



The Board of Directors
PartnerRe Insurance Solutions Bermuda Ltd.
Wellesley House South
90 Pitts Bay Road
Pembroke, HM08
Bermuda

April 27, 2023

Reference: DG/YY/cd 0.1847368.001

Subject: PartnerRe Insurance Solutions Bermuda Ltd.

Dear Members of the Board of Directors,

We enclose one signed copy of the Condensed GAAP financial statements for PartnerRe Insurance Solutions Bermuda Ltd., for the year ended December 31, 2022.

We draw your attention to Appendix A attached, which includes matters that the auditor is required to communicate to those charged with governance in accordance with generally accepted auditing standards.

Very truly yours,

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

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**PartnerRe Insurance Solutions Bermuda Ltd. (formerly PRE Life
Bermuda Re Ltd.)**

Condensed Financial Statements

December 31, 2022 and 2021



April 26, 2023

Report of Independent Auditors

To the Board of Directors of PartnerRe Insurance Solutions Bermuda Ltd.

Opinions

We have audited the accompanying condensed financial statements of PartnerRe Insurance Solutions Bermuda Ltd. (the "Company"), which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2022, and the related condensed statements of income for the year then ended, including the related notes (collectively referred to as the "condensed financial statements").

Unmodified opinion on regulatory basis of accounting

In our opinion, the accompanying condensed financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations for the year then ended in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the "Legislation").

Adverse opinion on U.S. generally accepted accounting principles

In our opinion, because of the significance of the matter discussed in the *Basis for adverse opinion on U.S. generally accepted accounting principles* section of our report, the accompanying condensed financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2022, or the results of its operations for the year then ended.

Basis for Opinions

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 condensed 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.

Other Matter

The condensed financial statements of the Company as of December 31, 2021 and for the year then ended were audited by other auditors whose report, dated April 28, 2022, expressed an unmodified opinion on those condensed financial statements.



Responsibilities of management for the condensed financial statements

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed 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 condensed financial statements are available to be issued.

Auditors' responsibilities for the audit of the condensed financial statements

Our objectives are to obtain reasonable assurance about whether the condensed 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 judgement made by a reasonable user based on the condensed financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the condensed 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 condensed financial statements.
- Obtain an understanding of internal controls 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 condensed financial statements.
- Conclude whether, in our judgement, 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.

Private Home Coopers Ltd.

Chartered Professional Accountants

CONDENSED CONSOLIDATED BALANCE SHEET

Partnetix Insurance Solutions Bermuda Ltd. (formerly PRU Life Bermuda Re Ltd.)
As at December 31, 2022
expressed in ('000s) United States Dollars

LINE No.		2022	2021
1.	CASH AND CASH EQUIVALENTS	11,590	1,116
2.	QUOTED INVESTMENTS		
(a)	Bonds and Debentures		
i.	Held to maturity		
ii.	Other	178,726	108,191
(b)	Total Bonds and Debentures	178,726	108,191
(c)	Equities		
i.	Common stocks		
ii.	Preferred stocks		
iii.	Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	178,726	108,191
3.	UNQUOTED INVESTMENTS		
(a)	Bonds and Debentures		
i.	Held to maturity		
ii.	Other	-	-
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
i.	Common stocks		
ii.	Preferred stocks		
iii.	Mutual funds		
(d)	Total equities	-	-
(e)	Other unquoted investments		
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services		
(b)	Unregulated non-financial operating entities		
(c)	Unregulated financial operating entities		
(d)	Regulated non-insurance financial operating entities		
(e)	Regulated insurance financial operating entities		
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates		
(h)	Total investments in and advances to affiliates	-	-
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE		
(a)	First liens		
(b)	Other than first liens		
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS		
7.	REAL ESTATE		
(a)	Occupied by the company (less encumbrances)		
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED	876	537
10.	ACCOUNTS AND PREMIUMS RECEIVABLE		
(a)	In course of collection		
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	-	-
11.	REINSURANCE BALANCES RECEIVABLE		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	-	-
12.	FUNDS HELD BY CEDING REINSURERS		
13.	SUNDRY ASSETS		
(a)	Derivative instruments		
(b)	Segregated accounts companies - long-term business - variable annuities		
(c)	Segregated accounts companies - long-term business - other		
(d)	Segregated accounts companies - general business		
(e)	Deposit assets		
(f)	Deferred acquisition costs	77,932	63,640
(g)	Net receivables for investments sold		
(h)	Other Sundry Assets (Specify)		
(i)	Other Sundry Assets (Specify)		
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	77,932	63,640
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	269,124	173,484

