



April 20, 2021

Report of Independent Auditors

To the Board of Directors of Zurich Global, Ltd.

We have audited the accompanying condensed financial statements of Zurich Global, Ltd., which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2020 and 2019 and the related condensed statements of income for the years then ended, and the related notes to the condensed financial statements.

Management's responsibility for the condensed financial statements

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the 'Legislation'). Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the condensed financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the condensed financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for adverse opinion on International Financial Reporting Standards

As described in Note 3 of the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than International Financial Reporting Standards.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and International Financial Reporting Standards, although not reasonably determinable, are presumed to be material.



Adverse opinion on International Financial Reporting Standards

In our opinion, because of the significance of the matter discussed in the “Basis for adverse opinion on International Financial Reporting Standards” paragraph, the condensed financial statements referred to above do not present fairly, in accordance with International Financial Reporting Standards, the financial position of the Company as of December 31, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

Opinion on regulatory basis of accounting

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of Zurich Global, Ltd. as of December 31, 2020 and 2019 and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Legislation described in Note 3.

A handwritten signature in black ink that reads "PricewaterhouseCoopers Ltd." in a cursive script.

Chartered Professional Accountants

CONDENSED CONSOLIDATED BALANCE SHEET

Zurich Global, Ltd.

 As at **December 31, 2020**
 expressed in **United States Dollars**

LINE No.	2020	2019
1. CASH AND CASH EQUIVALENTS	2,074,530,501	1,476,799,027
2. QUOTED INVESTMENTS:		
(a) Bonds and Debentures		
i. Held to maturity	-	-
ii. Other	4,152,209,980	2,979,444,019
(b) Total Bonds and Debentures	4,152,209,980	2,979,444,019
(c) Equities		
i. Common stocks	432,786,760	405,574,161
ii. Preferred stocks	-	-
iii. Mutual funds	-	-
(d) Total equities	432,786,760	405,574,161
(e) Other quoted investments		
(f) Total quoted investments	4,584,996,741	3,385,018,180
3. UNQUOTED INVESTMENTS:		
(a) Bonds and Debentures		
i. Held to maturity	-	-
ii. Other	191,086,793	197,583,275
(b) Total Bonds and Debentures	191,086,793	197,583,275
(c) Equities		
i. Common stocks	-	-
ii. Preferred stocks	-	-
iii. Mutual funds	-	-
(d) Total equities	-	-
(e) Other unquoted investments	336,612,160	294,721,756
(f) Total unquoted investments	527,698,952	492,305,031
4. INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a) Unregulated entities that conduct ancillary services	-	-
(b) Unregulated non-financial operating entities	-	-
(c) Unregulated financial operating entities	-	-
(d) Regulated non-insurance financial operating entities	-	-
(e) Regulated insurance financial operating entities	-	-
(f) Total investments in affiliates	-	-
(g) Advances to affiliates	-	-
(h) Total investments in and advances to affiliates	-	-
5. INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a) First liens	-	-
(b) Other than first liens	-	-
(c) Total investments in mortgage loans on real estate	-	-
6. POLICY LOANS	-	-
7. REAL ESTATE:		
(a) Occupied by the company (less encumbrances)	-	-
(b) Other properties (less encumbrances)	-	-
(c) Total real estate	-	-
8. COLLATERAL LOANS	-	-
9. INVESTMENT INCOME DUE AND ACCRUED	20,357,472	16,212,564
10. ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a) In course of collection	-	-
(b) Deferred - not yet due	27,111,752	42,284,017
(c) Receivables from retrocessional contracts	258,854,107	328,210,009
(d) Total accounts and premiums receivable	285,965,860	370,494,027
11. REINSURANCE BALANCES RECEIVABLE:		
(a) Foreign affiliates	5,247,706	397,164
(b) Domestic affiliates	-	-
(c) Pools & associations	-	-
(d) All other insurers	50,980,744	35,124,516
(e) Total reinsurance balance receivable	56,228,451	35,521,680
12. FUNDS HELD BY CEDING REINSURERS	224,923,623	112,086,197

CONDENSED CONSOLIDATED BALANCE SHEET

Zürich Global, Ltd.

