EVEREST INTERNATIONAL REINSURANCE, LTD.

(a wholly owned subsidiary of Everest Re Group, Ltd.)

GAAP Financial Statements

For the Years Ended December 31, 2022 and 2021

Report of Independent Auditors

To the Board of Directors of Everest International Reinsurance, Ltd.

Opinion

We have audited the accompanying financial statements of Everest International Reinsurance, Ltd (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and comprehensive income (loss), of changes in shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years 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 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 11 to the financial statements, the Company has entered into significant transactions with related parties. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 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 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 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.

Supplemental Information

Accounting principles generally accepted in the United States of America require that the information about incurred and paid claims development for the years ended December 31, 2013 to December 31, 2021 on pages 17 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PricewaterhouseCoopers LLP

April 25, 2023

EVEREST INTERNATIONAL REINSURANCE, LTD.
BALANCE SHEETS

(Dollars in thousands)	December 31, 2022	2021
ASSETS:		
Fixed maturities - available for sale	$ 2,409,325	$ 2,043,616
(amortized cost: 2022, $2,734,866; 2021, $2,014,199, credit allowances: 2022, ($0); 2021, ($0))		
Other invested assets	239,050	259,736
Short-term investments	22	11
Cash	170,306	77,567
Total investments and cash	2,818,703	2,380,930
Notes receivable - affiliated	125,000	-
Accrued investment income	19,182	13,956
Premiums receivable	826,930	659,374
Reinsurance recoverables	989	-
Funds held by reinsureds	58,710	41,725
Deferred acquisition costs	236,556	175,755
Prepaid reinsurance premiums	4,596	-
Other assets	1,634	88,181
TOTAL ASSETS	$ 4,092,299	$ 3,359,921
LIABILITIES:		
Reserve for losses and loss adjustment expenses	2,190,211	$ 1,673,670
Unearned premium reserve	815,622	620,658
Losses in course of payment	41,380	28,480
Other net payable to reinsurers	3,217	-
Other liabilities	23,365	13,859
Total liabilities	3,073,795	2,336,667
Contingencies (Note 10)		
SHAREHOLDER'S EQUITY:		
Common shares, par value: $1.00; 1,564,000 issued and outstanding (2022 and 2021)	1,564	1,564
Preferred shares, par value: $1,000,000; 10,000 shares authorized, 0 shares issued and outstanding (2022 and 2021)	-	-
Additional paid-in capital	869,851	519,851
Accumulated other comprehensive income (loss)	(325,460)	29,418
Retained earnings	472,549	472,421
Total shareholder's equity	1,018,504	1,023,254
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 4,092,299	$ 3,359,921

The accompanying notes are an integral part of the financial statements.

EVEREST INTERNATIONAL REINSURANCE, LTD.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Dollars in thousands)	Years Ended December 31, 2022	2021
REVENUES:		
Premiums earned	$ 1,263,565	$ 893,304
Net investment income	(5,282)	44,639
Net gains (losses) on investments:		
Gains (losses) from fair value adjustments	-	22,199
Net gains (losses) from dispositions	(6,452)	393
Total net gains (losses) on investments	(6,452)	22,592
Other income (expense)	18,910	9,094
Total revenues	1,270,741	969,629
CLAIMS AND EXPENSES:		
Incurred losses and loss adjustment expenses	898,797	680,345
Commission, brokerage, taxes and fees	368,259	237,130
Other underwriting expenses	3,516	2,368
Total claims and expenses	1,270,572	919,843
INCOME (LOSS) BEFORE TAXES	170	49,786
Income tax expense (benefit)	42	42
NET INCOME (LOSS)	$ 128	$ 49,744
Other comprehensive income (loss), net of tax:		
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	(361,411)	(100,714)
Less: reclassification adjustment for realized losses (gains) included in net income (loss)	6,452	(394)
Total URA(D) on securities arising during the period	(354,959)	(101,108)
Foreign currency translation adjustments	81	-
Total other comprehensive income (loss), net of tax	(354,878)	(101,108)
COMPREHENSIVE INCOME (LOSS)	$ (354,750)	$ (51,364)

The accompanying notes are an integral part of the financial statements.

EVEREST INTERNATIONAL REINSURANCE, LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

(Dollars and share amounts in thousands)	Years Ended December 31, 2022	2021
COMMON SHARES (shares outstanding):		
Balance, beginning of period	1,564	1,564
Issued during the period, net	-	-
Balance, end of period	1,564	1,564
COMMON SHARES (par value):		
Balance, beginning of period	$ 1,564	$ 1,564
Issued during the period, net	-	-
Balance, end of period	1,564	1,564
PREFERRED SHARES (par value);		
Balance, beginning of period	-	2,023,214
Issued during the period, net	-	(2,023,214)
Balance, end of period	-	-
ADDITIONAL PAID-IN CAPITAL:		
Balance, beginning of period	519,851	519,851
Capital contribution from Parent	350,000	-
Balance, end of period	869,851	519,851
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):		
Balance, beginning of period	29,418	130,526
Net increase (decrease) during the period	(354,878)	(101,108)
Balance, end of period	(325,460)	29,418
RETAINED EARNINGS:		
Balance, beginning of period	472,421	697,009
Net income (loss)	128	49,744
Dividends to Parent	-	(274,332)
Balance, end of period	472,549	472,421
TOTAL SHAREHOLDER'S EQUITY, END OF PERIOD	$ 1,018,504	$ 1,023,254

The accompanying notes are an integral part of the financial statements.

EVEREST INTERNATIONAL REINSURANCE, LTD.
STATEMENTS OF CASH FLOWS

(Dollars in thousands)	Years Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 128	$ 49,744
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(164,339)	(318,900)
Decrease (increase) in funds held by reinsureds, net	(16,985)	(14,273)
Decrease (increase) in reinsurance receivables	(989)	24,583
Increase (decrease) in reserve for losses and loss adjustment expenses	516,541	427,933
Increase (decrease) in unearned premiums	194,965	308,366
Increase (decrease) in losses in course of payment	12,899	15,160
Change in equity adjustments in limited partnerships	48,343	(2,848)
Distribution of Limited partnership income	4,279	6,215
Change in other assets and liabilities, net	26,273	(142,632)
Amortization of bond premium (accrual of bond discount)	9,970	11,846
Net (gains) losses on investments	6,452	(22,592)
Net cash provided by (used in) operating activities	637,537	342,602
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from fixed maturities matured/called - available for sale	237,682	342,714
Proceeds from fixed maturities sold - available for sale	50,392	33,575
Distributions from other invested assets	443,255	227,808
Cost of fixed maturities acquired - available for sale	(1,025,162)	(526,969)
Cost of other invested assets acquired	(481,287)	(405,826)
Issuance of long term notes	(125,000)	-
Net change in short-term investments	(11)	(2)
Net change in unsettled securities transactions	(845)	920
Net cash provided by (used in) investing activities	(900,976)	(327,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from Parent	350,000	-
Net cash provided by (used in) financing activities	350,000	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH	6,178	2,478
Net increase (decrease) in cash	92,739	17,300
Cash, beginning of period	77,567	60,267
Cash, end of period	$ 170,306	$ 77,567
NON-CASH TRANSACTIONS:		
Transfer of other invested assets, at fair value to redeem outstanding preferred stock issued to Everest Preferred International Holdings ("EPIH"), an affiliated company	$ -	$ (2,023,214)
Dividend of other invested assets, at fair value to Group, its Parent company	-	(274,332)

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Business and Basis of Presentation.

Everest International Reinsurance, Ltd. (the "Company" or "Everest International"), a Bermuda insurance company and direct wholly owned subsidiary of Everest Re Group, Ltd. ("Group") is registered as a Class 4 general insurer. The Company's operations include the reinsuring of property and casualty products. Currently, this business is the result of quota share reinsurance agreements with the following affiliates: (1) Everest Reinsurance Company ("Everest Re"), (2) Everest Reinsurance (Bermuda), Ltd. ("Bermuda Re"), (3) Everest Reinsurance Company (Ireland) dac ("Ireland Re") and (4) Everest Insurance (Ireland) dac ("Ireland Insurance). The Company established a branch in Singapore, which writes insurance-based products.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All amounts are reported in U.S. dollars.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate actual results could differ, possibly materially, from those estimates.