CONDENSED CONSOLIDATED BALANCE SHEET

 Partnerlife Insurance Solutions Bermuda Ltd. (formerly PRL Life Bermuda Re Ltd.)
 As at December 31, 2022
 expressed in ('000s) United States Dollars

LINE No.		2022	2021
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves		
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other insurers		
(c)	Total ceded unearned premium reserve	-	-
(d)	Net unearned premium reserve	-	-
17.	LOSS AND LOSS EXPENSE PROVISIONS		
(a)	Gross loss and loss expense provisions		
(b)	Less: Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers		
(c)	Total reinsurance recoverable balance	-	-
(d)	Net loss and loss expense provisions	-	-
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	-	-
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE	43,136	26,251
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES	43,136	26,251
(a)	Total Gross Long-Term Business Insurance Reserves		
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates		
	(ii) Domestic Affiliates		
	(iii) Pools and Associations		
	(iv) All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	43,136	26,251
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	2,579	16,859
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES	151	207
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	39	25
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES		
(a)	Derivative instruments		
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	2,769	17,091
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	45,905	43,342
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	223,219	130,142
41.	TOTAL	269,124	173,484

CONDENSED CONSOLIDATED STATEMENT OF INCOME

PartnerRe Insurance Solutions Bermuda Ltd. (formerly PRE Life Bermuda Re Ltd.)
As at December 31, 2022
expressed in '000s United States Dollars

LINE No.		2022	2021
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written		
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	-	-
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	-	-
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	-	-
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	-	-
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED		
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	-	-
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	-	-
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS		
	(a) Direct gross premiums and other considerations	100,588	78,478
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	100,588	78,478
13.	PREMIUMS CEDED	182	40
14.	NET PREMIUMS AND OTHER CONSIDERATIONS		
	(a) Life	100,406	78,438
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	100,406	78,438
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	100,406	78,438
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE	86,903	92,483
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS	15,880	10,906
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	102,783	103,389
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES)		
	(a) Life	16,855	12,149
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	16,855	12,149
27.	TOTAL LONG-TERM BUSINESS EXPENSES	119,638	115,538
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	(19,232)	(37,100)
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	(19,232)	(37,100)
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	878	527
	(b) Personnel cost	-	-
	(c) Other	2	-
	(d) Total combined operating expenses	880	527
31.	COMBINED INVESTMENT INCOME - NET	3,456	1,910
32.	COMBINED OTHER INCOME (DEDUCTIONS)		
33.	COMBINED INCOME BEFORE TAXES	(16,656)	(35,717)
34.	COMBINED INCOME TAXES (IF APPLICABLE)		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(16,656)	(35,717)
36.	COMBINED REALIZED GAINS (LOSSES)	(17,887)	(4,128)
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	(34,543)	(39,845)

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

PartnerRe Insurance Solutions Bermuda Ltd. (formerly PRE Life Bermuda Re Ltd.)