As at **December 31, 2020**
expressed in **United States Dollars**

LINE No.		2020	2019
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	(0)	-
(b)	Segregated accounts companies - long-term business - variable annuities	-	-
(c)	Segregated accounts companies - long-term business - other	-	-
(d)	Segregated accounts companies - general business	-	-
(e)	Deposit assets	-	-
(f)	Deferred acquisition costs	9,667,842	4,295,270
(g)	Net receivables for investments sold	-	-
(h)	Income taxes receivable	(0)	-
(i)	Deferred income tax asset	0	18,561,022
(j)	Other Sundry Assets (Specify)	-	-
(k)	Total sundry assets	9,667,842	22,856,292
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	-	-
(b)	Guarantees	-	-
(c)	Other instruments	-	-
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	7,784,369,441	5,911,292,999
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	197,125,409	79,710,762
(b)	Less: Ceded unearned premium reserve		
i.	Foreign affiliates	23,379,516	10,520,472
ii.	Domestic affiliates	(596)	-
iii.	Pools & associations	-	-
iv.	All other insurers	135,176,251	69,190,290
(c)	Total ceded unearned premium reserve	158,555,171	79,710,762
(d)	Net unearned premium reserve	38,570,238	(0)
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	4,686,039,591	3,655,035,914
(b)	Less : Reinsurance recoverable balance		
i.	Foreign affiliates	95,697,264	15,472,155
ii.	Domestic affiliates	3,209	-
iii.	Pools & associations	-	-
iv.	All other reinsurers	118,007,134	158,003,981
(c)	Total reinsurance recoverable balance	213,707,606	173,476,136
(d)	Net loss and loss expense provisions	4,472,331,985	3,481,559,778
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	4,510,902,223	3,481,559,778
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS	-	-
21.	RESERVE FOR UNREPORTED CLAIMS	-	-
22.	POLICY RESERVES - LIFE	-	-
23.	POLICY RESERVES - ACCIDENT AND HEALTH	-	-
24.	POLICYHOLDERS' FUNDS ON DEPOSIT	-	-
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	-	-
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES	-	-
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
(i)	Foreign Affiliates	-	-
(ii)	Domestic Affiliates	-	-
(iii)	Pools and Associations	-	-
(iv)	All Other Insurers	-	-
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-

CONDENSED CONSOLIDATED BALANCE SHEET

Zurich Global, Ltd.

 As at **December 31, 2020**

 expressed in **United States Dollars**

LINE No.	2020	2019
OTHER LIABILITIES		
28. INSURANCE AND REINSURANCE BALANCES PAYABLE	151,291,337	74,331,946
29. COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	7,525,992	3,524,166
30. LOANS AND NOTES PAYABLE	-	44,003
31. (a) INCOME TAXES PAYABLE	29,284,222	13,657,267
(b) DEFERRED INCOME TAXES	753,348	-
32. AMOUNTS DUE TO AFFILIATES	26,868,206	28,235,792
33. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	7,666,740	32,669,840
34. FUNDS HELD UNDER REINSURANCE CONTRACTS:	6,511,094	10,191,369
35. DIVIDENDS PAYABLE	-	-
36. SUNDRY LIABILITIES:		
(a) Derivative instruments	156,810	-
(b) Segregated accounts companies	-	-
(c) Deposit liabilities	-	-
(d) Net payable for investments purchased	-	-
(e) Deferred Taxes	-	-
(f) General Invest Exp & Mngt Fee	-	2,329,447
(g) Other sundry liabilities (specify)	-	-
(h) Total sundry liabilities	156,810	2,329,447
37. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a) Letters of credit	-	-
(b) Guarantees	-	-
(c) Other instruments	-	-
(d) Total letters of credit, guarantees and other instruments	-	-
38. TOTAL OTHER LIABILITIES	230,057,749	164,983,830
39. TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	4,740,959,972	3,646,543,608
CAPITAL AND SURPLUS		
40. TOTAL CAPITAL AND SURPLUS	3,043,409,469	2,264,749,391
41. TOTAL	7,784,369,441	5,911,292,999

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Zurich Global, Ltd.

 As at **December 31, 2020**
 expressed in **United States Dollars**

LINE No.		2020	2019
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	-	-
	(b) Assumed gross premiums written	4,680,709,810	4,403,537,443
	(c) Total gross premiums written	4,680,709,810	4,403,537,443
2.	REINSURANCE PREMIUMS CEDED	526,510,799	366,097,033
3.	NET PREMIUMS WRITTEN	4,154,199,012	4,037,440,410
4.	(INCREASE) DECREASE IN UNEARNED PREMIUMS	(38,690,498)	0
5.	NET PREMIUMS EARNED	4,115,508,513	4,037,440,410
6.	OTHER INSURANCE INCOME	16,474,356	11,237,976
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	4,131,982,869	4,048,678,387
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	3,172,699,884	3,209,196,672
9.	COMMISSIONS AND BROKERAGE	1,076,348,499	1,024,146,937
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	4,249,048,383	4,233,343,609
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	(117,065,514)	(184,665,222)
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	-	-
	(b) Assumed gross premiums and other considerations	-	-
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED	-	-
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life	-	-
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME	-	-
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE	-	-
18.	POLICYHOLDERS' DIVIDENDS	-	-
19.	SURRENDERS	-	-
20.	MATURITIES	-	-
21.	ANNUITIES	-	-
22.	ACCIDENT AND HEALTH BENEFITS	-	-
23.	COMMISSIONS	-	-
24.	OTHER	-	-
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life	-	-
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-
29.	COMBINED NET UNDERWRITING RESULTS BEFORE	-	-

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Zurich Global, Ltd.

