SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.

Audited Consolidated Financial Statements

Year ended December 31, 2021

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

To the Management and Board of Directors of SiriusPoint Bermuda Insurance Company Ltd.

Opinion

We have audited the accompanying consolidated financial statements of SiriusPoint Bermuda Insurance Company Ltd. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for assumed written premiums in 2021.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

PricewaterhouseCoopers LLP

New York, New York
March 31, 2022

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
CONSOLIDATED BALANCE SHEET
As of December 31, 2021
(expressed in millions of U.S. dollars, except per share and share amounts)

	December 31, 2021
Assets	
Investments in related party investment funds, at fair value (cost - $441.9)	$ 909.6
Debt securities, trading, at fair value (cost - $2,099.3)	2,085.6
Short-term investments, at fair value (cost - $1,076.0)	1,075.8
Equity securities, trading, at fair value (cost - $4.5)	2.8
Other long-term investments, at fair value (cost - $430.4)	443.1
Total investments	4,516.9
Cash and cash equivalents	991.9
Restricted cash and cash equivalents	948.6
Redemption receivable from related party investment fund	250.0
Due from brokers	15.9
Interest and dividends receivable	8.3
Insurance and reinsurance balances receivable, net	1,708.2
Deferred acquisition costs and value of business acquired, net	218.8
Unearned premiums ceded	242.8
Loss and loss adjustment expenses recoverable, net	1,215.3
Deferred tax asset	182.0
Intangible assets	171.9
Other assets	114.1
Total assets	$ 10,584.7
Liabilities	
Loss and loss adjustment expense reserves	$ 4,841.4
Unearned premium reserves	1,198.4
Reinsurance balances payable	688.3
Deposit liabilities	150.7
Due to brokers	6.5
Accounts payable, accrued expenses and other liabilities	193.9
Deferred tax liability	95.4
Due to affiliates	4.7
Total liabilities	7,179.3
Commitments and contingent liabilities	
Shareholder's equity	
Common shares (par value $1.00; authorized, 1,120,000; issued and outstanding, 1,120,000)	1.1
Additional paid-in capital	3,236.2
Retained earnings	168.7
Accumulated other comprehensive loss	(0.2)
Shareholder's equity attributable to common shareholder	3,405.8
Noncontrolling interests	(0.4)
Total shareholder's equity	3,405.4
Total liabilities, noncontrolling interests and shareholder's equity	$ 10,584.7

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

N. S. D. Campbell
Director

Tim Mardon
Director

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
CONSOLIDATED STATEMENT OF INCOME
For the year ended December 31, 2021
(expressed in millions of U.S. dollars)

	2021
Revenues	
Gross premiums written	$ 2,236.5
Gross premiums ceded	(502.3)
Net premiums written	1,734.2
Change in net unearned premium reserves	(17.2)
Net premiums earned	1,717.0
Net realized and unrealized investment losses	(18.2)
Net realized and unrealized gains from investments in related party investment funds	304.0
Other net investment income	25.4
Total realized and unrealized investment gains and net investment income	311.2
Other revenues	51.0
Total revenues	2,079.2
Expenses	
Loss and loss adjustment expenses incurred, net	1,326.5
Acquisition costs, net	387.8
Other underwriting expenses	158.8
Net corporate and other expenses	157.0
Intangible asset amortization	5.9
Foreign exchange gains	(26.0)
Total expenses	2,010.0
Income before income tax benefit	69.2
Income tax benefit	19.1
Net income	88.3
Net loss attributable to noncontrolling interests	2.3
Net income available to common shareholder	$ 90.6

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

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2021
(expressed in millions of U.S. dollars)

		2021
Comprehensive income		
Net income	$	88.3
Other comprehensive loss		
Change in foreign currency translation, net of tax		(0.2)
Total other comprehensive loss		(0.2)
Comprehensive income		88.1
Net loss attributable to noncontrolling interests		2.3
Comprehensive income available to common shareholder	$	90.4

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

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY
For the year ended December 31, 2021
(expressed in millions of U.S. dollars)

	2021
Common shares	
Balance, beginning of period	1,000,000
Issuance of common shares for Sirius Bermuda merger	120,000
Balance, end of period	1,120,000
Common shares	
Balance, beginning of period	$ 1.0
Issuance of common shares for Sirius Bermuda merger	0.1
Balance, end of period	1.1
Additional paid-in capital	
Balance, beginning of period	1,405.7
Acquisition of Sirius Group	1,830.5
Balance, end of period	3,236.2
Retained earnings	
Balance, beginning of period	161.1
Net income	88.3
Net loss attributable to noncontrolling interests	2.3
Dividends	(83.0)
Balance, end of period	168.7
Accumulated other comprehensive loss	
Accumulated net foreign currency translation	
Balance, beginning of period	—
Net change in foreign currency translation	(0.2)
Balance, end of period	(0.2)
Shareholder's equity attributable to common shareholder	3,405.8
Noncontrolling interests	(0.4)
Total shareholder's equity	$ 3,405.4

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

SIRIUSPOINT BERMUDA INSURANCE COMPANY LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2021
(expressed in millions of U.S. dollars)

	2021
Operating activities	
Net income	$ 88.3
Adjustments to reconcile net income to net cash used in operating activities:	
Share compensation	10.7
Net interest expense on deposit liabilities	3.7
Net realized and unrealized loss on investments and derivatives	4.2
Net realized and unrealized gain on investments in related party investment funds	(304.0)
Gain from sale of consolidated subsidiary	(5.8)
Amortization of premium and accretion of discount, net	10.1
Amortization of intangible assets	5.9
Depreciation and other amortization	6.1
Other items, net	(1.1)
Changes in assets and liabilities:	
Insurance and reinsurance balances receivable, net	(48.3)
Deferred acquisition costs and value of business acquired, net	(2.3)
Unearned premiums ceded	(33.3)
Loss and loss adjustment expenses recoverable, net	(390.2)
Due from/to affiliates, net	(104.9)
Deferred tax asset/liability	(53.4)
Other assets	42.7
Interest and dividends receivable	0.6
Loss and loss adjustment expense reserves	614.8
Unearned premium reserves	13.6
Reinsurance balances payable	223.0
Accounts payable, accrued expenses and other liabilities	(92.2)
Net cash used in operating activities	(11.8)
Investing activities	
Proceeds from redemptions from related party investment fund	200.0
Purchases of investments	(3,387.5)
Proceeds from sales and maturities of investments	2,683.8
Purchases of investments to cover short sales	(20.6)
Proceeds from short sales of investments	9.7
Change in due from/to brokers, net	77.9
Acquisition of Sirius Group (cash and restricted cash acquired of $740.3)	740.3
Proceeds from sale of consolidated subsidiary, net of cash sold	20.5
Net cash provided by investing activities	324.1
Financing activities	
Net payments on deposit liability contracts	(14.1)
Change in noncontrolling interests, net	0.2
Cash dividends paid to parent	(70.5)
Net cash used in financing activities	(84.4)
Net increase in cash, cash equivalents and restricted cash	227.9
Cash, cash equivalents and restricted cash at beginning of year	1,712.6
Cash, cash equivalents and restricted cash at end of year	$ 1,940.5
Supplementary information	
Income taxes paid in cash	$ 14.7

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

1. Organization

SiriusPoint Bermuda Insurance Company Ltd. (the "Company" or "SiriusPoint Bermuda"), a wholly-owned subsidiary of SiriusPoint Ltd. ("SiriusPoint"), is a Bermuda exempted company registered as a Class 4 insurer under the Insurance Act 1978, as amended, and related regulations (the "Act"). The Company provides multi-line insurance and reinsurance on a worldwide basis through its wholly owned subsidiaries.

On February 26, 2021, Third Point Reinsurance Ltd. completed the acquisition of Sirius International Insurance Group, Ltd. ("Sirius Group") and changed its name from Third Point Reinsurance Ltd. to SiriusPoint Ltd. All references to SiriusPoint throughout these consolidated financial statements refer to legacy Third Point Reinsurance Ltd., unless otherwise indicated. SiriusPoint's common shares are listed on the New York Stock Exchange under the symbol "SPNT". For additional information, see Note 3 to the consolidated financial statements.

Prior to the acquisition of Sirius Group, Third Point Reinsurance Company Ltd. ("Third Point Re BDA") and Third Point Reinsurance (USA) Ltd. ("Third Point Re USA") were wholly-owned consolidated reinsurance subsidiaries of Third Point Reinsurance Ltd. In connection with an internal reorganization:

- On May 27, 2021, Third Point Re BDA merged with and into Sirius Bermuda Insurance Company Ltd. ("Sirius Bermuda"), with Sirius Bermuda being the legal surviving entity. Upon the effectiveness of the merger, Sirius Bermuda changed its name to SiriusPoint Bermuda. The full year results of operations and cash flows of Third Point Re BDA are included in these consolidated financial statements, and the results of operations and cash flows of Sirius Bermuda are included from the acquisition date of February 26, 2021 forward (the date on which Sirius Bermuda became under common control with Third Point Re BDA upon the acquisition of Sirius Group by Third Point Reinsurance Ltd.); and

- On December 31, 2021, Third Point Re USA merged with and into SiriusPoint Bermuda, with SiriusPoint Bermuda being the surviving entity. The full year results of operations and cash flows of Third Point Re USA are included in these consolidated financial statements.

These consolidated financial statements include the results of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions have been eliminated.

Tabular amounts are in U.S. Dollars in millions, except share amounts, unless otherwise noted.

2. Significant accounting policies

The following is a summary of the significant accounting and reporting policies adopted by the Company:

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The major estimates reflected in the Company's consolidated financial statements include, but are not limited to, the loss and loss adjustment expense reserves, estimates of written and earned premiums and fair value of financial instruments.

Intangible assets

The Company accounts for intangible assets that arise from business combinations in accordance with ASC Topic 350 *Intangibles – Goodwill and Other*.

Intangible assets arising from our business acquisitions are classified as either finite or indefinite-lived intangible assets. Finite-lived intangible assets are amortized over their useful lives with the amortization expense being recognized in the consolidated statement of income. The amortization periods approximate the period over which the Company expects to generate future net cash inflows from the use of these assets. All of these assets are subject to impairment testing for the impairment or disposal of long-lived assets when events or conditions indicate that the carrying value of an asset may not be fully recoverable from future cash flows. Indefinite-lived intangible assets are however not subject to amortization. The carrying values of intangible assets are reviewed for indicators of impairment at least annually. The Company initially evaluates indefinite-lived intangible assets using a qualitative approach to determine whether it is more likely than not that the fair value is greater than its carrying value. If the results of the qualitative evaluation indicate that it is more likely than not that the carrying value exceeds its fair value, the Company performs the quantitative test for impairment. If indefinite-lived intangible assets are impaired, such assets are written down to their fair values with the related expense recognized in the consolidated statement of income.

Cash, cash equivalents and restricted cash

Cash and cash equivalents consist of cash held in banks and other short-term, highly liquid investments with original maturity dates of ninety days or less.

Restricted cash and cash equivalents consist of cash held in trust accounts securing obligations under certain reinsurance contracts and cash held in trust accounts securing letters of credit issued under credit facilities.

Premium revenue recognition

Effective January 1, 2021, the Company changed its accounting policy for assumed written premiums. Previously, the Company estimated ultimate premium written for the entire contract period and recorded this estimate at inception of the contract. For contracts where the full premium written was not estimable at inception, the Company recorded premium written for the portion of the contract period for which the amount was estimable.

The Company changed its accounting policy to recognize premiums written ratably over the term of the related policy or reinsurance treaty consistent with the timing of when the ceding company has recognized the written premiums. Premiums written include amounts reported by brokers and ceding companies, supplemented by the Company's own estimates of premiums where reports have not been received. The determination of premium estimates requires a review of the Company's experience with the ceding companies, managing general underwriters, familiarity with each market, the timing of the reported information, an analysis and understanding of the characteristics of each class of business and management's judgment of the impact of various factors, including premium or loss trends, on the volume of business written and ceded to the Company. On an ongoing basis, the Company's underwriters review the amounts reported by these third parties for reasonableness based on their experience and knowledge of the subject class of business, taking into account the Company's historical experience with the brokers or ceding companies. Changes in premium estimates are expected and may result in adjustments in any reporting period. Any subsequent adjustments arising on such estimates are recorded in the period in which they are determined.

The change in policy has been made because it is management’s opinion that the revised policy reflects the timing of when premiums are written by the cedent and reduces estimation uncertainty regarding the assets and liabilities recorded.

Premiums for retroactive exposures in reinsurance contracts are earned at the inception of the contract, as all of the underlying loss events covered by these exposures occurred in the past. If the estimated loss and loss adjustment expense reserve differs from the premium received at inception of a retroactive reinsurance contract, the resulting difference is deferred and recognized over the estimated claim payment period of the related contract with the periodic amortization reflected in earnings as a component of loss and loss adjustment expenses incurred.

Unearned premiums represent the portion of premiums written that relate to the remaining term of the underlying policies in force.

Reinsurance premiums ceded

From time to time, the Company reduces the risk of losses on business written by reinsuring certain risks and exposures with other reinsurers. The Company remains liable to the extent that any retrocessionaire fails to meet its obligations and to the extent that the Company does not hold sufficient security for their unpaid obligations. Ceded premiums are written during the period in which the risks incept and are earned over the contract period in proportion to the period of risk covered. Unearned premiums ceded consist of the unexpired portion of insurance and reinsurance ceded.

Funds held

Funds held by ceding companies represent amounts due to the Company in connection with certain assumed reinsurance agreements in which the ceding company retains a portion of the premium to provide security against future loss payments. The funds held by ceding companies are generally invested by the ceding company and a contractually agreed interest amount is credited to the Company and recognized as investment income. These amounts are included in insurance and reinsurance balances receivable, net on the consolidated balance sheet.

Funds held under reinsurance treaties represent contractual payments due from the Company that have been retained to secure such obligations. These amounts are included in reinsurance balances payable on the consolidated balance sheet.

Reinsurance

Reinsurance recoverables include claims we paid and estimates of unpaid losses and loss adjustment expenses that are subject to reimbursement under reinsurance and retrocessional contracts. The method for determining reinsurance recoverables for unpaid losses and loss adjustment expenses involves reviewing actuarial estimates of gross unpaid losses and loss adjustment expenses to determine our ability to cede unpaid losses and loss adjustment expenses under our existing reinsurance contracts. This method is continually reviewed and updated and any resulting adjustments are reflected in earnings in the period identified. Reinsurance premiums, commissions and expense reimbursements are accounted for on a basis consistent with those used in accounting for the original policies issued and the term of the reinsurance contracts. Amounts recoverable from reinsurers for losses and loss adjustment expenses for which the Company has not been relieved of its legal obligations to the policyholder are reported as assets.

Deferred acquisition costs

Deferred acquisition costs consist of commissions, brokerage expenses, excise taxes and other costs which are directly attributable to the successful acquisition or renewal of contracts and vary with the production of business. These costs are deferred and amortized over the period in which the related premiums are earned. Amortization of deferred acquisition costs are shown net of contractual commissions earned on reinsurance ceded within acquisition expenses, net in the consolidated statement of net income.

Acquisition costs also include profit commissions that are expensed when incurred. Profit commissions are calculated and accrued based on the expected loss experience for contracts and recorded when the current loss estimate indicates that a profit commission is probable under the contract terms.

As a result of the Sirius Group acquisition, a value of business acquired ("VOBA") intangible asset was established. VOBA represents the expected future losses and expenses associated with the policies and contracts that were in-force as of the closing date of the transaction compared to the future premium remaining expected to be earned. The difference between the risk-adjusted future loss and expenses, discounted to present value, and the unearned premium reserve was estimated to be the VOBA. Amortization of VOBA is recorded in acquisition costs, net in the consolidated statement of net income and the VOBA related asset is included in deferred acquisition costs and value of business acquired, net on the consolidated balance sheet.

The Company evaluates the recoverability of deferred acquisition costs by determining if the sum of expected loss and loss adjustment expenses, expected dividends to policyholders, unamortized acquisition costs, and maintenance costs exceeds related unearned premiums and anticipated investment income. If a loss is probable on the unexpired portion of contracts in force, a premium deficiency loss is recognized. As of December 31, 2021, deferred acquisition costs are considered to be fully recoverable and no premium deficiency has been recorded.

Loss and loss adjustment expense reserves

The Company's loss and loss adjustment expense reserves include case reserves, reserves for losses incurred but not yet reported ("IBNR reserves") and deferred gains on retroactive reinsurance contracts. Case reserves are established for losses that have been reported, but not yet paid. IBNR reserves represent the estimated loss and loss adjustment expenses that have been incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer, including unknown future development on loss and loss adjustment expenses that are known to the insurer or reinsurer. IBNR reserves are established by management based on actuarially determined estimates of ultimate loss and loss adjustment expenses.

Inherent in the estimate of ultimate loss and loss adjustment expenses are expected trends in claim severity and frequency and other factors that may vary significantly as claims are settled. Accordingly, ultimate loss and loss adjustment expenses may differ materially from the amounts recorded in the consolidated financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are recorded in the consolidated statement of net income in the period in which they become known.

Deposit liabilities

Certain contracts do not transfer sufficient insurance risk to be deemed reinsurance contracts and are accounted for using the deposit method of accounting. Management exercises judgment in determining whether contracts transfer sufficient risk to be accounted for as reinsurance contracts. Using the deposit method of accounting, a deposit liability, rather than written premium, is initially recorded based upon the consideration received less any explicitly identified premiums or fees. In subsequent periods, the deposit liability is adjusted by calculating the effective yield on the deposit to reflect actual payments to date and future expected payments. In some cases, the effective yield on the contract may be negative, which will result in the recognition of other income. Fixed interest credits on deposit accounted contracts are included in net corporate and other expenses in the consolidated statement of net income.

Fair value measurement

The Company determines the fair value of financial instruments in accordance with current accounting guidance, which defines fair value and establishes a three level fair value hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Fair value is defined as the price that the Company would receive to sell an asset or would pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the estimated fair value of each individual security utilizing the highest level inputs available. Refer to Note 6 for additional information.

Investments

Short-term investments

Short-term investments consist of U.S. treasury bills, certificates of deposit and other securities, which, at the time of purchase, mature within a period of greater than three months but less than one year. Short-term investments are carried at fair value.

Investment Securities

The Company's investments are classified as "trading securities" and are carried at fair value with changes in fair value included in earnings in the consolidated statement of net income.

The fair value of the Company's investments are based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications, industry recognized pricing vendors, and/or internal pricing valuation techniques. Investment transactions are recorded on a trade date basis with balances pending settlement included in due to/from brokers in the consolidated balance sheet.

Changes in unrealized gains and losses are reported pre-tax in revenues. Realized gains and losses are determined using cost calculated on a specific identification basis and are reported pre-tax in revenues. Dividends are recorded on the ex-dividend date. Income and expenses are recorded on the accrual basis including interest and premiums amortized and discounts accreted.

Other long-term investments

Other long-term investments consist primarily of hedge funds, private equity funds, and other strategic investments. The fair values of hedge funds and private equity funds that produce net asset value ("NAV") are generally recorded based upon the Company's proportionate interest in the underlying fund's NAV, which is deemed to approximate fair value. In addition, due to a lag in reporting, some of the fund managers, fund administrators or both, are unable to provide final fund valuations as of the Company's reporting date. In these circumstances, the Company estimates the return of the current period and uses all credible information available. This includes utilizing preliminary estimates reported by its fund managers and using information that is available to the Company with respect to the underlying investments, as necessary. The changes in fair value are reported in pre-tax revenues in net realized and unrealized investment losses. Actual final fund valuations may differ from the Company's estimates and these differences are recorded in the period they become known as a change in estimate. For other strategic investments, management generally engages third-party valuation specialist to assist in determination of the fair value based on commonly accepted valuation methods (i.e., income approach, market approach).

Other long-term investments include certain investments that are eligible for the equity method where the Company has elected the fair value option under which the changes in fair value are reported in pre-tax revenues in net realized and unrealized investment losses. See Note 9 for additional information.