As at December 31, 2022

expressed in ['000s] United States Dollars

LINE No.		2022	2021
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares	370	250
	authorized 370,000 shares of par		
	value \$ 1.000 each issued and		
	fully paid 370,000 shares		
	(ii)		
	(A) Preferred shares:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for —		
	2022 _____		
	2021 _____		
	(B) Preferred shares issued by a subsidiary:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for —		
	2022 _____		
	2021 _____		
	(iii) Treasury Shares		
	repurchased _____ shares of par		
	value _____ each issued		
(b)	Contributed surplus	317,410	189,910
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	317,780	190,160
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	(60,018)	(20,173)
(b)	Add: Income for the year	(34,543)	(39,845)
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	(94,561)	(60,018)
3.	MINORITY INTEREST		
4.	TOTAL CAPITAL AND SURPLUS	223,219	130,142

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

General Notes to the Condensed Financial Statements

1. Organization

PartnerRe Insurance Solutions Bermuda Ltd. (name change effective November 4, 2022, formerly PRE Life Bermuda Re Ltd.) (the Company) was incorporated on May 24, 2018 under the laws of Bermuda. Effective October 2, 2018, the Company was licensed as a Class C insurer and on October 5, 2022, was also licensed as a Class 3B insurer (see notes 2, 16 and 2 (c), under the Insurance Act 1978 of Bermuda and the related regulations' as amended (the Insurance Act). The Insurance Act does not distinguish between insurers and reinsurers: companies are registered (licensed) under the Insurance Act as "insurers" and the Insurance Act uses the defined term "insurance business" to include reinsurance business. As a dual insurer license holder, the Company is therefore authorized to carry on general and long-term insurance business in Bermuda.

The Company is a wholly-owned direct subsidiary of PartnerRe U.S. Corporation (the Parent) and has elected to be treated as a U.S. corporation for purposes of imposing U.S. tax (see Note 4(f) below). The Parent is a 100% owned subsidiary of PartnerRe Ltd. (PartnerRe). At December 31, 2022 and 2021, 99.99% of PartnerRe's total common shares were owned by Covéa Coopération S.A. (Covéa).

On December 16, 2021, Exor announced that it had signed a definitive agreement with Covéa Coopération S.A. (Covéa), under which Covéa would acquire PartnerRe's common shares. Preferred shares issued by PartnerRe were not included in the proposed transaction. Consummation of this transaction occurred on July 12, 2022. The Company's preferred shares continue to be traded on the New York Stock Exchange (NYSE).

2. Risks Underwritten

The Company provides reinsurance of mortality business, including a 80% quota share to PartnerRe Life Reinsurance Company of America, an affiliate. The Company ceased writing a 100% quota-share with a branch of Partner Reinsurance Europe SE, an affiliated company on July 1, 2022.

3. Basis of Accounting

The condensed general purpose financial statements (condensed financial statements) are based on generally accepted accounting principles in the United States (U.S. GAAP) but have been prepared in conformity with the financial reporting provisions of Insurance Act and the Insurance Account Rules 2016 with respect to Condensed Financial Statements (the legislation), which varies in certain respects from U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

4. Significant Accounting Policies

The following are the Company's significant accounting policies:

(a) Premiums

Premiums related to life business are recorded over the premium-paying period on the underlying policies.

(b) Long-term Business Insurance Reserves

The long-term business insurance reserves have been established based upon information reported by the ceding company, supplemented by the Company's actuarial estimates, which for life include mortality, persistency and future investment income, with appropriate provision to reflect uncertainty. The assumptions are locked in at contract inception and are subject to annual loss recognition testing. Reserves for policy claims and benefits include both mortality claims in the process of settlement and claims that have been incurred but not yet reported.

(c) Commissions

Acquisition costs, comprising incremental brokerage fees, commissions and excise taxes, which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including indirect costs, are expensed as incurred.

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

General Notes to the Condensed Financial Statements (continued)

Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income.

Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, and settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs.

(d) Quoted Investments

The Company elects the fair value option for all of its fixed maturities. All changes in the fair value of investments are recorded in net realized and unrealized investment gains and losses in the Condensed Statements of Income. The Company defines fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures the fair value of financial instruments according to a fair value hierarchy that prioritizes the information used to measure fair value into three broad levels. The Company's policy is to recognize transfers between the hierarchy levels at the beginning of the period.

Net investment income includes interest income and amortization of premiums and discounts on fixed maturities, and is net of investment expenses. Investment income is recognized when earned. Realized gains and losses on the disposal of investments are determined on a first-in, first-out basis. Investment purchases and sales are recorded on a trade-date basis.