As at **December 31, 2020**
expressed in **United States Dollars**

LINE No.		2020	2019
	THE UNDERNOTED ITEMS	(117,065,514)	(184,665,222)
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	23,855,554	9,957,910
	(b) Personnel cost	-	-
	(c) Other	2,936,899	(747,744)
	(d) Total combined operating expenses	26,792,453	9,210,166
31.	COMBINED INVESTMENT INCOME - NET	107,591,817	113,013,874
32.	COMBINED OTHER INCOME (DEDUCTIONS)	(1,033,417)	3,016,661
33.	COMBINED INCOME BEFORE TAXES	(37,299,568)	(77,844,853)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	28,044,697	12,815,878
	(b) Deferred	(9,193,580)	(6,776,523)
	(c) Total	18,851,117	6,039,355
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(56,150,685)	(83,884,208)
36.	COMBINED REALIZED AND UNREALIZED GAINS (LOSSES)	154,511,995	72,022,717
37.	COMBINED INTEREST CHARGES	-	-
38.	NET INCOME	98,361,310	(11,861,492)

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

Zurich Global, Ltd.

As at
expressed in

December 31, 2020
United States Dollars

LINE No.		2020	2019
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	500,000	500,000
	value	\$ 1,000	each issued and
	fully paid	500,000	shares
	(ii)		
	(A) Preferred shares:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2020		
	2017		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2020		
	2017		
	(iii) Treasury Shares		
	repurchased		
	value		
(b)	Contributed surplus	2,848,006,561	2,274,951,989
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	-	-
	(ii) Guarantees and others	-	-
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	2,848,506,561	2,275,451,989
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	(10,702,598)	(114,172,674)
(b)	Add: Income for the year	98,361,310	(11,861,492)
(c)	Less: Dividends paid and payable	-	-
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	107,244,195	115,331,567
(e)	Add (Deduct) change in any other surplus	-	-
(f)	Surplus - End of Year	194,902,908	(10,702,598)
3.	MINORITY INTEREST	-	-
4.	TOTAL CAPITAL AND SURPLUS	3,043,409,469	2,264,749,391

ZURICH GLOBAL LIMITED
NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(expressed in United States Dollars)

General Notes to the Financial Statements

1. Zurich Global, Ltd. (the Company) was incorporated under the laws of Bermuda on October 26, 1992. All stock issued and outstanding is owned by Zurich Holding Company of America, Inc. (ZHCA), a business corporation incorporated in Delaware. The Company's ultimate parent is Zurich Insurance Group Ltd (ZIG or the Group), a company listed on the Swiss Stock Exchange. The Company is licensed as a Class 3A reinsurer. This is consistent with prior year.
2. The business written by the Company is all primarily reinsurance of Zurich entities, with the primary ceding company being Zurich American Insurance Company (ZAIC).

Effective January 1, 2018, ZGL entered into the Whole Account Quota Share Treaty (WAQS) in which ZGL assumes fifty percent of the net retained premium and reserves from ZAIC.

In addition, the Company primarily reinsures property and casualty coverages written by foreign branches, affiliates, subsidiaries and co-operative partners of Zurich Insurance Company Ltd of Zurich, Switzerland (ZIC), a wholly owned subsidiary of ZIG. The Company has retrocession agreements with third parties and affiliates. Effective June 1, 2020, ZGL entered into a quota share reinsurance agreement with ZAIC whereby ZGL also agreed to assume 100% of U.S. local policies relating to International Programs business produced in other countries.

3. The condensed general-purpose financial statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the "Legislation"). The condensed general-purpose financial statements are based upon International Financial Reporting Standards (IFRS) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from IFRS. The more significant variances are as follows:
 - A statement of cash flows is not included;
 - A statement of comprehensive income is not included;
 - The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under IFRS; and
 - The notes included in the condensed general-purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under IFRS.
4. Significant Accounting Policies

Premiums

Premiums stemming from the WAQS treaty are assumed on an earned basis and will not generate unearned premium. All other premiums are earned rateably over the term of the policies. Unearned premiums are computed on the daily pro rata basis.

Commissions

Commissions and brokerage costs for business assumed from affiliates and other co-operative partners are deferred. Commissions earned on ceded business are recorded on the accrual basis in accordance with the underlying ceded policies. The portion of ceding commission related to the unexpired portion of the ceded policy is reflected as a liability on the balance sheet.

