

DARAG Bermuda LTD.

The Maxwell Roberts Building, 5th Floor
One Church Street
Hamilton, Bermuda
HM11

DECLARATION OF COMPLIANCE

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

For the Year-Ending – December 31, 2021

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

- (a) complied with all requirements of the minimum criteria applicable to it (with the exception of f) below);
- (b) complied with the minimum margin of solvency;
- (c) not complied with the applicable enhanced capital requirement (see further information in f) below)
- (d) complied with all applicable regulatory conditions, directions, restrictions and approvals imposed on the insurer (with the exception of f) below); and
- (e) complied with the minimum liquidity ratio for general business .
- (f) failed to comply with the enhanced capital requirement at the year end due to unexpected net adverse development contributing to the reduction of the Company’s eligible capital in the amount of \$56.9M. The Company took immediate action in response to the non-compliance which included a temporary pause of new business and a capital contribution from the Company’s shareholders in the amount of \$49.5M on March 29, 2022. After this capital contribution, the Company became compliant with its enhanced capital requirements.

DIRECTORS:



Director : Daniel Linden



Director: Joel Neal

4/26/22

Date

4/26/22

Date