B. Investments.

Fixed maturity securities designated as available for sale reflect unrealized appreciation and depreciation, as a result of changes in fair value during the period, in shareholder's equity, in "accumulated other comprehensive income (loss)" in the balance sheets. The Company reviews all of its fixed maturity, available for sale securities whose fair value has fallen below their amortized cost at the time of review. The Company then assesses whether the decline in value is due to non-credit related or credit related factors. In making its assessment, the Company evaluates the current market and interest rate environment as well as specific issuer information. Generally, a change in a security's value caused by a change in the market, interest rate or foreign exchange environment does not constitute a credit impairment, but rather a non-credit related decline in fair value. Non-credit related declines in fair value are recorded as unrealized losses in accumulated other comprehensive income (loss). If the Company intends to sell the impaired security or is more likely than not to be required to sell the security before an anticipated recovery in value, the Company records the entire impairment in net gains (losses) on investments in the Company's statements of operations and comprehensive income (loss). If the Company determines that the decline is credit related and the Company does not have the intent to sell the security; and it is more likely than not that the Company will not have to sell the security before recovery of its cost basis, the Company establishes a credit allowance equal to the estimated credit loss and is recorded in net gains (losses) on investments in the Company's statements of operations and comprehensive income (loss). The determination of credit related or non-credit related impairment is first based on an assessment of qualitative factors, which may determine that a qualitative analysis is sufficient to support the conclusion that the present value of expected cash flows equals or exceeds the security's amortized cost basis. However, if the qualitative assessment suggests a credit loss may exist, a quantitative assessment is performed, and the amount of the allowance for a given security will generally be the difference between a discounted cash flow model and the Company's carrying value. The Company will adjust the credit allowance account for future changes in credit loss estimates for a security and record this adjustment through net gains (losses) on investments in the Company's statements of operations and comprehensive income (loss).

The Company does not create an allowance for uncollectible interest. If interest is not received when due, the interest receivable is immediately reversed and no additional interest is accrued. If future interest is received that has not been accrued, it is recorded as income at that time.

The Company's assessments are based on the issuers' current and expected future financial position, timeliness with respect to interest and/or principal payments, speed of repayments and any applicable credit enhancements or breakeven constant default rates on mortgage-backed and asset-backed securities, as well as relevant information provided by rating agencies, investment advisors and analysts.

Retrospective adjustments are employed to recalculate the values of asset-backed securities. All of the Company's asset-backed and mortgage-backed securities have a pass-through structure. Each acquisition lot is reviewed to recalculate the effective yield. The recalculated effective yield is used to derive a book value as if the new yield were applied at the time of acquisition. Outstanding principal factors from the time of acquisition to the adjustment date are used to calculate the prepayment history for all applicable securities. Conditional prepayment rates, computed with life to date factor histories and weighted average maturities, are used in the calculation of projected prepayments for pass-through security types.

Interest income on all fixed maturities are included as part of net investment income in the statements of operations and comprehensive income (loss).

Short-term investments comprise securities due to mature within one year from the date of purchase and are stated at cost, which approximates fair value.

Realized gains or losses on sales of investments are determined on the basis of identified cost. For publicly traded securities, market value is based on quoted market prices or valuation models that use observable market inputs.

Other invested assets include limited partnerships and other investments. Limited partnerships are accounted for under the equity method of accounting, which can be recorded on a monthly or quarterly lag.

Cash includes cash on hand.

C. Allowance for Premium Receivable and Reinsurance Recoverables.
The Company applies the Current Expected Credit Losses (CECL) methodology for estimating allowances for credit losses. The Company evaluates the recoverability of its premiums and reinsurance recoverable balances and establishes an allowance for estimated uncollectible amounts.

Premiums receivable, excluding receivables for losses within a deductible and retrospectively-rated policy premiums, are primarily comprised of premiums due from policyholders/ cedants. Balances are considered past due when amounts that have been billed are not collected within contractually stipulated time periods. For these balances, the allowance is estimated based on recent historical credit loss and collection experience, adjusted for current economic conditions and reasonable and supportable forecasts, when appropriate.

A portion of the Company's commercial lines business is written with large deductibles or under retrospectively-rated plans. Under some commercial insurance contracts with a large deductible, the Company is obligated to pay the claimant the full amount of the claim and the Company is subsequently reimbursed by the policyholder for the deductible amount. As such, the Company is subject to credit risk until reimbursement is made. Retrospectively-rated policies are policies whereby the ultimate premium is adjusted based on actual losses incurred. Although the premium adjustment feature of a retrospectively-rated policy substantially reduces insurance risk for the Company, it presents credit risk to the Company. The Company's results of operations could be adversely affected if a significant portion of such policyholders failed to reimburse the Company for the deductible amount or the amount of additional premium owed under retrospectively-rated policies. The Company manages these credit risks through credit analysis, collateral requirements, and oversight. The allowance for receivables for loss within a deductible and retrospectively-rated policy premiums is recorded within other assets in the consolidated balance sheets. The allowance is estimated as the amount of the receivable exposed to loss multiplied by estimated factors for probability of default. The probability of default is assigned based on each policyholder's credit rating, or a rating is estimated if no external rating is available. Credit ratings are reviewed and updated at least annually. The exposure amount is estimated net of collateral and other offsets, considering the nature of the collateral, potential future changes in collateral values, and historical loss information for the type of collateral obtained. The probability of default factors are historical corporate defaults for receivables with similar durations estimated through multiple economic cycles. Credit ratings are forward-looking and consider a variety of economic outcomes. The Company's evaluation of the required allowance for receivables for loss within a deductible and retrospectively-rated policy premiums considers the current economic environment as well as the probability-weighted macroeconomic scenarios.

The Company records total credit loss expenses related to premiums receivable in Other underwriting expenses and records credit loss expenses related to deductibles in Incurred losses and loss adjustment expenses in the Company's consolidated statements of operations and comprehensive income (loss).

The allowance for uncollectible reinsurance recoverable reflects management's best estimate of reinsurance cessions that may be uncollectible in the future due to reinsurers' unwillingness or inability to pay. The allowance for uncollectible reinsurance recoverable comprises an allowance and an allowance for disputed balances. Based on this analysis, the Company may adjust the allowance for uncollectible reinsurance recoverable or charge off reinsurer balances that are determined to be uncollectible.

Due to the inherent uncertainties as to collection and the length of time before reinsurance recoverable become due, it is possible that future adjustments to the Company's reinsurance recoverable, net of the allowance, could be required, which could have a material adverse effect on the Company's consolidated results of operations or cash flows in a particular quarter or annual period.

The allowance is estimated as the amount of reinsurance recoverable exposed to loss multiplied by estimated factors for the probability of default. The reinsurance recoverable exposed is the amount of reinsurance recoverable net of collateral and other offsets, considering the nature of the collateral, potential future changes in collateral values, and historical loss information for the type of collateral obtained. The probability of default factors are historical insurer and reinsurer defaults for liabilities with similar durations to the reinsured liabilities as estimated through multiple economic cycles. Credit ratings are forward-looking and consider a variety of economic outcomes. The Company's evaluation of the required allowance for reinsurance recoverable considers the current economic environment as well as macroeconomic scenarios.

The Company records credit loss expenses related to reinsurance recoverable in Incurred losses and loss adjustment expenses in the Company's consolidated statements of operations and comprehensive income (loss). Write-offs of reinsurance recoverable and any related allowance are recorded in the period in which the balance is deemed uncollectible.

D. Deferred Acquisition Costs.

Acquisition costs, consisting principally of commissions and brokerage expenses and certain premium taxes and fees incurred at the time a contract or policy is issued and that vary with and are directly related to the Company's reinsurance and insurance business, are deferred and amortized over the period in which the related premiums are earned. Deferred acquisition costs are limited to their estimated realizable value by line of business based on the related unearned premiums, anticipated claims and claim expenses and anticipated investment income.

E. Reserve for Losses and Loss Adjustment Expenses.

The reserve for losses and loss adjustment expenses ("LAE") is based on individual case estimates and reports received from ceding companies. A provision is included for losses and LAE incurred but not reported ("IBNR") based on past experience. Provisions are also included for certain potential liabilities, including those relating to catastrophe exposures, COVID-19 and other exposures, for which liabilities cannot be estimated using traditional reserving techniques. See also Note 3. The reserves are reviewed periodically and any changes in estimates are reflected in earnings in the period the adjustment is made. The Company's loss and LAE reserves represent management's best estimate of the ultimate liability. Loss and LAE reserves are presented gross of reinsurance recoverable and incurred losses and LAE are presented net of reinsurance.