Deferred Acquisition Costs (DAC)

Costs that vary with and are directly related to the acquisition of new and renewal business, including for example commissions and certain underwriting and policy issue expenses, are deferred and subsequently amortized over the period in which the related premiums are earned.

ZURICH GLOBAL LIMITED
NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(expressed in United States Dollars)

Loss and Loss Expense Provisions

Losses and loss adjustment expenses are charged against income as incurred. The liability for losses incurred is as reported by the ceding company and includes a provision for incurred but not reported losses determined by management based upon past experience and anticipated loss development. Loss reserves are discounted. The methods of determining the provision as well as the loss estimates are continually reviewed and updated. Any adjustments resulting therefrom are reflected in income currently.

Reinsurance

Reinsurance is recorded net in the consolidated balance sheet. Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded paid and unpaid losses and loss adjustment expenses and ceded unearned premiums. Reinsurance liabilities include balances assumed from the Company's affiliate, ZAIC, for losses and loss adjustment expenses, but no unearned premium liabilities to ZAIC, as the WAQS contract is assumed on an earned basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy. Reinsurance assets are assessed for impairment on a regular basis and impairment losses, if any, are recorded in the same manner as for loans and receivables. Earned premium and losses incurred are presented net of reinsurance balances in the consolidated statement of income.

Investment Income

Investment income is recognized on the accrual basis.

Fair Value Measurements

To measure fair value, the Company gives the highest priority to quoted and unadjusted prices in active markets. In the absence of quoted prices, fair values are calculated through valuation techniques, making the maximum use of relevant observable market data inputs. Whenever observable parameters are not available, the inputs used to derive the fair value are based on common market assumptions that market participants would use when pricing assets and liabilities. Depending on the observability of prices and inputs to valuation techniques, the Company classifies instruments measured at fair value within the following three levels (the fair value hierarchy):

Level 1: Includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices resulting from orderly transactions in active markets for identical assets/liabilities.

Level 2: Includes assets and liabilities for which fair values are determined using significant inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable market inputs.

Level 3: Includes financial assets for which the fair value is determined using valuation techniques with at least one significant input not being based on observable market data. In circumstances when there is little, if any, market activity for a certain instrument, the Company is required to develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability.

Investments

Quoted and unquoted investments are carried at fair value, with the unrealized gains and losses on available for sale securities reported in a separate component of surplus, and the unrealized gains and losses on securities classified as trading reported as realized gains/(losses) in income. Other private equity unquoted investments are carried at fair value unless significant influence exists then they are carried at the underlying equity in net assets of the investee. Investments are assessed quarterly for whether there is objective evidence that loss events have occurred that negatively affect the estimated future cash flows of the investment. A financial asset is considered impaired if there is objective evidence of impairment as a result of one or more occurred loss events that have an impact on the estimated future cash flows of the financial asset.

The evaluation of whether an available-for-sale debt security is impaired requires analysis of the credit standing of a particular issuer and involves management judgment. When assessing impairment of

ZURICH GLOBAL LIMITED
NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(expressed in United States Dollars)

available-for-sale debt securities, the Group places emphasis on issuer specific factors, such as significant financial difficulty, default or delinquency on interest or principal payments. A credit rating downgrade, worsened liquidity or decline in fair value below the weighted average cost is not by itself considered a loss event, but rather incorporated in the impairment analysis along with other available information.

Unquoted investments include hedge funds that are not actively traded. The value of these instruments is obtained from net asset value information and audited financial statements provided by the issuing company. Quantitative unobservable inputs are not developed by the Company when measuring fair value of these assets. In addition, included in unquoted bonds are financial assets for which the fair value is determined using valuation techniques with at least one significant input not being based on observable market data. In circumstances when there is little, if any, market activity for a certain instrument, the Company is required to develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability.

Cash and Time Deposits

Cash and time deposits are carried on the balance sheet at cost. The cash and time deposits are comprised of demand deposit accounts and other short term highly liquid investments. Carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments. Adjustments for foreign exchange valuation on cash equivalents held are reflected as Other Income.

Income Taxes

The Company filed a 953(d) election with the Internal Revenue Service and files an income tax return pursuant to regulations applicable to foreign insurance companies taxed under the Internal Revenue Code of the United States. The provision for current income taxes in the accompanying financial statements is based upon income currently taxable as provided under the tax sharing agreement with the Company's corporate parent, ZHCA.

