

The Company ensures that all persons who effectively run the Company or have other key functions ("Key Function Holders") are fit to provide sound and prudent management through their professional qualifications and experience, and are proper by being of good repute and integrity. The Company's Key Function Holders collectively possess professional qualifications, experience and knowledge in:

- Insurance and financial markets;
- Project management;
- Business strategy and business model;
- System of governance;
- Financial and actuarial analysis;
- Risk management; and
- Regulatory framework and requirements.

B.2.2. Fitness and propriety of persons

The Company will consider each person's suitability to be a Key Function Holder under the following criteria:

- Assessment of professional qualifications;
- Knowledge and relevant experience;
- Diversity of qualifications;
- Knowledge and experience;
- Honesty and financial soundness;
- Personal behavior; and
- Business conduct, including any relevant criminal financial or prior supervisory aspects.

All new Key Function Holders are required to attest that they have read and understood the contents of the Company's Fit & Proper Policy and agree to be bound by its conditions.

The Company also performs an annual reassessment of all Key Function Holders whereby each Key Function Holder will be required to complete and sign an Annual Declaration of Compliance with Fit & Proper requirements.

B.3. Risk management system including the Own Risk and Solvency Assessment

B.3.1. Risk management system

The Company uses the Standard Formula without Undertaking-Specific Parameters to assess the solvency capital requirements.

The Company is aligned with the Group's risk management system. The Group's risk management system is articulated in a number of policies and frameworks, including the Risk Management Framework, a consolidation of numerous activities, which work together to identify, assess, control and manage certain exposures that have the potential (either individually or combined) to threaten the Company's ability to achieve its operational, tactical or strategic objectives. Management of risk is a continuous and developing process, which runs throughout WRBEAG's strategy and the implementation of that strategy. The effective management of risk is a central principle of WRBEAG's and WRBC's culture and philosophy.

The Company has developed a comprehensive set of risk policies, frameworks and guidelines to ensure that adequate processes and procedures are in place to manage all types of risk. These documents are aligned with the current regulatory requirements under the Solvency II regime.

The Company operates a "three lines of defense" model with regards to the governance of risk management activity:

- **1st line of defense** – The business and its management form the first line of defense and are responsible for day-to-day risk management and control;
- **2nd line of defense** – Consist of Risk Management and Compliance functions. They are responsible for challenging the first line of defense. Both functions have a framework and tools in place to help the first line identify, understand, evaluate/develop control and report on risk. Other Functions such as Legal, Finance, Actuarial may also assist in these activities, although not formally regarded as part of the second line of defense; and
- **3rd line of defense** – WRBC corporate management, internal and external audit form the third line of defense and provide independent assurance of risk management across the Company.

B.3.2. Implementation of risk management system

The Board has overall responsibility for risk management and its oversight. The Board has an active role and has established a Board Risk Committee to add an additional layer of control and oversight. The Board receives risk updates from the Board Risk Committee supported by the work of the Risk and Compliance Manager and Risk and Capital Technical Panel.

In keeping with the three lines of defense model, members of staff in the business as well as risk and control functions manage risks as a core or central part of their roles with risk matters reported and escalated through the Board Risk Committee and members of senior management.

Risks are owned by individuals, with the ultimate risk owner being a member of the MEC. Each Risk Owner is supported in this duty by the Head of Risk and Compliance who serves to embed a risk management culture through expert challenge. The Head of Risk and Compliance ensures that appropriate management information and reporting on risks and the associated controls are provided to the Board Risk Committee on a regular basis and that the content is sufficiently and objectively challenged in terms of adherence to Risk Appetite, Risk Policy and other standards.

B.3.3. The Own Risk and Solvency Assessment

The ORSA forms a central element of the system of governance. The key objective of the ORSA is to ensure that undertakings fulfill the SCR. To meet this regulatory requirement and strategic objectives, undertakings are obliged to:

- Perform a forward-looking assessment of all risks related to its business activities; and
- Determine the future level of economic capital required, considering the forthcoming development of its technical provisions.

The ORSA is defined as the entirety of the processes undertaken to identify, assess, monitor, manage, and report the short to long term risks that WRBEAG faces or may face and to determine the own funds/capital necessary to ensure that WRBEAG's overall solvency needs are met at all times. The ORSA is part of WRBEAG's Risk Management Policies and a key component of the wider Risk Management Framework.

In accordance with regulatory/supervisory minimum requirements, WRBEAG is to perform a "Regular" ORSA and its United Kingdom Branch a "Regular" ORSA for the UK Branch on an annual basis. In certain circumstances and in accordance with certain key drivers and triggers as specified in WRBEAG's ORSA Policy an "Abridged" or "Non-Regular" ORSA may need to be performed, following a material event or change in WRBEAG's risk profile.

B.4. Internal control system

B.4.1. Internal control system

The Company maintains a Risk Register, which identifies each major risk, and identifies controls and mitigations specific to each risk. These controls are assessed regularly by the risk owners in conjunction with the risk management function.

With the "Archer" based SOX Testing System, the Company maintains an internal control system that governs financial and reporting procedures. The SOX Internal Control System defines the framework and processes to be affected by the Company's organization structure, authority delegation and workflow, personnel and management information systems, which are collectively designed to help the Company achieve its goals and objectives. Specifically, the framework sets out the Company's internal control objectives regarding:

- Available and reliable financial and non-financial reporting; and
- Compliance with relevant legislation and regulation.

B.4.2. Implementation of the compliance function

The Compliance Function is composed of the Head of Risk and Compliance and counterparts in each branch.

The Compliance Function is responsible for reporting to senior management any breaches, or non-compliance with its policy or any other relevant policy, rules and regulations. This means that the Compliance Function shall be able to carry out its functions on its own initiative without obstruction from management and other staff members.

The main Compliance activities are described in the following table:

Compliance Activities	Compliance Activities Description
Training	Ensure all staff receives training on an on-going basis with respect to regularly, legal and other business-related issues
Advice and Guidance	Provide guidance and support in respect of regulatory requirements. Ensure new regulatory rules are communicated timely
Compliance Monitoring	Assess the appropriateness and efficiency of controls. Evaluate and monitor progress made with implementation plans
Regulatory Interaction	Maintain a good regulatory relationship with the FMA and other government agencies. Submit information to the regulator in a timely manner to allow appropriate supervision
Reporting	Report regularly to the Board and Board Committees

B.5. Internal audit function

B.5.1. Implementation of the internal audit function

The internal audit function, headed by the Internal Audit Officer, is part of the 3rd line of defense in the Company. Internal audit in the Company is implemented through the following process:

- An audit plan is created on an annual basis and ensures sufficient evidence will be obtained to evaluate the effectiveness of the risk management and control processes, including a review of the major risk management processes and a selection of the key risks identified from the latter. The audit plan is flexible so that adjustments can be made during the year as a result of changes in management strategies, external conditions, major risk areas, or revised expectations in respect of achieving the Company's objectives. Any proposed changes or updates in the plan are reported to the Audit Committee for their review and agreement before such changes are incorporated into on-going work. The Audit Committee reviews and approves the plan at least annually; and
- Based on the annual plan, the internal audit activity evaluates the adequacy and effectiveness of controls encompassing the business' governance, operations, and information systems. This includes:
    - Reliability and integrity of financial and operational information;
    - Effectiveness and efficiency of operations;
    - Safeguarding of assets; and
    - Compliance with laws, regulations, and contracts.

In determining the proposed audit plan, the Internal Audit Officer considers relevant work that will be performed by other areas, e.g. Compliance and External Audit. To minimize duplication of effort and inefficiencies, the work planned, or recently completed, by management in its assessments of the risk management process, controls, and quality improvement processes as well as the work planned by the external auditors are considered in determining the expected coverage of the audit plan for the coming year.