Accruals for commissions are established for reinsurance contracts that provide for the stated commission percentage to increase or decrease based on the loss experience of the contract. Changes in estimates for such arrangements are recorded as commission expense. Commission accruals for contracts with adjustable features are estimated based on expected loss and LAE.

F. Premium Revenues.
Written premiums are earned ratably over the periods of the related insurance and reinsurance contracts. Unearned premium reserves are established relative to the unexpired contract period. For reinsurance contracts, such reserves are established based upon reports received from ceding companies or estimated using pro rata methods based on statistical data. Reinstatement premiums represent additional premium recognized and earned at the time a loss event occurs and losses are recorded, most prevalently catastrophe related, when limits have been depleted under the original reinsurance contract and additional coverage is granted. The recognition of reinstatement premiums is based on estimates of loss and LAE, which reflects management's judgement. Written and earned premiums and the related costs, which have not yet been reported to the Company, are estimated and accrued. Premiums are net of ceded reinsurance.

G. Prepaid Reinsurance Premiums.
Prepaid reinsurance premiums represent unearned premium reserves ceded to other reinsurers.

H. Income Taxes.
Under Bermuda law, no income or capital gains taxes are imposed on Group and its Bermuda subsidiaries. The Minister of Finance of Bermuda has assured Group and its Bermuda subsidiaries that, pursuant to The Exempted Undertakings Tax Protection Amendment Act of 2011, they will be exempt until 2035 from imposition of any such taxes.

I. Foreign Currency.
The Company transacts business in numerous currencies through business units located around the world. The base transactional currency for each business unit is determined by the local currency used for most economic activity in that area. Movements in exchange rates related to foreign currency denominated monetary assets and liabilities at the business units between the original currency and the base currency are recorded through the consolidated statements of operations and comprehensive income (loss) in other income (expense), except for currency movements related to available for sale fixed maturities securities, which are excluded from net income (loss) and accumulated in shareholders' equity, net of deferred taxes.

The business units' base currency financial statements are translated to U.S. dollars using the exchange rates at the end of period for the balance sheets and the average exchange rates in effect for the reporting period for the income statements. Gains and losses resulting from translating the foreign currency financial statements, net of deferred income taxes, are excluded from net income loss and accumulated in shareholders' equity.

J. Application of Recently Issued Accounting Standard Changes.
The Company did not adopt any new accounting standards that had a material impact in 2022. The Company assessed the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company's financial statements as well as material updates to previous assessments, if any, from the Company's financial statements for the year ended December 31, 2021. There were no accounting standards issued for the year ended December 31, 2022, that are expected to have a material impact to the Company.

2. INVESTMENTS

The tables below present the amortized cost, allowance for credit losses, gross unrealized appreciation/(depreciation) and market value of fixed maturity securities – available for sale for the periods indicated:

	At December 31, 2022				
(Dollars in thousands)	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - available for sale					
U.S. Treasury securities and obligations of					
U.S. government agencies and corporations	$ 38,472	$ -	$ -	$ (1,757)	$ 36,715
U.S. corporate securities	637,892	-	496	(69,747)	568,641
Asset-backed securities	39,822	-	13	(2,501)	37,334
Mortgage-backed securities					
Commercial	96,668	-	-	(8,976)	87,692
Agency residential	281,349	-	159	(26,474)	255,034
Non-agency residential	-	-	-	-	-
Foreign government securities	274,177	-	664	(35,344)	239,497
Foreign corporate securities	1,366,486	-	1,575	(183,649)	1,184,412
Total fixed maturity securities - available for sale	$ 2,734,866	$ -	$ 2,907	$ (328,448)	$ 2,409,325

	At December 31, 2021				
(Dollars in thousands)	Amortized Cost	Allowance for Credit Losses	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Fixed maturity securities - available for sale					
U.S. Treasury securities and obligations of					
U.S. government agencies and corporations	$ 38,586	$ -	$ 549	$ -	$ 39,135
U.S. corporate securities	638,926	-	20,245	(5,081)	654,090
Asset-backed securities	29,277	-	346	(146)	29,477
Mortgage-backed securities					
Commercial	81,320	-	1,911	(156)	83,075
Agency residential	241,841	-	3,151	(1,650)	243,342
Non-agency residential	5	-	-	-	5
Foreign government securities	160,900	-	6,025	(1,450)	165,475
Foreign corporate securities	823,344	-	19,690	(14,017)	829,017
Total fixed maturity securities - available for sale	$ 2,014,199	$ -	$ 51,917	$ (22,500)	$ 2,043,616

The amortized cost and market value of fixed maturity securities are shown in the following table by contractual maturity. Mortgage-backed securities are generally more likely to be prepaid than other fixed maturity securities. As the stated maturity of such securities may not be indicative of actual maturities, the totals for mortgage-backed and asset-backed securities are shown separately.

	At December 31, 2022		At December 31, 2021	
(Dollars in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Fixed maturity securities – available for sale				
Due in one year or less	$ 185,592	$ 178,926	$ 154,485	$ 157,816
Due after one year through five years	1,305,083	1,168,674	813,854	832,336
Due after five years through ten years	719,632	597,313	611,537	617,996
Due after ten years	106,720	84,352	81,880	79,569
Asset-backed securities	39,822	37,334	29,277	29,477
Mortgage-backed securities				
Commercial	96,668	87,692	81,320	83,075
Agency residential	-	-	241,841	243,342
Non-agency residential	281,349	255,034	5	5
Total fixed maturity securities - available for sale	$ 2,734,866	$ 2,409,325	$ 2,014,199	$ 2,043,616

The changes in net unrealized appreciation (depreciation) for the Company's investments are derived from the following sources for the periods indicated:

(Dollars in thousands)	Years Ended December 31, 2022	2021
Increase (decrease) during the period between the fair value and cost of investments carried at fair value:		
Fixed maturity securities	$ (354,958)	$ (101,108)
Change in unrealized appreciation (depreciation), included in shareholder's equity	$ (354,958)	$ (101,108)

The tables below display the aggregate market value and gross unrealized depreciation of fixed maturity securities – available for sale, by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated.

	Duration of Unrealized Loss at December 31, 2022 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 36,716	$ (1,757)	$ -	$ -	$ 36,716	$ (1,757)
U.S. corporate securities	489,965	(56,132)	54,976	(13,615)	544,941	(69,747)
Asset-backed securities	27,807	(1,714)	6,014	(787)	33,821	(2,501)
Mortgage-backed securities						
Commercial	70,238	(6,623)	17,454	(2,353)	87,692	(8,976)
Agency residential	196,657	(18,411)	51,316	(8,063)	247,973	(26,474)
Non-agency residential	-	-	-	-	-	-
Foreign government securities	202,038	(29,123)	12,359	(6,221)	214,397	(35,344)
Foreign corporate securities	1,029,599	(154,241)	74,749	(29,408)	1,104,348	(183,649)
Total fixed maturity securities - available for sale	$ 2,053,020	$ (268,001)	$ 216,868	$ (60,447)	$ 2,269,888	$ (328,448)

	Duration of Unrealized Loss at December 31, 2022 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
Due in one year or less	$ 174,827	$ (6,668)	$ -	$ -	$ 174,827	$ (6,668)
Due in one year through five years	1,050,463	(130,584)	38,395	(7,563)	1,088,858	(138,147)
Due in five years through ten years	477,548	(94,973)	76,926	(28,319)	554,474	(123,292)
Due after ten years	55,480	(9,028)	26,763	(13,362)	82,243	(22,390)
Asset-backed securities	27,807	(1,714)	6,014	(787)	33,821	(2,501)
Mortgage-backed securities	266,895	(25,034)	68,770	(10,416)	335,665	(35,450)
Total fixed maturity securities - available for sale	$ 2,053,020	$ (268,001)	$ 216,868	$ (60,447)	$ 2,269,888	$ (328,448)

The aggregate market value and gross unrealized losses related to investments in an unrealized loss position at December 31, 2022 were $2.3 billion and $328.4 million, respectively. The market value of securities for the single issuer whose securities comprised the largest unrealized loss position at December 31, 2022, did not exceed 4.4% of the overall market value of the Company's fixed maturity securities. The $268.0 million of unrealized losses related to fixed maturity securities that have been in an unrealized loss position for less than one year were generally comprised of foreign and domestic corporate securities, foreign government securities and agency residential mortgage-backed securities. Of these unrealized losses, $267.0 million were related to securities that were rated investment grade by at least one nationally recognized statistical rating agency. The $60.4 million of unrealized losses related to fixed maturity securities in an unrealized loss position for more than one year related primarily to foreign and domestic corporate securities, agency residential mortgage-backed securities and foreign government securities. All of these unrealized losses were rated investment grade by at least one nationally recognized statistical rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The Company, given the size of its investment portfolio and capital position, does not have the intent to sell these securities; and it is more likely than not that the Company will not have to sell the security before recovery of its cost basis. In addition, all securities currently in an unrealized loss position are current with respect to principal and interest payments.