Deferred income taxes are established for the future tax effects of temporary differences between tax and financial reporting bases of assets and liabilities using currently enacted tax rates. The effect on deferred income taxes of a change in tax rates is recognized in income in the period of enactment. Deferred income tax assets are valued based upon the expectation of future realization on a "more likely than not" basis. As of December 31, 2020, there is no valuation allowance established for the deferred income tax assets as income is projected for the next three years.

The Company has received an undertaking from the Bermuda Government exempting it from all local income, profits and capital gains taxes until March 31, 2035. At the present time, no such taxes are levied in Bermuda.

Foreign Currency

Assumed reinsurance transactions in foreign currencies are converted into U.S. Dollars at the time of recording using an exchange rate which is adjusted monthly. Since settlement of balances due to or from the Company occur at subsequent dates and are made in foreign currencies, gains and losses result from the fluctuations in exchange rates. Assets and liabilities related to transactions in foreign currencies are converted applying the rate of exchange as of the balance sheet date and may also result in gains and losses. ZHCA has agreed to assume all foreign currency exposure risks associated with foreign denominated insurance transactions.

5. The basis of recognition of premium, investment and commission income. See General Note 4.
6. The method used to translate amounts denominated in currencies other than the currency of the financial statements. See General Note 4.
7. Any foreign exchange control restrictions affecting assets of the insurer, with particular reference to money balances which cannot be transferred to the insurer due to reasons unrelated to the insurance business conducted by the insurer. Not applicable.

ZURICH GLOBAL LIMITED
NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2020
(expressed in United States Dollars)

8. The nature and amount of any material contingencies or commitments (for example, a commitment involving an obligation requiring abnormal expenditure, pending lawsuit, or the conclusion of a long lease). Not applicable.
9. Any default made by the insurer in relation to the principal, interest, sinking fund or redemption provisions of any securities issue made, or any credit agreement entered into, by it. Not applicable.
10. The gross amount of arrears of dividends on preferred cumulative shares, and the date to which those dividends were last paid. Not applicable.
11. The amount of any loan made during the relevant year by the insurer, to any director or officer of the insurer, not being a loan made in the ordinary course of business. Not applicable.
12. The amount of any obligation in respect of retirement benefits relating to employees of the insurer arising from service prior to the end of the relevant year remaining to be charged against operations, and the basis on which the insurer proposes to charge that amount. Not applicable.
13. The following table sets forth the fair value of the Company's quoted and unquoted investments as of December 31, 2020 by level within the fair value hierarchy (see General Note 4 for level definitions):

Fair Value Hierarchy	for the year ended December 31	2020			
		Level 1	Level 2	Level 3	Total
		Assets			
Available-for-sale securities				\$	
Bonds		\$4,152,209,980	\$191,086,793	4,343,296,773	
Hedge Funds			336,612,160	336,612,160	
Equities	\$ 432,786,760			432,786,760	
Total Available-for-sale securities	\$ 432,786,760	\$4,152,209,980	\$527,698,953	5,112,695,693	
Total assets	\$ 432,786,760	\$4,152,209,980	\$527,698,953	5,112,695,693	

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Fair Value Hierarchy	for the year ended December 31	2019			
		Level 1	Level 2	Level 3	Total
	Assets				
	Available-for-sale securities				\$
	Bonds		\$2,979,444,019	\$ 197,583,275	3,177,027,294
	Hedge Funds			293,751,317	293,751,317
	Equities	\$ 405,574,161			405,574,161
	Other invested assets			970,439	970,439
	Total Available-for-sale securities	\$405,574,161	\$2,979,444,019	\$492,305,031	\$ 3,877,323,211
	Total assets	\$ 405,574,161	\$2,979,444,019	\$492,305,031	\$ 3,877,323,211

Amounts have been reclassified to correct the presentation of unquoted investments of \$197,583,275 representing Level 3 bonds, that were previously included as a component of quoted investments.

14. The contractual maturity profile of the Company's fixed maturity investments is as follows:

Bonds and Debentures	for the year ended December 31	2020	2019
		Due within one year	\$ 157,834,088
Due after one year through five years	1,365,097,148	982,157,339	
Due after five years through ten years	1,285,681,224	921,972,132	
Due after ten years	1,534,684,313	1,141,885,193	
	Total	\$ 4,343,296,773	\$ 3,177,027,294

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15. The below table sets forth the related party transactions reflected in the Condensed Consolidated Statement of Income. All related party transactions are with Zurich affiliate companies.