B.5.2. Independence of the internal audit function

The internal audit function at the Company is managed by the Internal Audit Officer who is an employee of the Group, has no responsibility for any other function across the Company and reports to the chair of the Audit Committee and to the Group's Head of Internal Audit. This reporting structure delivers independence for the internal audit function.

B.6. Actuarial function

The Company provides for an Actuarial Function as required. The Actuarial Function is independent of the operational management of the business. The WRBEAG Responsible Actuary is a member of the MEC and has unrestricted access to the Chairman of the Board and the Board Risk Committee. The Actuarial team is split into three segments, Pricing, Reserving, and Capital. All heads of segments are actuaries with equivalent qualifications. In their work they are supported by technical professionals.

The Reserving Committee is responsible for the oversight of WRBEAG's reserves and Technical Provision's processes and for ensuring that appropriate methodologies, models and assumptions are in place. The Reserving Committee has responsibility for providing oversight of reserving risk as part of the Risk Management Framework, and the reporting thereon to the Board and Board Risk Committee.

The Actuarial Function produces written reports to the Board and Board Risk Committee setting out the tasks that have been undertaken by the Actuarial Function and their results, and clearly identifies any deficiencies and gives recommendations on how such deficiencies should be remedied. The Actuarial Function is tracking the adequacy of all material recent decisions on pricing and underwriting and thus providing valuable feedback on underwriting performance.

B.7. Outsourcing

Outsourcing arrangements with external professional service providers are based on specific service level agreements concluded between the Company and each outsource service provider. The internal outsourcing arrangements with other WRBC Group companies / functions are subject to mutually accepted service agreements. The oversight of these processes / activities and authorization / decision-making is executed by the appropriate executive manager or board committee based in Liechtenstein in accordance with the Company's Outsourcing Policy.

The Outsourcing Policy establishes the due diligence, approval and on-going monitoring requirements which arise when the Company outsources, or proposes to outsource, on an on-going basis, a material business activity to another party (including a related Group company).

The Outsourcing Policy contains procedures to be followed in relation to:

- Outsourcing proposals;

- Selection of outsourcing providers;
- Contents of the Outsourcing Contract;
- Monitoring and relationship management;
- Contingency arrangements;
- Recording;
- Reporting requirements;
- Regulatory specific considerations; and
- Risk categories.

An overview of the key roles and functions of WRBEAG, including outsourced functions are presented in the table below.

Key Functions \ Business Units	Liechtenstein	Germany	Spain	Nordic	United Kingdom	UK & Ireland Run-off	BOUM, BRUK, BEU	Outsourced
Board of Directors	X						N / A	
General Manager	X						N / A	
Underwriting	X	X	X	X	X	N / A	X	
Claims	X	X	X	X	X	X	X	X
Reinsurance ceded	X	X	X	X	X	N / A	X	X
Reserving	X						X	X
Responsible Actuary	X						N / A	
Finance	X	X	X	X	X	X	X	X
Risk Management	X	X	X	X	X	X	X	
Exposure Management								X
Operations & IT	X	X	X	X	X	X	X	X
Compliance	X	X	X	X	X	X	X	X
HR & Payroll		X	X	X	X	X	N / A	X
Internal Audit								X
Cash & Treasury	X	X	X	X	X	X	N / A	X
Investment Management							N / A	X

B.8. Adequacy of the System of Governance

The Company's system of governance was set up in 2015 and approved by the FMA as part of the licensing process. Board and senior management ensure the adequacy of the system of governance through periodic reviews. An internal audit review performed in the fourth quarter of 2018 confirmed the adequacy of the system of governance. Board and senior management are prepared to make amendments to the system should this be perceived as becoming necessary.

B.9. System of governance – Any other information

No further information.

C. Risk Profile

The Company actively seeks to underwrite insurance risk, which it manages appropriately to produce a return to shareholders on capital employed. The Company does not actively seek risk with regard to the non-insurance risks (such as credit, market, currency, liquidity, operational and group risks) and therefore manages and controls these risks to within an acceptable tolerance.

Specific Risk Management objectives are:

- Embed a culture of risk awareness within the Company;
- Ensure that all directors, management and staff are accountable for managing risk in line with their roles and responsibilities;
- Ensure that all material risks are identified, prioritized, measured, monitored, and treated in a consistent and effective manner;
- Deploy appropriate and reliable risk management tools to support risk management, particularly risk and control assessments, management reporting and capital assessment;
- Maintain compliance with all relevant legislation, regulatory requirements, guidance and codes of practice; and
- Support that senior management and the Board receive timely, reliable reporting regarding the Company's management of the significant risks to its business.

The key risk factors affecting the Company's operating results and financial conditions are set out below. The financial risk factors affecting the Company include the effects of market risk, credit risk and liquidity risk on the Company's invested assets. The Company has a low risk appetite for these risks and manages them accordingly.

Details of risks relevant to the Company are maintained on a Risk Register. This is used as a basis for review and challenge by senior management, the MEC and the Reserve Committee, the Board Risk Committee, the Audit Committee and the Board. Management attention is focused on mitigating actions identified as not working as effectively as desired and on treatment plans established and implemented.

C.1. Insurance or Underwriting Risk

Insurance risk is defined as the risk of any deviation from anticipated risk adjusted returns arising from underwriting, claims, reserving or reinsurance activities. Insurance risk includes the risk that policies underwritten by WRBEAG are systemically written for too little premium (premium risk) or provide inappropriate cover; that the frequency or severity of insured events will be higher than modeled and anticipated (catastrophe and claims risk); that estimates of claims subsequently prove to be insufficient (reserving risk); and / or that reinsurance purchased to provide protection against unexpected and severe losses fails to operate in the manner assumed.

Insurance risk encompasses underwriting risks and reserve risks.

The Board manages insurance risk by agreeing its risk appetite annually through the business planning exercise, which involves setting out target volumes of premium income, pricing, line sizes, aggregate exposures and retentions by class of business. The Board is provided with data from WRBEAG's Standard Formula to understand the effect of each material insurance risk factor. Performance against business plan is measured and monitored monthly through the year using established metrics and management information. Reserve adequacy is monitored through quarterly review by the Reserving Committee. There is detailed reporting on exposure values and potential accumulations and concentrations provided to WRBEAG's executive management, the Board and its Committees.

As a specialty non-life insurer and reinsurer, and given WRBEAG's developing risk profile as set out above, potential issues and sources of material insurance risk uncertainty include, but are not limited to:

- Inappropriate underwriting, such as systematic inadequate price assessment arising;
- An unexpected frequency or severity of catastrophic losses;
- Writing aggregations of exposure in excess of the Company's appetite, and in excess of its available "per risk" and / or catastrophe reinsurance protections;
- Mismatch between the coverages offered in the Company's insurance products and those protected by the reinsurance coverage it purchases;
- Changes in market environment leading to increased competition; this could cause a market price reduction and / or a broadening of coverage for no additional premium. The consequence for WRBEAG could be an increase in loss ratio and a decrease in premium volumes, and an increase in expense ratio, as less business would meet its underwriting profitability criteria; and
- Manifestation of a systemic casualty risk, such as a severe financial crisis, which reduces the pools of potential insureds while also potentially increasing claim frequency and / or severity.

Underwriting risks are measured and monitored by a combination of:

- Experience analysis, based on historical claims;
- Exposure analysis, based on current and anticipated future limits exposed to particular insured perils; and
- Aggregate exposure analysis, investigating the potential for loss occurrences that impact multiple policies simultaneously.

