

KUVARE LIFE RE LTD.

AON HOUSE, 4TH FLOOR, 30 WOODBOURNE AVENUE, PEMBROKE HM 08

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DECLARATION OF COMPLIANCE

(Prepared in accordance with section 15A of the Insurance Act 1978)

For the Year-Ending – December 31, 2018

We, the undersigned Directors of Kuvare Life Re Ltd. (“the Company”) declare that to the best of our knowledge and belief that the Company has:

- (a) complied with all requirements of the minimum criteria applicable to it;
- (b) has not complied with the minimum margin of solvency;
- (c) complied with the applicable enhanced capital requirement;
- (d) complied with all applicable regulatory conditions, directions, restrictions and approvals imposed on the insurer;

For (b), the Company did not meet its minimum margin of solvency (MSM) as at December 31, 2018. This deficiency was largely due to the accounting mismatch resulting from embedded derivatives, as rising rates and credit spreads resulted in negative mark-to-market on the assets under US GAAP, whereas liabilities were not similarly impacted. Subsequent to year end, asset valuations improved and have brought the Company back into compliance with the MSM requirement subsequent to year end. Further, the Company received an additional capital contribution of \$10 million on April 1, 2019

DIRECTORS:



Director: Dhiren Jhaveri

April 25, 2019

Date



Director: Kevin Hovi

April 25, 2019

Date