Investments in related party investment funds

The Company invests in Third Point Enhanced LP ("TP Enhanced Fund") and Third Point Venture Offshore Fund I LP ("TP Venture Fund"), both related party investment funds. The Company's investment in the funds are stated at their fair value, that generally represents the Company's proportionate interest in the funds as reported by the fund based on the NAV provided by the fund administrator. Increases or decreases in such fair value are recorded within net realized and unrealized investment gains from related party investment funds in the Company's consolidated statement of net income. The Company records contributions and withdrawals related to its investments in the funds on the transaction date.

Derivative financial instruments

The Company holds derivative contracts to manage credit risk, interest rate risk, currency exchange risk and other exposure risks. The Company uses derivatives in connection with its risk-management activities to economically hedge certain risks and to gain exposure to certain investments. The utilization of derivative contracts also allows for an efficient means by which to trade certain asset classes.

Fair values of derivatives are determined by using quoted market prices, industry recognized pricing vendors and counterparty quotes when available; otherwise fair values were based on pricing models that consider the time value of money, volatility and the current market and contractual prices of underlying financial instruments.

Share-based compensation

The Company accounts for its share-based compensation transactions using the fair value of the award at the grant date and accounts for forfeitures when they occur. Determining the fair value of share purchase options at the grant date requires estimation and judgment. The Company uses an option-pricing model (Black-Scholes) to calculate the fair value of share purchase options.

For share-based compensation awards that contain both a service and performance condition, the Company recognizes compensation expense only for the portion of the award that is considered probable of vesting. Fair value of share-based compensation awards considered probable of vesting are expensed over the requisite service period. The probability of share-based awards vesting is evaluated at each reporting period. Share-based compensation awards that contain only service condition and share purchase options are expensed ratably over the requisite service period.

Defined benefit plans

Certain employees in Europe participate in defined benefit plans. The liability for the defined benefit plans that is reported on the consolidated balance sheet is the current value of the defined benefit obligation at the end of the period, reduced by the fair value of the plan's assets, with adjustments for actuarial gains and losses. The defined benefit pension plan obligation is calculated annually by independent actuaries. The current value of the defined benefit obligation is determined through discounting of expected future cash flows, using interest rates determined by current market interest rates. The service costs and actuarial gains and losses on the defined benefit obligation and the fair value on the plan assets are recognized in the consolidated statement of income.

Other underwriting expenses

Other underwriting expenses primarily consist of general and administrative expenses and other operating income and expenses allocated to underwriting activities. Other underwriting expenses are also comprised of expenses relating to interest crediting features in certain reinsurance contracts and changes in fair value of reinsurance contracts accounted for as derivatives. Variable and fixed interest crediting features are calculated on funds transferred to the Company where interest is credited based on actual cash received into a notional experience account. The ceding company can typically elect to commute at specific points in time in exchange for the amounts held in the notional experience account. For those contracts that contain variable interest crediting features, actual investment returns realized by the Company are included in the calculation, which can increase the overall effective interest crediting rate on those contracts. Variable interest credit features are accounted for as embedded derivatives. Fixed interest credits on reinsurance contracts are included in other underwriting expenses in the consolidated statement of income.

Foreign currency exchange

The U.S. dollar is the functional currency for the Company's businesses except for the Canadian reinsurance operations of SiriusPoint America Insurance Company. The Company invests in securities denominated in foreign currencies. Assets and liabilities recorded in these foreign currencies are translated into U.S. dollars at exchange rates in effect at the balance sheet date, and revenues and expenses are translated using the average exchange rates for the period. Net foreign exchange gains and losses arising from the translation of functional currencies are reported in shareholders' equity, in accumulated other comprehensive loss. As of December 31, 2021, the Company had net unrealized foreign currency translation losses of $0.2 million recorded in accumulated other comprehensive loss on its consolidated balance sheet.

Assets and liabilities relating to foreign operations are translated into the functional currency using current exchange rates; revenues and expenses are remeasured into the functional currency using the average exchange rate for the period. The resulting exchange gains and losses are reported as a component of net income in the period in which they arise within net realized and unrealized losses and net foreign exchange gains.

Federal and foreign income taxes

The Company provides for income taxes for its operations in income tax paying jurisdictions. The Company's provision relies on estimates and interpretations of currently enacted tax laws.

The Company recognizes deferred tax assets and liabilities based on the temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. A valuation allowance against deferred tax assets is recorded if it is more likely than not that all, or some portion, of the benefits related to deferred tax assets will not be realized. Any adjustments to deferred income taxes are accounted for as changes in estimates and are reflected in the consolidated statement of income in the year in which they are made. Adjustments could be material and could significantly impact earnings in the year they are recorded.

The Tax Cuts and Jobs Act (the "TCJA") which was enacted into law in the U.S. in December 31, 2017 includes a new base erosion and anti-abuse tax ("BEAT"), which is essentially a minimum tax that is potentially applicable to certain otherwise deductible payments made by U.S. entities to non-U.S. affiliates, including cross-border interest payments and reinsurance premiums. The statutory BEAT rate is 10% in 2019-2025, and then rises to 12.5% in 2026 and thereafter. The TCJA also includes provisions for Global Intangible Low-Taxed Income ("GILTI") under which taxes on foreign income are imposed on the excess of a deemed return on tangible assets of certain foreign subsidiaries. Consistent with accounting guidance, Sirius Group is treating BEAT as an in period tax charge when incurred in future periods for which no deferred taxes need to be provided and has made an accounting policy election to treat GILTI taxes in a similar manner.

Variable interest entities

The Company accounts for variable interest entities ("VIEs") in accordance with FASB ASC Topic 810 Consolidation, which requires the consolidation of all VIEs by the primary beneficiary, that being the investor that has the power to direct the activities of the VIE and that will absorb a portion of the VIE's expected losses or residual returns that could potentially be significant to the VIE. For VIEs the Company determines it has a variable interest in, it determines whether it is the primary beneficiary of a VIE by performing an analysis that principally considers: (i) the VIE's purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders; (ii) the VIE's capital structure; (iii) the terms between the VIE and its variable interest holders and other parties involved with the VIE; (iv) which variable interest holders have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance; (v) which variable interest holders have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE; and (vi) related party relationships. The Company reassesses its initial determination of whether the Company is the primary beneficiary of a VIE upon changes in facts and circumstances that could potentially alter the Company's assessment.

Noncontrolling interests

The Company consolidates the results of entities in which it has a controlling financial interest. Noncontrolling interests are presented as a separate line within shareholders' equity in the consolidated balance sheet. The Company records the portion of net loss attributable to noncontrolling interests as a separate line within the consolidated statement of income.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company does not have any leases classified as finance leases. For its operating leases, the Company recognizes lease assets and liabilities on the balance sheet, with the exception of leases with an original term of 12 months or less. Lease assets and liabilities are initially recognized and measured based on the present value of the lease payments. The Company also made an election to include both lease and non-lease components as a single component for all leases.

Recent accounting pronouncements

Adoption of New Accounting Standards

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company has fully adopted all provisions of the guidance with consideration of the various transition methods. The Company also adopted all other provisions in the guidance, including the requirement for an entity to recognize a franchise tax (or similar tax) that is partially based on income as an income-based tax and account for any incremental amount incurred as a non-income-based tax through a cumulative-effect adjustment to retained earnings. Early adoption of ASU 2019-12 did not have a material impact on the Company's consolidated financial statements or were not applicable to the Company.

In January 2020, the FASB issued Accounting Standards Update 2020-01, *Investments—Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) - Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force)* ("ASU 2020-01"). The amendments in ASU 2020-01 clarify certain interactions between the guidance to account for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative for a forward contract or purchased option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option in accordance with Topic 825, Financial Instruments. These amendments improve current U.S. GAAP by reducing diversity in practice and increasing comparability of the accounting for these interactions. ASU 2020-01 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption of ASU 2020-01 of ASU 2020-01 did not have a material impact on the Company’s consolidated financial statements.

3. Acquisition of Sirius Group

Overview

On February 26, 2021, SiriusPoint completed its acquisition of Sirius Group. Prior to the closing of the acquisition, Sirius Group was a publicly listed company and traded on the Nasdaq Global Select Market under the symbol “SG”. Sirius Group, through its wholly owned subsidiaries, provides multi-line insurance and reinsurance on a worldwide basis. The acquisition of Sirius Group is expected to benefit the Company through expanded underwriting capabilities, geographic footprint and product offerings.

The total deal consideration was $1,079.8 million, which included the issuance of 58,331,196 SiriusPoint common shares valued at $595.6 million and $100.4 million of cash. In addition to the SiriusPoint common shares and the cash, the aggregate consideration for the transaction also consisted of the issuance of preference shares, warrants, and other contingent value components issued by SiriusPoint. The cash consideration portion was funded from available cash resources and $48.6 million from the issuance of SiriusPoint common shares pursuant to the equity commitment letter between SiriusPoint, Third Point Opportunities Master Fund Ltd. and Daniel S. Loeb, pursuant to which Third Point Opportunities Master Fund Ltd. committed to purchase up to 9.5% of SiriusPoint’s shares in connection with closing of the acquisition of Sirius Group.

Purchase Price

The components of SiriusPoint's total purchase price for Sirius Group at February 26, 2021 were as follows:

Cash consideration		
Sirius Group shares acquired for cash		$ 100.4
Common Shares		
Common Shares issued by SiriusPoint	58,331,196	
SiriusPoint share price as of February 26, 2021	$ 10.21	595.6
Preference Shares		
Series A Preference Shares issued, at fair value		40.8
Series B Preference Shares issued, at fair value		200.0
Warrants		
Merger warrants issued, at fair value		53.4
Private warrants issued, at fair value		7.3
Sirius Group Public Warrants, at fair value		2.6
Upside Rights		
Upside Rights issued, at fair value		6.5
Contingent value rights (CVRs)		
CVRs issued, at fair value		27.0
CVR waiver restricted shares		0.7
Other		
Fair value of the replaced Sirius Group equity awards attributable to pre-combination services		37.5
Transaction fee reimbursement		8.0
Total purchase price		$ 1,079.8

Fair Value of Net Assets Acquired and Liabilities Assumed

The following table summarizes the estimated fair values of major classes of identifiable assets acquired and liabilities assumed of Sirius Group as of February 26, 2021, the date the transaction closed. The identifiable assets acquired and liabilities assumed related to Sirius Bermuda contained within the table below are included in these consolidated financial statements.

Identifiable net assets:		
Cash and investments	$	3,944.1
Insurance and reinsurance balances receivable, net		1,201.0
Reinsurance assets		649.7
Value of business acquired		147.9
Deferred tax asset		228.0
Intangible assets		178.8
Other assets		181.9
Loss and loss adjustment expense reserves		(2,928.5)
Unearned premium reserves		(900.0)
Deferred tax liability		(186.8)
Debt (1)		(728.2)
Other liabilities		(657.7)
Total identifiable net assets acquired		1,130.2
Total purchase price		1,079.8
Bargain purchase gain (2)	$	50.4

(1) SiriusPoint assumed the existing and outstanding aggregate principal amount of the debt pursuant to its merger with Sirius International Group, Ltd. The debt is not included in the Company's consolidated financial statements.

(2) The bargain purchase gain is recorded in the consolidated financial statements of SiriusPoint and is not included in the Company's consolidated financial statements.

An explanation of the significant fair value adjustments is as follows:

- Goodwill and intangibles - to eliminate the goodwill and intangible assets in Sirius Group net assets acquired as part of the purchase accounting;
- Loss and loss adjustment expense reserves - to record loss and loss adjustment expense reserves at fair value, reflecting an increase for a market based risk margin, which represents the cost of capital required by a market participant to assume the loss and loss adjustment expense reserves of Sirius Group, partially offset by a deduction which represents the discount due to the present value calculation of the loss and loss adjustment expense reserves based on the expected payout of the net unpaid loss and loss adjustment expense reserves. The fair value adjustment resulted in an additional liability of $80.6 million which is amortized over the expected settlement period of the underlying claims. In addition, management increased certain casualty loss reserves by $70.0 million in order to reflect a consistent reserving approach between the two companies. The increase was in response to accumulated loss experience and the broader industry trends of social inflation;
- Deferred acquisition costs - to eliminate Sirius Group’s deferred acquisition costs asset;
- Value of business acquired (“VOBA”) - the expected future losses and expenses associated with the policies and contracts that were in-force as of the closing date of the transaction were estimated and compared to the future premium remaining expected to be earned. The difference between the risk-adjusted future loss and expenses, discounted to present value and the unearned premium reserve, was estimated to be the VOBA. The Company recognized VOBA of $147.9 million as a result of the Sirius Group acquisition. As of December 31, 2021, VOBA had a carrying value of $50.0 million and amortization of $97.9 million in the year ended December 31, 2021 was recorded in acquisition costs, net in the consolidated statement of net income;

- Finite-lived insurance intangible assets - to establish the fair value of identifiable finite-lived insurance intangible assets acquired, including customer and other relationships, trade names and technology. The fair values of the finite-lived intangible assets relating to customer and other relationships were determined using the multi-period excess earnings approach. This method reflects the present value of the projected cash flows that are expected to be generated by the asset, reduced by returns on contributory assets. The Company recognized identifiable finite-lived intangible assets of $130.0 million, which will be amortized over their estimated useful lives;
- Indefinite-lived insurance intangible assets - to establish the fair value of identifiable indefinite-lived insurance intangible assets acquired (Lloyd's capacity and insurance licenses). The Company recognized identifiable indefinite lived intangible assets of $48.8 million; and
- Deferred tax - to reflect adjustments to net deferred tax assets and liabilities related to the fair value adjustments above.

Identifiable intangible assets at February 26, 2021 and at December 31, 2021, consisted of the following, and are included in intangible assets on the Company's consolidated balance sheet:

	Economic Useful Life	Gross balance at February 26, 2021	Accumulated amortization	Net balance at December 31, 2021
Distribution relationships	17 years	$ 75.0	$ —	$ 75.0
MGA relationships	13 years	34.0	(4.9)	29.1
Lloyd's Capacity - Syndicate 1945	Indefinite	41.8	—	41.8
Insurance licenses	Indefinite	7.0	—	7.0
Trade name	16 years	16.0	(0.2)	15.8
Internally developed computer software	5 years	5.0	(0.8)	4.2
Identifiable intangible assets		$ 178.8	$ (5.9)	172.9
Insurance licenses sold [1]				(1.0)
Net identifiable intangible assets at December 31, 2021 related to the acquisition of Sirius Group [2]				$ 171.9

(1) See Note 4 for additional information.
(2) No impairments were recorded in the year ended December 31, 2021.

The estimated remaining amortization expense for the Company's intangible assets with finite lives is as follows:

2022	$ 8.0
2023	11.1
2024	12.0
2025	11.4
2026 and thereafter	81.6
Total remaining amortization expense	$ 124.1

An explanation of the identifiable intangible assets is as follows:

- Distribution relationships - refers to the relationships Sirius Group has established with external independent distributors and brokers to facilitate the distribution of its products in the marketplace. As a result of owning the distribution relationships, management will not have to duplicate historical marketing, training, and start-up expenses to redevelop comparable relationships to support business operations;
- Managing General Agent ("MGA") relationships - refers to relationships with managing general agents on the direct insurance business. Through the MGA relationships, Sirius Group generates a predictable and recurring stream of service fee revenue;
- Lloyd's Capacity - Syndicate 1945 - relates to relationships associated with the right to distribute and market policies underwritten through Lloyd's Syndicate 1945;

- Insurance licenses - Sirius Group, like other insurance providers, is required to maintain licenses to produce and service insurance contracts. Insurance licenses are estimated to have an indefinite life and are therefore not amortized but are subject to periodic impairment testing;
- Trade name - represents the value of the Sirius Group brand acquired; and
- Internally developed computer software - represents the value of internally developed computer software utilized by the Company.

Financial results

The following table summarizes the results of Sirius Group since February 26, 2021 that have been included in the Company's consolidated statement of income:

	For the period from February 26, 2021 to December 31, 2021	
Total revenues	$	1,224.3
Net loss	$	(161.2)

Supplemental Pro Forma Information

Sirius Group's results have been included in the Company's consolidated financial statements from February 26, 2021 to December 31, 2021. The following table presents unaudited pro forma consolidated financial information for the year ended December 31, 2021 and assumes the acquisition of Sirius Group occurred on January 1, 2020. The unaudited pro forma consolidated financial information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of January 1, 2020 or that may be achieved in the future. The unaudited pro forma consolidated financial information does not give consideration to the impact of possible revenue enhancements, expense efficiencies, synergies or asset dispositions that may result from the acquisition of Sirius Group. In addition, unaudited pro forma consolidated financial information does not include the effects of costs associated with any restructuring or integration activities resulting from the acquisition of Sirius Group, as such costs cannot be determined at this time.

	2021	
Total revenues	$	2,292.8
Net income	$	143.1

Among other adjustments, and in addition to the fair value adjustments and recognition of identifiable intangible assets noted above, other material nonrecurring pro forma adjustments directly attributable to the acquisition of Sirius Group principally included certain adjustments to recognize transaction related costs, align reserving approach, amortize fair value adjustments, amortize identifiable indefinite lived intangible assets and recognize related tax impacts.

4. Significant transactions

Loss Portfolio Transfer

On October 29, 2021, the Company entered into a loss portfolio transfer transaction (the "LPT") with Pallas Reinsurance Company Ltd., a subsidiary of the Compre Group, an insurance and reinsurance legacy specialist. The LPT covers $362 million of the Company's loss reserves for the subject business, including much of the legacy Sirius Group runoff portfolio, including asbestos and environmental lines, up to an aggregate limit of $592 million over the duration of the contract, for a premium of $381 million which was settled in the form of investments. The Company recognized a net charge of $23 million, including $4 million of federal excise tax expense, in the fourth quarter of 2021.

Cedar Insurance Company

On August 5, 2021, the Company sold 100% of the common shares of Cedar Insurance Company ("Cedar") to Grandview Risk Holdings Ltd. Cedar is a New York-domiciled insurer with a runoff book of business mainly comprised of the following lines of business: general liability, educators' legal liability, automobile liability and physical damage, property and excess catastrophe liability. The Company received $20.5 million of proceeds and recognized a $5.8 million gain from the sale, which is included in net corporate and other expenses in the consolidated statement of income. As part of the sale of Cedar, the Company disposed of $1.0 million of insurance licenses related to the indefinite-lived intangible assets recognized as part of the Sirius Group acquisition.

5. Cash, cash equivalents, restricted cash and restricted investments

The following table provides a summary of cash and cash equivalents, restricted cash and restricted investments as of December 31, 2021:

		2021
Cash and cash equivalents	$	991.9
Restricted cash securing letter of credit facilities (1)		500.2
Restricted cash securing reinsurance contracts (2)		431.8
Restricted cash held by managing general underwriters		16.6
Total cash, cash equivalents and restricted cash (3)		1,940.5
Restricted investments securing reinsurance contracts and letter of credit facilities (1) (2) (4)		1,107.0
Total cash, cash equivalents, restricted cash and restricted investments	$	3,047.5

(1) Restricted cash and restricted investments securing letter of credit facilities primarily pertains to letters of credit that have been issued to the Company's clients in support of our obligations under reinsurance contracts. The Company will not be released from the obligation to provide these letters of credit until the reserves underlying the reinsurance contracts have been settled. The time period for which the Company expects each letter of credit to be in place varies from contract to contract but can last several years.

(2) Restricted cash and restricted investments securing reinsurance contracts pertain to trust accounts securing the Company's contractual obligations under certain reinsurance contracts that the Company will not be released from until the underlying risks have expired or have been settled. Restricted investments include certain investments in debt securities, short-term investments and limited partnership interests in TP Enhanced Fund. The time period for which the Company expects these trust accounts to be in place varies from contract to contract, but can last several years.

(3) Cash, cash equivalents and restricted cash as reported in the Company's consolidated statement of cash flows.

(4) Restricted investments include required deposits with certain insurance state regulatory agencies in order to maintain insurance licenses.