(e) Cash and Cash Equivalents

Cash equivalents are carried at fair value and include fixed income securities that, from the date of purchase, have a maturity of three months or less.

(f) Taxation

The Company has elected under I.R.C Section 953(d) to be treated as a U.S. domestic corporation. As such, current and deferred income taxes are charged or credited to Net income or loss in the period in which the tax becomes accruable or realizable. Deferred income taxes are provided for all temporary differences between the bases of assets and liabilities used in the Balance Sheet and those used in the tax return. When management's assessment indicates that it is more likely than not that deferred tax assets will not be realized, a valuation allowance is recorded against the deferred tax assets. Where appropriate, the valuation allowance assessment considers tax planning strategies.

The Company recognizes a tax benefit related to uncertain tax positions only where the position is more likely than not to be sustained, assuming examination by the tax authority. A liability is recognized for any tax benefit (along with any interest and penalty, if applicable) claimed in a tax return in excess of the amount recognized in the financial statements under U.S. GAAP. Any changes in amounts recognized are recorded in the period in which they are determined.

The Company is not subject to Bermuda income or capital gains tax under current Bermuda law. In the event that there is a change in current law such that taxes on income or capital gains are imposed, the Company would be exempt from such tax until March 2035 pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966.

5. Revenue Recognition

Premium income - See 4(a) above.

Investment income - See 4(d) above.

Commission income - Not applicable.

6. Translation of Foreign Currencies

Not applicable.

7. Foreign Exchange Control Restrictions

Not applicable.

8. Contingencies or Commitments

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

General Notes to the Condensed Financial Statements (continued)

Not applicable.

9. Defaults

Not applicable.

10. Preferred Cumulative Shares

Not applicable.

11. Loans to Directors and Officers

Not applicable.

12. Retirement Benefit Obligations

Not applicable.

13. Fair Value

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value by maximizing the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing an asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about what market participants would use in pricing the asset or liability based on the best information available in the circumstances. The level in the hierarchy within which a given fair value measurement falls is determined based on the lowest level input that is significant to the measurement.

The Company determines the appropriate level in the hierarchy for each financial instrument that it measures at fair value. In determining fair value, the Company uses various valuation approaches, including market, income and cost approaches. The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1 inputs—Unadjusted, quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

The Company does not have any financial instruments that it measures at fair value using Level 1 at December 31, 2022 and 2021.

- Level 2 inputs—Quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets and significant directly or indirectly observable inputs, other than quoted prices, used in industry accepted models.

The Company's financial instruments that it measures at fair value using Level 2 inputs generally include: U.S. government issued bonds; U.S. government sponsored enterprises bonds; certain U.S. state, territory and municipal entities bonds; non-U.S. sovereign government, supranational and government related bonds; corporate bonds; and mortgage-backed securities.

- Level 3 inputs—Unobservable inputs.

The Company does not have any financial instruments that it measures at fair value using Level 3 at December 31, 2022 and 2021.

At December 31, 2022 and 2021, the Company's financial instruments measured at fair value were categorized between Levels 1, 2 and 3 as follows (in thousands of U.S. dollars):

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

General Notes to the Condensed Financial Statements (continued)

December 31, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Fixed maturities				
U.S. government and government sponsored enterprises	\$ —	\$ 74,228	\$ —	\$ 74,228
U.S. states, territories and municipalities	—	4,868	—	4,868
Non-U.S. sovereign government, supranational and government related	—	429	—	429
Corporate	—	63,999	—	63,999
Residential mortgage-backed securities	—	21,047	—	21,047
Fixed maturities	\$ —	\$ 164,571	\$ —	\$ 164,571
Short-term investments	\$ —	\$ 14,155	\$ —	\$ 14,155
Total	\$ —	\$ 178,726	\$ —	\$ 178,726