Underwriting risks are mitigated by a combination of product design, price monitoring, exposure management and reinsurance. WRBEAG has benefit of reinsurance for individual risk losses and catastrophic losses; additionally, it has a 90-10 quota share reinsurance assessment with BIC which protects all its business lines.

Reserve risks include, but are not limited to:

- Uncertainty in expected claims paid development patterns;
- Material changes in insurance (underwriting and reserving) and economic cycles or emerging risk types;
- Changes in industry practices, and economic, legal, judicial, social and other environmental conditions leading to unexpected, unintended and unforeseen issues related to claims and coverage such as:
    - The emergence of a new loss type, judicial expansion of policy coverage, unanticipated changes in discount rates used by courts to calculate the present value of liabilities (e.g. the UK bodily injury discount rate or the Baremo tables used for Medical Malpractice claims in Spain) or the impact of new theories of liability that may extend coverage beyond WRBEAG's underwriting intent or increase the number or size of claim;
    - Medical developments that link health issues to particular causes, resulting in unanticipated liability claims; and
    - Claims relating to unanticipated consequences of current or new technologies, including cyber security related risks; and/or claims relating to potentially changing climate conditions.

Reserve risks are measured and monitored through a variety of approaches:

- Through an escalation process for large or unusual claims;
- Claims risk management in conjunction with WRBC claims specialists and in cooperation with third party claims services providers;
- Internal audit reviews of individual claims; and
- The reserving process, which involves actuarial and claims staff with detailed knowledge of the WRBEAG business and is also reviewed by the WRBC corporate actuarial team.

C.2. Intangible Risk

Intangible Risk is the risk that the value of intangible assets may come to differ from their expected values. Financial management in the Company arranges regularly (at least once per year) that the valuation of intangible assets is thoroughly assessed and vetted by an independent third-party expert. Currently, the Company does not have any intangible assets on its balance sheet.

C.3. Market Risk

Market risk is the risk that future changes in market prices may make invested assets less valuable. As most of the Company's invested assets are held in fixed interest securities and short-term cash deposits, the primary market risk that the Company faces is interest rate risk. If interest rates increase the market value of fixed interest securities will decrease, and vice versa. The Company's profitability is also affected by its investment income. The net return on fixed interest securities is affected chiefly by changes in general interest rates, the credit quality and duration of the securities held and changes in exchange rates in respect of the currencies held by the Company. The Company maintains a comprehensive investment management mandate with its investment manager which, in addition to setting clear parameters for allowed asset-types and credit quality, also closely monitors asset / liability duration matching and foreign currency net exposures. In accordance with the "prudent person" principle in particular, WRBEAG only invests in assets whose risks can be properly identified, measured, monitored, managed, controlled and reported upon and whereby these can be appropriately considered in the assessment of overall solvency needs as part of the ORSA process.

Market risks are assessed through risk and control assessments, risk reviews of the investment strategy as well as in the calculation of the Solvency Capital Requirement and mitigated by selecting investments that meet the Company's security and quality standards and are profitable and admissible from a regulatory capital perspective.

Currency Risk

The Company has branches in Germany, Norway, Spain, Sweden and the UK, writes worldwide business denominated in a number of different currencies and is using USD as the booking and reporting currency. As a result, it is exposed to currency risk in respect of liabilities under insurance policies denominated in currencies other than USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities in the various branch trading currencies. The Company manages this risk by avoiding excessive disparity between the currency profile of the Company's liabilities and its assets.

C.4. Counterparty Credit Risk

Counterparty credit risk is the risk that a counterparty or an issuer of securities, which the Company holds in its asset portfolio, defaults; or that another party fails to perform according to the terms of the contract. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, financial investments, as well as credit exposures to counterparties such as reinsurers, brokers and other outstanding receivables.

The Company seeks to alleviate a proportion of its gross claim's liabilities through the purchase of suitable reinsurance protection. The ultimate recoverability of the Company's claims under that reinsurance protection is subject to credit risks arising from both the ability and willingness of the reinsurer to pay claims submitted by the Company. The Company mitigates its risk of non-recovery from reinsurers through the operation of a stringent reinsurance security vetting process and close monitoring of underwriting criteria to ensure that risks written fall within reinsurers' risk acceptance criteria. This process is also extended to the continuous review of the financials and creditworthiness of brokers with which the Company trades.

The Company has an investment strategy and policy designed to assist in managing the Company's exposure to liquidity risks, concentration risk, asset-liability mismatches and credit risk in relation to its financial investments. The Company's investment manager acts with parameters and guidelines set out in that policy. Additionally, on a quarterly basis senior management and members of the Board review the investment summary to ensure the fixed interest securities held are in the line with the Company's objectives and risk appetite.

Counterparty credit risks are assessed through risk and control assessments as well as in the calculation of the Solvency Capital Requirement and mitigated by allowing only investments that correspond to investment grade or higher as defined by leading credit ratings agencies, by strict credit control checking and reporting and by using only reinsurance counterparties on our security list.

C.5. Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its payment obligations in a timely manner at a reasonable cost. Liquidity management in the Company seeks to ensure that, even under adverse conditions, the Company has access to the funds necessary to cover its claims and obligations. Senior management, through maintaining sufficient cash marketable investment portfolio, ensure funds are available to meet such needs.

C.6. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks include, but are not limited to, information technology, information security, human resources, project management, tax, legal, fraud and compliance. External factors, including any business processes outsourced either internally to other operating units within the WRBC Group or to external third-party providers, also directly influence WRBEAG's operational risk profile. Senior management, with oversight from the Board, has primary responsibility for the management of operational risks through developing policies, procedures and controls and across the different products, activities, processes and systems under their control and for the allocation of responsibilities. WRBEAG maintains documented processes and controls within business functions, which ensure risks are appropriately managed; for instance, WRBEAG has established and tested disaster recovery procedures and a Business Continuity Plan for its operations.

WRBEAG is also exposed to Group Risk that is derived from being part of the wider WRBC Group. WRBC provides asset management, systems support and maintenance and capital support amongst other items. WRBEAG derives significant benefits from being part of the Group. Group risk is managed at the executive level through building strong relationships, reputation and mutually aligned strategic, social, ethical and regulatory objectives.

Operational risk for the Company is subject to the following sensitivities:

- Legal judgments and political decisions;
- Environmental factors;
- The inability to attract and retain key personnel and qualified employees;
- Project activities;
- Difficulties with information technology, telecommunications or other computer systems; and
- Failure to maintain the security of networks and confidential data could expose WRBEAG to liability.

These risks are mitigated via a combination of:

- Understanding the Company's environment and business processes;
- Business continuity planning, which has been documented and tested to ensure it is robust;
- Disaster recovery procedures to mitigate business interruptions from information technology issues; and
- Mandatory training for all staff in areas such as IT and data security, and regulatory areas such as money laundering, business ethics and OFAC compliance.

Operational risks are assessed through risk and control / Pillar II risk assessments as well as in the calculation of the Solvency Capital Requirement. The status of operational risks is reviewed quarterly. Issues are escalated to the Board Risk Committee as appropriate.

C.7. Other material risks

In 2022 the following other material risks have been identified:

- The war in Ukraine, which brought to the financial and insurance sector a wide range of risks that play out differently for the various stakeholders;
- The sanctions imposed on a number of Russian entities and individuals by the US, EU and UK following the war in Ukraine; and
- Climate change risks which are categorized as follows:
  - Physical risks: changes in severity and frequency of extreme weather events and rising sea levels impact property, supply-chains and global economy in unpredictable ways, limiting the insurance industry's ability to price profitably;
  - Transition risks: economic and market risks due to regulatory and technological changes to combat climate risk could lead to asset price volatility and impact investment income; and
  - Liability risks: increased litigation against greenhouse gas emitters might affect the insurance industry.