6. Fair value measurements

U.S. GAAP disclosure requirements establish a framework for measuring fair value, including a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The three-level hierarchy of inputs is summarized below:

- Level 1 – Quoted prices available in active markets/exchanges for identical investments as of the reporting date.
- Level 2 – Observable inputs to the valuation methodology other than unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 inputs include, but are not limited to, prices quoted for similar assets or liabilities in active markets/exchanges, prices quoted for identical or similar assets or liabilities in markets that are not active and fair values determined through the use of models or other valuation methodologies.
- Level 3 – Inputs are based all or in part on significant unobservable inputs for the investment, and include situations where there is little, if any, market activity for the investment. The inputs applied in the determination of fair value require significant management judgment and estimation.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. For example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources other than those of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and considers factors specific to the investment.

The following tables present the Company's investments, categorized by the level of the fair value hierarchy as of December 31, 2021:

	2021			
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Asset-backed securities	$ —	$ 513.1	$ —	$ 513.1
Residential mortgage-backed securities	—	301.9	—	301.9
Commercial mortgage-backed securities	—	147.3	—	147.3
Corporate debt securities	—	602.6	—	602.6
U.S. government and government agency	360.9	24.5	—	385.4
Non-U.S. government and government agency	17.8	114.5	—	132.3
U.S. states, municipalities and political subdivision	—	0.2	—	0.2
Preferred stocks	—	—	2.8	2.8
Total debt securities	378.7	1,704.1	2.8	2,085.6
Fixed income mutual funds	2.1	—	—	2.1
Common stocks	0.7	—	—	0.7
Total equity securities	2.8	—	—	2.8
Short-term investments	1,073.2	2.6	—	1,075.8
Other long-term investments	—	—	323.9	323.9
Derivative assets	0.2	—	0.4	0.6
	$ 1,454.9	$ 1,706.7	$ 327.1	3,488.7
Investments in funds valued at NAV				1,028.8
Total assets				$ 4,517.5
Liabilities				
Derivative liabilities	$ —	$ —	$ 1.5	$ 1.5
Total liabilities	$ —	$ —	$ 1.5	$ 1.5

During the year ended December 31, 2021, the Company made $nil of reclassifications of assets or liabilities between Levels 2 and 3.

Valuation techniques

The Company uses outside pricing services to assist in determining fair values for its investments. For investments in active markets, the Company uses the quoted market prices provided by outside pricing services to determine fair value. In circumstances where quoted market prices are unavailable or are not considered reasonable, the Company estimates the fair value using industry standard pricing models and observable inputs such as benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, prepayment speeds, reference data including research publications, and other relevant inputs. Given that many debt securities do not trade on a daily basis, the outside pricing services evaluate a wide range of fixed maturity investments by regularly drawing parallels from recent trades and quotes of comparable securities with similar features. The characteristics used to identify comparable debt securities vary by asset type and take into account market convention.

The techniques and inputs specific to asset classes within the Company's debt securities and short-term investments for Level 2 securities that use observable inputs are as follows:

Asset-backed and mortgage-backed securities

The fair value of mortgage and asset-backed securities is primarily priced by pricing services using a pricing model that uses information from market sources and leveraging similar securities. Key inputs include benchmark yields, reported trades, underlying tranche cash flow data, collateral performance, plus new issue data, as well as broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including issuer, vintage, loan type, collateral attributes, prepayment speeds, default rates, recovery rates, cash flow stress testing, credit quality ratings and market research publications.

Corporate debt securities

Corporate debt securities consist primarily of investment-grade debt of a wide variety of U.S. and non-U.S. corporate issuers and industries. The corporate fixed maturity investments are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources regarding the issuer of the security and obtain credit data, as well as other observations, from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk.

U.S. government and government agency

U.S. government and government agency securities consist primarily of debt securities issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association. Fixed maturity investments included in U.S. government and government agency securities are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources and integrate other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The fair value of each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data.

Non-U.S. government and government agency

Non-U.S. government and government agency securities consist of debt securities issued by non-U.S. governments and their agencies along with supranational organizations (also known as sovereign debt securities). Securities held in these sectors are primarily priced by pricing services who employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

U.S. states, municipalities, and political subdivisions

The U.S. states, municipalities and political subdivisions portfolio contains debt securities issued by U.S. domiciled state and municipal entities. These securities are generally priced by independent pricing services using the techniques for U.S. government and government agency securities.

Preferred stocks

The fair value of preferred stocks is generally priced by independent pricing services using an evaluated pricing model that calculates the appropriate spread over a comparable security for each issue. Key inputs include exchange prices (underlying and common stock of same issuer), benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including sector, coupon, credit quality ratings, duration, credit enhancements, early redemption features and market research publications.

Short-term investments

Short-term investments consist of U.S. treasury bills, certificates of deposit and other securities, which, at the time of purchase, mature within a period of greater than three months but less than one year. These investments are generally priced by independent pricing services using the techniques described for U.S. government and government agency securities and Corporate debt securities described above.

Investments measured using Net Asset Value

The Company values its investments in limited partnerships, including its investments in related party investment funds, at fair value. The Company has elected the practical expedient for fair value for these investments which is estimated based on the Company's share of the NAV of the limited partnerships, as provided by the independent fund administrator, as the Company believes it represents the most meaningful measurement basis for the investment assets and liabilities. The NAV represents the Company's proportionate interest in the members' equity of the limited partnerships.

The fair value of the Company's investments in certain hedge funds and certain private equity funds are also determined using NAV. The hedge fund's administrator provides quarterly updates of fair value in the form of the Company's proportional interest in the underlying fund's NAV, which is deemed to approximate fair value, generally with a three month delay in valuation. The private equity funds provide monthly, quarterly or semi-annual partnership capital statements primarily with a one or three month delay which are used as a basis for valuation. These private equity investments vary in investment strategies and are not actively traded in any open markets. Due to a lag in reporting, some of the fund managers, fund administrators, or both, are unable to provide final fund valuations as of the Company's reporting date. This includes utilizing preliminary estimates reported by its fund managers and using other information that is available to the Company with respect to the underlying investments, as necessary.

In order to assess the reasonableness of the NAVs, the Company performs a number of monitoring procedures on a monthly, quarterly and annual basis, to assess the quality of the information provided by the investment manager and fund administrator underlying the preparation of the NAV. These procedures include, but are not limited to, regular review and discussion of the fund's performance with the investment manager.

These investments are included in investment in funds valued at NAV and excluded from the presentation of investments categorized by the level of the fair value hierarchy.

Level 3 Investments

Level 3 valuations are generated from techniques that use assumptions not observable in the market. These unobservable assumptions reflect the Company's assumptions, that market participants would use in valuing the investment. Generally, certain securities may start out as Level 3 when they are originally issued but as observable inputs become available in the market, they may be reclassified to Level 2.

The Company employs a number of procedures to assess the reasonableness of the fair value measurements for its other long-term investments, including obtaining and reviewing the audited annual financial statements of hedge funds and private equity funds and periodically discussing each fund's pricing with the fund manager. However, since the fund managers do not provide sufficient information to evaluate the pricing inputs and methods for each underlying investment, the inputs are considered to be unobservable.

The fair values of the Company's investments in private equity securities, private debt instruments, certain private equity funds, and certain hedge funds have been classified as Level 3 measurements. They are carried at fair value and in the case of private equity securities and private debt instruments are initially valued based on transaction price and their valuation is subsequently estimated based on available evidence such as a market transaction in similar instruments and other financial information for the issuer.

For Strategic Investments, management generally engages a third-party valuation specialist to assist in determination of the fair value based on commonly accepted valuation methods (i.e., income approach, market approach) as of the valuation date. In addition, investors fair value analyses prepared by third party valuation specialists working with Strategic Investment operating management are referenced where available. Refer to significant unobservable inputs section later in this note for more information on valuation methods and inputs utilized.

See Note 10 for additional information on the fair values of derivative financial instruments used for both risk management and investment purposes.

Underwriting-related derivatives

Underwriting-related derivatives include reinsurance contracts that are accounted for as derivatives. These derivative contracts are initially valued at cost which approximates fair value. In subsequent measurement periods, the fair values of these derivatives are determined using internally developed discounted cash flow models. As the significant inputs used to price these derivatives are unobservable, the fair values of these contracts are classified as Level 3.

The following table presents the reconciliation of all investments measured at fair value using Level 3 inputs for the years ended December 31, 2021:

	January 1, 2021	Transfers in to (out of) Level 3	Purchases	Assets & (Liabilities) Acquired (1)	Sales	Realized and Unrealized Gains (Losses) (2)	December 31, 2021
Assets							
Preferred stocks	$ —	$ —	$ 10.0	$ 2.8	$ (10.0)	$ —	$ 2.8
Other long-term investments	—	—	91.8	259.0	(20.8)	(6.1)	323.9
Derivative assets	1.2	(1.2)	—	0.3	(1.4)	1.5	0.4
Loan participations	—	—	9.0	32.8	(42.8)	1.0	—
Total assets	$ 1.2	$ (1.2)	$ 110.8	$ 294.9	$ (75.0)	$ (3.6)	$ 327.1
Liabilities							
Contingent consideration liabilities	$ —	$ —	$ —	$ (0.7)	$ 1.9	$ (1.2)	$ —
Derivative liabilities	(1.0)	1.2	(0.4)	(0.1)	—	(1.2)	(1.5)
Total liabilities	$ (1.0)	$ 1.2	$ (0.4)	$ (0.8)	$ 1.9	$ (2.4)	$ (1.5)

(1) Includes amounts acquired as a result of the Sirius Group acquisition.

(2) Total change in realized and unrealized gains (losses) recorded on Level 3 financial instruments is included in total realized and unrealized investment gains and net investment income in the consolidated statement of income. Realized and unrealized gains (losses) related to underwriting-related derivative assets and liabilities are included in other underwriting expenses, net of foreign exchange (gains) losses, in the consolidated statement of income.

For assets and liabilities that were transferred into Level 3 during the period, gains (losses) are presented as if the assets or liabilities had been transferred into Level 3 at the beginning of the period; similarly, for assets and liabilities that were transferred out of Level 3 during the period, gains (losses) are presented as if the assets or liabilities had been transferred out of Level 3 at the beginning of the period.

Significant unobservable inputs

The table below presents information about the significant unobservable inputs used for recurring fair value measurements for certain Level 3 instruments as of December 31, 2021, and includes only those instruments for which information about the inputs is reasonably available to the Company, such as data from independent third-party valuation service providers and from internal valuation models.

2021				
Assets (Liability)	**Fair Value**	**Valuation Technique**	**Unobservable input**	
Private equity securities [1]	$ 145.6	Market multiple analysis	Book value multiples Tangible book value multiples Revenue multiples Earnings multiples	Various depending on nature of investment
Private equity funds [2]	80.6	Net asset value discount	Discount range	5% - 50%
Private equity securities	40.0	Discounted cash flow	Share price	51.26
Private debt instrument	5.7	Discounted cash flow	Discount yield	Range - 4.74%-5.70% Median - 5.14%
Derivative investments [3]	$ (2.0)	Third party appraisal	Broker quotes	(2.0)

(1) Consists of investments valued under similar methodologies.

(2) Represents multiple private equity funds where a discount on net asset value was taken.

(3) See Note 10 for discussion of derivative instruments.

7. Investments

The Company's invested assets consist of investment securities and other long-term investments held for general investment purposes. The portfolio of investment securities includes debt securities, short-term investments, equity securities, and other-long term investments which are all classified as trading securities. Realized and unrealized investment gains and losses on trading securities are reported in pre-tax revenues.

Debt securities

The following tables provide the cost or amortized cost, gross unrealized investment gains (losses), net foreign currency gains (losses), and fair value of the Company's debt securities as of December 31, 2021:

	2021				
	Cost or amortized cost	**Gross unrealized gains**	**Gross unrealized losses**	**Net foreign currency gains (losses)**	**Fair value**
Asset-backed securities	$ 512.6	$ 0.9	$ (0.4)	$ —	$ 513.1
Residential mortgage-backed securities	306.5	—	(4.6)	—	301.9
Commercial mortgage-backed securities	148.4	0.6	(1.7)	—	147.3
Corporate debt securities	605.5	0.6	(3.5)	—	602.6
U.S. government and government agency	388.1	0.1	(2.8)	—	385.4
Non-U.S. government and government agency	135.4	0.3	(2.6)	(0.8)	132.3
U.S. states, municipalities and political subdivision	0.2	—	—	—	0.2
Preferred stocks	2.6	0.2	—	—	2.8
Total debt securities	$ 2,099.3	$ 2.7	$ (15.6)	$ (0.8)	$ 2,085.6

The weighted average duration of the Company's debt securities as of December 31, 2021 was approximately 1.6 years, including short-term investments, and approximately 2.3 years excluding short-term investments.

The following table provides the cost or amortized cost and fair value of the Company's debt securities as of December 31, 2021 by contractual maturity. Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

	2021	
	Cost or amortized cost	Fair value
Due in one year or less	$ 145.6	$ 145.1
Due after one year through five years	870.4	862.4
Due after five years through ten years	69.6	68.6
Due after ten years	43.6	44.4
Mortgage-backed and asset-backed securities	967.5	962.3
Preferred stocks	2.6	2.8
Total debt securities	$ 2,099.3	$ 2,085.6

The following table summarizes the ratings and fair value of debt securities held in the Company's investment portfolio as of December 31, 2021:

	2021
AAA	$ 696.4
AA	884.1
A	278.5
BBB	153.1
Other	73.5
Total debt securities (1)	$ 2,085.6

(1) Credit ratings are assigned based on the following hierarchy: 1) Standard & Poor's ("S&P") and 2) Moody's Investors Service.

As of December 31, 2021, the above totals included $51.8 million of sub-prime securities. Of this total, $35.1 million was rated AAA, $16.1 million rated AA, and $0.6 million rated A.

Equity securities and other long-term investments

The cost or amortized cost, gross unrealized investment gains and losses, net foreign currency gains, and fair values of the Company’s equity securities and other long-term investments as of December 31, 2021, were as follows:

	2021				
	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Net foreign currency gains	Fair value
Equity securities	$ 4.5	$ 0.1	$ (2.0)	$ 0.2	$ 2.8
Other long-term investments	$ 430.4	$ 28.5	$ (16.8)	$ 1.0	$ 443.1

Equity securities at fair value consisted of the following as of December 31, 2021:

	2021
Fixed income mutual funds	$ 2.1
Common stocks	0.7
Total equity securities	$ 2.8

Other long-term investments at fair value consisted of the following as of December 31, 2021:

	2021
Hedge funds and private equity funds [(1)]	$ 195.7
Strategic Investments [(2)]	202.3
Other investments [(2)]	45.1
Total other long-term investments	$ 443.1

(1) Includes $115.2 million of investments valued at NAV and $80.5 million of investments valued at Level 3.

(2) As of December 31, 2021, the Company had $11.4 million of unfunded commitments relating to these investments.

Hedge funds and private equity funds

The Company holds investments in hedge funds and private equity funds, which are included in other long-term investments. The following table summarizes investments in hedge funds and private equity interests by investment objective and sector as of December 31, 2021:

	2021	
	Fair value	Unfunded commitments
Hedge funds		
Long/short multi-sector	$ 19.8	$ —
Distressed mortgage credit	24.6	—
Private credit	24.2	—
Other	1.7	—
Total hedge funds	70.3	—
Private equity funds		
Energy infrastructure & services	48.4	19.0
Multi-sector	10.1	5.1
Healthcare	31.0	2.2
Life settlement	12.9	—
Manufacturing/Industrial	19.9	—
Private equity secondaries	0.5	0.4
Other	2.6	—
Total private equity funds	125.4	26.7
Total hedge and private equity funds included in other long-term investments	$ 195.7	$ 26.7

(1) The above table excludes the Company's investments in TP Enhanced Fund and TP Venture Fund. See "Investment in related party investment funds" below for additional information.

Redemption of investments in certain hedge funds is subject to restrictions including lock-up periods where no redemptions or withdrawals are allowed, restrictions on redemption frequency, and advance notice periods for redemptions. Amounts requested for redemptions remain subject to market fluctuations until the redemption effective date, which generally falls at the end of the defined redemption period.

The following summarizes the December 31, 2021 fair value of hedge funds subject to restrictions on redemption frequency and advance notice period requirements for investments in active hedge funds:

	Notice Period					
Redemption Frequency	1-29 days notice	30-59 days notice	60-89 days notice	90-119 days notice	120+ days notice	Total
Quarterly	$ —	$ 0.1	$ 19.8	$ 24.6	$ —	$ 44.5
Semi-annual	—	—	0.8	—	—	0.8
Annual	—	—	—	0.8	24.2	25.0
Total	$ —	$ 0.1	$ 20.6	$ 25.4	$ 24.2	$ 70.3

Certain of the hedge fund and private equity fund investments in which the Company is invested are no longer active and are in the process of disposing of their underlying investments. Distributions from such funds are remitted to investors as the fund's underlying investments are liquidated. As of December 31, 2021, $12.3 million in distributions were outstanding from these investments.

Investments in private equity and other investment funds may be subject to a “lock-up" or commitment period during which investors may not request a redemption prior to the expected termination date. Distributions prior to the expected termination date of the fund may be limited to dividends or proceeds arising from the liquidation of the fund's underlying investments. In addition, certain private equity funds provide an option to extend the lock-up or commitment periods at either the sole discretion of the fund manager or upon agreement between the fund and the investors.

As of December 31, 2021, investments in private equity funds were subject to lock-up periods as follows:

	1 - 3 years	3 – 5 years	5 – 10 years	Total
Private equity funds – expected lock-up or commitment period remaining	$ 47.5	$ 61.4	$ 16.5	$ 125.4

Investment in related party investment funds

The following table provides the cost and fair value of the Company's investments in related party investment funds as of December 31, 2021:

	2021	
	Cost	Fair value
Third Point Enhanced LP	$ 416.0	$ 878.2
Third Point Venture Offshore Fund I LP	25.9	31.4
Investment in related party investment funds, at fair value	$ 441.9	$ 909.6

Investment in Third Point Enhanced LP

On August 6, 2020, the Company entered into the Third Amended and Restated Exempted Limited Partnership Agreement (“2020 LPA”) of TP Enhanced Fund which became effective on February 26, 2021. In accordance with the 2020 LPA, Third Point Advisors LLC (“TP GP”) serves as the general partner of TP Enhanced Fund.

The TP Enhanced Fund investment strategy, as implemented by Third Point LLC, is intended to achieve superior risk-adjusted returns by deploying capital in both long and short investments with favorable risk/reward characteristics across select asset classes, sectors and geographies. Third Point LLC identifies investment opportunities via a bottom-up, value-oriented approach to single security analysis supplemented by a top-down view of portfolio and risk management. Third Point LLC seeks dislocations in certain areas of the capital markets or in the pricing of particular securities and supplements single security analysis with an approach to portfolio construction that includes sizing each investment based on upside/downside calculations, all with a view towards appropriately positioning and managing overall exposures.

Under the 2020 LPA, the Company has the right to withdraw funds monthly from TP Enhanced Fund to meet capital adequacy requirements and to satisfy financing obligations. The Company may also withdraw its investment upon the occurrence of certain events specified in the 2020 LPA, including to meet capital adequacy requirements, to prevent a negative credit rating action, for risk management purposes or to satisfy financing obligations, subject to certain limitations on such withdrawals as specified in the 2020 LPA, and may withdraw its investment in full on the first quarter end date after the five-year anniversary of the closing date of the acquisition of Sirius Group (i.e. March 31, 2026) and each successive two-year anniversary of such date. The Company is also entitled to withdraw funds from the TP Enhanced Fund in order to satisfy its risk management guidelines, upon prior written notice to TP GP, in an amount not to exceed 20% of the sum of (x) the aggregate opening balances of our capital account and (y) the aggregate amount of capital contributions credited to our capital account.

During the fourth quarter of 2021, the Company redeemed $450.0 million from the TP Enhanced Fund, of which $200.0 million was reallocated to cash and fixed income investments and the remaining $250.0 million was reflected as a redemption receivable as of December 31, 2021.

As of December 31, 2021, the Company had no unfunded commitments related to TP Enhanced Fund.

Investment in Third Point Venture Offshore Fund I LP

On March 1, 2021, the Company entered into the Amended and Restated Exempted Limited Partnership Agreement ("2021 Venture LPA") of TP Venture Fund") which became effective on March 1, 2021. In accordance with the 2021 Venture LPA, Third Point Venture GP LLC ("TP Venture GP") serves as the general partner of TP Venture Fund.