The tables below display the aggregate market value and gross unrealized depreciation of fixed maturity securities – available for sale, by security type and contractual maturity, in each case subdivided according to length of time that individual securities had been in a continuous unrealized loss position for the periods indicated.

	Duration of Unrealized Loss at December 31, 2021 By Security Type					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ -	$ -	$ -	$ -	$ -	$ -
U.S. corporate securities	148,520	(4,560)	6,747	(521)	155,267	(5,081)
Asset-backed securities	17,237	(146)	-	-	17,237	(146)
Mortgage-backed securities						
Commercial	18,634	(111)	685	(45)	19,319	(156)
Agency residential	82,798	(1,031)	30,532	(619)	113,330	(1,650)
Non-agency residential	-	-	-	-	-	-
Foreign government securities	26,414	(1,450)	-	-	26,414	(1,450)
Foreign corporate securities	326,646	(13,570)	2,430	(447)	329,076	(14,017)
Total fixed maturity securities - available for sale	$ 620,249	$ (20,868)	$ 40,394	$ (1,632)	$ 660,643	$ (22,500)

	Duration of Unrealized Loss at December 31, 2021 By Maturity					
	Less than 12 months		Greater than 12 months		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Fixed maturity securities - available for sale						
Due in one year or less	$ 13,410	$ (181)	$ 3,314	$ (333)	$ 16,724	$ (514)
Due in one year through five years	192,031	(5,928)	1,849	(351)	193,880	(6,279)
Due in five years through ten years	228,225	(9,929)	3,608	(260)	231,833	(10,189)
Due after ten years	67,914	(3,542)	406	(24)	68,320	(3,566)
Asset-backed securities	17,237	(146)	-	-	17,237	(146)
Mortgage-backed securities	101,432	(1,142)	31,217	(664)	132,649	(1,806)
Total fixed maturity securities - available for sale	$ 620,249	$ (20,868)	$ 40,394	$ (1,632)	$ 660,643	$ (22,500)

The aggregate market value and gross unrealized losses related to investments in an unrealized loss position at December 31, 2021 were $660.6 million and $22.5 million, respectively. The market value of securities for the single issuer whose securities comprised the largest unrealized loss position at December 31, 2021, did not exceed 1.1% of the overall market value of the Company's fixed maturity securities. The $20.9 million of unrealized losses related to fixed maturity securities that have been in an unrealized loss position for less than one year were generally comprised of foreign and domestic corporate securities, foreign government securities and agency residential mortgage-backed securities. Of these unrealized losses, $20.9 million were related to securities that were rated investment grade by at least one nationally recognized statistical rating agency. The $1.6 million of unrealized losses related to fixed maturity securities in an unrealized loss position for more than one year related primarily to agency residential mortgage-backed securities, as well as domestic and foreign corporate securities. All of these unrealized losses were rated investment grade by at least one nationally recognized statistical rating agency. In all instances, there were no projected cash flow shortfalls to recover the full book value of the investments and the related interest obligations. The mortgage-backed securities still have excess credit coverage and are current on interest and principal payments.

The Company's other invested assets at December 31, 2022 and 2021 included $1.2 million and $66.0 million, respectively, related to a private placement liquidity sweep facility. The primary purpose of the facility is to enhance the Company's return on its short-term investments and cash positions. The facility invests in high quality, short-duration securities and permits daily liquidity.

The components of net investment income are presented in the table below for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Fixed maturity securities	$ 44,364	$ 39,946
Short-term investments and cash	17	(95)
Other invested assets		
Dividends from Parent	-	3,339
Limited partnerships	(48,343)	2,848
Other	-	32
Gross investment income before adjustments	(3,962)	46,070
Interest income from Parent	165	-
Gross investment income	(3,797)	46,070
Investment expenses	(1,485)	(1,431)
Net investment income	$ (5,282)	$ 44,639

The Company records results from its limited partnership investment on the equity method of accounting with changes in value reported through net investment income. Due to the timing of receiving financial information from this partnership, the results are generally reported on a quarter lag. If the Company determines there has been a significant decline in value of the limited partnership during this lag period, a loss will be recorded in the period in which the Company identifies the decline.

The Company had contractual commitments to invest up to an additional $611.0 million in limited partnerships at December 31, 2022. The commitment will be funded when called in accordance with the partnership agreements, which have an investment period that expire, unless extended through in 2025, for new investments. Following the investment period, these capital commitments may be called by the partnerships for follow-on investments, management fees and operating expenses.

Variable Interest Entities ("VIE")

The Company is engaged with various special purpose entities and other entities that are deemed to be VIEs primarily as an investor through normal investment activities but also as an investment manager. A VIE is an entity that either has investors that lack certain essential characteristics of a controlling financial interest, such as simple majority kick-out rights, or lacks sufficient funds to finance its own activities without financial support provided by other entities. The Company performs ongoing qualitative assessments of its VIEs to determine whether the Company has a controlling financial interest in the VIE and therefore is the primary beneficiary. The Company is deemed to have a controlling financial interest when it has both the ability to direct the activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. Based on the Company's assessment, if it determines it is the primary beneficiary, the Company consolidates the VIE in the Company's Financial Statements. As of December 31, 2022 and 2021, the Company did not hold any securities for which it is the primary beneficiary.

The Company, through normal investment activities, makes passive investments in general and limited partnerships and other alternative investments. For these non-consolidated VIEs, the Company has determined it is not the primary beneficiary as it has no ability to direct activities that could significantly affect the economic performance of the investments. The Company's maximum exposure to loss as of December 31, 2022 and 2021 is limited to the total carrying value of $237.9 million and $193.8 million, respectively, which are included in limited partnerships and other alternative investments in Other Invested

Assets in the Company's Balance Sheets. As of December 31, 2022, the Company has outstanding commitments totaling $611.0 million whereby the Company is committed to fund these investments and may be called by the partnership during the commitment period to fund the purchase of new investments and partnership expenses. These investments are generally of a passive nature in that the Company does not take an active role in management.

In addition, the Company makes passive investments in structured securities issued by VIEs for which the Company is not the manager. These investments are included in asset-back securities, which includes collateralized loan obligations and are reported in fixed maturities, available-for-sale. The Company has not provided financial or other support with respect to these investments other than its original investment. For these investments, the Company determined it is not the primary beneficiary due to the relative size of the Company's investment in comparison to the principal amount of the structured securities issued by the VIEs, the level of credit subordination which reduces the Company's obligation to absorb losses or right to receive benefits and the Company's inability to direct the activities that most significantly impact the economic performance of the VIEs. The Company's maximum exposure to loss on these investments is limited to the amount of the Company's investment.

The components of net realized capital gains (losses) are presented in the table below for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Fixed maturity securities:		
Gains (losses) from dispositions	$ (6,452)	$ 394
Other invested assets:		
Gains (losses) from fair value adjustments	-	22,198
Total net realized capital gains (losses)	$ (6,452)	$ 22,592

The proceeds and split between gross gains and losses, from maturities and sales of fixed maturity securities, are presented in the table below for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Proceeds from sales of fixed maturity securities	$ 50,392	$ 33,575
Gross gains from sales	1,263	4,958
Gross losses from sales	(7,715)	(4,564)

3. RESERVE FOR LOSSES AND LAE

Reserves for losses and LAE.
Activity in the reserve for losses and LAE is summarized for the periods indicated:

	At December 31,	
(Dollars in thousands)	2022	2021
Gross reserves at January 1	$ 1,673,670	$ 1,245,737
Less reinsurance recoverables on unpaid losses	-	(24,478)
Net reserves at January 1	1,673,670	1,221,259
Incurred related to:		
Current year	895,279	676,132
Prior years	3,518	4,213
Total incurred losses and LAE	898,797	680,345
Paid related to:		
Current year	48,405	36,890
Prior years	260,601	152,159
Total paid losses and LAE	309,006	189,049
Foreign exchange/translation adjustment	(74,239)	(38,885)
Net reserves at December 31	2,189,222	1,673,670
Plus reinsurance recoverables on unpaid losses	989	-
Gross reserves at December 31	$ 2,190,211	$ 1,673,670

(Some amounts may not reconcile due to rounding.)