For all mentioned other material risks mitigation actions were introduced. The Company is also fully committed to comply with all relevant sanctions' regimes.

C.8. Risk Profile – Any other information

Review of the risks identified and reported in 2021: The Company successfully mitigated the COVID-19 pandemic risk.

D. Valuation for Solvency Purposes

D.1. Assets

D.1.1. Solvency II valuation for each material class of assets

Bonds

As of the reporting date the Company has invested USD 365.2m (2021: USD 364.8m) in fixed income securities. The portfolio is split between Government Bonds of USD 172.4m (2021: USD 152.4m) [S.02.01.01. R0140. C0010] and Corporate Bonds of USD 192.8m (2021: USD 212.4m) [S.02.01.01. R0150 C0010]. In addition, WRBEAG is holding a term loan of USD 19.7m (2021: USD 21.9m) reported in [S.02.01.01. R0170. C0260]. The portfolio includes neither Collateralized Securities [S.02.01.01. R0170. C0010] nor Collective Investments in Undertakings [S.02.01.01. R0180 C0010].

Investment securities are valued at fair value based on market prices at the reporting date, which are quoted prices in active markets for identical assets per Article 10(2) of the Delegated Regulation. As these are publicly traded securities, the market prices are readily available and provided to WRBEAG in a statement from the investment manager. There are no material assumptions or judgments made. Gains or losses arising from the sale of investments and changes in the market value of investments are included in the value of the portfolio.

There are no significant estimates used in valuing these investments due to the nature of the securities held. These are actively traded products.

Receivables

Receivables in the Solvency II balance sheet at the reporting date are valued at USD 76.8m (2021: USD 111.5m) and consist of insurance and intermediaries' receivables of USD 29.9m (2021: USD 40.4m) [S.02.01.01. R0360. C0010], reinsurance receivables of USD 41.5m (2021: USD 48.2m) [S.02.01.01. R0370 C0010] and receivables, not insurance USD 5.4m (2021: USD 22.9m) [S.02.01.01. R0380 C0010].

The majority of reinsurance receivables of USD 41.5m are related to the quota share settlement with BIC. The insurance and reinsurance receivables are valued at face value.

Insurance and intermediaries' receivables of USD 29.9m [S.02.01.01. R0360 C0010] consist of premiums due which are as such not included in the technical provision calculation.

The valuation of insurance and intermediaries' receivables differ under FL GAAP and Solvency II. Under FL GAAP this amount is the total of gross written premium and insurance premium tax up to the contract boundary for all policies. Under Solvency II, the future premium collections are included in the technical provisions [S.02.01.01. R0540 C0010] and only the actual due premiums are reported in [S.02.01.01. R0360 C0010].

Receivables (trade, not insurance) of USD 5.4m [S.02.01.01. R0380 C0010] relate to other insurance activities such as general expenses and inter-company balances.

Cash and cash equivalents

As of the reporting date, the Company had USD 50.0m held as cash and cash equivalents [S.02.01.01. R0410 C010] (2021: USD 53.1m). This position includes WRBEAG's operating cash held by the various branches. Cash and cash equivalents are valued at fair value as reported to the Company by the relevant financial institution at the end of the period, per Article 10(2) of the Delegated Regulation.

There are no significant estimates or judgments used in valuing the cash holdings due to the nature of valuing cash held in multiple currencies.

Deferred tax asset

At the reporting date, the Company does not hold deferred tax asset on its balance sheet.

D.1.2. Differences between Solvency II valuation and FL GAAP valuation by material class of assets

Bonds

Under Solvency II, investment securities are valued at fair value based on market prices at the reporting date, which are quoted prices in active markets for identical assets per Article 10(2) of the Delegated Regulation. The valuation according to FL GAAP is based on the lower of cost and market value by individual assets. At the end of 2022 the Company held unrealised losses due to valuation difference of USD -0.1m (2021: USD -2.5m). Further, the Solvency II value of the investments includes accrued interest of USD 2.6m which is presented separately under FL GAAP.

Receivables

The valuation of insurance and intermediaries' receivables [S.02.01.01. R0360. C0010] differ under FL GAAP and Solvency II. Under FL GAAP, this amount is the total of gross written premium and insurance premium tax up to the contract boundary for all policies. Under Solvency II, the future premium collections are included under EPIFP in technical provisions [S.02.01.01. R0510. C0010] and the actual due premiums outstanding are included in R0360.

Cash and cash equivalents

There are no differences between the Solvency II valuation and the FL GAAP valuation of cash and cash equivalents.

D.2. Technical provisions

D.2.1. Technical provisions analyzed by each material line of business

The value of the Company's technical provisions is set out in template 17.01.01 (Non-Life Technical Provisions). All liabilities are denominated in United States Dollars ("USD"). Supplementary information regarding delays in timing of settlement and apportionment of the claims technical provision to the most recent and prior accident years are included in template 19.01.01 (Non-Life insurance claims).

D.2.2. Valuation of Technical Provisions

A summary of the WRBEAG Technical Provisions on the projected FL GAAP and Solvency II Balance Sheet as at December 31, 2022 is set out in the figure below.

in USD 000's

Technical Provision	**FL GAAP**	**Solvency II**
Gross claims reserves	698,243	650,679
Premium UPR	140,227	
Gross Technical Provisions	**838,470**	**650,679**
Reinsurance share of reserves	(614,341)	(498,241)
Reinsurance UPR	(129,008)	
RI Technical Provisions	**(743,349)**	**(498,241)**
Net Technical Provisions	**95,121**	**152,438**

D.2.3. Basis of Calculation, Current Methodology, Assumptions and Compliance with Requirements

Basis of Calculation

Solvency II Technical Provisions ("TPs") are required to be on a "best estimate" basis – i.e. exclude any implicit or explicit margins for prudence (or optimism).

The approach taken to adjust FL GAAP reserves to produce Solvency II Technical Provisions is in line with available guidance, and the major changes from the FL GAAP reserving methodology are:

- Reporting is carried out at the standard Solvency II classes of business;
- Future claims (non-incurred) are estimated and offset by the premium associated with this business (rather than 100% UPR being held on the premium);
- Inclusion of legally bound, but not incepted, business; this falls under the definition of "existing contracts" under Solvency II;
- All calculations are based on a cash flow basis, so any transactions that have been contractually bound, but where the cash has not yet been paid or received will be included as a future cash flow;
- Additional allowance for expenses is made and is on the basis that the provision includes the expected operating expense needed to service all existing policies to lifetime conclusion;
- Future premium income, claims & expenses outgo are all discounted for the time value of money; and
- The reserves held for future claims are calculated on a best-estimate basis with an explicit risk margin added onto this best estimate, rather than reserves containing any implicit prudence.

The Technical Provisions calculation is on a going concern basis.

Methodology & Assumptions

The methodology techniques, and the level at which they are applied, are consistent with the nature of the business being written, the maturity of the business, and standard market practice.

The SII technical provisions are comprised of the best estimate of all future cash flows in respect of in force and legally bound policies plus an explicit risk margin.