Statement of Income		for the year ended December 31	2020		
			Affiliate	3rd Party	Total
Line 1(b)	Assumed Gross Premium Written		4,648,158,131	32,551,679	4,680,709,810
Line 2	Reinsurance Premium Ceded		161,982,124	364,528,675	526,510,799
Line 8	Incurred Loss and Loss Adjustment Expenses		3,232,708,720	(60,008,836)	3,172,699,884
Line 9	Commissions		1,080,653,130	(4,304,631)	1,076,348,499
Line 13	Premium Ceded		-	-	-
Line 22	Accident & Health Benefits		-	-	-
Line 24	Other		-	-	-
Line 30	Combined Operating Expense		23,943,757	2,848,697	26,792,453
Line 31	Combined Investment Income		5,138,797	102,453,020	107,591,817
Line 36	Combined Realized Gains and (Losses)		(163,367)	154,675,362	154,511,995

Statement of Income		for the year ended December 31	2019		
			Affiliate	3rd Party	Total
Line 1(b)	Assumed Gross Premium Written		4,374,079,293	29,458,151	4,403,537,443
Line 2	Reinsurance Premium Ceded		124,975,370	241,121,663	366,097,033
Line 8	Incurred Loss and Loss Adjustment Expenses		3,310,185,729	(100,989,057)	3,209,196,672
Line 9	Commissions		1,022,296,282	1,850,655	1,024,146,937
Line 13	Premium Ceded		-	-	-
Line 22	Accident & Health Benefits		-	-	-
Line 24	Other		-	-	-
Line 30	Combined Operating Expense		9,934,329	(724,163)	9,210,166
Line 31	Combined Investment Income		22,141,012	90,872,862	113,013,874
Line 36	Combined Realized Gains and (Losses)		(166,344)	72,189,061	72,022,717

Related party transactions primarily include intercompany reinsurance and instances where ZAIC settles cash with third parties on behalf of ZGL. The amount due to affiliates is \$26,868,206 and \$28,235,792 as

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of December 31, 2020 and 2019 respectively. Amounts due are billed and settled as mutually agreed by the parties except as noted below. The balances are unsecured and bear no interest.

Under the agreement referred to in General Note 4, a net foreign exchange loss of \$1,110,346 and a loss of \$11,996 relating to insurance transactions were transferred to ZHCA in 2020 and 2019 respectively. The net amount due is settled with ZHCA annually and is included in the net amounts due to affiliates balance above as of December 31, 2020 and 2019.

During 2020, the Company repaid a loan from its parent, ZHCA. The original loan was \$15,000,000, of which \$7,500,000 was repaid in 2019 and \$7,500,000 was paid in 2020. See Note 32 in Notes to the Balance Sheet.

16. We consider events or transactions that occur after the balance sheet date, but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures, and have evaluated subsequent events through April 16, 2021, the date the financial statements were issued. A novel coronavirus, COVID-19 emerged in China in late 2019 and began to spread globally in early 2020. COVID-19 has been declared a pandemic by the World Health Organization, and its emergence and reactions to it have had a profound effect on the global economy and financial markets. The company has incurred insurance losses from the impact of COVID-19 primarily related to business interruption, which have been partly offset by positive secondary benefits on loss experience on other lines of business. Management has included their best estimate of the financial impact of these losses and benefits in these financial statements. From an operational perspective, COVID-19 has had no material impact on the company's operations.
17. There is no other information which in the opinion of the board of directors is required to be disclosed if the financial statements are not to be misleading.

Notes to the Statement of Capital and Surplus

- 1(a). Authorized capital stock consists of 500,000 shares of common stock having a par value of \$1. These shares have all been issued and are fully paid.
- 1(b). Contributed Surplus increased \$573,054,572, resulting in an ending balance of \$2,848,006,561 as of December 31, 2020. Contributed Surplus increased \$323,225,874 in 2019, resulting in an ending balance of \$2,274,951,989. Both increases are due to a capital injection from its parent, ZHCA.
- 2(c) The amount and nature of any dividend paid during the relevant year that was other than a cash dividend. Not applicable, as there were no dividends paid and payable during the year.
There shall also be disclosed details of:
 - (a) Any change in the authorized share capital of the insurer during the relevant year. Not applicable. No change in the authorized share capital of the insurer during 2020.
 - (b) Where an insurer has contracted to issue or re-issue shares or has given options to purchase shares, the class and number of shares affected, the price and date of the issue or re-issue of the shares or the exercise of the options and (shown separately) the total number of shares in respect of which options are held by directors and officers of the insurer. Not applicable. No change in the authorized share capital of the insurer during 2020.
 - (c) Details of any share transactions during the relevant year. Not applicable. No change in the authorized share capital of the insurer during 2020.

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Notes to the Balance Sheet

1. At December 31, 2020, the Company had funds held by ceding reinsurers of \$224,923,623 and \$112,086,197 at December 31, 2019 on deposit in support of insurance liabilities. \$224,485,153 is held as of December 31, 2020, by the Company's affiliate, ZAIC, stemming from the WAQS treaty (see General Note 2).