Prior years' reserves decreased by $0.8 million and increased by $4.2 million for the years ended December 31, 2022 and 2021, respectively. The changes in both 2022 and 2021 were primarily due to loss development under the affiliated quota share agreements.

The following is information about incurred and paid claims development as of December 31, 2022, net of reinsurance, as well as cumulative claim frequency and the total of incurred but not reported liabilities (IBNR) plus expected development on reported claims included within the net incurred claims amounts. The Company's loss activity has been disaggregated into casualty and property business. The casualty and property segregation results in groups that have homogeneous loss development characteristics and are large enough to represent credible trends. Generally, casualty claims take longer to be reported and settled, resulting in longer payout patterns and increased volatility. Property claims on the other hand, tend to be reported and settled quicker and therefore tend to exhibit less volatility. The property business is more exposed to catastrophe losses, which can result in year over year fluctuations in incurred claims depending on the frequency and severity of catastrophes claims in any one accident year.

The information about incurred and paid claims development for the years ended December 31, 2013 to December 31, 2021 is presented as supplementary information.

The Cumulative Number of Reported Claims is not shown, as it is impractical to provide the information. The loss activity includes pro rata contracts for which ceding companies provide only summary information via a bordereau. This summary information does not include the number of reported claims underlying the paid and reported losses. Therefore, it is not possible to provide this information.

The following tables present the ultimate loss and ALAE and the paid loss and ALAE, net of reinsurance for casualty and property, as well as the average annual percentage payout of incurred claims by age, net of reinsurance for each of our disclosed lines of business.

Casualty Business

Incurred Claims and Allocated Claim Adjustment Expenses, Net of reinsurance
Years Ended December 31,

Accident Year	2013 (unaudited)	2014 (unaudited)	2015 (unaudited)	2016 (unaudited)	2017 (unaudited)	2018 (unaudited)	2019 (unaudited)	2020 (unaudited)	2021 (unaudited)	2022	Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
(Dollars in thousands)												
2013	$ 57,365	$ 59,296	$ 57,783	$ 60,781	$ 63,718	$ 60,472	$ 58,447	$ 56,956	$ 57,373	$ 52,740	$ 1,947	N/A
2014		53,418	59,411	64,444	66,869	63,661	61,993	61,193	61,649	59,624	3,374	N/A
2015			89,811	86,819	84,678	84,786	81,343	79,939	78,791	80,825	3,380	N/A
2016				88,756	93,029	93,179	92,429	91,942	90,699	103,584	7,056	N/A
2017					110,356	117,815	114,160	113,997	118,436	130,654	23,148	N/A
2018						155,173	161,022	165,441	165,397	169,506	41,386	N/A
2019							192,919	203,695	203,618	201,008	101,559	N/A
2020								227,608	291,296	278,235	199,739	N/A
2021									348,335	349,119	292,974	N/A
2022										537,251	470,311	N/A
										$ 1,962,546		

(Some amounts may not reconcile due to rounding.)

Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance
Years Ended December 31,

Accident Year	2013 (unaudited)	2014 (unaudited)	2015 (unaudited)	2016 (unaudited)	2017 (unaudited)	2018 (unaudited)	2019 (unaudited)	2020 (unaudited)	2021 (unaudited)	2022
(Dollars in thousands)										
2013	$ 5,974	$ 11,203	$ 14,499	$ 19,559	$ 24,710	$ 29,348	$ 33,322	$ 36,420	$ 39,292	$ 41,256
2014		4,163	6,920	11,549	17,131	22,658	26,942	31,908	38,582	40,674
2015			5,112	23,439	30,683	37,913	41,230	47,148	54,372	59,444
2016				19,386	28,614	36,474	42,414	50,568	57,418	67,409
2017					9,690	22,615	33,814	45,570	60,975	69,867
2018						10,662	36,846	47,257	67,441	79,169
2019							23,046	30,958	47,913	59,341
2020								12,105	26,186	48,114
2021									12,281	27,865
2022										28,277
										$ 521,415
All outstanding liabilities prior to 2013, net of reinsurance										71,338
Liabilities for claims and claim adjustment expenses, net of reinsurance										$ 1,512,469

(Some amounts may not reconcile due to rounding.)

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance (unaudited)

Years	1	2	3	4	5	6	7	8	9	10
Casualty	6.7%	7.9%	7.8%	8.4%	8.3%	7.2%	8.8%	7.7%	4.4%	3.7%

Property Business

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of reinsurance Years Ended December 31,										Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
Accident Year	2013 (unaudited)	2014 (unaudited)	2015 (unaudited)	2016 (unaudited)	2017 (unaudited)	2018 (unaudited)	2019 (unaudited)	2020 (unaudited)	2021 (unaudited)	2022		
(Dollars in thousands)												
2013	$ 52,878	$ 44,345	$ 34,964	$ 33,279	$ 32,067	$ 31,675	$ 31,780	$ 31,980	$ 32,069	$ 32,004	$ 10	N/A
2014		38,478	34,546	32,358	30,577	30,532	30,490	30,690	30,744	30,437	44	N/A
2015			42,567	40,108	36,708	36,025	37,525	38,525	39,538	39,725	147	N/A
2016				49,286	43,222	43,445	43,460	44,660	45,866	46,247	505	N/A
2017					75,395	64,112	59,706	58,058	51,668	49,804	441	N/A
2018						72,319	63,390	59,986	60,392	53,276	950	N/A
2019							77,609	74,858	77,676	74,498	5,979	N/A
2020								227,351	165,719	181,106	70,685	N/A
2021									285,988	303,847	84,647	N/A
2022										331,914	221,099	N/A
										$ 1,142,857		

(Some amounts may not reconcile due to rounding.)

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance Years Ended December 31,									
Accident Year	2013 (unaudited)	2014 (unaudited)	2015 (unaudited)	2016 (unaudited)	2017 (unaudited)	2018 (unaudited)	2019 (unaudited)	2020 (unaudited)	2021 (unaudited)	2022
(Dollars in thousands)										
2013	$ 9,813	$ 23,758	$ 28,262	$ 30,172	$ 30,862	$ 30,917	$ 31,168	$ 31,333	$ 31,614	$ 31,788
2014		8,335	21,395	26,008	27,832	28,806	29,279	29,576	29,799	29,970
2015			9,795	22,906	28,326	31,841	33,961	35,675	36,046	36,739
2016				7,596	22,883	31,775	36,899	39,389	41,539	42,022
2017					9,480	27,939	39,547	45,310	47,962	49,148
2018						13,072	29,487	38,828	43,863	46,718
2019							11,549	33,410	44,723	51,685
2020								16,171	41,890	76,170
2021									17,434	94,594
2022										20,129
										$ 478,964
All outstanding liabilities prior to 2013, net of reinsurance										12,859
Liabilities for claims and claim adjustment expenses, net of reinsurance										$ 676,753

(Some amounts may not reconcile due to rounding.)

	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance (unaudited)									
Years	1	2	3	4	5	6	7	8	9	10
Property	10.8%	26.5%	17.7%	9.2%	4.7%	2.8%	0.9%	1.1%	0.7%	0.5%

Reconciliation of the Disclosure of Incurred and Paid Claims Development to the Liability for Unpaid Claims and Claim Adjustment Expenses

The reconciliation of the net incurred and paid claims development tables to the liability for claims and claim adjustment expenses in the consolidated statement of financial position is as follows.