The starting point for the estimation of net technical provisions are the booked FL GAAP provisions at the valuation date. These are then adjusted, by individual class, currency, and underwriting year to a Solvency II cash flow basis. Key adjustments include:

- Reallocation of "Not Yet Due" debtor and creditor balances held on the FL GAAP balance sheet into the SII technical provisions as they represent future premium cash flows.
- Solvency II technical provisions are required to be on a "best estimate" basis; any implicit or explicit margins for prudence (or optimism) are removed.
- Unearned premium reserves (net of deferred acquisition costs) held on the FL GAAP balance sheet are removed and replaced with the best estimate of the unexpired risk; effectively recognizing a release in "profit".
- An additional allowance is made for Events Not In Data ("ENIDs"), acknowledging that the data used to determine the FL GAAP claims reserves will not include all possible outcomes.
- Additional provisions are included for future expenses incurred in servicing all existing insurance obligations to expiry.
- A reinsurance bad debt loading is included, based on the latest S&P Annual Global Default Study.
- SII technical provisions include additional cash flows in respect of written, but not yet incepted, business.
- Future cash flows are discounted using the latest EIOPA risk-free yield curves to allow for the time value of money.

The best estimate provisions are split between gross and ceded reinsurance provisions. They are further divided into claims (earned) and premium (unearned) provisions.

An explicit risk margin is added onto the net best estimate technical provisions to reflect the level of risk the Company is exposed to. It is assumed to be the amount required to take over and support the Company's insurance obligations.

Future Premium

Solvency II requires all future cash flows relating to insurance contracts to be included within the technical provisions. As a consequence, premiums not yet due at the valuation date, are reallocated out of the debtor/creditor balances held on the FL GAAP balance sheet and into the SII technical provisions.

Gross future premiums for incepted policies are estimated as written premium less signed premium at the valuation date. Premium amounts are gross of associated acquisition costs, which are captured as part of the expense provisions. Consideration is given to whether all signed premiums have actually been received and, where the difference is material, adjustments are made to the signed amounts to reflect balances held within service companies. Gross future premiums are only included to the extent that associated liabilities are also included within the SII technical provisions, consistent with the principle of correspondence.

Future reinsurance premium payables are estimated for the Company at the valuation date, including an allowance for reinsurance contract boundaries. Similar to the gross premium, where a significant sum of money is held in service companies as at the valuation date, adjustments will be made to the future premiums to reflect this.

Best Estimate Losses

The best estimate claims provisions are determined using assumptions from the latest FL GAAP reserve review. The FL GAAP reserving process is based on credible and up-to-date information. Earned and unearned provisions are derived using appropriate actuarial methods and represent the probability-weighted average of applicable future cash flows. Results from the quarterly FL GAAP reserving analysis are deemed an appropriate starting point for the technical provisions.

Cash flow Patterns

For the calculation of technical provisions, suitable payment patterns have been applied to each of the relevant elements of the provisions, by reserve class and underwriting year, in order to derive the discounted cash flows.

For the gross claims and expense related provisions, the quarterly claims payment patterns have been set equal to the paid development patterns, projected as part of the GAAP reserving process.

For the corresponding reinsurance provisions (excluding RI bad debt), the ceded patterns are determined in line with the gross assumptions.

Gross and ceded premium related provisions are all assumed to be received or paid in full within the next year.

Events Not in Data

The requirement under GAAP is that the technical provisions allow for items that are implicitly included within the data or are “reasonably foreseeable”. Under Solvency II the best estimate must have reference to “all possible outcomes”. This will include latent claims or very extreme high severity, low probability outcomes. These items (both latent claims and extreme events) have been labelled ENIDs. WRBEAG has a load for each subclass of business expected to capture unknown events, as well as the expected recovery rate.

Reinsurance Bad Debt

Reinsurance Bad Debt is estimated using the expected default probabilities for each S&P rating category for each future year. These probabilities are applied to the reinsurance recoveries expected in each future year to estimate the Reinsurance Bad Debt loading.

Expenses

The best estimate expense provisions reflect all cash flows arising from expenses incurred in servicing existing policies during their lifetime. These include both allocated and unallocated expenses.

Provisions for future expenses are calculated by Actuarial, based on input and information from Finance, in line with Company planning process. All future expenses required to service existing policies (including salaries, IT costs and third-party fees) and the expected timing of cash flows have been considered.

Bound Unincepted Business

Under Solvency II, an allowance must be made for policies bound before the valuation date but that incept afterwards. Premiums are sourced directly from the individual branches and corresponding claims are calculated based on the plan loss ratio, which is available from the current 2023 plan information.

Discounting

The expected present values of the future cash flows have been determined using the latest EIOPA risk-free yield curves.

Risk Margin

Solvency II technical provisions are defined as the sum of the net best estimate claims and premium provisions and a risk margin. While the claims and premium provisions should be at a best estimate level, the risk margin is designed to represent the additional amount a reference undertaking would be expected to require in order to take over and meet the insurance obligations of the Company.

The risk margin has been determined using the proportional square root method on the latest SCR, the ratio of risk margin to net claims related TPs is then held until the SCR is refreshed. The total SCR is run off in proportion to the square root of the run-off of net claims reserve required at each future year. A 6% cost of capital is applied to the sum of this discounted cash flow to give the risk margin. This risk margin is allocated to line of business in proportion to the net best estimate Technical Provisions.

D.2.4. Uncertainty associated with the value of technical provisions

The SII technical provisions are materially dependent on the reliability and accuracy of the underlying GAAP reserving process. Projections of ultimate claims are inherently uncertain and the actual emergence of losses may vary significantly from current estimates. Key sources of uncertainty include, but are not limited to:

- **Events Not In Data** - Identification, parameterization, modelling and validation of ENIDs is widely regarded as challenging fundamentally due to their nature. This is exacerbated by having a lack of data and therefore more acute for lines with limited claims history;
- **Expense Budget** - Assumptions underpinning expense amounts may not be realized, leading to variability in the estimate of future administration cash flows;
- **Duration** - The timing of cash flows is not known with certainty. Generally, cash flow patterns are derived by looking at the historic experience. If past data is not directly available, a similar item will be used;
- **Risk margin Run-Off** - The assumed emergence of risk is expected to be equal to the square root of the reduction of the SII technical provisions; and
- **Data Granularity** - Data is not available at a granular enough level to identify all financials at a SII class of business level. A high-level assumption, based on historical written premium, has been used to allocate the technical provisions figures accordingly.

All aspects of the technical provisions, including data, methods and assumptions are subject to appropriate levels of validation and are considered proportional to the risks and materiality.

D.3. Other liabilities

D.3.1. Solvency II valuation for each material class of liability

Payables in the Solvency II balance sheet at the reporting date are valued at USD 67.7m (2021: USD 101.4m) and consist of insurance and intermediaries' payables of USD 2.1m (2021: USD 11.0m) [S.02.01.01.R0820.C0010], reinsurance payables of USD 29.5m (2021: USD 45.3m) [S.02.01.01.R0830.C0010] and payables (trade, not insurance) of USD 36.1m (2021: USD 45.1m) [S.02.01.01.R0840.C0010].

The balance of insurance and intermediaries' payables of USD 2.1m [S.02.01.01. R0820. C0010], relates to current payments to insurance companies and brokers. The insurance and intermediaries' payables are valued at face value.

The majority of reinsurance payables of USD 29.5m [S.02.01.01. R0830. C0010] are related to the quota share settlement with BIC and consists of the payables due at the reporting date, which are as such not included in the technical provision calculation.

The valuation of reinsurance payables (R0830) differs under FL GAAP and Solvency II. Under FL GAAP this amount is the total reinsurance payables. Under Solvency II, the future reinsurance payables which is not yet due at the reporting date, are included in the technical provisions (R0510) and are as such not included in the position S.02.01.01. R0830 C0010.

Payables (trade, not insurance) of USD 36.1m [S.02.01.01. R0840.C0010] consist mainly of intercompany settlements resulting from recharges for management and investment fees across the Company.

D.4. Alternatives methods of valuation

There are no alternative methods of valuation used by the Company to value assets or liabilities.