The TP Venture Fund investment strategy, as implemented by Third Point LLC, is to generate attractive risk-adjusted returns through a concentrated portfolio of investments in privately-held companies, primarily in the expansion through late/pre-IPO stage. The TP Venture Fund may also invest in early stage companies. Due the nature of the fund, withdrawals are not permitted. Distributions prior to the expected termination date of the fund include, but are not limited to, dividends or proceeds arising from the liquidation of the fund's underlying investments.

As of December 31, 2021, the Company had $12.7 million of unfunded commitments related to TP Venture Fund. As of December 31, 2021, the Company holds interests of approximately 16.8% of the net asset value of TP Venture Fund.

8. Total realized and unrealized investment gains and net investment income

Total realized and unrealized investment gains and net investment income for the years ended December 31, 2021 consisted of the following:

	2021
Debt securities	$ (4.9)
Short-term investments	1.6
Equity securities	(2.5)
Other long-term investments	33.9
Net realized and unrealized investment gains from related party investment funds	304.0
Realized and unrealized investment gains and net investment income before other investment expenses and investment losses on cash and cash equivalents	332.1
Other investment expenses	(11.6)
Net investment losses on cash and cash equivalents	(9.3)
Total realized and unrealized investment gains and net investment income	$ 311.2

Net realized and unrealized gains (losses) on investments

Net realized and unrealized investment gains (losses) for the years ended December 31, 2021 consisted of the following:

		2021
Gross realized gains	$	39.5
Gross realized losses		(9.6)
Net realized gains on investments		29.9
Net unrealized losses on investments		(48.1)
Net realized and unrealized losses on investments (1)	$	(18.2)

(1) Excludes realized and unrealized gains on the Company's investments in related party investment funds.

Net realized investment gains (losses)

Net realized investment gains (losses) for the year ended December 31, 2021 consisted of the following:

		2021
Debt securities	$	12.3
Short-term investments		(0.1)
Equity securities		(0.1)
Other long-term investments		13.2
Net investment income on cash and cash equivalents		4.6
Net realized investment gains (1)	$	29.9

(1) Includes realized gains due to foreign currency of $4.5 million for the year ended December 31, 2021

Net unrealized investment gains (losses)

Net unrealized investment gains (losses) for the year ended December 31, 2021, consisted of the following:

		2021
Debt securities (1)	$	(40.2)
Short-term investments		1.4
Equity securities		(2.5)
Other long-term investments		10.8
Net investment loss on cash and cash equivalents		(17.6)
Net unrealized investment losses (2)	$	(48.1)

(1) Includes unrealized losses, excluding foreign currency, of $23.9 million for the year ended December 31, 2021.

(2) Includes unrealized gains (losses) due to foreign currency of $(32.8) million for the year ended December 31, 2021, respectively.

The following table summarizes the amount of total losses included in earnings attributable to unrealized investment losses – Level 3 investments for the year ended December 31, 2021:

		2021
Other long-term investments	$	(6.9)
Total unrealized investment gains (losses) – Level 3 investments	$	(6.9)

9. Investments in unconsolidated entities

The Company's investments in unconsolidated entities are included within other long-term investments and consist of investments in common equity securities or similar instruments, which give the Company the ability to exert significant influence over the investee's operating and financial policies ("equity method eligible entities"). Such investments may be accounted for under either the equity method or, alternatively, the Company may elect to account for them under the fair value option.

The following table presents the components of other long-term investments as of December 31, 2021:

	December 31, 2021
Equity method eligible entities, at fair value (1) (3)	$ 257.1
Other unconsolidated investments, at fair value (2)	186.0
Total other long-term investments	$ 443.1

(1) There were no investments accounted for using the equity method as of December 31, 2021.

(2) Includes other long-term investments that are not equity method eligible.

(3) The above table excludes the Company's investments in TP Enhanced Fund and TP Venture Fund which are equity method eligible but are carried outside of other long-term investments. See Notes 7 and 11 for additional information on these funds.

The Company has elected the fair value option to account for its equity method eligible investments in order to be consistent with the remainder of its investments portfolio which is accounted for at fair value. The following table presents the Company's significant equity method investee entities under fair value option in which it holds 20 percent or more (5 percent or more for limited partnerships and limited liability companies) of the ownership interest as of December 31, 2021:

	December 31, 2021		
Investee	Fair value	Ownership interest	Instrument held
BE Reinsurance Limited	$ 15.2	24.9 %	Common shares
BioVentures Investors (Offshore) IV LP	16.6	73.0 %	Units
Vyrd Holdings LLC	23.0	45.0 %	Units
Diamond LS I LP	7.1	15.3 %	Units
Gateway Fund LP	4.0	18.1 %	Units
Monarch Alternative Capital, LP	5.7	12.8 %	Units
New Energy Capital Infrastructure Credit Fund LP	20.1	18.3 %	Units
New Energy Capital Infrastructure Offshore Credit Fund LP	13.4	12.2 %	Units
Parameter Climate Inc.	3.7	49.0 %	Preferred shares
Tuckerman Capital V LP	11.3	42.1 %	Units
Tuckerman Capital V Co-Investment I LP	$ 8.6	47.3 %	Units

(1) The above table excludes the Company's investments in TP Enhanced Fund and TP Venture Fund. See Notes 7 and 11 for additional information.

10. Derivatives

As a result of the acquisition of Sirius Group, the Company now holds derivative financial instruments for both risk management and investment purposes.

Foreign currency risk derivatives

The Company executes foreign currency forwards, call options, swaps, and futures to manage foreign currency exposure. The foreign currency risk derivatives are not designated or accounted for under hedge accounting. Changes in fair value are presented within foreign exchange gains. The fair value of the swaps and forwards are estimated using a single broker quote, and accordingly, are classified as a Level 3 measurement. The fair value of the futures is widely available and have quoted prices in active markets, and accordingly, were classified as a Level 1 measurement. The Company did not provide or hold any collateral associated with the foreign currency risk derivatives.

Weather Derivatives

The Company holds assets and assumes liabilities related to weather and weather contingent risk management products. Weather and weather contingent derivative contracts are entered into with the objective of generating profits in normal climatic conditions. Accordingly, the Company's weather and weather contingent derivatives are not designed to meet the criteria for hedge accounting under GAAP. The Company receives payment of premium at the contract inception in exchange for bearing the risk of variations in a quantifiable weather index. Changes in fair value are presented within net corporate and other expenses. Management uses available market data and internal pricing models based upon consistent statistical methodologies to estimate the fair value. Because of the significance of the unobservable inputs used to estimate the fair value of the Company's weather risk contracts, the fair value measurements of the contracts are deemed to be Level 3 measurements in the fair value hierarchy as of December 31, 2021. The Company does not provide or hold any collateral associated with the weather derivatives.

Equity warrants

The Company holds restricted equity warrants as part of its investment strategy. The equity warrants are not designated or accounted for under hedge accounting. Changes in fair value are presented within net realized and unrealized investment gains (losses). The fair value of the equity warrants is estimated using a single broker quote and accordingly, classified as a Level 3 measurement. The Company did not provide or hold any collateral associated with the equity warrants.

Interest rate cap

The Company entered into an interest rate swap ("Interest Rate Cap") with two financial institutions where it paid an upfront premium and in return receives a series of quarterly payments based on the 3-month London Interbank Offered Rate ("LIBOR") at the time of payment. The 3-month LIBOR will cease as a benchmark rate in June 2023; accordingly, the Company is exploring alternatives for replacement when applicable, including the secured overnight financing rate published by the New York Federal Reserve Bank. The Interest Rate Cap does not qualify for hedge accounting. Changes in fair value are presented within net corporate and other expenses. The fair value of the Interest Rate Cap has been estimated using a single broker quote and, accordingly, has been classified as a Level 3 measurement as of December 31, 2021. Collateral held is recorded with an equal amount recognized as a liability to return collateral. The Company's liability to return that collateral is based on the amounts provided by the counterparties and investment earnings thereon. As of December 31, 2021, the Company held collateral balances of $0.1 million.

The following table summarizes information on the classification and amount of the fair value of derivatives not designated as hedging instruments within the Company's consolidated balance sheet as at December 31, 2021:

	December 31, 2021		
Derivatives not designated as hedging instruments	**Derivative assets at fair value[(1)]**	**Derivative liabilities at fair value[(2)]**	**Notional Value**
Foreign currency forwards	$ —	$ 1.3	$ 83.6
Foreign currency futures contracts	0.2	—	133.9
Weather derivatives	—	0.8	6.2
Equity warrants	0.1	—	0.1
Interest rate cap	$ —	$ —	$ 250.0

(1) Derivative assets are classified within other assets in the Company's consolidated balance sheet at December 31, 2021.

(2) Derivative liabilities are classified within accounts payable, accrued expenses and other liabilities in the Company's consolidated balance sheet at December 31, 2021.

The following table summarizes information on the classification and net impact on earnings, recognized in the Company's consolidated statement of income relating to derivatives during the year ended December 31, 2021:

Derivatives not designated as hedging instruments	Classification of gains (losses) recognized in earnings	December 31, 2021
Foreign currency forwards	Foreign exchange losses	$ (1.3)
Foreign currency futures contracts	Foreign exchange losses	(8.0)
Foreign currency call options	Foreign exchange gains	0.4
Weather derivatives	Net corporate and other expenses	0.9
Equity warrants	Net realized and unrealized investment losses	$ (0.3)

Underwriting-related derivatives

The following tables identify the listing currency, fair value and notional amounts of underwriting-related derivatives included in the consolidated balance sheet as of December 31, 2021:

		December 31, 2021	
Derivative assets	Listing currency (1)	Fair Value	Notional Amounts (2)
Reinsurance contracts accounted for as derivative assets	GBP	$ 1.2	$ 49.3
		$ 1.2	$ 49.3

		December 31, 2021	
Derivative liabilities	Listing currency (1)	Fair Value	Notional Amounts (2)
Reinsurance contracts accounted for as derivative liabilities	GBP	$ 0.1	$ 37.4
		$ 0.1	$ 37.4

(1) GBP = British Pound.

(2) The absolute notional exposure represents the Company's derivative activity as of December 31, 2021, which is representative of the volume of derivatives held during the period.

11. Variable interest entities

The Company consolidates the results of operations and financial position of every voting interest entity ("VOE") in which it has a controlling financial interest and variable interest entities ("VIE") in which it is considered to be the primary beneficiary in accordance with guidance in ASC 810, Consolidation. The consolidation assessment, including the determination as to whether an entity qualifies as a VOE or VIE, depends on the facts and circumstances surrounding each entity.

Consolidated variable interest entities

Alstead Re

As a result of the acquisition of Sirius Group, the Company has consolidated the results of Alstead Re Insurance Company ("Alstead Re") in its consolidated financial statements beginning February 26, 2021. Alstead Re is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company determined that Alstead Re is a VIE for which the Company is the primary beneficiary as it has power over the activities that most significantly impact the economic performance. As of December 31, 2021, Alstead Re's assets and liabilities included in the Company's consolidated balance sheet were $9.8 million and $5.5 million, respectively.

Arcadian

In September 2020, the Company co-founded Arcadian Risk Capital Ltd. ("Arcadian"), a managing general agent incorporated in Bermuda writing business on behalf of the Company. Arcadian commenced operations on October 1, 2020. The Company's ownership in Arcadian as of December 31, 2021 was 49%, representing 980,000 common shares at $1.00 par value. Arcadian is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company concluded that it is the primary beneficiary of Arcadian as it has power over the activities that most significantly impact the economic performance of Arcadian. As a result, the Company has consolidated the results of Arcadian in its consolidated financial statements. The Company's financial exposure to Arcadian is limited to its investment in Arcadian's common shares and other financial support up to $18.0 million through an unsecured promissory note. As of December 31, 2021, Arcadian's assets and liabilities, after intercompany eliminations, included in the Company's consolidated balance sheet were $29.0 million and $7.0 million, respectively.

Joyn

In July 2021, the Company announced a strategic insurance partnership with Joyn Insurance Services Inc. ("Joyn"), a Delaware-domiciled managing general agent, pursuant to which it will write business on behalf of the Company. Joyn commenced operations on July 1, 2021. The Company's ownership in Joyn as of December 31, 2021 was 50%, on a fully diluted basis, representing 1,175,000 preferred shares. Joyn is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company concluded that it is the primary beneficiary of Joyn as it has power over the activities that most significantly impact the economic performance of Joyn. As a result, the Company has consolidated the results of Joyn in its consolidated financial statements. The Company's financial exposure to Joyn is limited to its investment in Joyn's preferred shares and other financial support up to $16.5 million through a term loan. As of December 31, 2021, Joyn's assets and liabilities, after intercompany eliminations, included in the Company's consolidated balance sheet were $7.8 million and $4.1 million, respectively.

Non-controlling interests

Non-controlling interests represent the portion of equity in consolidated subsidiaries not attributable, directly or indirectly, to the Company. The following table is a reconciliation of the beginning and ending carrying amount of noncontrolling interests for the years ended December 31, 2021:

		2021
Balance, beginning of period	$	1.4
Sirius Group acquisition [(1)]		0.3
Net loss attributable to noncontrolling interests		(2.3)
Contributions		0.2
Balance, end of period	$	(0.4)

(1) See Note 3 for additional information related to the acquisition of Sirius Group.

Non-consolidated variable interest entities

As a result of the acquisition of Sirius Group, the Company is a passive investor in certain third-party-managed hedge and private equity funds, some of which are VIEs. The Company is not involved in the design or establishment of these VIEs, nor does it actively participate in the management of the VIEs. The exposure to loss from these investments is limited to the carrying value of the investments at the balance sheet date.

The Company calculates maximum exposure to loss to be (i) the amount invested in the debt or equity of the VIE, (ii) the notional amount of VIE assets or liabilities where the Company has also provided credit protection to the VIE with the VIE as the referenced obligation, and (iii) other commitments and guarantees to the VIE. The Company does not have any VIEs that it sponsors nor any VIEs where it has recourse to it or has provided a guarantee to the VIE interest holders.

The following table presents total assets of unconsolidated VIEs in which the Company holds a variable interest, as well as the maximum exposure to loss associated with these VIEs as of December 31, 2021:

	December 31, 2021			
		Maximum Exposure to Loss		
	Total VIE Assets	On-Balance Sheet	Off-Balance Sheet	Total
Other long-term investments (1)	$ 326.2	$ 177.5	$ 2.1	$ 179.6
	$ 326.2	$ 177.5	$ 2.1	$ 179.6

(1) The above table excludes the Company's investments in TP Enhanced Fund and TP Venture Fund which are also VIEs and are discussed separately below.

Third Point Enhanced LP

TP Enhanced Fund meets the definition of a variable interest entity principally because of the existence of disproportionate rights in the partnership compared to the obligations to absorb the expected losses and right to receive the expected residual returns of TP Enhanced Fund's results. As of December 31, 2021, the Company and TP GP hold interests of approximately 89.5% and 10.5%, respectively, of the net asset value of TP Enhanced Fund. As a result, both entities hold significant financial interests in TP Enhanced Fund. However, TP GP controls all of the investment decision-making authority and the Company does not have the power to direct the activities which most significantly impact the economic performance of TP Enhanced Fund. As a result, the Company is not considered the primary beneficiary and does not consolidate TP Enhanced Fund. The Company's maximum exposure to loss corresponds to the value of its investments in TP Enhanced Fund.

As a result of the Company's holding in TP Enhanced Fund and its contribution to the Company's overall financial results, the Company includes the following summarized income statement of the TP Enhanced Fund for the year ended December 31, 2021, and summarized balance sheet for the year ended December 31, 2021.

This summarized income statement of TP Enhanced Fund reflects the main components of total investment income and expenses of TP Enhanced Fund. This summarized income statement is not a breakdown of the Company's proportional investment income in TP Enhanced Fund as presented in the Company's consolidated statement of income.

TP Enhanced Fund summarized income statement	**2021**
Investment income	
Net realized gain from securities, derivative contracts and foreign currency translations	$ 616.5
Net change in unrealized loss on securities, derivative contracts and foreign currency translations	(188.4)
Dividend and interest income	33.4
Total investment income	461.5
Expenses	
Management fees	16.7
Interest	5.8
Dividends on securities sold, not yet purchased	10.6
Administrative and professional fees	4.3
Other expenses	4.0
Total expenses	41.4
Net income	$ 420.1

The following table is a summarized balance sheet of TP Enhanced Fund as of December 31, 2021 and reflects the underlying assets and liabilities of TP Enhanced Fund. This summarized balance sheet is not a breakdown of the Company's proportional interests in the underlying assets and liabilities of TP Enhanced Fund.

TP Enhanced Fund summarized balance sheet	**2021**
Assets	
Total investments in securities and affiliated funds	$ 1,623.5
Cash and cash equivalents	0.1
Due from brokers	524.0
Derivative assets, at fair value	46.5
Interest and dividends receivable	3.1
Other assets	1.5
Total assets	$ 2,198.7
Liabilities	
Accounts payable and accrued expenses	$ 1.1
Securities sold, not yet purchased, at fair value	290.4
Securities sold under agreement to repurchase	33.6
Due to brokers	493.6
Derivative liabilities, at fair value	8.4
Withdrawals payable to General Partner	139.5
Redemptions payable to SiriusPoint Bermuda	250.0
Interest and dividends payable	0.7
Management fee payable	0.2
Total liabilities	1,217.5
Total partners' capital	$ 981.2

Third Point Venture Offshore Fund I LP

TP Venture GP controls all of the investment decision-making authority and the Company does not have the power to direct the activities which most significantly impact the economic performance of TP Venture Fund. The Company's maximum exposure to loss corresponds to the value of its investment in TP Venture Fund. See Note 7 for additional information on the Company's investment in TP Venture Fund.

12. Loss and loss adjustment expense reserves

As of December 31, 2021, loss and loss adjustment expense reserves in the consolidated balance sheet was comprised of the following:

	2021
Case loss and loss adjustment expense reserves	$ 1,916.8
Incurred but not reported loss and loss adjustment expense reserves	2,868.2
Unallocated loss adjustment expense reserves	55.8
Deferred gains on retroactive reinsurance contracts	0.6
	$ 4,841.4

Reserving methodologies

The Company establishes loss and loss adjustment expense reserves that are estimates of future amounts needed to pay claims and related expenses for events that have already occurred. The Company also obtains reinsurance whereby another reinsurer contractually agrees to indemnify the Company for all or a portion of the insurance or reinsurance risks underwritten by the Company. The Company establishes estimates of amounts recoverable from the reinsurer in a manner consistent with the loss and loss adjustment expense liability associated with the original policies issued, net of an allowance for uncollectible amounts. Net reinsurance loss reserves represent loss and loss adjustment expense reserves reduced by reinsurance recoverable on unpaid losses.

The process of estimating reserves involves a considerable degree of judgment by management and, as of any given date, is inherently uncertain. Based on the above, such uncertainty may be larger relative to the reserves for reinsurance compared to insurance, and certainty may take a longer time to emerge. Upon notification of a loss from an insured (either a ceding company or a primary insured), the Company establishes case reserves, including loss adjustment expense reserves, based upon the Company’s share of the amount of reserves reported by the insured and the Company's independent evaluation of the loss.

Generally, initial actuarial estimates of IBNR reserves not related to a specific event are based on the expected loss ratio method applied to each class of business. The Company regularly reviews the adequacy of its recorded reserves by using a variety of generally accepted actuarial methods, including incurred and paid loss development methods and Bornhuetter-Ferguson paid and incurred loss methods. Use of these methods involves key assumptions, including expected loss ratios and paid and incurred loss development factors. Key to the projection of ultimate losses are the selection and weighting of the actuarial methods. Estimates of the initial expected ultimate losses involve management judgment and are based on historical information for that class of business, which includes loss ratios, market conditions, changes in pricing and conditions, underwriting changes, changes in claims emergence and other factors that may influence expected ultimate losses. If actual loss activity differs substantially from expectations, an adjustment to recorded reserves may be warranted. The uncertainties that could lead to these substantial differences are primarily due to the lapse of time to receive the reporting of the claims and the ultimate settlement of the claims; the diversity of development patterns among different lines of business; and the reliance on cedents, managing general underwriters, and brokers for information regarding claims. As time passes, loss reserve estimates for a given year will rely more on actual loss activity and historical patterns than on initial loss ratio assumptions.