(Dollars in thousands)	December 31, 2022
Net outstanding liabilities	
Casualty	$ 1,512,469
Property	676,753
Liabilities for unpaid claims and claim adjustment expenses, net of reinsurance	2,189,222
Reinsurance recoverable on unpaid claims	
Casualty	413
Property	576
Total reinsurance recoverable on unpaid claims	989
Insurance lines other than short-duration	-
Unallocated claims adjustment expenses	-
Other	-
	-
Total gross liability for unpaid claims and claim adjustment expense	$ 2,190,211

Reserving Methodology

The Company maintains reserves equal to our estimated ultimate liability for losses and loss adjustment expense (LAE) for reported and unreported claims for our insurance and reinsurance businesses. Because reserves are based on estimates of ultimate losses and LAE by underwriting or accident year, the Company uses a variety of statistical and actuarial techniques to monitor reserve adequacy over time, evaluate new information as it becomes known, and adjust reserves whenever an adjustment appears warranted. The Company considers many factors when setting reserves including: (1) exposure base and projected ultimate premium; (2) expected loss ratios by product and class of business, which are developed collaboratively by underwriters and actuaries; (3) actuarial methodologies and assumptions which analyze loss reporting and payment experience, reports from ceding companies and historical trends, such as reserving patterns, loss payments, and product mix; (4) current legal interpretations of coverage and liability; and (5) economic conditions. Management's best estimate is developed through collaboration with actuarial, underwriting, claims, legal and finance departments and culminates with the input of reserve committees. Each reserve committee includes the participation of the relevant parties from actuarial, finance, claims and segment senior management and has the responsibility for recommending and approving management's best estimate. Reserves are further reviewed by Everest's Chief Reserving Actuary and senior management. The objective of such process is to determine a single best estimate viewed by management to be the best estimate of its ultimate loss liability. Actual loss and LAE ultimately paid may deviate, perhaps substantially, from such reserves. Net income will be impacted in a period in which the change in estimated ultimate loss and LAE is recorded.

Reserving for reinsurance requires evaluation of loss information received from ceding companies. Ceding companies report losses in many forms depending on the type of contract and the agreed or contractual reporting requirements. Generally, pro rata contracts require the submission of a monthly/quarterly account, which includes premium and loss activity for the period with corresponding reserves as established by the ceding company. This information is recorded into the Company's records. For certain pro rata contracts, the Company may require a detailed loss report for claims that exceed a certain dollar threshold or relate to a particular type of loss. Excess of loss and facultative contracts generally require individual loss reporting with precautionary notices provided when a loss reaches a significant percentage of the attachment point of the contract or when certain causes of loss or types of injury occur. Experienced claims staff handles individual loss reports and supporting claim information. Based on evaluation of a claim, the Company may establish additional case reserves in addition to the case reserves reported by the ceding company. To ensure ceding companies are submitting required and accurate data, Everest's Underwriting, Claim, Reinsurance Accounting, and Internal Audit Departments perform various reviews of ceding companies, particularly larger ceding companies, including on-site audits.

The Company assigns business to exposure groupings so that the underlying exposures have reasonably homogeneous loss development characteristics, and are large enough to facilitate credible estimation of ultimate losses. The Company periodically reviews its exposure groupings and may change groupings over time as business changes. One of the key selection characteristics for the exposure groupings is the historical duration of the claims settlement process. Business in which claims are reported and settled relatively quickly are commonly referred to as short tail lines, principally property lines. On the other hand, casualty claims tend to take longer to be reported and settled and casualty lines are generally referred to as long tail lines. Estimates of ultimate losses for shorter tail lines, with the exception of loss estimates for large catastrophic events, generally exhibit less volatility than those for the longer tail lines.

The Company uses a variety of actuarial methodologies, such as the expected loss ratio method, chain ladder methods, and Bornhuetter-Ferguson methods, supplemented by judgment where appropriate, to estimate ultimate loss and LAE for each exposure group.

Expected Loss Ratio Method: The expected loss ratio method uses earned premium times an expected loss ratio to calculate ultimate losses for a given underwriting or accident year. This method relies entirely on expectation to project ultimate losses with no consideration given to actual losses. As such, it may be appropriate for an immature underwriting or accident year where few, if any, losses have been reported or paid, but less appropriate for a more mature year.

Chain Ladder Method: Chain ladder methods use a standard loss development triangle to project ultimate losses. Age-to-age development factors are selected for each development period and combined to calculate age-to-ultimate development factors which are then applied to paid or reported losses to project ultimate losses. This method relies entirely on actual paid or reported losses to project ultimate losses. No other factors such as changes in pricing or other expectations are taken into account. It is most appropriate for groups with homogeneous, stable experience where past development patterns are expected to continue in the future. It is least appropriate for groups which have changed significantly over time or which are more volatile.

Bornhuetter-Ferguson Method: The Bornhuetter-Ferguson method is a combination of the expected loss ratio method and the chain ladder method. Ultimate losses are projected based partly on actual reported (or paid) losses and partly on expectation. Incurred but not reported (IBNR) reserves are calculated using earned premium, an a priori loss ratio, and selected age-to-age development factors and added to actual reported (or paid) losses to determine ultimate losses. It is more responsive to actual reported or paid development than the expected loss ratio method but less responsive than the chain ladder method. The reliability of the method depends on the accuracy of the selected a priori loss ratio.

Although the Company uses similar actuarial methods for both short tail and long tail lines, the faster reporting of experience for the short tail lines allows the Company to have greater confidence in its estimates of ultimate losses for short tail lines at an earlier stage than for long tail lines. As a result, the Company utilizes, as well, exposure-based methods to estimate its ultimate losses for longer tail lines, especially for immature underwriting or accident years. For both short and long tail lines, the Company supplements these general approaches with analytically based judgments.

Key actuarial assumptions contain no explicit provisions for reserve uncertainty nor does the Company supplement the actuarially determined reserves for uncertainty.

Carried reserves at each reporting date are the management's best estimate of ultimate unpaid losses and LAE at that date. The Company completes detailed reserve studies for each exposure group annually for both reinsurance and insurance operations. The completed annual reserve studies are "rolled-forward" for each accounting period until the subsequent reserve study is completed. Analyzing the roll-forward process involves comparing actual reported losses to expected losses based on the most recent reserve study. The Company analyzes significant variances between actual and expected losses and post adjustments to its reserves as warranted.

Certain reserves, including losses from widespread catastrophic events and COVID-19 related losses, cannot be estimated using traditional actuarial methods. These types of events are reserved for separately using a variety of statistical and actuarial techniques. We estimate losses for these types of events based on information derived from catastrophe models, quantitative and qualitative exposure analyses, reports and communications from ceding companies and development patterns for historically similar events, where available.

4. FAIR VALUE

GAAP guidance regarding fair value measurements address how companies should measure fair value when they are required to use fair value measures for recognition or disclosure purposes under GAAP and provides a common definition of fair value to be used throughout GAAP. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. In addition, it establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability. 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, with Level 1 being the highest priority and Level 3 being the lowest priority.

The levels in the hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in an active market;

Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument;

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's fixed maturity securities are primarily managed by third party investment asset managers. The investment asset managers managing publicly traded securities obtain prices from nationally recognized pricing services. These services seek to utilize market data and observations in their evaluation process. They use pricing applications that vary by asset class and incorporate available market information and when fixed maturity securities do not trade on a daily basis the services will apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. In addition, they use model processes, such as the Option Adjusted Spread model to develop prepayment and interest rate scenarios for securities that have prepayment features.

The investment asset managers do not make any changes to prices received from either the pricing services or the investment brokers. In addition, the investment asset managers have procedures in place to review the reasonableness of the prices from the service providers and may request verification of the prices. The Company also continually performs quantitative and qualitative analysis of prices, including but not limited to initial and ongoing review of pricing methodologies, review of prices obtained from pricing services and third party investment asset managers, review of pricing statistics and trends, and comparison of prices for certain securities with a secondary price source for reasonableness. No material variances were noted during these price validation procedures. In limited situations, where financial markets are inactive or illiquid, the Company may use its own assumptions about future cash flows and risk-adjusted discount rates to determine fair value. The Company made no such assumptions at December 31, 2022 and 2021.

All categories of fixed maturity securities listed in the tables below are generally categorized as level 2, since a particular security may not have traded but the pricing services are able to use valuation models with observable market inputs such as interest rate yield curves and prices for similar fixed maturity securities in terms of issuer, maturity and seniority. For foreign government securities and foreign corporate securities, the fair values provided by the third party pricing services in local currencies, and where applicable, are converted to U.S. dollars using currency exchange rates from nationally recognized sources.

The composition and valuation inputs for the presented fixed maturities categories are as follows:

- U.S. Treasury securities and obligations of U.S. government agencies and corporations are primarily comprised of U.S. Treasury bonds and the fair value is based on observable market inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields;

- Corporate securities are primarily comprised of U.S. corporate and public utility bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities, benchmark yields and credit spreads;

- Asset-backed and mortgage-backed securities fair values are based on observable inputs such as quoted prices, reported trades, quoted prices for similar issuances or benchmark yields and cash flow models using observable inputs such as prepayment speeds, collateral performance and default spreads;

- Foreign government securities are comprised of global non-U.S. sovereign bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source;

- Foreign corporate securities are comprised of global non-U.S. corporate bond issuances and the fair values are based on observable market inputs such as quoted market prices, quoted prices for similar securities and models with observable inputs such as benchmark yields and credit spreads and then, where applicable, converted to U.S. dollars using an exchange rate from a nationally recognized source.