D.5. Valuation for solvency purposes – Any other information

D.5.1. Risk management areas

Underwriting and reserving

The Company's Underwriting Policy and Risk Policy set out the regular monitoring of claims ratios, pricing adequacy and reserving adequacy. This feedback allows material deviations from expected levels to be identified, acted upon, and appropriate changes to pricing rates and provisioning assumptions to be implemented.

The Company's Data Quality Policy is implemented through periodic data quality checks tracking and evaluating the results of the execution of a series of data quality rules. The rules and related tolerances themselves are reviewed regularly.

The Company adheres to claims management procedures and oversight of third-party claims adjusters. Key controls in place for management of claims include, but are not limited to:

– Specialized claims processing teams;
– Strong oversight of claims management which is undertaken by third parties;
– Regular oversight and scrutiny of claims and claims processing performance;
– Process description and mapping of claims procedures; and
– Routes of escalation for different types of claims.

In line with the Company's Risk Policy, the expected profits included in future premiums are determined in accordance with Article 260(2) of the Delegated Regulation. The calculation is made under the assumption that in the event of a policyholder discontinuing their policy for any reason and that future premiums are not received this relieves the Company of liability for future claims on that policy.

The Company groups all of its business in single homogenous risk groups. The fundamental nature of the business is to meet the costs of claims, and while the Company operates in various jurisdictions and markets, the underlying risks are similar.

The Company uses grouped data to determine its premium technical provisions, which results in loss making policies being automatically offset against profit-making policies.

Asset-liability management

See section C.3. and C.7. for the documentation of asset and liability mismatch and the actions if this is the case. See section D.2. on the Company's technical provisions.

Investment risk management

The actions taken by the Company to ensure that the Company's investments comply with the prudent person principle and consider the nature of the Company's business, its approved risk tolerance limits, its solvency position and risk-exposure are set out in section C.3.

See section C.4. for the quality comment on investment credit rating.

Per section C.3. the Company does not invest directly in derivative vehicles for investment income purposes.

The investment portfolio is reviewed on a regular basis.

Liquidity risk management

Short term and long-term liquidity risks are covered in section C.5. The composition of the assets and the availability of those assets to cover the Company's obligations as they fall due are covered in section C.3.

Concentration risk management

See section C.1. for underwriting concentration risk management.

Operational risk management

See section C.6. for measures used to assess operational risks.

Reinsurance and other insurance risk mitigation techniques

See section C.1. for the approach to reinsurance risk mitigation techniques and section C.4. for the analysis of credit risk in the Company.

E. Capital Management

E.1. Own funds

E.1.1. Objective, policies and processes for managing own funds

The Company's available own funds, eligible own funds and ratio of eligible own funds over SCR and MCR are disclosed in Quantitative Reporting Template ("QRT") S.23.01.01. The objectives of the business are to maintain sufficient own funds to cover the SCR and MCR with an appropriate buffer. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company holds regular meetings of senior management, in which the ratio of eligible own funds over SCR and MCR are reviewed. The committee that review solvency are described in more detail in section B.1 (General information on the System of Governance) and ultimately rest with the Board. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the base of the ORSA Report, contains a three-year projection of funding requirements and this helps focus actions for future funding. There were no material changes in the objectives, policies and processes employed by the undertaking for managing its own funds.

The following basic own-fund items are deemed to substantially possess the characteristics set out in Article 69 of the Delegated Regulation when determining the tier of own funds in to which the basic own fund items fall.

E.1.2. Own funds classified by tiers

Tier 1 unrestricted

Total available tier 1 unrestricted own funds (T1U) of USD 283.9m (2021: USD 279.4m) consist of USD 8.3m of ordinary share capital, USD 307.3m of share premium related to ordinary share capital, USD 4.2m of initial funds and the reconciliation reserve of USD -35.90m (2021: USD -40.4m); (Details see S.23.01.01). All of these are basic own funds. These are analyzed as follows:

Ordinary share capital

There is USD 8.3m of called up, issued and fully paid ordinary share capital at the reporting date. This is a high quality, available, own fund item that meets the tier 1 features determining classification as specified in Article 71 of the Delegated Regulation. The ordinary share capital is available, is not subordinated in any way, and has no restricted duration. Article 71 (1) (e) of the Delegated Regulation does not apply and therefore there is no loss absorbency mechanism described here.

Share premium account related to ordinary share capital

There is USD 307.3m of fully paid share premium in relation to the ordinary share capital at the reporting date. This is a high quality, available, own fund item that meets the tier 1 features determining classification as specified in Article 71 of the Delegated Regulation. The share premium related to ordinary share capital is available, is not subordinated in any way, and has no restricted duration. Article 71 (1) (e) of the Delegated Regulation does not apply and therefore there is no loss absorbency mechanism described here.

Initial funds

There is USD 4.2m of fully paid initial funds. This is a high quality, available, own fund item that meets the tier 1 features determining classification as specified in Article 71 of the Delegated Regulation. The share premium related to ordinary share capital is available, is not subordinated in any way, and has no restricted duration. Article 71 (1) (e) of the Delegated Regulation does not apply and therefore there is no loss absorbency mechanism described here.

Reconciliation reserve

The reconciliation reserve of USD -35.9m (2021: USD -40.4m) is made up of USD 283.9m (2021: USD 279.4m) Solvency II excess of assets over liabilities less USD 319.9m (2021: USD 319.8m) of basic own fund items per Article 70 of the Delegated Regulation and the Technical Standards.

There are no foreseeable dividends or own shares held. The reconciliation reserve is available, is not subordinated, and has no restricted duration. Article 71 (1) (e) of the Delegated Regulation does not apply and therefore there is no loss absorbency mechanism described here.

Tier 2 and Tier 3

The Company does not have any tier 2 or tier 3 items on its balances sheet at year-end.

E.1.3. Eligible amount of own funds to cover the Solvency Capital Requirement

The total eligible own funds to meet the SCR was USD 283.9m as at December 31, 2022 (2021: USD 279.4m), fully appertaining to tier 1 unrestricted funds. The eligible own funds increased by USD 4.5m due to the favorable Solvency II valuation adjustments in 2022.

The eligible own funds over SCR ratio remains at a ratio of 2.51 as at December 31, 2022 (2021: 2.55).

E.1.4. Eligible amount of own funds to cover the Minimum Capital Requirement

The total eligible own funds to meet the MCR was USD 283.9m as at December 31, 2022 (2021: USD 279.4m), fully appertaining to tier 1 unrestricted funds.

The eligible own funds over MCR ratio was 10.04 as at December 31, 2022 (2021: 10.19).

E.1.5. Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

Total equity per the financial statements was USD 261.0m as at December 31, 2022 (2021: USD 273.6m). Excess over liabilities as calculated for Solvency was USD 283.9m (2021: USD 279.4m). There are no differences in the ordinary share capital. The difference of USD 22.9m between the net assets of the Company in the financial statements and the solvency valuation of the excess of assets over liabilities is due to adjustments to the Statutory Accounts value in order to value assets and liabilities at their solvency valuations and the subsequent impact on accumulated losses when performing these adjustments. The adjustments are documented in section E, covering valuation of material assets and liabilities per Article 296 of Delegated Regulation. The summary of tax adjustments to the Statutory Accounts Value to get to the Solvency II value [S.02.01.01.C0010] are listed here:

FL GAAP - SII Adjustments	As at 31 December 2022	As at 31 December 2021
Net assets under FL GAAP	260,984,222	273,567,566
Adjustments for Technical Provisions under SII	(57,317,196)	(53,309,746)
Recognition Reinsurance Payables/Insurance Receivables	77,393,433	56,182,989
Other SII Adjustments	2,812,745	2,948,303
Net assets under SII	283,873,204	279,389,112

E.2. Solvency Capital Requirement and Minimum Capital Requirement

The Solvency Capital Requirement and Minimum Capital Requirement for the Company are set out in templates 25.01.01 (Solvency Capital Requirement – for undertakings on standard formula) and 28.01.01 (Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity) respectively. The template provides for a split by risk modules. The Company applies the Standard Formula, without modification for an undertaking specific parameter, and has not used any simplifications allowed by the regulations. The final amounts remain subject to supervisory assessment. The Company has not received any imposed capital add-ons or imposed undertaking specific parameters.