December 31, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Fixed maturities				
U.S. government and government sponsored enterprises	\$ —	\$ 35,340	\$ —	\$ 35,340
U.S. states, territories and municipalities	—	5,863	—	5,863
Non-U.S. sovereign government, supranational and government related	—	439	—	439
Corporate	—	43,112	—	43,112
Residential mortgage-backed securities	—	23,036	—	23,036
Other mortgage-backed securities	—	—	—	—
Fixed maturities	\$ —	\$ 107,790	\$ —	\$ 107,790
Short-term investments	\$ —	\$ 401	\$ —	\$ 401
Total	\$ —	\$ 108,191	\$ —	\$ 108,191

14. Maturity Distribution of Fixed Maturities

The cost, fair value and distribution of fixed maturities at December 31, 2022, by contractual maturity date, is shown below (in thousands of U.S. dollars). Actual maturities may differ from contractual maturities because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	Fair Value
One year or less	\$ 27,032
More than one year through five years	77,506
More than five years through ten years	50,250
More than ten years	2,891
Subtotal	157,679
Mortgage/asset-backed securities	21,047
Total	\$ 178,726

15. Agreements with Related Parties

In the ordinary course of operations, the Company reinsures risks written by affiliated companies through quota share agreements, as such all reinsurance related balances are with related parties (see General Note 2 to the Condensed Financial Statement above for further details).

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

General Notes to the Condensed Financial Statements (continued)

16. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through to April 26, 2023, which is the date the consolidated financial statements were available to be issued. Other than the items described in these notes to the condensed financial statements there were no other material subsequent events arising during this period.

17. Other Information

On October 23, 2018, the Company entered into a deed of novation with PartnerRe Life Reinsurance Company of America (the Reinsured) and Aurigen Reinsurance Limited (the Original Reinsurer), both affiliated companies. The Original Reinsurer and the Reinsured are party to a retrocession agreement dated March 31, 2013 (and amended on January 1, 2015) covering the Reinsured's mortality risks. Pursuant to this deed of novation, the Original Reinsurer was discharged from its liabilities and obligations under the retrocession agreement, and its rights, obligations and liabilities under the retrocession agreement were novated to the Company. The Company paid a ceding commission of \$12.5 million related to this novated business which has been deferred and is amortized to be expensed over the life of the underlying contracts (see Note 4(c) above).

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

Notes to the Condensed Statement of Capital and Surplus

1(a). Capital Stock

At December 31, 2022 and 2021, the total authorized and issued shares of the Company were 370,000 and 250,000 shares, respectively, with a par value of U.S. \$1, respectively.

1(b). Contributed Surplus

Contributed surplus was \$317.4 million and \$189.9 million at December 31, 2022 and 2021, respectively. During the year ended December 31, 2022, \$127.5 million was contributed by the Parent.

2(c). Dividend Restrictions and Statutory Requirements

The Company is licensed as a Class 3B and Class C insurer and is therefore authorized to carry on general and long-term insurance business in Bermuda. The Insurance Act regulates insurance business in Bermuda and requires the Company to maintain minimum levels of solvency and liquidity and to comply with risk-based capital requirements and licensing rules, including its minimum solvency margin ("MSM"), defined as the prescribed minimum amount by which the value of the assets of the Company must exceed the value of its liabilities.

The Bermuda Monetary Authority (BMA) imposes certain minimum capital regulatory requirements on the Company referred to as the Enhanced Capital Requirement (ECR) for a Class 3B and Class C insurer. The Company's ECR should be calculated by either (a) the model developed by the BMA, or (b) an internal capital model which the BMA has approved for use for this purpose. The Company currently uses the BMA model in calculating its solvency requirements. The Bermuda risk-based regulatory capital adequacy and solvency margin regime provides a risk-based capital model (termed the Bermuda Solvency Capital Requirement (BSCR)) as a tool to assist the BMA both in measuring risk and in determining appropriate levels of capitalization. The BSCR employs a standard mathematical model that correlates the risk underwritten by Bermuda insurers to the capital that is dedicated to their business. The BMA requires that insurers operate at or above a threshold capital level (termed the Target Capital Level (TCL)), which exceeds the BSCR or approved internal model minimum amounts. Class 3B and Class C insurers, such as the Company, must also ensure that, at all times, its ECR is at least equal to the minimum solvency margin for a Class 3B and Class C insurer.