Catastrophe event estimates

Some of the Company’s contracts are exposed to losses from catastrophes (either natural catastrophes or man-made catastrophes). Given the high-severity, low-frequency nature of these events, the losses typically generated from catastrophe events do not lend themselves to traditional actuarial reserving methods, such as those described above. Therefore, our reserving approach for these types of coverages is to estimate the ultimate cost associated with a single loss event rather than analyzing the historical development patterns of past losses for estimating ultimate losses for an entire contract. We estimate our reserves for these catastrophe events on a contract-by-contract basis by means of a review of policies with known or potential exposure to a particular loss event. We consider the following information when making these contract-by-contract estimates of catastrophe event losses: information provided by cedents and brokers; industry loss estimates; our estimated market share; catastrophe model output; and the terms and conditions of the contracts with exposure to those events. Initial estimates are established in the period that a catastrophe event occurs and are then monitored each subsequent quarter, considering the latest information available.

Roll forward of loss and loss adjustment expense reserves

The following table represents the activity in the loss and loss adjustment expense reserves for the year ended December 31, 2021:

	2021
Gross reserves for loss and loss adjustment expenses, beginning of year	$ 1,310.1
Less: loss and loss adjustment expenses recoverable, beginning of year	(14.4)
Less: deferred charges on retroactive reinsurance contracts	(6.0)
Net reserves for loss and loss adjustment expenses, beginning of year	1,289.7
Increase (decrease) in net loss and loss adjustment expenses incurred in respect of losses occurring in:	
Current year (1)	1,369.1
Prior years	(42.6)
Total incurred loss and loss adjustment expenses	1,326.5
Net loss and loss adjustment expenses paid in respect of losses occurring in:	
Current year	(271.2)
Prior years	(1,178.9)
Total net paid losses	(1,450.1)
Foreign currency translation	(9.2)
Amounts acquired as a result of Sirius Group acquisition (2)	2,467.8
Net reserves for loss and loss adjustment expenses, end of year	3,624.7
Plus: loss and loss adjustment expenses recoverable, end of year	1,215.3
Plus: deferred charges on retroactive reinsurance contracts (3)	1.4
Gross reserves for loss and loss adjustment expenses, end of year	$ 4,841.4

(1) Includes $15.0 million of amortization associated with the fair value adjustment to acquired Sirius Group loss reserves.

(2) Represents the fair value of Sirius Group's reserves for claims and claim expenses, net of reinsurance recoverables, acquired at February 26, 2021. See Note 3 for additional information related to the acquisition of Sirius Group.

(3) Deferred charges on retroactive contracts are recorded in other assets on the Company's consolidated balance sheet.

The Company's prior year reserve development arises from changes to estimates of losses and loss adjustment expenses related to loss events that occurred in previous calendar years.

For the year ended December 31, 2021, the Company recorded $42.6 million of net favorable prior year loss reserve development. The change from the prior period was driven by:

- $18.6 million of net favorable prior year reserve development in the Reinsurance segment as a result of better than expected loss reserve emergence on historical property events relating to multiple accident years and better than expected attritional loss experience;
- $13.5 million of net favorable prior year reserve development in the Insurance & Services segment as a result of better than expected loss experience in A&H for recent accident years; and
- $10.5 million of net favorable prior year reserve development in Corporate as a result of better than expected loss experience on property and contingency classes moved to runoff in 2021.

The Company underwrites reinsurance contracts that have sliding scale or profit commissions whereby loss reserve development could be offset by changes in acquisition costs that vary inversely with loss experience, which are not reflected in these loss reserve-related amounts.

Incurred and paid development tables by accident year

The Company manages its business on the basis of two operating segments, Reinsurance and Insurance & Services. The Company has disaggregated its loss information presented in the tables below by line of business in each segment. The Company has presented the below development tables for all accident years shown using exchange rates as at December 31, 2021. All accident years prior to the current year have been restated and presented using the current year exchange rate.

The Company's loss reserve analysis is based primarily on underwriting year data. The preparation of accident year development tables requires an allocation of underwriting year data to the corresponding accident years. For instance, a contract written in one particular underwriting year may have exposure to losses from two or more accident years. These allocations are done using accident year loss payment and reporting patterns, along with premium earnings patterns. These patterns are derived from either company-specific or industry historical loss data, depending on availability and applicability. The Company believes that its allocations are reasonable; however, to the extent that the Company's allocation procedure for loss and loss adjustment expenses incurred differs from actual historical development, the actual loss development may differ materially from the loss development presented.

As described in the roll forward of loss and loss adjustment expense reserves section above, changes in the Company's loss and loss adjustment expense reserves result from both re-estimating loss reserves as well as changes in premium estimates.

Reinsurance

The following tables provide a breakdown of the Company's loss and allocated loss adjustment expenses incurred, net and net loss and allocated loss adjustment expenses paid by accident year by line of business for the Company's Reinsurance segment for the year ended December 31, 2021. The information related to loss and allocated loss adjustment expenses incurred, net and net loss and allocated loss adjustment expenses paid for the years ended December 31, 2012 through 2020 is presented as supplementary information and is unaudited:

Aviation & Space

	Loss and allocated loss adjustment expenses incurred, net										
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**IBNR loss and ALAE reserves, net**
	<---	---	---	---	**Unaudited**	---	---	---	--->		
2012	$ 34.7	$ 33.5	$ 29.3	$ 27.3	$ 27.5	$ 28.6	$ 28.7	$ 27.7	$ 28.0	$ 27.9	$ (0.2)
2013	—	38.7	34.7	31.6	30.3	31.2	31.3	31.4	31.1	31.8	(0.3)
2014	—	—	32.3	34.9	31.5	30.5	30.3	28.8	30.4	29.7	(2.8)
2015	—	—	—	35.1	31.4	35.4	34.4	33.7	33.9	34.8	1.2
2016	—	—	—	—	32.0	32.3	33.3	35.7	35.3	35.5	(0.6)
2017	—	—	—	—	—	33.9	43.0	44.3	45.8	46.2	(0.1)
2018	—	—	—	—	—	—	48.0	50.6	58.6	61.1	3.3
2019	—	—	—	—	—	—	—	60.7	72.2	76.4	6.9
2020	—	—	—	—	—	—	—	—	39.9	41.8	9.5
2021	—	—	—		—	—	—	—	—	42.0	28.9
Total										$ 427.2	$ 45.8

	Cumulative net losses and allocated loss adjustment expenses paid									
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
	<---	---	---	---	**Unaudited**	---	---	---	--->	
2012	$ 7.0	$ 17.6	$ 21.8	$ 23.7	$ 26.4	$ 27.3	$ 27.8	$ 27.5	$ 27.9	$ 28.1
2013	—	12.5	18.4	22.4	25.0	26.7	27.4	28.8	28.9	29.8
2014	—	—	6.3	14.6	20.1	22.4	24.0	24.7	26.2	25.8
2015	—	—	—	9.0	18.5	24.5	30.9	32.4	33.2	33.8
2016	—	—	—	—	7.7	19.5	26.6	29.0	32.4	33.6
2017	—	—	—	—	—	9.0	23.7	32.6	35.9	39.5
2018	—	—	—	—	—	—	14.3	27.5	36.9	42.6
2019	—	—	—	—	—	—	—	8.4	22.7	32.8
2020	—	—	—	—	—	—	—	—	10.9	22.3
2021	—	—	—	—	—	—	—	—	—	6.5
Total										$ 294.8
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										132.4
Net reserves for loss and allocated loss adjustment expenses prior to 2012										0.4
Aviation & Space - net reserves for loss and allocated loss adjustment expenses, end of year										$ 132.8

Casualty

Accident year	Loss and allocated loss adjustment expenses incurred, net 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	<----------				Unaudited				---------->		
2012	$ 17.6	$ 17.1	$ 17.3	$ 17.8	$ 17.7	$ 17.6	$ 17.8	$ 17.8	$ 17.9	$ 17.7	$ —
2013	—	72.1	53.4	57.9	57.9	57.9	57.8	57.4	57.6	57.0	—
2014	—	—	178.7	178.6	182.8	172.1	173.3	172.4	173.0	172.4	1.9
2015	—	—	—	225.2	258.8	239.9	240.5	240.8	243.3	243.3	8.9
2016	—	—	—	—	272.8	270.0	268.5	265.3	268.2	268.8	18.2
2017	—	—	—	—	—	248.7	256.3	258.1	262.6	265.7	39.2
2018	—	—	—	—	—	—	318.6	341.9	348.9	351.8	92.1
2019	—	—	—	—	—	—	—	390.1	425.3	443.2	193.4
2020	—	—	—	—	—	—	—	—	379.5	418.6	286.7
2021	—	—	—	—	—	—	—	—	—	354.2	292.0
Total										$2,592.7	$ 932.4

Accident year	Cumulative net losses and allocated loss adjustment expenses paid 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<----------				Unaudited				---------->	
2012	$ 5.7	$ 10.7	$ 14.5	$ 16.0	$ 16.6	$ 16.3	$ 16.7	$ 17.1	$ 17.4	$ 17.4
2013	—	11.3	27.8	40.4	46.8	51.4	53.6	55.0	55.4	56.0
2014	—	—	51.1	128.5	148.6	154.1	161.8	165.0	166.9	167.9
2015	—	—	—	76.4	161.4	187.1	204.2	213.9	221.9	226.7
2016	—	—	—	—	73.6	173.9	199.7	216.2	227.9	236.1
2017	—	—	—	—	—	83.8	138.9	160.7	184.1	202.9
2018	—	—	—	—	—	—	58.1	112.3	152.7	213.5
2019	—	—	—	—	—	—	—	46.0	117.0	182.5
2020	—	—	—	—	—	—	—	—	38.1	66.1
2021	—	—	—	—	—	—	—	—	—	30.6
Total										$1,399.7
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										1,193.0
Net reserves for loss and allocated loss adjustment expenses prior to 2012										21.5
Casualty - net reserves for loss and allocated loss adjustment expenses, end of year										$1,214.5

Contingency

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	Loss and allocated loss adjustment expenses incurred, net										
	<---- Unaudited ---->										
2012	$ 0.3	$ 0.2	$ 0.1	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.1	$ —
2013	—	0.1	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.1
2014	—	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	0.7	0.7	1.3	1.0	1.0	0.1
2018	—	—	—	—	—	—	1.6	2.0	1.7	1.8	0.2
2019	—	—	—	—	—	—	—	2.0	2.0	2.0	0.2
2020	—	—	—	—	—	—	—	—	21.3	20.1	3.8
2021	—	—	—	—	—	—	—	—	—	9.7	5.9
Total										$ 35.1	$ 10.3

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Cumulative net losses and allocated loss adjustment expenses paid									
	<---- Unaudited ---->									
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
2014	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	0.3	0.6	0.8	0.8
2018	—	—	—	—	—	—	—	0.9	1.5	1.6
2019	—	—	—	—	—	—	—	(0.1)	1.2	1.3
2020	—	—	—	—	—	—	—	—	7.2	10.3
2021	—	—	—	—	—	—	—	—	—	4.3
Total										$ 18.5
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										16.6
Net reserves for loss and allocated loss adjustment expenses prior to 2012										1.8
Contingency - net reserves for loss and allocated loss adjustment expenses, end of year										$ 18.4

Credit & Bond

	Loss and allocated loss adjustment expenses incurred, net										
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**IBNR loss and ALAE reserves, net**
	<------------ Unaudited								------------>		
2012	$ 34.9	$ 35.1	$ 33.3	$ 33.4	$ 32.9	$ 32.8	$ 32.5	$ 32.1	$ 31.9	$ 32.0	$ 0.1
2013	—	30.6	29.3	28.2	27.8	28.7	28.3	28.5	28.6	29.1	0.6
2014	—	—	26.3	25.8	26.3	24.2	23.2	22.9	22.8	23.1	(2.1)
2015	—	—	—	24.7	24.2	23.2	21.5	20.5	19.9	19.9	0.4
2016	—	—	—	—	20.2	18.5	18.0	17.1	16.7	17.0	0.8
2017	—	—	—	—	—	25.1	25.6	24.4	22.9	22.8	4.5
2018	—	—	—	—	—	—	31.7	32.1	31.1	31.2	3.5
2019	—	—	—	—	—	—	—	41.9	39.9	39.0	6.6
2020	—	—	—	—	—	—	—	—	45.6	41.6	14.5
2021	—	—	—	—	—	—	—	—	—	23.3	14.2
Total										$ 279.0	$ 43.1

	Cumulative net losses and allocated loss adjustment expenses paid									
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
	<------------ Unaudited								------------>	
2012	$ 14.8	$ 26.9	$ 31.1	$ 31.9	$ 32.2	$ 32.1	$ 32.1	$ 32.1	$ 32.0	$ 31.8
2013	—	11.6	19.9	23.0	24.2	24.9	25.1	25.2	25.3	25.5
2014	—	—	7.9	14.1	18.6	20.6	21.3	21.6	21.6	21.7
2015	—	—	—	4.8	13.1	17.4	18.7	18.7	18.7	18.6
2016	—	—	—	—	5.5	10.7	13.6	14.7	15.1	15.4
2017	—	—	—	—	—	4.0	10.4	14.7	15.8	16.2
2018	—	—	—	—	—	—	8.3	17.8	23.3	24.6
2019	—	—	—	—	—	—	—	10.1	21.4	27.5
2020	—	—	—	—	—	—	—	—	18.8	20.9
2021	—	—	—	—	—	—	—	—	—	4.5
Total										$ 206.7
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										72.3
Net reserves for loss and allocated loss adjustment expenses prior to 2012										4.6
Credit & Bond - net reserves for loss and allocated loss adjustment expenses, end of year										$ 76.9

Marine & Energy

Loss and allocated loss adjustment expenses incurred, net

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	<------	------	------	------	Unaudited	------	------	------	------>		
2012	$ 15.3	$ 17.0	$ 18.2	$ 18.9	$ 19.2	$ 19.2	$ 19.1	$ 18.9	$ 18.9	$ 18.9	$ 0.7
2013	—	21.0	18.7	17.5	16.7	16.3	16.3	16.4	16.5	16.1	0.5
2014	—	—	22.4	21.1	19.4	18.1	17.5	18.2	18.2	18.2	(0.2)
2015	—	—	—	27.8	30.0	27.8	27.3	27.1	27.5	27.5	(0.1)
2016	—	—	—	—	30.5	28.9	25.2	25.0	25.1	25.0	0.1
2017	—	—	—	—	—	35.0	30.8	29.9	32.3	31.9	1.3
2018	—	—	—	—	—	—	19.5	21.2	21.1	20.9	1.4
2019	—	—	—	—	—	—	—	19.0	19.4	19.7	3.9
2020	—	—	—	—	—	—	—	—	20.5	18.6	6.2
2021	—	—	—	—	—	—	—	—	—	25.2	16.8
Total										$ 222.0	$ 30.6

Cumulative net losses and allocated loss adjustment expenses paid

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<------	------	------	------	Unaudited	------	------	------	------>	
2012	$ 3.7	$ 8.5	$ 12.5	$ 14.2	$ 15.3	$ 16.6	$ 17.2	$ 18.0	$ 18.0	$ 18.0
2013	—	2.7	8.6	11.6	13.0	13.2	13.4	13.7	13.7	13.7
2014	—	—	4.0	10.2	13.8	15.1	15.7	15.7	16.7	16.7
2015	—	—	—	3.1	10.4	20.3	24.7	25.8	26.5	26.6
2016	—	—	—	—	6.1	14.6	18.0	20.6	22.6	23.6
2017	—	—	—	—	—	5.0	13.4	19.7	24.0	25.7
2018	—	—	—	—	—	—	3.0	9.2	15.0	15.8
2019	—	—	—	—	—	—	—	2.6	7.6	10.6
2020	—	—	—	—	—	—	—	—	2.1	6.6
2021	—	—	—	—	—	—	—	—	—	2.0
Total										$ 159.3
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										62.7
Net reserves for loss and allocated loss adjustment expenses prior to 2012										2.1
Marine & Energy - net reserves for loss and allocated loss adjustment expenses, end of year										$ 64.8

Mortgage

Loss and allocated loss adjustment expenses incurred, net

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	<-- Unaudited -->										
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	—
2014	—	—	3.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	—
2015	—	—	—	1.6	1.6	1.6	1.7	0.8	0.8	0.8	—
2016	—	—	—	—	5.8	5.5	5.8	1.4	2.2	1.9	—
2017	—	—	—	—	—	7.9	8.3	2.1	3.0	2.6	0.5
2018	—	—	—	—	—	—	11.1	4.2	5.4	4.9	1.3
2019	—	—	—	—	—	—	—	6.9	8.7	8.0	2.5
2020	—	—	—	—	—	—	—	—	11.9	11.8	5.8
2021	—	—	—	—	—	—	—	—	—	11.1	6.9
Total										$ 41.8	$ 17.0

Cumulative net losses and allocated loss adjustment expenses paid

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<-- Unaudited -->									
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1
2014	—	—	—	0.6	0.6	0.6	0.6	0.6	0.6	0.6
2015	—	—	—	0.3	0.5	0.7	0.7	0.8	0.8	0.8
2016	—	—	—	—	0.1	0.5	0.8	1.0	1.0	1.0
2017	—	—	—	—	—	0.1	0.7	1.0	1.1	1.0
2018	—	—	—	—	—	—	0.3	1.2	1.3	1.4
2019	—	—	—	—	—	—	—	0.8	1.6	1.8
2020	—	—	—	—	—	—	—	—	1.4	1.5
2021	—	—	—	—	—	—	—	—	—	1.1
Total										$ 9.3
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										32.5
Net reserves for loss and allocated loss adjustment expenses prior to 2012										(0.1)
Mortgage - net reserves for loss and allocated loss adjustment expenses, end of year										$ 32.4

Property

Accident year	Loss and allocated loss adjustment expenses incurred, net 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	<------	------	------	------	Unaudited	------	------	------	------>		
2012	$ 314.1	$ 300.8	$ 289.8	$ 283.0	$ 280.2	$ 275.2	$ 275.4	$ 276.2	$ 276.9	$ 276.0	$ 1.1
2013	—	232.6	256.7	245.5	242.2	240.8	240.5	239.8	240.2	239.5	0.6
2014	—	—	206.7	211.6	209.4	213.7	213.9	213.6	213.1	213.4	1.7
2015	—	—	—	217.2	214.6	218.4	218.9	217.5	217.3	217.5	2.5
2016	—	—	—	—	294.3	295.0	296.9	297.1	295.0	294.2	3.3
2017	—	—	—	—	—	462.9	506.2	516.2	521.9	521.5	19.0
2018	—	—	—	—	—	—	474.7	535.5	542.8	535.8	18.5
2019	—	—	—	—	—	—	—	542.5	526.8	525.1	37.7
2020	—	—	—	—	—	—	—	—	577.4	569.9	188.3
2021	—	—	—	—	—	—	—	—	—	602.7	285.3
Total										$3,995.6	$ 558.0

Accident year	Cumulative net losses and allocated loss adjustment expenses paid 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<------	------	------	------	Unaudited	------	------	------	------>	
2012	$ 46.6	$ 207.7	$ 241.1	$ 253.5	$ 259.1	$ 263.2	$ 265.2	$ 268.4	$ 268.9	$ 270.5
2013	—	56.7	171.6	212.0	224.8	229.5	231.3	233.0	234.3	234.3
2014	—	—	50.4	141.5	177.1	194.5	201.0	205.1	206.0	206.9
2015	—	—	—	53.1	147.2	181.7	198.0	206.6	208.9	211.0
2016	—	—	—	—	63.8	191.7	244.9	268.8	280.2	284.2
2017	—	—	—	—	—	88.0	315.9	404.3	460.3	472.7
2018	—	—	—	—	—	—	69.3	330.7	428.4	461.1
2019	—	—	—	—	—	—	—	68.4	305.8	400.4
2020	—	—	—	—	—	—	—	—	77.7	225.5
2021	—	—	—	—	—	—	—	—	—	66.3
Total										$2,832.9
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										1,162.7
Net reserves for loss and allocated loss adjustment expenses prior to 2012										33.0
Property - net reserves for loss and allocated loss adjustment expenses, end of year										$1,195.7