Solvency Capital Requirement is the modelled value of a 1 in 200-year loss of own funds occurring in the next year. The SCR as at December 31, 2022 was USD 113,114,792 (2021: USD 109,668,022).

The Minimum Capital Requirement value is based on the business volume and business mix. The MCR is subject to a minimum value of 25% of the SCR.

The following table summarizes the movements in capital by risk type as produced by the Standard Formula calculation:

SCR by risk module in mio USD	Dec-22	Dec-21
Non-Life Underwriting Risk	47.1	41.3
Health Underwriting Risk	0.2	0.5
Counterparty Default Risk	37.1	39.7
Market Risk	38.8	39.5
Diversification Benefit	-31.1	-31.0
Basic SCR	**92.2**	**89.9**
Operational Risk	20.9	19.7
SCR	**113.1**	**109.7**
MCR	**28.3**	**27.4**

E.3. Use of the duration- based equity risk sub-module in the calculation of the Solvency Capital Requirement

Not applicable.

E.4. Differences between the standard formula and any internal model used

Not applicable.

E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

The Company has complied continuously with both the Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period.

E.6. Capital management – Any other information

Not applicable.

F. Additional Voluntary Information

F.1. Other additional voluntary information

Not applicable.

G. Templates

The templates are provided as an appendix to this document. The Company is required to disclose the following templates as set out in the Commission Implementing Regulation (EU) 2015/2452 of December 2015 laying down implementing technical standards with regard to procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and the Council.

Template Code	Template Name
S.02.01.02	Balance sheet
S.05.01.02 - 01	Premiums, claims and expenses by line of business
S.05.02.01 -01	Premiums, claims and expenses by country
S.17.01.02	Non-life technical provisions
S.19.01.21	Non-life insurance claims
S.23.01.01 – 01/02	Own funds
S.25.01.21	Solvency Capital Requirement (for undertakings on Standard Formula)
S.28.01.01	Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Legal name: W. R. Berkley Europe AG, Closing date: 2022-12-31
Display currency: k USD

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	2,077
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	365,167
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	365,167
Government Bonds	R0140	172,353
Corporate Bonds	R0150	192,814
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	
Derivatives	R0190	
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	19,651
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	19,651
Reinsurance recoverables from:	R0270	498,241
Non-life and health similar to non-life	R0280	498,241
Non-life excluding health	R0290	490,878
Health similar to non-life	R0300	7,363
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	29,844
Reinsurance receivables	R0370	41,531
Receivables (trade, not insurance)	R0380	5,431
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	49,992
Any other assets, not elsewhere shown	R0420	1,315
Total assets	R0500	1,013,247
Liabilities		
Technical provisions - non-life	R0510	650,679
Technical provisions - non-life (excluding health)	R0520	641,036
TP calculated as a whole	R0530	
Best Estimate	R0540	620,906
Risk margin	R0550	20,130
Technical provisions - health (similar to non-life)	R0560	9,643
TP calculated as a whole	R0570	
Best Estimate	R0580	9,337
Risk margin	R0590	306
Technical provisions - life (excluding index-linked and unit-linked)	R0600	
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	
TP calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions - index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	7,762
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	2,094
Reinsurance payables	R0830	29,557
Payables (trade, not insurance)	R0840	36,104
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	3,179
Total liabilities	R0900	729,374
Excess of assets over liabilities	R1000	283,873

Legal name: W. R. Berkley Europe AG, Closing date: 2022-12-31
Display currency: k USD

S.05.01.02 - 01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	3,860		1,377	1	5	33,648	4,980	114,039	2,731								160,642
Gross - Proportional reinsurance accepted	R0120			31			26,278	18,484	16,232		799							61,824
Gross - Non-proportional reinsurance accepted	R0130													0	83,776	0	59,200	142,976
Reinsurers' share	R0140	3,485		1,308	1	5	58,103	21,530	119,432	2,493	706			0	75,793	0	54,747	337,604
Net	R0200	375		100	0	1	1,824	1,934	10,839	238	93			0	7,983	0	4,453	27,838
Premiums earned																		
Gross - Direct Business	R0210	3,586		1,311	7	21	33,945	4,758	105,265	2,809								151,703
Gross - Proportional reinsurance accepted	R0220			28			23,279	18,454	16,359		947							59,067
Gross - Non-proportional reinsurance accepted	R0230													0	76,523	0	56,064	132,587
Reinsurers' share	R0240	3,259		1,239	7	19	55,478	21,286	112,158	2,549	841			0	71,354	0	49,987	318,178
Net	R0300	327		100	1	2	1,745	1,927	9,466	260	106			0	5,169	0	6,077	25,179
Claims incurred																		
Gross - Direct Business	R0310	2,254		-208	468	102	15,687	4,041	41,146	-105								63,386
Gross - Proportional reinsurance accepted	R0320	0		2			2,862	25,734	6,500		536							35,634
Gross - Non-proportional reinsurance accepted	R0330													0	53,979	0	34,496	88,475
Reinsurers' share	R0340	2,069		-201	489	87	18,039	26,433	44,484	-157	479			0	48,351	0	31,802	171,875
Net	R0400	185		-4	-21	15	510	3,342	3,162	53	57			0	5,628	0	2,694	15,619
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non- proportional reinsurance accepted	R0430																	
Reinsurers'share	R0440																	
Net	R0500																	
Expenses incurred	R0550	562	0	297	-2	-7	3,080	3,531	8,336	-95	-81	0	0	0	-4,063	0	1,849	13,407
Other expenses	R1200																	
Total expenses	R1300																	13,407

Legal name: W. R. Berkley Europe AG, Closing date: 2022-12-31
Display currency: k USD

S.05.02.01 - 01

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations	Top 5 countries (by amount of gross premiums written) - non-life obligations	Top 5 countries (by amount of gross premiums written) - non-life obligations	Top 5 countries (by amount of gross premiums written) - non-life obligations	Top 5 countries (by amount of gross premiums written) - non-life obligations	Total Top 5 and home country
		C0080	C0020	C0030	C0040	C0050	C0060	C0140
	R0010		DE	ES	GB	NO	ZA	
Premiums written								
Gross - Direct Business	R0110	18	23,092	58,295	15,009	16,539	320	113,272
Gross - Proportional reinsurance accepted	R0120	5,186	370	1,181	4,779	1,249	15,407	28,171
Gross - Non-proportional reinsurance accepted	R0130	30,893	4,648	645	92,672	813	6,581	136,251
Reinsurers' share	R0140	32,865	25,968	55,541	103,894	17,183	20,609	256,059
Net	R0200	3,232	2,141	4,580	8,567	1,417	1,699	21,636
Premiums earned								
Gross - Direct Business	R0210	33	21,414	54,486	14,552	16,567	312	107,364
Gross - Proportional reinsurance accepted	R0220	6,165	195	999	6,317	1,245	17,111	32,033
Gross - Non-proportional reinsurance accepted	R0230	29,987	4,584	666	90,117	817	5,625	131,795
Reinsurers' share	R0240	32,899	24,243	51,968	102,567	17,209	21,275	250,161
Net	R0300	3,286	1,950	4,183	8,419	1,420	1,773	21,031
Claims incurred								
Gross - Direct Business	R0310	-364	4,375	12,679	-194	5,678	0	22,175
Gross - Proportional reinsurance accepted	R0320	6,450	0	620	6,156	155	20,807	34,189
Gross - Non-proportional reinsurance accepted	R0330	27,216	1,759	87	48,277	-106	10,581	87,814
Reinsurers' share	R0340	30,261	5,624	12,271	49,721	5,250	28,774	131,901
Net	R0400	3,040	511	1,115	4,518	477	2,615	12,277
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non- proportional reinsurance accepted	R0430							0
Reinsurers'share	R0440							0
Net	R0500		0	0	0	0	0	0
Expenses incurred	R0550	-1,902	3,526	10,202	579	2	67	12,473
Other expenses	R1200							
Total expenses	R1300							12,473