At December 31, 2022 and 2021, the Company's statutory capital and surplus exceeded the Company's minimum solvency margin, ECR and TCL.

The Insurance Act provides that the Company shall not in any financial year pay dividends which would exceed 25% of its total statutory capital and surplus, as shown on its statutory balance sheet in relation to the previous financial year, unless at least 7 days before payment of those dividends it files with the Bermuda Monetary Authority ("BMA") an affidavit signed by at least two directors, and by the Company's principal representative in Bermuda, which states that in the opinion of those signing, declaration of those dividends has not caused the insurer to fail to meet its relevant margins. Further, the Company must obtain the BMA's prior approval before reducing its total statutory capital as shown in its previous financial year statutory balance sheet by 15% or more. The Company may declare dividends subject to it continuing to meet these minimum levels of solvency, liquidity, and its risk-based capital requirement, which is to hold statutory capital and surplus equal to or exceeding the Target Capital Level (equivalent to 120% of the ECR). The ECR is calculated using the BSCR model which is a risk-based capital model.

The Company did not declare or pay dividends during the year ended December 31, 2022 or 2021.

The Available Statutory Economic Capital and Surplus, ECR, BSCR Ratio and TCL at December 31, 2022 and 2021 (in thousands of U.S. dollars, except percentages) were as follows:

	2022	2021
Available Statutory Economic Capital and Surplus	274,558	194,224
ECR	105,938	82,065
BSCR Ratio	259 %	237 %
TCL	127,126	98,478

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

Notes to the Condensed Balance Sheet

1. Cash and Cash Equivalents

At December 31, 2022 and 2021 approximately \$7.2 million and \$0.7 million respectively, of cash and time deposits were deposited or held in a trust account to secure obligations under a reinsurance agreement with an affiliated company.

2. Quoted Investments

The following methods and assumptions were used by the Company in estimating the fair value of each class of financial instrument recorded in the Condensed Balance Sheets. There have been no material changes in the Company's valuation techniques during the period presented.

Quoted Bonds and Debentures:

- U.S. government and government sponsored enterprises—consists primarily of bonds issued by the U.S. Treasury and corporate debt securities issued by government sponsored enterprises and federally owned or established corporations. These securities are generally priced by independent pricing services. The independent pricing services may use actual transaction prices for securities that have been actively traded. For securities that have not been actively traded, each pricing source has its own proprietary method to determine the fair value, which may incorporate option adjusted spreads (OAS), interest rate data and market news. The Company generally classifies these securities in Level 2.
- U.S. states, territories and municipalities—consists of bonds issued by U.S. municipalities. These securities are generally priced by independent pricing services using the techniques described for U.S. government and government sponsored enterprises above. The Company generally classifies these securities in Level 2.
- Non-U.S. sovereign government and government related—consists primarily of bonds issued by non-U.S. national governments and their agencies, non-U.S. regional governments and supranational organizations. These securities are generally priced by independent pricing services using the techniques described for U.S. government and government sponsored enterprises above. The Company generally classifies these securities in Level 2.
- Corporate—consists primarily of bonds issued by U.S. corporations covering a variety of industries. These securities are generally priced by independent pricing services and brokers. The pricing provider incorporates information including credit spreads, interest rate data and market news into the valuation of each security. The Company generally classifies these securities in Level 2. When a corporate security is inactively traded or the valuation model uses unobservable inputs, the Company classifies the security in Level 3.
- Residential mortgage-backed securities—consists primarily of bonds issued by the Federal National Mortgage Association and the Government National Mortgage Association, as well as private, non-agency issuers. These residential mortgage-backed securities are generally priced by independent pricing services and brokers. When current market trades are not available, the pricing provider or the Company will employ proprietary models with observable inputs including other trade information, prepayment speeds, yield curves and credit spreads. The Company generally classifies these securities in Level 2.