Insurance & Services

The following tables provide a breakdown of the Company's loss and allocated loss adjustment expenses incurred, net and net loss and allocated loss adjustment expenses paid by accident year by line of business for the Company's Insurance & Services segment for the year ended December 31, 2021. The information related to loss and allocated loss adjustment expenses incurred, net and net loss and allocated loss adjustment expenses paid for the years ended December 31, 2012 through 2020 is presented as supplementary information and is unaudited:

A&H

	Loss and allocated loss adjustment expenses incurred, net										
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**IBNR loss and ALAE reserves, net**
	<--- Unaudited								--->		
2012	$ 164.2	$ 161.0	$ 148.7	$ 148.0	$ 147.7	$ 147.6	$ 147.5	$ 147.3	$ 147.3	$ 147.3	$ (0.1)
2013	—	126.3	124.2	119.7	119.2	118.5	117.7	117.6	117.4	117.5	—
2014	—	—	131.4	132.5	130.9	130.8	129.9	129.9	129.8	129.9	0.1
2015	—	—	—	153.9	149.7	146.3	145.0	144.6	144.6	144.7	0.3
2016	—	—	—	—	174.8	174.4	170.3	168.8	168.6	168.1	2.3
2017	—	—	—	—	—	178.4	174.6	168.0	165.7	165.5	(0.5)
2018	—	—	—	—	—	—	202.3	209.9	207.7	205.9	(1.2)
2019	—	—	—	—	—	—	—	277.1	272.1	263.2	0.8
2020	—	—	—	—	—	—	—	—	313.2	307.3	56.4
2021	—	—	—	—	—	—	—	—	—	224.3	85.1
Total										$1,873.7	$ 143.2

	Cumulative net losses and allocated loss adjustment expenses paid									
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
	<--- Unaudited								--->	
2012	$ 72.5	$ 136.9	$ 147.0	$ 147.3	$ 147.5	$ 147.5	$ 147.5	$ 147.5	$ 147.5	$ 147.5
2013	—	54.7	104.5	115.0	116.4	117.7	117.1	117.1	117.1	117.1
2014	—	—	59.4	111.6	125.1	126.8	126.8	127.5	127.6	127.7
2015	—	—	—	75.8	130.4	141.9	143.6	143.9	144.0	144.0
2016	—	—	—	—	99.0	151.5	163.3	165.2	165.7	165.4
2017	—	—	—	—	—	58.8	149.8	162.6	163.5	163.8
2018	—	—	—	—	—	—	89.4	189.4	206.3	207.4
2019	—	—	—	—	—	—	—	129.8	237.6	254.6
2020	—	—	—	—	—	—	—	—	105.4	247.7
2021	—	—	—	—	—	—	—	—	—	121.2
Total										$1,696.4
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										177.3
Net reserves for loss and allocated loss adjustment expenses prior to 2012										(0.5)
A&H - net reserves for loss and allocated loss adjustment expenses, end of year										$ 176.8

Environmental

Loss and allocated loss adjustment expenses incurred, net

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	<---				Unaudited			--->			
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	0.4	0.1	0.1	0.1	—
2019	—	—	—	—	—	—	—	4.5	4.6	2.7	(1.9)
2020	—	—	—	—	—	—	—	—	3.6	3.2	2.8
2021	—	—	—	—	—	—	—	—	—	4.7	3.6
Total										$ 10.7	$ 4.5

Cumulative net losses and allocated loss adjustment expenses paid

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<---				Unaudited			--->		
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	0.1	0.1
2019	—	—	—	—	—	—	—	—	0.9	1.8
2020	—	—	—	—	—	—	—	—	—	0.3
2021	—	—	—	—	—	—	—	—	—	—
Total										$ 2.2
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										8.5
Net reserves for loss and allocated loss adjustment expenses prior to 2012										—
Environmental - net reserves for loss and allocated loss adjustment expenses, end of year										$ 8.5

Workers' Compensation

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	Loss and allocated loss adjustment expenses incurred, net										
	<---- Unaudited ---->										
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	1.5	1.5	1.1	1.2	0.6
2019	—	—	—	—	—	—	—	18.6	16.6	15.7	2.8
2020	—	—	—	—	—	—	—	—	45.8	46.9	11.3
2021	—	—	—	—	—	—	—	—	—	94.9	61.3
Total										$ 158.7	$ 76.0

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Cumulative net losses and allocated loss adjustment expenses paid									
	<---- Unaudited ---->									
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	0.2	0.3	0.4
2019	—	—	—	—	—	—	—	1.3	6.8	10.0
2020	—	—	—	—	—	—	—	—	4.2	19.7
2021	—	—	—	—	—	—	—	—	—	10.4
Total										$ 40.5
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										118.2
Net reserves for loss and allocated loss adjustment expenses prior to 2012										—
Workers' Compensation - net reserves for loss and allocated loss adjustment expenses, end of year										$ 118.2

Other

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	IBNR loss and ALAE reserves, net
	Loss and allocated loss adjustment expenses incurred, net										
	<--- Unaudited --->										
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	2.6	2.3	1.4
2021	—	—	—	—	—	—	—	—	—	62.5	59.9
Total										$ 64.8	$ 61.3

Cumulative net losses and allocated loss adjustment expenses paid

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<--- Unaudited --->									
2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2013	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	0.4	0.8
2021	—	—	—	—	—	—	—	—	—	1.5
Total										$ 2.3
Net reserves for loss and allocated loss adjustment expenses from 2012 to 2021										62.5
Net reserves for loss and allocated loss adjustment expenses prior to 2012										—
Other - net reserves for loss and allocated loss adjustment expenses, end of year										$ 62.5

Reconciliation of loss development information to loss and loss adjustment expense reserves

The following table provides a reconciliation of the Company's loss and loss adjustment expense reserves as of December 31, 2021:

	2021
Net reserves for loss and allocated loss adjustment expenses	
Reinsurance	
Aviation & Space	$ 132.8
Casualty	1,214.5
Contingency	18.4
Credit & Bond	76.9
Marine & Energy	64.8
Mortgage	32.4
Property	1,195.7
Insurance & Services	
A&H	176.8
Environmental	8.5
Workers' Compensation	118.2
Other	62.5
Corporate (1)	402.1
Net reserves for loss and allocated loss adjustment expenses, end of year	3,503.6
Loss and allocated loss adjustment expenses recoverable	
Reinsurance	
Aviation & Space	42.1
Casualty	10.1
Credit & Bond	9.9
Marine & Energy	8.3
Mortgage	2.8
Property	547.3
Insurance & Services	
A&H	64.4
Environmental	6.8
Workers' Compensation	10.2
Other	44.5
Corporate	468.9
Total loss and allocated loss adjustment expenses recoverable	1,215.3
Unallocated loss adjustment expense reserves	55.8
Other items, net (2)	65.3
Deferred charges on retroactive reinsurance contracts	1.4
Gross reserves for loss and loss adjustment expenses, end of year	$ 4,841.4

(1) Corporate includes the results of all runoff business and is not presented in the loss development tables.

(2) Includes fair value adjustments associated with the acquisition of Sirius Group.

Cumulative claims frequency

The reporting of cumulative claims frequency for the reserve classes within the Reinsurance and Insurance & Services segments are deemed to be impracticable as the information necessary to provide cumulative claims frequency for these reserve classes is not available to the Company. The underlying claim count is not provided for most reinsurance contracts written on a quote share or aggregate loss basis, and certain MGAs report data to the Company in an aggregate format and therefore the information necessary to provide cumulative claims is not available.

Claims duration

The following table is presented as supplementary information and presents the Company's historical average annual percentage payout of loss and loss adjustment expenses incurred, net by age, as of December 31, 2021:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
				(Unaudited)						
Reinsurance										
Aviation & Space	21.5 %	25.8 %	16.1 %	9.2 %	7.1 %	2.7 %	3.2 %	(0.8)%	2.2 %	1.0 %
Casualty	18.3 %	22.0 %	11.9 %	9.5 %	5.2 %	2.8 %	1.7 %	0.7 %	1.4 %	(0.3)%
Contingency	32.3 %	22.6 %	20.6 %	8.7 %	4.0 %	0.6 %	2.0 %	— %	1.0 %	— %
Credit & Bond	32.3 %	27.2 %	16.3 %	5.0 %	1.8 %	0.5 %	0.1 %	0.1 %	0.3 %	(0.5)%
Marine & Energy	15.5 %	28.9 %	21.9 %	10.4 %	5.0 %	3.0 %	2.5 %	1.6 %	0.2 %	(0.1)%
Mortgage	10.2 %	11.4 %	5.7 %	3.5 %	— %	(0.6)%	(0.1)%	(0.1)%	— %	— %
Property	16.0 %	43.1 %	16.9 %	7.5 %	2.8 %	1.3 %	0.7 %	0.8 %	0.1 %	0.6 %
Insurance & Services										
A&H	46.2 %	43.3 %	7.7 %	0.8 %	0.3 %	— %	— %	— %	— %	— %
Environmental	1.0 %	19.9 %	35.1 %	3.6 %	— %	— %	— %	— %	— %	— %
Workers' Compensation	10.0 %	33.2 %	19.8 %	6.9 %	— %	— %	— %	— %	— %	— %
Other	2.9 %	16.3 %	2.0 %	— %	— %	— %	— %	— %	— %	— %

13. Third party reinsurance

In the normal course of business, the Company seeks to protect its businesses from losses due to concentration of risk and losses arising from catastrophic events by reinsuring with third-party reinsurers. Additionally, retrocession can be used as a mechanism to share the risks and rewards of business written and therefore can be used as a tool to align the Company's interests with those of its counterparties. The Company remains liable for risks reinsured in the event that the reinsurer does not honor its obligations under reinsurance contracts.

The following tables provide a breakdown of the Company's written and earned premiums and loss and loss adjustment expenses from direct business, reinsurance assumed and reinsurance ceded for the year ended December 31, 2021:

	2021
Written premiums:	
Direct	$ 718.0
Assumed	1,518.5
Gross premiums written	2,236.5
Ceded	(502.3)
Net premiums written	$ 1,734.2

	2021
Premiums earned:	
Direct	$ 600.8
Assumed	1,598.5
Gross premiums earned	2,199.3
Ceded	(482.3)
Net premiums earned	$ 1,717.0

	2021
Loss and loss adjustment expense:	
Direct	$ 349.3
Assumed	1,506.1
Loss and loss adjustment expense incurred	1,855.4
Ceded	(528.9)
Loss and loss adjustment expense incurred, net	$ 1,326.5

Because retrocessional reinsurance contracts do not relieve the Company of its obligation to its insureds, the collectability of balances due from the Company's reinsurers is important to its financial strength. The Company monitors the financial strength and ratings of retrocessionaires on an ongoing basis. As of December 31, 2021, the Company had loss and loss adjustment expenses recoverable of $1,215.3 million. Loss and loss adjustment expenses recoverable from the retrocessionaire are recorded as assets.

The following tables provide a listing of the Company’s loss and loss adjustment expenses recoverable by the reinsurer's S&P rating and the percentage of total recoverables as of December 31, 2021. With certain reinsurers if S&P's rating was not available, an equivalent AM Best rating was used.

	December 31, 2021			
Rating (1) (2)	Gross	Collateral	Net	% of Net Total
AA	$ 149.5	$ 1.7	$ 147.8	22.6 %
A	360.8	16.0	344.8	52.6 %
BBB or lower	212.3	130.5	81.8	12.5 %
Not rated	492.7	412.0	80.7	12.3 %
Total	$ 1,215.3	$ 560.2	$ 655.1	100.0 %

(1) S&P’s ratings as detailed above are: "AAA" (Extremely Strong), "AA" (Very strong), "A" (Strong) and "BBB" (Adequate).

(2) Not rated represents reinsurers who are not rated by either S&P or AM. Best. Included in the “Not rated” category as of December 31, 2021 is $355.9 million related to Pallas Reinsurance Ltd. as a result of the LPT, amount is fully collateralized.

The following tables provide a listing of the five highest loss and loss adjustment expenses recoverable by reinsurer, along with percentage of total recoverable amount, the reinsurer's S&P's reinsurer rating and the percentage that the recoverable is collateralized as of December 31, 2021:

	December 31, 2021			
	Balance	% of Total	S&P rating	% Collateralized
Reinsurer:				
Pallas Reinsurance Company Ltd.	$ 355.9	29.3 %	Not rated	100.0 %
General Insurance Corporation of India (1)	140.9	11.6 %	BBB	89.4 %
Swiss Reinsurance Company, Ltd.	34.8	2.9 %	AA-	13.4 %
Argo Capital Group Ltd.	28.6	2.4 %	Not rated	100.0 %
Lloyd’s of London	$ 27.4	2.3 %	A+	51.8 %

(1) Reflects an AM Best rating of "B++" (Good).

14. Allowance for expected credit losses

The Company is exposed to credit losses primarily through sales of its insurance and reinsurance products and services. The financial assets in scope of the current expected credit losses impairment model primarily include the Company’s insurance and reinsurance balances receivable and loss and loss adjustment expenses recoverable. The Company pools these amounts by counterparty credit rating and applies a credit default rate that is determined based on the studies published by the rating agencies (e.g., AM Best, S&P). In circumstances where ratings are unavailable, the Company applies an internally developed default rate based on historical experience, reference data including research publications, and other relevant inputs.

The Company's assets in scope of the current expected credit loss assessment as of December 31, 2021 is as follows:

	December 31, 2021
Insurance and reinsurance balances receivable, net [1]	$ 1,708.2
Loss and loss adjustment expenses recoverable, net	1,215.3
Other assets [2]	14.5
Total assets in scope	$ 2,938.0

(1) No counterparty represented more than 10% of the Company’s total insurance and reinsurance balances receivable as of December 31, 2021.

(2) Relates to MGA trade receivables included in other assets in the Company’s consolidated balance sheet.

The Company’s allowance for expected credit losses was $21.6 million as of December 31, 2021. For the year ended December 31, 2021, the Company recorded current expected credit losses of $21.0 million. The Company recognized the allowance for credit losses in accordance with ASC 326 upon initial recognition of the Sirius Group assets within the scope of the standard. An allowance of $16.8 million was re-established in the first quarter ended March 31, 2021 as related to Sirius Group assets. These amounts are included in net corporate and other expenses in the consolidated statement of income.

The Company monitors counterparty credit ratings and macroeconomic conditions, and considers the most current AM Best and S&P credit ratings to determine the allowance each quarter. As of December 31, 2021, approximately 67% of the total gross assets in scope were balances with counterparties rated by either AM Best or S&P and, of the total rated, 80% were rated A- or better.

15. Letter of credit facilities

Standby letter of credit facilities

As of December 31, 2021, the Company had entered into the following letter of credit facilities:

	Letters of Credit		Collateral	
	Committed Capacity	Issued	Cash and Cash Equivalents	Debt securities
Committed - Secured letters of credit facilities	$ 330.0	$ 208.5	$ 40.9	$ 99.0
Uncommitted - Secured letters of credit facilities	n/a	908.5	459.3	667.6
		$ 1,117.0	$ 500.2	$ 766.6

The Company’s secured letter of credit facilities are bilateral agreements that generally renew on an annual basis. The letters of credit issued under the secured letter of credit facilities are fully collateralized. The above referenced facilities are subject to various affirmative, negative and financial covenants that the Company considers to be customary for such borrowings, including certain minimum net worth and maximum debt to capitalization standards. See Note 5 for additional information.

Revolving credit facility

Effective February 26, 2021, SiriusPoint and the Company entered into a three-year, $300.0 million senior unsecured revolving credit facility (the “Facility”) with JPMorgan Chase Bank, N.A. as administrative agent. The Facility includes an option, subject to satisfaction of certain conditions including agreement of lenders representing greater than a majority of commitments, to request an extension by such lenders of the maturity date of the Facility by an additional 12 months. The Facility provides access to loans for working capital and general corporate purposes, and letters of credit to support obligations under insurance and reinsurance agreements, retrocessional agreements and for general corporate purposes. Loans and letters of credit under the Facility will become available, subject to customary conditions precedent. As of December 31, 2021, there were no outstanding borrowings under the Facility.

16. Income taxes

The Company provides for income tax expense or benefit based upon pre-tax income or loss reported in the consolidated statement of income and the provisions of currently enacted tax laws. The Company and its Bermuda subsidiaries are incorporated under the laws of Bermuda and are subject to Bermuda law with respect to taxation. Under current Bermuda law, the Company and its Bermuda subsidiaries are not subject to any income or capital gains taxes in Bermuda. In the event that such taxes are imposed, the Company and its Bermuda subsidiaries would be exempted from any such taxes until March 2035 under the Tax Assurance Certificates issued to such entities pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966, as amended.

The Company has subsidiaries and branches that operate in various other jurisdictions around the world that are subject to tax in the jurisdictions in which they operate. The jurisdictions in which the Company's subsidiaries and branches are subject to tax are Australia, Belgium, Canada, Germany, Hong Kong (China), Ireland, Luxembourg, Malaysia, Singapore, Sweden, Switzerland, the United Kingdom, and the United States.

The following is a summary of the Company’s income before income tax benefit by jurisdiction for the year ended December 31, 2021:

	2021
Bermuda	$ 194.4
U.S.	30.0
U.K.	1.9
Sweden	(138.1)
Luxembourg	(20.5)
Other	1.5
Income before income tax benefit	$ 69.2

For the year ended December 31, 2021, income tax benefit consisted of the following:

	2021
Current tax expense:	
U.S. Federal	$ (3.3)
State	(1.8)
Non-U.S.	(18.2)
Total current tax expense	(23.3)
Deferred tax (expense) benefit:	
U.S. Federal	(4.9)
State	(4.8)
Non-U.S.	52.1
Total deferred tax benefit	42.4
Total income tax benefit	$ 19.1

Effective Rate Reconciliation

The following table presents a reconciliation of expected income taxes to income tax benefit for the year ended December 31, 2021:

	2021
Tax (expense) benefit at the 0% Bermuda statutory rate	$ —
Differences in taxes resulting from:	
Non-Bermuda earnings	25.9
Foreign currency effects	(19.0)
Change in valuation allowance	10.5
Change in uncertain tax positions	(8.0)
Non-taxable/deductible income	7.2
Tax rate change	4.3
Tax on Safety Reserve	(1.0)
State taxes expense	(0.9)
Provision-to-return true up	(0.5)
Other, net	0.6
Total income tax benefit	$ 19.1

The non-Bermuda component of pre-tax loss was $125.3 million for the year ended December 31, 2021.

The TCJA includes a BEAT provision, which is essentially a minimum tax on certain otherwise deductible payments made by U.S. entities to non-U.S. affiliates, including cross-border interest payments and reinsurance premiums paid or ceded. The statutory BEAT rate is 10% through 2025, and then rises to 12.5% in 2026 and thereafter. The TCJA also includes provisions for GILTI) under which taxes on foreign income are imposed on the excess of a deemed return on tangible assets of certain foreign subsidiaries. Consistent with accounting guidance, the Company will treat BEAT as an in period tax charge when incurred in future periods for which no deferred taxes need to be provided and has made an accounting policy election to treat GILTI taxes in a similar manner. No provision for income taxes related to BEAT or GILTI was recorded as of December 31, 2021.

The Company has capital and liquidity in many of its subsidiaries, some of which may reflect undistributed earnings. If such capital or liquidity were to be paid or distributed to the Company or to one of its intermediary subsidiaries as dividends or otherwise, they may be subject to withholding tax by the source country and/or income tax by the recipient country. The Company generally intends to operate, and manage its capital and liquidity, in a tax-efficient manner. However, the applicable tax laws in relevant countries are still evolving, including in connection with guidance and proposals from the Organization for Economic Cooperation and Development (OECD). Accordingly, such payments or distributions may be subject to income or withholding tax in jurisdictions where they are not currently taxed or at higher rates of tax than currently taxed, and the applicable tax authorities could attempt to apply income or withholding tax to past earnings or payments.