The following tables present the fair value measurement levels for all assets, which the Company has recorded at fair value (fair and market values) as of the periods indicated:

		Fair Value Measurement Using:		
(Dollars in thousands)	December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities, fair value				
U.S. Treasury securities and obligations of U.S. government agencies and corporations	$ 36,716	$ -	$ 36,716	$ -
U.S. corporate securities	568,641	-	568,641	-
Asset-backed securities	37,334	-	37,334	-
Mortgage-backed securities				
Commercial	87,692	-	87,692	-
Agency residential	255,034	-	255,034	-
Non-agency residential	-	-	-	-
Foreign government securities	239,496	-	239,496	-
Foreign corporate securities	1,184,412	-	1,184,412	-
Total fixed maturities, fair value	$ 2,409,325	$ -	$ 2,409,325	$ -

(Dollars in thousands)	December 31, 2021	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Fixed maturities, fair value				
U.S. Treasury securities and obligations of				
U.S. government agencies and corporations	$ 39,135	$ -	$ 39,135	$ -
U.S. corporate securities	654,090	-	654,090	-
Asset-backed securities	29,477	-	29,477	-
Mortgage-backed securities				
Commercial	83,075	-	83,075	-
Agency residential	243,342	-	243,342	-
Non-agency residential	5	-	5	-
Foreign government securities	165,475	-	165,475	-
Foreign corporate securities	829,017	-	829,017	-
Total fixed maturities, fair value	$ 2,043,616	$ -	$ 2,043,616	$ -

Financial Instruments Disclosed, But Not Reported, at Fair Value

Certain financial instruments disclosed, but not reported, at fair value are excluded from the fair value hierarchy tables above. Short-term investments are stated at cost, which approximates fair value. See Note 1.

5. CREDIT FACILITY

Group Credit Facility

Effective May 26, 2016, Group, Everest Reinsurance (Bermuda), Ltd. ("Bermuda Re") and Everest International Reinsurance, Ltd. ("Everest International"), both direct subsidiaries of Group, entered into a five year, $800 million senior credit facility with a syndicate of lenders, which amended and restated in its entirety the June 22, 2012, four year, $800 million senior credit facility. Both the May 26, 2016 and June 22, 2012 senior credit facilities, which have similar terms, are referred to as the "2016 Group Credit Facility". Wells Fargo Corporation ("Wells Fargo Bank") is the administrative agent for the 2016 Group Credit Facility.

Effective May 26, 2021, the term of the 2016 Group Credit Facility expired. The Company elected not to renew this facility to allow for the replacement by other collateralized letter of credit facilities such as those described below. As a result of the non-renewal in May 2021, letter of credit commitment/availability in the 2016 Group Credit Facility as of December 21, 2021 was limited to the remaining $39 million of letters of credit that were in force and which expired in 2022.

The following table summarizes the outstanding letters of credit and/or borrowings for the periods indicated:

(Dollars in thousands)	At December 31, 2022			At December 31, 2021		
Bank	Commitment	In Use	Date of Expiry	Commitment	In Use	Date of Expiry
Wells Fargo Bank Group Credit Facility	$ -	$ -		$ 39,198	$ 39,198	12/30/2022
	-	-		-	-	
Total Wells Fargo Bank Group Credit Facility	$ -	$ -		$ 39,198	$ 39,198	

Everest International Lloyds Bank Credit Facility

Everest International Credit Facility with Lloyds Bank plc ("Everest International Credit Facility") was terminated effective December 20, 2021. As a result, the Everest International Credit Facility no longer has any letter of credit commitment or availability as of that date, and there are no remaining letters of credit in force under the facility.

6. INCOME TAXES

Under Bermuda law, no income or capital gains taxes are imposed on Group and its Bermuda subsidiaries. The Minister of Finance of Bermuda has assured Group and its Bermuda subsidiaries that, pursuant to The Exempted Undertakings Tax Protection Amendment Act of 2011, they will be exempt until 2035 from imposition of any such taxes.

All of the foreign branch income of Everest International Reinsurance, Ltd., in particular the Singapore branch, is subject to the applicable foreign and local taxes.

The provision for income taxes in the statement of operations and comprehensive income (loss) has been determined by reference to the applicable tax laws of jurisdictions in which the income of Everest International Reinsurance, Ltd. is subject to tax. It reflects the permanent differences between financial and taxable income. The significant components of the provision are as follows for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Current foreign tax expense (benefit)	$ 42	$ 42
Total income tax expense (benefit)	$ 42	$ 42

The weighted average expected tax provision has been calculated using the pre-tax income (loss) in each jurisdiction multiplied by that jurisdiction's applicable statutory tax rate. Reconciliation of the difference between the provision for income taxes and the expected tax provision at the weighted average tax rate for the periods indicated is provided below:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Expected tax provision at applicable statutory rates	$ (540)	$ -
Valuation allowance	540	-
Withholding tax	42	42
Total income tax provision	42	42

Deferred Income taxes reflect the tax effect of the temporary differences between the value of assets and liabilities for financial statement purposes and such values are measured by the U.S. tax laws and regulations. The principal items making up the net deferred income tax assets/(liabilities) are as follows for the periods indicated:

	At December 31,	
(Dollars in thousands)	2022	2021
Deferred tax assets:		
Net operating losses	540	-
Total deferred tax assets	540	-
Deferred tax liabilities:		
Other liabilities	-	-
Total deferred tax liabilities	-	-
Net deferred tax assets	540	-
Valuation Allownace	540	-
Net deferred tax assets/(liabilities)	$ -	$ -

At December 31, 2022, the Company had $0.5 million of Valuation Allowance ("VA"). The VA is a result of our conclusion under US GAAP accounting principles that the Singapore jurisdiction could not demonstrate that it was more likely than not that the related deferred tax assets will be realized. This was primarily due to the Company's inability to demonstrate overall profitability within the Singapore jurisdiction.

7. REINSURANCE

The Company engages in reinsurance transactions with Everest Re, Bermuda Re, Ireland Re and Ireland Insurance, primarily driven by enterprise risk and capital management considerations under which business is assumed or ceded at market rates and terms. Such reinsurance does not relieve the Company of its obligation to policyholders. The majority of the Company's business is derived from inter-affiliate reinsurance agreements. All of the Company's retrocessions are with an affiliate.

Premiums written and earned and incurred losses and LAE are comprised of the following for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Written premiums:		
Direct	$ 3,428	$ -
Assumed	1,464,564	1,202,513
Ceded	(5,953)	-
Net written premiums	$ 1,462,039	$ 1,202,513
Premiums earned:		
Direct	$ 332	$ -
Assumed	1,264,770	893,304
Ceded	(1,537)	-
Net premiums earned	$ 1,263,565	$ 893,304
Incurred losses and LAE:		
Direct	$ 1,966	$ -
Assumed	897,829	684,892
Ceded	(998)	(4,547)
Net incurred losses and LAE	$ 898,797	$ 680,345

The table below represents affiliated quota share reinsurance agreements ("whole account quota share") for all new and renewal business for the indicated coverage period:

(Dollars, British pounds and euros in thousands)