At December 31, 2022 and 2021, approximately \$178.7 million and \$108.2 million respectively, of quoted bond investments were deposited or held in a trust account to secure obligations under reinsurance agreements with affiliates.

3. Unquoted Investments

None.

4. Investment in and advances to affiliates

None.

5. Investments in mortgage loans on real estate

None.

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

Notes to the Condensed Financial Statements (continued)

6. Policy loans

None.

7. Real Estate

None.

8. Collateral Loans

None.

9. Investment Income Due and Accrued

Accrued investment income was \$0.9 million and \$0.5 million, at December 31, 2022 and 2021 respectively. The fair value of accrued investment income approximates its carrying value due to its short-term nature. See also Note 4(d) in General Notes to the Financial Statements.

10. Accounts and Premiums Receivable

None.

11. Reinsurance Balances Receivable

None.

12. Funds held by ceding reinsurers

None.

13. Sundry Assets

Sundry assets of \$77.9 million and \$63.6 million at December 31, 2022 and 2021, respectively, consists of deferred acquisition costs (see General Notes to the Financial Statement 4(c)).

14. Letters of Credit, Guarantees and Other Instruments

None.

16. to 17. General Business Insurance Reserves

Not applicable.

20. to 27. Long-term Business Insurance Reserves

The long-term business insurance reserves have been established based upon information reported by the ceding company, supplemented by the Company's actuarial estimates, which for life include mortality, persistency and future investment income, with appropriate provision to reflect uncertainty. Reserves for policy claims and benefits include both claims in the process of settlement and claims that have been incurred but not yet reported.

The reserves for the traditional long-duration contracts are established based upon accepted actuarial valuation methods which require us to make certain assumptions regarding future claims and policy benefits and includes a provision for adverse deviation. The provision for adverse deviation contemplates reasonable deviations from the best estimate assumptions for the key risk elements relevant to the product being evaluated, including mortality, lapse, expenses, and discount rates. The assumptions are locked in at contract inception and are subject to annual loss recognition testing (LRT). LRT occurs at the product group level, based on the manner of acquiring, servicing and measuring profitability of the reinsurance contracts. (see Note 2 to the Condensed Balance Sheet for details of encumbered assets).

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

Notes to the Condensed Financial Statements (continued)

28. Insurance and Reinsurance Balances Payable

The Company has \$2.6 million and \$16.9 million of reinsurance balances payable to PartnerRe Life Reinsurance Company of America, an affiliated company, at December 31, 2022 and 2021 respectively, which represents the net amount due under the reinsurance agreement.

29. Commissions, Expenses, Fees and Taxes Payable

None.

30. Loans and Notes Payable

None.

31. Income Taxes Payable

None.

32. Amounts due to Affiliates

The Company has liabilities to affiliates totaling \$151 thousand and \$207 thousand at December 31, 2022 and 2021 respectively, representing expenses paid on behalf of Company in the normal course of operations. Amounts due to affiliates bear no interest, have no fixed repayment terms and no collateral has been given.

33. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of \$39 thousand and \$25 thousand at December 31, 2022 and 2021 respectively, represent audit fee accruals.

34. Funds Held Under Reinsurance Contracts

None.

35. Dividends Payable

None.

36. Sundry Liabilities

None.

37. Letters of credit, guarantees and other instruments

None.

PartnerRe Insurance Solutions Bermuda Ltd.(formerly PRE Life Bermuda Re Ltd.)

Notes to the Condensed Statement of Income

6. Other Insurance Income - General Business

None.

15. Other Insurance Income - Long-term Business

None.

32. Combined Other Income (Deductions)

None.

36. Combined Realized (Losses) Gains

The components of the net realized and unrealized investment (losses) gains for the year ended December 31, 2022 and 2021 were as follows (in thousands of U.S. dollars):

	2022	2021
Net realized investment (losses) gains on fixed maturities	\$ (758)	\$ 802
Change in net unrealized investment (losses) gains on fixed maturities	(17,129)	(4,930)
Total net realized and unrealized investment (losses) gains	\$ (17,887)	\$ (4,128)