Deferred Tax Inventory

The following table presents the tax effects of temporary differences that give rise to the deferred tax assets and deferred tax liabilities as of December 31, 2021:

		2021
Deferred tax assets:		
Non-U.S. net operating loss carryforwards	$	273.3
Tax credit carryforwards		26.2
U.S. federal net operating loss and capital carryforwards		19.4
Purchase accounting		17.8
Unearned premiums		13.4
Discounting of loss and loss adjustment expense reserves		7.6
Investment basis differences		5.9
Deferred interest		3.9
Incentive compensation and benefit accruals		5.7
Allowance for doubtful accounts		2.9
Other items		5.2
Total gross deferred tax assets		381.3
Valuation allowance		(113.3)
Total adjusted deferred tax asset	$	268.0
Deferred tax liabilities:		
Safety reserve (1)	$	150.1
Intangible assets		14.3
Deferred acquisition costs		6.7
Unrealized gains on investments		3.8
Foreign currency translation on investments		1.7
Other Items		4.8
Total deferred tax liabilities		181.4
Net deferred tax assets	$	86.6

(1) See Note 20 for additional information.

Of the net deferred tax asset, net of valuation allowance, of $86.6 million as of December 31, 2021, $53.5 million relates to net deferred tax assets in U.S. subsidiaries, $128.5 million relates to net deferred tax assets in Luxembourg subsidiaries, $5.2 million relates to net deferred tax liabilities in UK subsidiaries, $90.9 million relates to net deferred tax liabilities in Sweden subsidiaries, and $0.7 million relates to net deferred tax assets in other jurisdictions.

The Company records a valuation allowance against deferred tax assets if it becomes more likely than not that all or a portion of deferred tax assets will not be realized. Changes in valuation allowances from period to period are included in income tax expense in the period of change. In determining whether or not a valuation allowance, or change therein, is warranted, the Company considers factors such as prior earnings history, expected future earnings, carryback and carryforward periods and strategies that if executed would result in the realization of a deferred tax asset. It is possible that certain planning strategies or projected earnings in certain subsidiaries may not be feasible to utilize the entire deferred tax asset, which could result in material changes to the Company's deferred tax assets and tax expense.

Based on this approach, for the year ended December 31, 2021, the Company recorded $113.3 million in the valuation allowance applicable to deferred tax assets. Of the $113.3 million, $62.1 million relates to net operating loss carryforwards in Luxembourg subsidiaries, $37.8 million relates primarily to net operating loss carryforward in the United Kingdom and $13.4 million relates to foreign tax credits in the United States.

Net Operating Loss and Capital Loss Carryforwards

Net operating loss and capital loss carryforwards as of December 31, 2021, the expiration dates and the deferred tax assets thereon are as follows:

	2021				
	United States	Luxembourg	Sweden	U.K.	Total
2022-2026	$ 4.7	$ —	$ —	$ —	$ 4.7
2027-2041	107.8	43.3	—	—	151.1
No expiration date	21.1	724.1	217.4	148.0	1,110.6
Total	133.6	767.4	217.4	148.0	1,266.4
Gross deferred tax asset	19.4	191.4	44.8	37.0	292.6
Valuation allowance	—	(62.1)	—	(37.0)	(99.1)
Net deferred tax asset	$ 19.4	$ 129.3	$ 44.8	$ —	$ 193.5

The Company expects to utilize net operating loss carryforwards in Luxembourg of $521.6 million but does not expect to utilize the remainder based on forecasted taxable income. The U.S. net operating loss carryforwards of $133.6 million are subject to an annual limitation on utilization under Internal Revenue Code Section 382. Of this amount, $11.0 million are also subject to separately return limitation year ("SRLY") provisions of the consolidated return regulations. Of the Section 382 limited loss carryforwards, $4.7 million will expire between 2022 and 2025, $107.8 million will expire between 2031 and 2039 and the remaining $21.1 million does not expire. The SRLY limited losses will expire between 2036 and 2037. The Company expects to utilize all of the U.S. net operating loss carryforwards.

Foreign Tax Credits

As of December 31, 2021, there are U.S. foreign tax credits carryforwards available of $17.0 million, of which $9.5 million expires in 2022 and the remaining will expire between 2023 and 2030. As of December 31, 2021, there are alternative minimum tax credit carryforwards of $0.1 million which do not expire and are expected to become fully refundable beginning in the 2023 tax year under the TCJA. Further, there are Swedish foreign tax credits carryforwards available of $9.1 million and will expire in 2026.

Uncertain tax positions

Recognition of the benefit of a given tax position is based upon whether a company determines that it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. In evaluating the more likely than not recognition threshold, the Company must presume that the tax position will be subject to examination by a taxing authority with full knowledge of all relevant information. If the recognition threshold is met, then the tax position is measured at the largest amount of benefit that is more than 50% likely of being realized upon ultimate settlement.

The following table is a reconciliation of the beginning and ending unrecognized tax benefits for the year ended December 31, 2021:

	Permanent differences [(1)]	Temporary differences [(2)]	Interest and penalties [(3)]	Total
Balance as of December 31, 2020	$ 1.1	$ —	$ 0.5	$ 1.6
Acquisition of Sirius Group	0.7	0.1	0.1	0.9
Changes in prior year tax positions	(0.1)	(0.1)	0.1	(0.1)
Tax positions taken during the current year	8.0	0.3	—	8.3
Balance as of December 31, 2021	$ 9.7	$ 0.3	$ 0.7	$ 10.7

(1) Represents the amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate.

(2) Represents the amount of unrecognized tax benefits that, if recognized, would create a temporary difference between the reported amount of an item in the consolidated balance sheet and its tax basis.

(3) Net of tax benefit.

As of December 31, 2021, the total reserve for unrecognized tax benefits is $10.7 million. If the Company determines in the future that its reserves for unrecognized tax benefits on permanent differences and interest and penalties are not needed, the reversal of $9.7 million of such reserves as of December 31, 2021 would be recorded as an income tax benefit and would impact the effective tax rate. If the Company determines in the future that its reserves for unrecognized tax benefits on temporary differences are not needed, the reversal of $0.3 million of such reserves as of December 31, 2021 would not impact the effective tax rate due to deferred tax accounting but would accelerate the payment of cash to the taxing authority.

The Company classifies all interest and penalties on unrecognized tax benefits as part of income tax expense. During the year ended December 31, 2021, the Company recognized $0.1 million, in interest expense, respectively, net of any tax benefit. The balance of accrued interest as of December 31, 2021 is $0.7 million, net of any tax benefit.

Tax Examinations

With few exceptions, which are not material, the Company is no longer subject to U.S. federal, state or non-U.S. income tax examinations by tax authorities for years before 2017.

17. Share-based compensation and employee benefit plans

Share-based compensation

As of December 31, 2021, SiriusPoint's share-based awards consisted of Restricted Share Units ("RSUs"), Performance Share Units ("PSUs"), restricted share awards with service condition and options.

As part of the 2021-2023 annual long-term incentive award cycle, the Company granted to its employees a number of RSUs and PSUs pursuant to the terms and conditions of the SiriusPoint Ltd. 2013 Omnibus Incentive Plan. The RSUs vest over three years in equal, one-third installments on each anniversary of the award grant date subject to continued provision of services through the applicable vesting date. The PSUs are subject to a service condition as well as a performance condition. As of December 31, 2021, 18,532,406 of the SiriusPoint's common shares were available for future issuance under the equity incentive compensation plans.

The total share-based compensation expense recognized during the year ended December 31, 2021 was $10.7 million.

As of December 31, 2021, the Company had $33.0 million of unamortized share compensation expense, which is expected to be amortized over a weighted average period of 2.6 years.

Restricted shares awards with service condition

In 2021, the Company modified its 2019 and 2020 restricted share awards with service and performance conditions to convert them at the most recent forecasted performance percentage to restricted shares with a service condition only. Further, the Company supplemented these awards with additional restricted shares with extended vesting periods.

Restricted share awards with service condition vest either ratably or at the end of the required service period and contain certain restrictions during the vesting period, relating to, among other things, forfeiture in the event of termination of employment or service and transferability.

Restricted Share Units

As a result and at the time of the acquisition of Sirius Group, Sirius Group's outstanding restricted share units were converted to Company RSUs.

RSUs with service condition vest either ratably or at the end of the required service period and contain certain restrictions during the vesting period, relating to, among other things, forfeiture in the event of termination of employment or service and transferability.

Performance Share Units

PSUs vest over four distinct performance periods subject to participant's continued provision of services to the Company until the vesting date.

Options

The share options issued to management under the Share Incentive Plan are subject to a service condition. The fair value of share options issued were estimated on the grant date using the Black-Scholes option-pricing model.

As of December 31, 2021 the weighted average remaining contractual term for options outstanding and exercisable was 0.1 year.

As SiriusPoint's closing share price on December 31, 2021 was below $9.83, there was no aggregate intrinsic value of options outstanding and options exercisable. For the year ended December 31, 2021, the Company did not receive proceeds from the exercise of options.

Employee Benefit Plans

As a result of the acquisition of Sirius Group, the Company operates several retirement plans in accordance with the local regulations and practices. These plans cover substantially all of the Company's employees and provide benefits to employees in event of death, disability, or retirement.

Defined benefit plans

Swedish and German employees of SiriusPoint International Insurance Corporation ("SiriusPoint International") can participate in defined benefit plans which are based on the employees' pension entitlements and length of employment. In Sweden, where a defined benefit pension plan is mandated by the government, SiriusPoint International's employees participate in collective agreements funded by SiriusPoint International. These collective agreements are managed by third party trustees who calculate the pension obligation, invoice SiriusPoint International for additional funding and invest the funds. All employees in Germany are covered by defined benefit pension plans sponsored by SiriusPoint International called SiriusPoint Re GmbH Pension Plan. Paid pension premiums are invested with Skandia Liv for employees in Sweden and with Allianz for employees in Germany. Skanda Liv held 94% of total plan assets in 2021. Allianz held 6% of total plan assets in 2021. Skandia manages the portfolio to be able to pay a guaranteed amount and a favorable return over time with the goal of getting the highest possible return along with well-balanced risk. The average return for 2021 is 18.0%. The investment directive is decided by the Skandia Liv board of directors. To achieve the goals the portfolio is diversified with the asset allocation shown below.

The breakdown of the investment of plan assets for the year ended December 31, 2021 are as follows:

	2021
International equities	15.0 %
Swedish equities	12.7 %
Swedish nominal bonds	33.9 %
Real estate	8.9 %
Private equity	14.6 %
Other	14.9 %

The assumptions used to determine Swedish benefit obligations for the year ended December 31, 2021 are as follows:

	2021
Discount rate	0.9 %
Increase in compensation levels rate	3.0 %
Turnover rate	3.0 %

The Swedish actuaries follow the Swedish industry DUS21 mortality rate. The discount rate used to calculate the Swedish benefit obligation was derived from the expected return of an investment in Swedish covered mortgage bonds with a duration in accordance with the duration of the pension obligation. The duration of the Swedish pension liability is approximately 19 years.

The assumptions used to determine German benefit obligations for the year ended December 31, 2021 are as follows:

	2021
Discount rate	0.4 %
Increase in compensation levels rate	2.0 %

The German actuaries follow the Germany industry Richttafeln 2018 G mortality rates and standard turnover values for the year ended December 31, 2021. The discount rate used to calculate the German benefit obligation was derived from markets yields on high quality corporate bonds with durations consistent with plan obligations. The duration of the German pension liability is approximately 16 years.

The following tables present a reconciliation of the beginning and ending funded status and the net amounts recognized for the defined benefit plans for the year ended December 31, 2021:

	2021
Change in benefit obligation	
Projected benefit obligation, beginning of year	$ 22.8
Service cost	1.0
Interest cost	0.2
Actuarial losses	(0.8)
Benefit payments	(0.5)
Tax payments	(0.1)
Currency revaluation effect	(2.2)
Projected benefit obligation, end of year	20.4
Change in plan assets	
Fair value of plan assets, beginning of year	21.5
Employer contributions	0.5
Benefit payments	(0.3)
Interest income	3.3
Currency revaluation effect	(2.3)
Fair value of plan assets, end of year	22.7
Funded status at end of year(1)	$ 2.3

(1) At December 31, 2021, the Swedish plan had a funding status of $6.0 million and the German plan had a funding status of $(3.7) million.

Under the Swedish plan, a 100 basis point discount rate decrease would increase the 2021 defined benefit obligation by $2.8 million, with all other items remaining the same. Under the German plan, a 50 basis point decrease in the discount rate would increase the benefit obligation by $0.5 million, with all other items remaining the same. Conversely, a 50 basis point increase in the discount rate would decrease the benefit obligation by $0.6 million.

The accumulated benefit obligation for the year ended December 31, 2021 was $20.4 million.

The components of net periodic pension expense for the year ended December 31, 2021 are as follows:

	2021
Service cost	$ (1.0)
Interest cost	—
Actuarial (loss)	4.0
Net periodic pension expense	$ 3.0

The employer benefit payments/settlements for the year ended December 31, 2021 were $0.5 million. As of December 31, 2021, the projected benefit payments required for the defined pension benefits plans are as follows:

	December 31, 2021
2022	$ 0.4
2023	0.3
2024	0.4
2025	0.5
2026	0.5
2027-2031	3.1
Total benefit payments required	$ 5.2

Defined contribution plans

Non-U.S.

In the United Kingdom, SiriusPoint International contributes 12% of the employee's salary. Contributed funds are invested into an annuity of the employee's choice. In Belgium, SiriusPoint International contributes 6.5% - 8.5% of the employee's salary. Employees in Switzerland are eligible to participate in the industry-sponsored Swisscanto pension plan ("Swisscanto plan"). The Swisscanto plan is a combination of a defined contribution and a defined benefit plan. For the Swisscanto plan, SiriusPoint International incurs 60% - 70% of the total premium charges and the employees incur the remaining 30% - 40%. As of December 31, 2021, the projected benefit obligation of SiriusPoint International's various benefit plans was $20.4 million and the funded status was $(2.3) million. SiriusPoint International recognized expenses related to these various plans of $3.0 million in 2021.

In Bermuda, SiriusPoint Bermuda's employees are eligible for retirement benefits through defined contribution retirement plans. SiriusPoint Bermuda and employees contribute an amount equal to a specified percentage of each employee's salary. Expenses related to the defined contribution plans was $1.2 million for the year ended December 31, 2021.

U.S.

The Company’s U.S. subsidiaries’ employees are eligible for retirement benefits through 401(k) retirement savings plans. These plans provide qualifying employees with matching contributions from the Company based on the amount of employee contribution. Total expense for matching contributions was $2.7 million for the year ended December 31, 2021.

18. Related party transactions

In addition to the transactions disclosed in Notes 7, 8 and 11 to these consolidated financial statements, the following transactions are classified as related party transactions, as the counterparties have either a direct or indirect shareholding in the Company or the Company has an investment in such counterparty.

(Re)insurance contracts

Subsequent to the Sirius Group acquisition, insurance and reinsurance contracts with the Company’s unconsolidated related parties (insurance and MGA) resulted in gross written premiums of $214.0 million during the year ended December 31, 2021. As of December 31, 2021, the Company had total receivables from these related parties of $35.6 million and no payables.

Management and performance fees to related parties

The total management and performance fees to related parties for the year ended December 31, 2021 was as follows:

	2021
Management fees	$ 17.9
Performance fees	75.7
Total management and performance fees to related parties (1)	$ 93.6

(1) Management and performance fees for the TP Enhanced Fund and TP Venture Fund, where applicable, are presented within net realized and unrealized investment gains from related party investment funds in the consolidated statement of income.

Management fees

Third Point Enhanced LP

Effective January 1, 2019, SiriusPoint and the Company entered into the Second Amended and Restated Exempted Limited Partnership Agreement (the "2019 LPA") of TP Enhanced Fund. Pursuant to the 2019 LPA, Third Point LLC is entitled to receive monthly management fees. Management fees are charged at the TP Enhanced Fund level and are calculated based on 1.25% of the investment in TP Enhanced Fund and multiplied by an exposure multiplier computed by dividing the average daily investment exposure leverage of the TP Enhanced Fund by the average daily investment exposure leverage of the Third Point Offshore Master Fund L.P. ("Offshore Master Fund"). Third Point LLC also serves as the investment manager for the Offshore Master Fund.

The 2020 LPA, effective February 26, 2021, removed the adjustment for investment exposure leverage in the management fee calculation, as previously adjusted for under the 2019 LPA. The 2020 LPA did not amend the management fee rate of 1.25% per annum.

Third Point Venture Offshore Fund I LP

No management fees are payable by the Company under the 2021 Venture LPA.

Third Point Insurance Portfolio Solutions

Effective February 26, 2021, Third Point LLC, Third Point Insurance Portfolio Solutions ("TPIPS") and the Company entered into an Investment Management Agreement (the "TPIPS IMA"), pursuant to which TPIPS will serve as investment manager to the Company and provide investment advice with respect to the investable assets of the Company, other than assets that the Company may withdraw from time to time as working capital. The Amended and Restated Collateral Assets Investment Management Agreement was terminated at the effective date of the TPIPS IMA.

Pursuant to the TPIPS IMA, the Company will pay Third Point LLC a fixed management fee, payable monthly in advance, equal to 1/12 of 0.06% of the fair value of assets managed (other than assets invested in TP Enhanced Fund).

Performance fees

Third Point Enhanced LP

Pursuant to the 2019 LPA, TP GP receives a performance fee allocation equal to 20% of the Company's investment income in the related party investment fund. The performance fee is included as part of "Investment in related party investment fund" on the Company's consolidated balance sheet since the fees are charged at the TP Enhanced Fund level.

The performance fee is subject to a loss carryforward provision pursuant to which TP GP is required to maintain a loss recovery account, which represents the sum of all prior period net loss amounts and not subsequently offset by prior year net profit amounts, and that is allocated to future profit amounts until the loss recovery account has returned to a positive balance. Until such time, no performance fees are payable, provided that the loss recovery account balance shall be reduced proportionately to reflect any withdrawals from TP Enhanced Fund. The 2019 LPA preserves the loss carryforward attributable to our investment in TP Enhanced Fund when contributions to TP Enhanced Fund are made within nine months of certain types of withdrawals from TP Enhanced Fund.

There were no changes to the performance fee calculation under the 2020 LPA.

Third Point Venture Offshore Fund I LP

Pursuant to the 2021 Venture LPA, TP Venture GP receives a performance fee allocation equal to 20% of the Company's investment income in the related party investment fund.

Third Point Insurance Portfolio Solutions

No performance-based compensation is payable by the Company under the TPIPS IMA.

Amounts due to/from affiliates

The Company receives and pays amounts to related parties for operating purposes and sundry back-office services. These amounts are included in amounts due to/from affiliates. As of December 31, 2021, the Company had amounts due to affiliates of $4.7 million relating to payables to it's parent company, SiriusPoint.

During the year ended December 31, 2021, the Company declared dividends of $83.0 million to SiriusPoint.

19. Commitments and Contingencies

Concentrations of credit risk

The Company has exposure to credit risk as it relates to its business written through brokers, if any of the Company's brokers are unable to fulfill their contractual obligations with respect to payments to the Company. In addition, in some jurisdictions, if the broker fails to make payments to the insured under the Company's policy, the Company may remain liable to the insured for the deficiency. These brokers are fairly large and well established, and there are no indications they are financially distressed. The Company's exposure to such credit risk is somewhat mitigated in certain jurisdictions by contractual terms. The following table sets forth the Company's premiums written by source that individually contributed more than 10% of total gross premiums written for the years ended December 31, 2021:

	2021		
Aon Corporation and subsidiaries	$	536.6	24.0 %
Guy Carpenter & Company and subsidiaries		414.1	18.5 %
Arthur J. Gallagher & Co. and subsidiaries		244.2	10.9 %
Other		1,041.6	46.6 %
	$	2,236.5	100.0 %

The Company is exposed to credit risk through reinsurance contracts with companies that write credit risk insurance. The Company's portfolio of risk is predominantly U.S. mortgage insurance and mortgage credit risk transfer. The Company provides its clients in these lines of business with reinsurance protection against credit deterioration, defaults or other types of financial non-performance. Loss experience in these lines of business has been very good but is cyclical and is affected by the state of the general economic environment. The Company proactively manages the risks associated with these credit-sensitive lines of business by closely monitoring its risk aggregation and by diversifying the underlying risks where possible. The Company has bought some retrocessional coverage against a subset of these risks.