The Company is required to maintain investments and cash and cash equivalents on deposit to support its reinsurance operations. The investments and cash and cash equivalents on deposit are available to settle reinsurance liabilities. Trust accounts are utilized to collateralize business as required with our reinsurance and regulatory partners. The assets held in both the 114 Trust and Trust II as collateral are primarily highly rated fixed maturity securities. The carrying value of our restricted assets, including restricted cash as at December 31, 2020 was \$5,208,913,989. The December 31, 2019 figure was \$3,988,540,788. Restricted assets include accrued interest.

At December 31, 2020, the Company has cash on deposit with its ultimate parent, ZIC, in the amount of \$1,942,395,000 in connection with a cash pooling agreement. Interest earned on the cash pooling balance is approximately the Federal Funds rate. The December 31, 2019 figure was \$1,302,070,000.

At December 31, 2020, the Company had cash and time deposits of \$31,987,642 and \$59,362,420 at December 31, 2019 on deposit in support of insurance liabilities ceded from Canada as required by Canadian governmental authorities.

2. The method of valuation of quoted investments is covered in General Note 4.
3. Other private equity unquoted investments are carried at fair value unless significant influence exists then they are carried at the underlying equity in net assets of the investee. Investments are adjusted for any declines in value that are impaired. See General Note 4.
4. Investment in and advances to affiliates. The method of valuation must be described. Repayment terms and the rates of interest applicable to advances must also be given. Not applicable.
5. Investments in mortgage loans on real estate. The range of interest rates and the range of maturity dates for mortgage loans on real estate must be disclosed. Not applicable.
6. There are no loans to policyholders on the security of cash surrender value of the policyholder's long-term insurance policy.
7. There is no real estate held by the company.
8. There are no collateral loans.
9. Accrued investment income was \$20,357,472 as of December 31, 2020, and \$16,212,564 for December 31, 2019. This increase was attributable to investments held in collateral trusts associated with the WAQS treaty (see General Note 2).
10. Included in accounts and premiums receivable are:
 - (a) Collateralized balance of \$0 as of December 31, 2020 and 2019.
 - (b) Amounts due from affiliates totalling \$243,237,851 and \$297,518,171 as of December 31, 2020 and 2019, respectively. Amounts due from affiliates are shown net of the WAQS payable to ZAIC.
11. Reinsurance balances receivable include collateralized balances of \$301,176 and \$56,965 as of December 31, 2020 and 2019, respectively.
12. Included in funds held by ceding reinsurers are balances held by affiliates totaling \$224,496,852 and \$110,678,083 as of December 31, 2020 and December 31, 2019 respectively.
13. Sundry assets
 - (a) Derivative instruments. See Balance Sheet Note 36.
 - (b) Long-term business – variable annuities. Not applicable.

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- (c) Long-term business – other. Not applicable.
- (d) Segregated companies accounts – general business. Not applicable.
- (e) Deposit assets. Not applicable.
- (f) Deferred acquisition costs – See General Note 4.
- (g) Net receivables for investments sold. Not applicable.
- (h) Income taxes receivable are not applicable. See Note 31 for income taxes payable.
- (i) As of December 31, 2020, and 2019, the valuation allowance was \$0.

14. Letters of credit guarantees and other not disclosed in 1 through 13 above. Not applicable.

16. Unearned premium reserve - See General Note 4.

17. Loss and loss expense provisions - See General Note 4.

- (a) Movements in the loss and loss expense provisions for the current year and previous year as per the table below.

	2020	2019
Gross loss and loss expense provisions at beginning of year	\$ 3,655,035,914	\$ 2,488,457,316
Less: Reinsurance recoverable at beginning of year	(173,476,136)	(135,893,883)
Net loss and loss expense provisions at beginning of year	3,481,559,778	2,352,563,433
Net incurred losses and loss expenses related to:		
Current Year	2,988,798,384	3,073,117,812
Prior Years	183,901,500	136,078,860
Total net incurred losses and loss expenses	3,172,699,884	3,209,196,672
Net losses and loss expenses paid or payable related to:		
Current Year	(1,164,436,495)	(1,212,748,195)
Prior Years	(1,017,491,182)	(867,452,132)
Total losses and loss expenses paid or payable	(2,181,927,677)	(2,080,200,327)
Foreign Exchange and other	-	-
Net loss and loss expense provisions at end of year	4,472,331,985	3,481,559,778
Add: Reinsurance recoverable at end of year	213,707,606	173,476,136
Gross loss and loss expense provision at end of year	\$4,686,039,591	\$ 3,655,035,914

- (b) The net loss and loss expenses provisions at the end of the year 2020 increased by \$990,772,207, which included \$833,589,682 decrease related to prior years. Net losses incurred and expenses incurred increased by \$1,128,996,345 in 2019, which included \$731,373,272 decrease related to 2018, the first year of the WAQS contract. WAQS is calculated on Inception-to-Date basis.