Coverage Period	Ceding Company	Percent Ceded	Assuming Company	Type of Business		Single Occurrence Limit	Aggregate Limit
01/01/2004-12/31/2005	Everest Re	2.5%	Everest International	property / casualty business	$	-	-
01/01/2006-12/31/2006	Everest Re	2.0%	Everest International	property business	$	12,500	-
01/01/2006-12/31/2007	Everest Re	3.5%	Everest International	casualty business	$	-	-
01/01/2007-12/31/2007	Everest Re	2.5%	Everest International	property business	$	13,000	-
01/01/2008-12/31/2008	Everest Re	4.0%	Everest International	property / casualty business	$	13,000	27,500
01/01/2009-12/31/2009	Everest Re	8.0%	Everest International	property / casualty business	$	27,300	59,100
01/01/2009-12/31/2009	Everest International	100.0%	Ireland Re	property / casualty business	$	-	-
01/01/2006-12/31/2008	Bermuda Re- U.K. Branch	30.0%	Everest International	property business		400,000	-
01/01/2009-12/31/2009	Bermuda Re- U.K. Branch	50.0%	Everest International	property business	€	200,000	-
01/01/2010-12/31/2010	Bermuda Re- U.K. Branch	50.0%	Everest International	property business	€	160,000	-
01/01/2011-12/31/2011	Bermuda Re- U.K. Branch	50.0%	Everest International	property / casualty business	€	80,000	-
01/01/2012-12/31/2012	Bermuda Re- U.K. Branch	50.0%	Everest International	property / casualty business	£	70,000	-
01/01/2013-12/31/2015	Bermuda Re- U.K. Branch	59.5%	Everest International	property business	£	70,000	-
01/01/2016-12/31/2016	Bermuda Re- U.K. Branch	50.0%	Everest International	property business	£	130,000	-
01/01/2017-12/31/2018	Bermuda Re- U.K. Branch	50.0%	Everest International	property business	£	70,000	
01/01/2019-12/31/2019	Bermuda Re- U.K. Branch	50.0%	Everest International	property business	£	76,000	-
01/01/2020-12/31/2020	Bermuda Re (U.K. Branch)	50.0%	Everest International	property business	£	84,000	-
01/01/2021-12/31/2021	Bermuda Re- U.K. Branch	60.0%	Everest International	property business	£	100,000	-
01/01/2022-12/31/2022	Bermuda Re (U.K. Branch)	70.0%	Everest International	property business	£	75,000	-
01/01/2011-12/31/2013	Ireland Re	50.0%	Everest International	property / casualty business	€	37,500	-
01/01/2014-12/31/2016	Ireland Re	50.0%	Everest International	property business	€	40,000	-
01/01/2018-12/31/2020	Ireland Re	60.0%	Everest International	property business	€	90,000	-
01/01/2021-12/31/2021	Ireland Re	80.0%	Everest International	property business	€	64,000	280,000
01/01/2022-12/31/2022	Ireland Re	80.0%	Everest International	property business	€	48,000	212,000
11/15/2017-06/30/2022	Ireland Insurance	50.0%	Everest International	property business	$	50,000	100,000
11/15/2017-06/30/2022	Ireland Insurance	variable	Everest International	property / casualty business		-	-

The following table summarizes the premiums and losses assumed and ceded by the Company from and to its affiliates for the periods indicated:

Everest Re, Bermuda Re, Ireland Re and Ireland Insurance	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Assumed written premiums	$ 1,464,564	$ 1,202,513
Assumed earned premiums	1,264,770	893,304
Assumed losses and LAE	897,829	684,892

Ireland Re	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Ceded written premiums	$ 5,953	$ -
Ceded earned premiums	1,537	-
Ceded losses and LAE	998	4,547

8. COMPREHENSIVE INCOME (LOSS)

The following table presents the components of comprehensive income (loss) in the statements of operations for the periods indicated:

	Years Ended December 31,					
	2022			2021		
(Dollars in thousands)	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Unrealized appreciation (depreciation) ("URA(D)") on securities - temporary	$(361,411)	$ -	$(361,411)	$(100,714)	$ -	$(100,714)
Reclassification of net realized losses (gains) included in net income (loss)	6,452	-	6,452	(394)	-	(394)
Foreign currency translation adjustments	81	-	81	-	-	-
Total other comprehensive income (loss)	$(354,878)	$ -	$(354,878)	$(101,108)	$ -	$(101,108)

The following table presents details of the amounts reclassified from AOCI for the periods indicated:

	Years Ended December 31,		Affected line item within the statements of
AOCI component	2022	2021	operations and comprehensive income (loss)
(Dollars in thousands)			
URA(D) on securities	$ 6,452	$ (394)	Other net realized capital gains (losses)
	-	-	Income tax expense (benefit)
	$ 6,452	$ (394)	Net income (loss)

The following table presents the components of accumulated other comprehensive income (loss), net of tax, in the balance sheets for the periods indicated:

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Beginning balance of URA(D) on securities	$ 29,418	$ 130,526
Current period change in URA(D) of investments - non-credit related	(354,959)	(101,108)
Ending balance of URA(D) on securities	$ (325,541)	$ 29,418
Beginning balance of foreign currency translation adjustments	-	-
Current period change in foreign currency translation adjustments	81	-
Ending balance of foreign currency translation adjustments	81	-
Ending balance of accumulated other comprehensive income (loss)	$ (325,460)	$ 29,418

9. DIVIDEND RESTRICTIONS AND STATUTORY FINANCIAL INFORMATION

Dividend Restrictions.

Under Bermuda law, Everest International is prohibited from declaring or making payment of a dividend if it fails to meet its minimum solvency margin or minimum liquidity ratio. Prior approval of the Bermuda Monetary Authority ("BMA") is required if Everest International's dividend payments would reduce its prior year-end total statutory capital and surplus by 25% or more.

Statutory Financial Information.

Everest International prepares its statutory financial statements in conformity with accounting principles set forth in Bermuda in The Insurance Act 1978, amendments thereto and related regulations. The statutory capital and surplus of Everest International was $1.0 billion and $1.0 billion at December 31, 2022 and 2021, respectively. The statutory net income (loss) of Everest International was $3.4 million and $90.6 million for the years ended December 31, 2022 and 2021, respectively.

Capital Restrictions.

Everest International is subject to the BSCR administered by the BMA. No regulatory action is taken if an insurer's capital and surplus is equal to or in excess of their enhanced capital requirement determined by the Bermuda Solvency Capital Requirement ("BSCR") model. In addition, the BMA has established a target capital level for each insurer, which is 120% of the enhanced capital requirement.

The regulatory targeted capital and the actual statutory capital for Everest International was as follows:

	Everest International [(1)] At December 31,	
(Dollars in thousands)	2022	2021
Regulatory targeted capital	$ 1,013,287	$ 982,067
Actual capital	1,012,171	1,023,253

(1) Regulatory targeted capital represents the target capital level from the applicable year's BSCR calculation.

10. CONTINGENCIES

In the ordinary course of business, the Company is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which will determine the Company's rights and obligations under insurance and reinsurance agreements. In some disputes, the Company seeks to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Company is resisting attempts by others to collect funds or enforce alleged rights. These disputes arise from time to time and are ultimately resolved through both informal and formal means, including negotiated resolution, arbitration and litigation. In all such matters, the Company believes that its positions are legally and commercially reasonable. The Company considers the statuses of these proceedings when determining its reserves for unpaid loss and loss adjustment expenses.

Aside from litigation and arbitrations related to these insurance and reinsurance agreements, the Company is not a party to any other material litigation or arbitration.

11. RELATED-PARTY TRANSACTIONS

In 2022 and 2021, the Company received $350 million and $0 million, respectively, of capital contributions from Group, its parent company.

As of December 19, 2022, the Company entered into a $125 million long-term note agreement with Group. The note will pay interest annually at a rate of 4.34% and is scheduled to mature in December 2052.

The Company authorized a new preferred stock class. The preferred stock has a par value of $1,000 thousand and has an annual dividend rate of 1.55%. The preferred stock has no voting rights. The Company issued 100 shares of the newly authorized preferred stock to Group. The $100,000 thousand of par value for the issued preferred stock was reclassified from additional paid in capital for common stock, previously issued to Group. Additionally, Everest International issued 500,000 shares of its common stock to its parent company, Group, in exchange for $49,841 thousand of fixed maturity securities.

In the first quarter of 2021, Everest International redeemed the outstanding 1,923.214 shares of preferred stock that had been issued to EPIH. Everest International provided 8,642,891 Common shares of Group, valued at $2.02 billion, to EPIH as consideration for the redemption of the preferred stock.

In the second quarter of 2021, the Company transferred the remaining 1,077,080 shares of Group stock, valued at $274.3 million to Group as a non-cash dividend. As a result of these transactions, the Company no longer holds any shares of Group stock within its investment portfolio.

Everest Global Services, Inc. ("Everest Global"), an affiliate of Everest International, provides centralized management and home office services, through a management agreement. Services provided by Everest Global include executive managerial services, legal services, actuarial services, accounting services, information technology services and others.

The following table presents the expenses incurred by Everest International from services provided by Everest Global for the periods indicated.

	Years Ended December 31,	
(Dollars in thousands)	2022	2021
Expenses incurred	$ 4	$ 1,472

12. SUBSEQUENT EVENTS

The Company has evaluated known recognized and non-recognized subsequent events through April 25, 2023 the date the financial statements are available to be issued. In February 2023, an earthquake occurred which impacted the countries of Turkey and Syria. The Company will reflect the impact of this event in its 2023 results.