The Company has exposure to credit risk related to balances receivable under our reinsurance contracts, including funds withheld and premiums receivable, and the possibility that counterparties may default on their obligations to the Company. The risk of counterparty default is partially mitigated by the fact that any amount owed from a reinsurance counterparty would be netted against any losses or acquisition costs the Company would pay in the future. The Company monitors the collectability of these balances on a regular basis.

Lloyd's Central Fund

The Lloyd's Central Fund is available to satisfy claims if a member of Lloyd's is unable to meet its obligations to policyholders. The Company has an obligation to pay contributions to the Lloyd's Central Fund each year based on gross written premium. The Company estimates the Lloyd's Central Fund contributions to be $0.6 million (based on the December 31, 2021 GBP to USD exchange rate) which is 0.35% of gross written premium. The Council of Lloyd's have the power to levy an additional contribution on members if it considered necessary, and the maximum additional contribution is currently 3.0% of capacity.

Letters of Credit

See Note 15 for additional information related to the Company's letter of credit facilities.

Promissory Note & Loan Agreement

On September 16, 2020, the Company entered into an Unsecured Promissory Note agreement with Arcadian, pursuant to which the Company has committed to loan up to $18.0 million. Interest shall accrue and be computed on the aggregate principal amount drawn and outstanding at a rate of 8.0% per annum. No amounts were drawn as of December 31, 2021.

On July 2, 2021, the Company entered into a loan and security agreement with Joyn, pursuant to which the Company has lent Joyn $11.5 million. Interest shall accrue and be computed on the aggregate principal amount drawn and outstanding at a rate of 8.0% per annum. Joyn may request to increase the initial loan amount by up to an additional $5.0 million.

Litigation

From time to time in the normal course of business, the Company may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation, the outcomes of which determine the rights and obligations under the Company's reinsurance contracts and other contractual agreements. In some disputes, the Company may seek to enforce its rights under an agreement or to collect funds owed to it. In other matters, the Company may resist attempts by others to collect funds or enforce alleged rights. The Company may also be involved, from time to time in the normal course of business, in formal and informal dispute resolution procedures that do not arise from, or are not directly related to, claims activity. The Company is not currently involved in any formal or informal dispute resolution procedures that it considers to be material.

Leases

Subsequent to the acquisition of Sirius Group, the Company now operates in new locations with additional facilities, including the United States, Canada, Europe and Asia. The Company leases office space under various non-cancelable operating lease agreements.

During the year ended December 31, 2021, the Company recognized operating lease expense of $10.5 million, including property taxes and routine maintenance expense as well as rental expenses related to short term leases. As of December 31, 2021 the Company had $27.4 million of operating lease right-of-use assets included in other assets. As of December 31, 2021 the Company had $32.5 million of operating lease liabilities included in accounts payable, accrued expenses and other liabilities.

The following table presents the lease balances within the consolidated balance sheet as of December 31, 2021:

	December 31, 2021
Operating lease right-of-use assets	$ 27.4
Operating lease liabilities	$ 32.5
Weighted average lease term (years)	5.0
Weighted average discount rate	2.4 %

Future minimum rental commitments as of December 31, 2021 under these leases are expected to be as follows:

	Future Payments
2022	$ 10.4
2023	7.9
2024	4.6
2025	3.2
2026 and thereafter	8.2
Total future annual minimum rental payments	34.3
Less: present value discount	(1.8)
Total lease liability as of December 31, 2021	$ 32.5

The above table does not include future minimum rental commitments of one material lease that has not yet commenced as of December 31, 2021. The minimum rental commitment under this lease is approximately $11.4 million.

20. Statutory requirements

The Company's insurance and reinsurance operations are subject to regulation and supervision in each of the jurisdictions where they are domiciled and licensed to conduct business. These regulations include certain restrictions on the amount of dividends or other distributions available to shareholders without prior approval of the insurance regulatory authorities. Statutory accounting differs from GAAP by jurisdiction in the reporting of certain reinsurance contracts, investments, subsidiaries, acquisition expenses, fixed assets, deferred income taxes, and certain other items.

Refer to Note 1 for additional details on the internal reorganization of insurance and reinsurance subsidiaries within the Company.

Bermuda

The Insurance Act 1978 of Bermuda and related regulations, as amended ("Insurance Act"), regulates the insurance business of Bermuda-domiciled insurers and reinsurers. The Insurance Act imposes solvency and liquidity standards on Bermuda insurance companies, as well as auditing and reporting requirements. Under the Insurance Act, insurers and reinsurers are required to maintain minimum statutory capital and surplus at a level equal to the greater of a minimum solvency margin ("MSM") and the Enhanced Capital Requirement ("ECR") which is established by reference to either a Bermuda Solvency Capital Requirement ("BSCR") model or an approved internal capital model. The BSCR model is a standardized statutory risk-based capital model that provides a method for determining an insurer's minimum required capital taking into account the risk characteristics of different aspects of the company's business. The Economic Balance Sheet ("EBS") is an input to the BSCR which determines the Company's ECR. The EBS regime prescribes the use of financial statements prepared in accordance with GAAP as the basis on which statutory financial statements are prepared, and those statutory financial statements form the starting basis for the EBS. The model also requires insurers to estimate insurance technical provisions, which consist of the insurer's insurance related balances valued based on best-estimate cash flows, adjusted to reflect the time value of money, with the addition of a risk margin to reflect the uncertainty in the underlying cash flows. The BMA has established a target capital level which is set at 120% of the ECR. While the Company is not required to maintain statutory economic capital and surplus at this level, it serves as an early warning signal for the BMA, and failure to meet the target capital level may result in additional reporting requirements or increased regulatory oversight.

SiriusPoint Bermuda is a Class 4 insurer and Alstead Re is a Class 3A insurer. Each of these Bermuda insurance subsidiaries are registered under the Insurance Act and are subject to regulation and supervision of the BMA. The Company is currently completing its BSCRs for SiriusPoint Bermuda and Alstead Re for the year ended December 31, 2021, which must be filed with the BMA on or before April 30, 2022, and at this time, the Company believes it will exceed the target level of required statutory economic capital and surplus. Each of the Company's Bermuda based insurance subsidiaries met their target level of required statutory economic capital and surplus for the year ended December 31, 2020.

The following is a summary of the statutory net income for the Bermuda based insurance subsidiaries for the year ended December 31, 2021:

		2021
SiriusPoint Bermuda	$	149.1
Alstead Re	$	(0.4)

The Bermuda based insurance subsidiaries are also required to maintain a minimum liquidity ratio whereby the value of their relevant assets are not less than 75% of the amount of their relevant liabilities for general business. As of December 31, 2021, all liquidity ratio requirements were met.

SiriusPoint Bermuda's ability to pay dividends is limited under Bermuda law and regulations. SiriusPoint Bermuda may declare dividends subject to it continuing to meet its solvency and capital requirements, which includes continuing to hold statutory capital and surplus equal to or exceeding its ECR. In addition, SiriusPoint Bermuda is prohibited from declaring or paying in any fiscal year dividends of more than 25% of its prior year's statutory capital and surplus unless SiriusPoint Bermuda files with the BMA a signed affidavit by at least two members of the Board of Directors attesting that a dividend would not cause SiriusPoint Bermuda to fail to meet its capital requirements. As of December 31, 2021, SiriusPoint Bermuda could pay dividends of approximately $844.4 million without providing an affidavit to the BMA. SiriusPoint Bermuda indirectly owns SiriusPoint International, SiriusPoint America, and SiriusPoint's other insurance and reinsurance operating companies, each of which are limited in their ability to pay dividends by the insurance laws of their relevant jurisdictions.

Europe

The financial services industry in the United Kingdom is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority (collectively, the "U.K. Regulators"). The U.K. Regulators regulate insurers, insurance intermediaries and Lloyd's. The U.K. Regulators and Lloyd's have common objectives in ensuring that the Lloyd's market is appropriately regulated. Lloyd's is required to implement certain rules prescribed by the U.K. Regulators by the powers it has under the Lloyd's Act of 1982 relating to the operation of the Lloyd's market. In addition, each year the U.K. Regulators require Lloyd's to satisfy an annual solvency test that measures whether Lloyd's has sufficient assets in the aggregate to meet all the outstanding liabilities of its members.

Lloyd's permits its corporate and individual members ("Members") to underwrite insurance risks through Lloyd's syndicates. Members of Lloyd's may participate in a syndicate for one or more underwriting years by providing capital to support the syndicate's underwriting. All syndicates are managed by Lloyd's approved managing agents. Managing agents receive fees and profit commissions in respect of the underwriting and administrative services they provide to the syndicates. Lloyd's prescribes, in respect of its managing agents and Members, certain minimum standards relating to their management and control, solvency and various other requirements.

The Company participates in the Lloyd's market through the 100% ownership of SiriusPoint Corporate Member Ltd., a Lloyd's corporate member, which in turn provides underwriting stamp capacity to Syndicate 1945. The Company has its own Lloyd's managing agent, SiriusPoint International Managing Agency, which manages Syndicate 1945. Lloyd's approved net capacity for 2021 is £100.0 million, or approximately $135.2 million (based on the December 31, 2021 GBP to USD exchange rate). Stamp capacity is a measure of the amount of net premium (premiums written less acquisition costs) that a syndicate is authorized by Lloyd's to write.

SiriusPoint International is subject to regulation and supervision by the Swedish Financial Supervisory Authority ("SFSA"). Under Solvency II, the SFSA also acts as the European Economic Area group supervisor, with Sirius Group International S.a.r.l. ("SGI") serving as the highest European entity subject to the SFSA's group supervision. Solvency II regulation in Europe gives the SFSA the option to waive European-level group supervision if certain legal requirements are met. As of December 31, 2021, the SFSA has not exercised this option.

SiriusPoint International's statutory net income was $289.5 million for the year ended December 31, 2021. The Company is currently completing its statutory returns for SiriusPoint International and SGI for the year ended December 31, 2021, which must be filed with the SFSA on or before April 8, 2022 and May 20, 2022, respectively, and at this time, the Company believes it will exceed the target level of required capital and surplus.

SiriusPoint International has the ability to pay dividends to its immediate parent subject to the availability of unrestricted equity, calculated in accordance with the Swedish Act on Annual Accounts in Insurance Companies and the SFSA. Unrestricted equity is calculated on a consolidated group account basis and on a parent account basis. Differences between the two include but are not limited to accounting for goodwill, subsidiaries (with parent accounts stated at original foreign exchange rates), taxes and pensions. SiriusPoint International's ability to pay dividends is limited to the "lower of" unrestricted equity as calculated within the group and parent accounts. As of December 31, 2021, SiriusPoint International had $560.3 million (based on the December 31, 2021 SEK to USD exchange rate) of unrestricted equity on a group account basis (the lower of the two approaches) available to pay dividends in 2021. The amount of dividends available to be paid by SiriusPoint International in any given year is also subject to cash flow and earnings generated by SiriusPoint International's business, the maintenance of adequate solvency capital ratios for SiriusPoint International and the consolidated SGI group, as well as to dividends received from its subsidiaries. Earnings generated by SiriusPoint International's business that are allocated to the Safety Reserve are not available to pay dividends (see "Safety Reserve" below). During 2021, SiriusPoint International did not declare a dividend and paid SEK 166.7 million (or $19.5 million on date of payment) of dividends declared prior to 2021.

U.S.

SiriusPoint America, SiriusPoint Specialty Insurance Corporation (“SiriusPoint Specialty”) and Oakwood Insurance Company (“Oakwood”) are subject to regulation and supervision by the National Association of Insurance Commissioners ("NAIC") and the department of insurance in the state of domicile. The NAIC uses risk-based capital ("RBC") standards for U.S. property and casualty insurers as a means of monitoring certain aspects affecting the overall financial condition of insurance companies. As of December 31, 2021, the NAIC risk-based capital authorized control level for SiriusPoint America, SiriusPoint Specialty, and Oakwood was $112.4 million, $3.4 million and $0.3 million, respectively, and the subsidiaries’ available capital exceeded their respective RBC requirements.

The following is a summary of estimated actual and required statutory capital and surplus of the U.S. based insurance and reinsurance subsidiaries as of December 31, 2021:

	December 31, 2021
Actual statutory capital and surplus	
SiriusPoint America	$ 581.5
SiriusPoint Specialty	55.2
Oakwood	39.7
Required statutory capital and surplus	
SiriusPoint America (1)	112.4
SiriusPoint Specialty	47.0
Oakwood	$ 7.5

(1) Equals the authorized control level of the NAIC risk-based capital.

The following is a summary of the statutory net income (loss) for the U.S. based insurance and reinsurance subsidiaries for the year ended December 31, 2021:

	2021
SiriusPoint America	$ 28.9
SiriusPoint Specialty	(7.1)
Oakwood	$ (0.4)

The principal differences between the statutory amounts and the amounts reported in accordance with GAAP include deferred acquisition costs, deferred taxes, gains recognized under retroactive reinsurance contracts and market value adjustments for debt securities.

Under the normal course of business, SiriusPoint America has the ability to pay dividends to its immediate parent during any twelve-month period without the prior approval of regulatory authorities in an amount set by a formula based on the lesser of net investment income, as defined by statute, or 10% of statutory surplus, in both cases as most recently reported to regulatory authorities, subject to the availability of earned surplus and subject to dividends paid in prior periods. Based on this formula, SiriusPoint America has dividend capacity as of December 31, 2021, without prior regulatory approval. As of December 31, 2021, SiriusPoint America had $581.5 million of statutory surplus and $138.0 million of earned surplus, and could pay approximately $34.7 million to its parent company. During 2021, SiriusPoint America did not pay a dividend to its immediate parent.

Safety Reserve

Subject to certain limitations under Swedish law, SiriusPoint International is permitted to transfer pre-tax income amounts into a reserve referred to as a "Safety Reserve." Under local statutory requirements, an amount equal to the deferred tax liability on SiriusPoint International's Safety Reserve is included in Solvency Capital. Access to the Safety Reserve is generally restricted to cover insurance and reinsurance losses and to cover a breach of the Solvency Capital Requirement. Similar to the approach taken by Swedish regulatory authorities, most major rating agencies generally take into account the Safety Reserve in SiriusPoint International's regulatory capital when assessing SiriusPoint International and the Company's financial strength.

As of December 31, 2021, SiriusPoint International's Safety Reserve was SEK 6.1 billion, or $0.7 billion (based on the December 31, 2021 SEK to USD exchange rate). Under Swedish GAAP, an amount equal to the Safety Reserve, net of a related deferred tax liability established at the Swedish tax rate, is classified as common shareholders' equity. Generally, this deferred tax liability ($139.1 million based on the December 31, 2021 SEK to USD exchange rate) is required to be paid by SiriusPoint International if it fails to maintain prescribed levels of premium writings and loss reserves in future years. As a result of the indefinite deferral of these taxes, the related deferred tax liability is not taken into account by Swedish regulatory authorities for purposes of calculating Solvency Capital under Swedish insurance regulations.

Pursuant to tax legislation effective as of January 1, 2019, the tax rate applicable to Swedish corporations decreased to 20.6%. The tax legislation also introduced an annual tax on the Safety Reserve effective as of January 1, 2019. This provision adds additional taxable income for the Company annually. The calculation applies the Government Borrowing Rate (with a floor rate of +0.5%) to the Safety Reserve balance at the beginning of the year. At the current year tax rate of 20.6%, the additional tax expense is SEK 10.0 million, or $1.2 million for the year ended December 31, 2021 (based on the average 2021 SEK to USD exchange rate).

Further, the enacted legislation also included a new provision treating an amount equal to 6% of the Safety Reserve balance as of January 1, 2021, as additional taxable income in tax year 2021 only, subject to tax at the applicable 20.6% rate. Based on this provision and SiriusPoint International's Safety Reserve balance as of January 1, 2021, SiriusPoint International has recorded a current tax liability of SEK 20.0 million, or $2.2 million (based on the December 31, 2021 SEK to USD exchange rate) and an additional deferred tax liability as of December 31, 2021 in the amount of SEK 99.9 million, or $11.0 million (based on the December 31, 2021 SEK to USD exchange rate).

21. Subsequent events

Amended and Restated Limited Partnership Agreement

On February 23, 2022, SiriusPoint and the Company entered into the Fourth Amended and Restated Exempted Limited Partnership Agreement of TP Enhanced Fund with TP GP and the other parties thereto (the "2022 LPA"), which amended and restated the 2020 LPA.

The 2020 LPA was amended and restated to, among other things:

- add the right to withdraw our capital accounts in TP Enhanced Fund as of any month-end in accordance with an agreed withdrawal schedule to be reinvested in a newly established TP Optimized Credit portfolio (the "TPOC Portfolio") or other Third Point strategies ("TP Enhanced Withdrawn Amounts");
- remove restrictions on the Company's withdrawal rights following a change of control with respect to the Company;

- provide that the Company may amend the investment guidelines of the 2022 LPA from time to time for risk management purposes in consultation with TP GP;
- provide that the Company and TP GP may discuss the adoption of new risk parameters for TP Enhanced Fund from time to time, and TP GP will work with the Company to create additional risk management guidelines responsive to the Company's needs that do not fundamentally alter the general investment strategy or investment approach of TP Enhanced Fund;
- provide that the Company may increase or decrease TP Enhanced Fund's leverage targets upon reasonable prior notice to meet the business needs of the Company;
- revise the "cause event" materiality qualifier with respect to violations of law related to Third Point LLC's investment-related business and Third Point LLC being subject to regulatory proceedings to include events that will likely have a material adverse effect on Third Point LLC's ability to provide investment management services to TP Enhanced Fund and/or the TPOC Portfolio.

All other material terms of the 2022 LPA remain consistent with the 2020 LPA.

Amended and Restated Investment Management Agreement

On February 23, 2022, SiriusPoint and the Company entered into an Amended and Restated Investment Management Agreement (the "2022 IMA") with Third Point LLC and the other parties thereto, which amended and restated the Investment Management Agreement dated August 6, 2020.

Pursuant to the 2022 IMA, Third Point LLC provides discretionary investment management services with respect to a newly established TPOC Portfolio, subject to investment and risk management guidelines, and continues to provide certain non-discretionary investment advisory services to the Company. The Company agreed to contribute to the TPOC Portfolio all amounts withdrawn from TP Enhanced Fund on November 30, 2021, December 31, 2021 and January 31, 2022 that were not invested or committed for investment in other Third Point strategies. The 2022 IMA contains revised term and termination rights, withdrawal rights, incentive fees, management fees, investment guidelines and advisory fees.

For the investment management services provided in respect of the TPOC Portfolio, the Company will pay Third Point LLC, from the assets of each sub-account, an annual incentive fee equal to 15% of outperformance over a specified benchmark. The Company will also pay Third Point LLC a monthly management fee equal to one twelfth of 0.50% (0.50% per annum) of the TPOC Portfolio, net of any expenses, and a fixed advisory fee for the advisory services equal to 1/4 of $1,500,000 per quarter.

Under the 2022 IMA, the Company may withdraw any amount from the TPOC Portfolio as of any month-end up to (i) the full balance of any sub-account established in respect of any capital contribution not in respect of TP Enhanced Withdrawn Amounts and (ii) any net profits in respect of any other sub-account. The Company may withdraw the TPOC Portfolio in full on March 31, 2026, and each successive anniversary of such date. The Company will have the right to withdraw funds monthly from the TPOC Portfolio upon the occurrence of certain events specified in the 2022 IMA, including, within 120 days following the occurrence of a Cause Event (as defined in the 2022 LPA), to meet capital adequacy requirements, to prevent a negative credit rating, for risk management purposes, underperformance of the TPOC Portfolio relative to investment funds managed by third-party managers and pursuing the same or substantially similar investment strategy as the TPOC Portfolio (i.e., which measure performance relative to the benchmark) for two or more consecutive calendar years or a Key Person Event (as defined in the 2022 LPA), subject to certain limitations on such withdrawals as specified in the 2022 IMA. The Company is also entitled to withdraw funds from the TPOC Portfolio in order to satisfy its risk management guidelines, upon prior written notice to Third Point LLC, in an amount not to exceed the Risk Management Withdrawable Amount (as defined in the 2022 LPA).