- (c) For summary of total restricted assets, please refer to Balance Sheet Note 1. Unsecured policyholder obligations are \$180,339,869 at December 31, 2020 and \$114,113,716 at December 31, 2019.

20. Reserves for reported claims. The method of determining reserves for reported claims. Not applicable.

21. Reserves for unreported claims. The method of determining reserves for unreported claims. Not applicable.

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22. Policy reserves – life. The method of calculation, and the range of significant or material interest rates and mortality factors used in calculations. Not applicable.
23. Policy reserves accident and health. The method of calculation of the reserves. Not applicable.
24. Policyholders’ funds on deposit. The method of determining policyholders’ funds on deposit. Not applicable.
25. Liability for future policyholders’ dividends. Not applicable.
The following must be disclosed in a note –
 - (a) The relative percentage of participating insurance;
 - (b) The method of accounting for policyholder dividends;
 - (c) The amount of dividends; and
 - (d) The amount of any additional income allocated to participating policyholders
26. Other insurance reserves - long term. The method of calculation of the reserves. Not applicable.
27. Total long-term business insurance reserves. Not applicable.
For the long-term business insurance reserves the following must be disclosed, if any—
 - (a) Total restricted assets - an amount equal to the value of all assets that are held for security or collateral against a liability or contingent liability; and
 - (b) Unsecured policyholder obligations - an amount equal to all policyholder obligations that are not secured by assets or collateral
28. Included in insurance and reinsurance balances payable are amounts due to affiliates totalling \$60,864,666 and \$36,703,087 at December 31, 2020 and 2019 respectively. Amounts due from affiliates are shown net of the WAQS payable to ZAIC.
29. Included in commissions, expenses, fees and taxes payable are unearned commissions totalling \$5,615,564 and \$3,521,379 as of December 31, 2020 and 2019, respectively.
30. Loans and notes payable – See Balance Sheet Note 32
31. (a) The Company calculated a current income taxes payable of \$29,284,222 and \$13,657,267 as of December 31, 2020 and 2019, respectively.

(b) The Company calculated deferred income taxes of \$753,348 as of December 31, 2020 (2019: \$0).
32. See General Note 15. The Company had a loan obligation to its parent, ZHCA, in the principal amount of \$7,500,000 as of December 31, 2019. The loan was issued July 1, 2019 with a repayment date of July 1, 2020. Interest on the unpaid balance of the loan is paid quarterly and is computed using a fixed all-in annual rate of 2.29580% per annum. The loan was repaid on the due date and there are no further outstanding loans in place as of December 31, 2020.
33. The Company had accounts payable and accrued liabilities from unsettled trades, investment management fees and related expenses of \$7,666,740 in 2020 and \$32,669,840 from unsettled trades and related expenses in 2019. Investment management fees were disclosed in 2019 under sundry liabilities, this is a change in presentation from prior years.
34. Funds held under reinsurance contracts. The amount held by affiliates shall be disclosed. See Balance Sheet Notes 1 & 12.
35. Dividends payable. Not applicable – there are no dividends payable.
36. There are sundry liabilities of \$156,810 related to derivative instruments. This relates to the fair value of internal foreign exchange hedging that the Company has with ZIC to mitigate currency exposures on the International Programme Business. The hedged balances are not material, there is no applicable nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments.

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37. Letters of credit, guarantees and other instruments. Not applicable.
- (a) The nature and valuation method for the letters or credit, guarantees, and other instruments. These should only be included to the extent that they would be recognized under the insurer's GAAP accounting standards.
 - (b) the name of the entity granting the letter of credit, guarantee or other instrument, and the name of the entity in whose favour the letter of credit, guarantee or other instrument was granted;
 - (c) the amount of the letter of credit, guarantee or other instrument;
 - (d) the purpose for which the letter of credit, guarantee or other instrument was granted

Notes to the Statement of Income

6. Other insurance income consists of commissions from ceded business. See General Note 4.
15. Other insurance income. Not applicable.
32. Included in combined other income is \$999,136 of unrealized foreign exchange loss relating to valuation adjustments on cash and time deposits (2019: \$3,016,661 gain).
36. Combined realized gains (losses) includes \$154,552,488 of gains in 2020 from investments related to the WAQS treaty (2019: \$72,022,717 gain). ZGL Clearinghouse generated a \$163,536 loss on FX Forwards, realized gains of \$1,487 on assumed foreign currency activity, unrealized gains of \$920 on assumed foreign currency activity and \$120,636 on ceded foreign currency activity (2019: \$0).