Legal name: W. R. Berkley Europe AG, Closing date: 2022-12-31
Display currency: k USD

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060	346	0	636	0	0	4,782	-1,774	4,900	8	-108	0	0	0	-2,721	0	-11,933	-5,864
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	275	0	-337	0	0	7,178	-3,559	-10,063	-116	-132	0	0	0	-9,127	0	-11,373	-27,255
Net Best Estimate of Premium Provisions	R0150	71	0	973	0	0	-2,396	1,786	14,963	124	24	0	0	0	6,406	0	-559	21,391
Claims provisions																		
Gross	R0160	3,484	0	4,871	21,765	228	60,081	45,719	171,117	5,930	2,691	0	0	0	247,920	0	72,300	636,107
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	2,938	0	4,488	15,306	169	40,282	32,974	136,606	3,473	2,155	0	0	0	225,971	0	61,135	525,496
Net Best Estimate of Claims Provisions	R0250	546	0	384	6,458	59	19,800	12,745	34,511	2,457	536	0	0	0	21,948	0	11,166	110,611
Total Best estimate - gross	R0260	3,830	0	5,508	21,765	228	64,863	43,945	176,017	5,938	2,583	0	0	0	245,199	0	60,368	630,243
Total Best estimate - net	R0270	618	0	1,357	6,458	59	17,403	14,531	49,474	2,580	561	0	0	0	28,354	0	10,606	132,002
Risk margin	R0280	96	0	210	1,000	9	2,694	2,250	7,659	399	87	0	0	0	4,390	0	1,642	20,436
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	
Best estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320	3,925	0	5,718	22,765	237	67,557	46,195	183,677	6,337	2,670	0	0	0	249,589	0	62,010	650,679
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	3,212	0	4,151	15,306	169	47,460	29,414	126,543	3,357	2,023	0	0	0	216,845	0	49,761	498,241
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	713	0	1,567	7,458	68	20,098	16,781	57,134	2,980	647	0	0	0	32,744	0	12,248	152,438

Legal name: W. R. Berkley Europe AG, Closing date: 2022-12-31
Display currency: k USD

S.19.01.21 - 02 *Underwriting*

Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	2

Gross Claims Paid (non-cumulative)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											6,027
N-9	R0160	30,001	57,516	36,755	24,534	1,588	17,958	14,940	9,129	4,039	1,951	
N-8	R0170	23,965	47,416	23,653	6,556	11,945	10,658	9,625	7,104	5,329		
N-7	R0180	26,763	60,381	18,324	28,078	20,144	21,308	17,236	10,254			
N-6	R0190	68,068	23,169	21,062	16,480	6,199	6,488	6,942				
N-5	R0200	41,963	37,010	24,283	17,209	10,343	2,432					
N-4	R0210	25,728	43,799	14,703	9,387	10,228						
N-3	R0220	24,274	26,880	14,831	10,515							
N-2	R0230	5,823	19,472	16,972								
N-1	R0240	5,448	23,908									
N	R0250	11,165										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	6,027	6,027
	R0160	1,951	198,411
	R0170	5,329	146,251
	R0180	10,254	202,488
	R0190	6,942	148,407
	R0200	2,432	133,239
	R0210	10,228	103,844
	R0220	10,515	76,500
	R0230	16,972	42,267
	R0240	23,908	29,356
	R0250	11,165	11,165
Total	R0260	105,722	1,097,957

Gross undiscounted Best Estimate Claims Provisions

Development year

Year		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											21,017
N-9	R0160	0	0	0	93,174	54,544	53,981	38,338	28,396	20,166	15,737	
N-8	R0170	0	0	96,113	65,107	66,713	47,971	37,912	28,842	24,120		
N-7	R0180	0	140,541	90,805	95,446	84,722	66,024	48,304	36,080			
N-6	R0190	70,712	60,033	75,683	59,935	60,735	54,704	48,281				
N-5	R0200	68,099	87,930	80,691	61,866	54,395	55,233					
N-4	R0210	72,269	91,538	82,994	75,713	64,291						
N-3	R0220	61,941	102,991	92,649	73,847							
N-2	R0230	80,384	121,554	109,884								
N-1	R0240	98,664	124,016									
N	R0250	113,453										

		Year end (discounted data)
		C0360
	R0100	20,377
	R0160	14,785
	R0170	19,484
	R0180	33,847
	R0190	48,369
	R0200	50,385
	R0210	59,613
	R0220	65,508
	R0230	106,863
	R0240	113,345
	R0250	103,530
Total	R0260	636,107

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	8,328	8,328			
Share premium account related to ordinary share capital	R0030	307,327	307,327			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mu	R0040	4,198	4,198			
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-35,979	-35,979			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reco	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	283,873	283,873			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic ov	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on de	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Direc	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3)	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	283,873	283,873			
Total available own funds to meet the MCR	R0510	283,873	283,873			
Total eligible own funds to meet the SCR	R0540	283,873	283,873	0	0	0
Total eligible own funds to meet the MCR	R0550	283,873	283,873	0	0	
SCR	R0580	113,115				
MCR	R0600	28,279				
Ratio of Eligible own funds to SCR	R0620	2.51				
Ratio of Eligible own funds to MCR	R0640	10.04				

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Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	283,873
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	319,853
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-35,979
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	2,391
Total Expected profits included in future premiums (EPIFP)	R0790	2,391

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Solvency Capital Requirement (for undertakings on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	38,830		
Counterparty default risk	R0020	37,098		
Life underwriting risk	R0030	0		0
Health underwriting risk	R0040	229		0
Non-life underwriting risk	R0050	47,142		0
Diversification	R0060	-31,106		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	92,193		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	20,922
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	113,115
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	113,115
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		C0109
Approach based on average tax rate	R0590	3

Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

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Minimum Capital Requirement (Only life or only non-life insurance or reinsurance activity)

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	20,602

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	618	375
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	1,357	100
Motor vehicle liability insurance and proportional reinsurance	R0050	6,458	0
Other motor insurance and proportional reinsurance	R0060	59	1
Marine, aviation and transport insurance and proportional reinsurance	R0070	17,403	1,804
Fire and other damage to property insurance and proportional reinsurance	R0080	14,531	1,934
General liability insurance and proportional reinsurance	R0090	49,474	10,842
Credit and suretyship insurance and proportional reinsurance	R0100	2,580	238
Legal expenses insurance and proportional reinsurance	R0110	561	89
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	0
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	28,354	7,983
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	10,606	4,453

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

		C0070
Linear MCR	R0300	20,602
SCR	R0310	113,115
MCR cap	R0320	50,902
MCR floor	R0330	28,279
Combined MCR	R0340	28,279
Absolute floor of the MCR	R0350	3,953
Minimum Capital Requirement	R0400	28,279