



August 18, 2023

Report of Independent Auditors

To the Board of Directors of Universal Shipowners Marine Insurance Association Limited

Opinions

We have audited the accompanying condensed financial statements of Universal Shipowners Marine Insurance Association Limited (the “Company”), which comprise the condensed balance sheets and condensed statements of capital and surplus as of February 20, 2023 and the related condensed statements of income for the years 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 February 20, 2023, and the results of its operations for the years 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”).

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 opinions.

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.

August 18, 2023

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.

Gent Thornton (Bermuda) Limited

**Chartered Professional Accountants
Hamilton, Bermuda**

CONDENSED CONSOLIDATED BALANCE SHEET

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	CASH AND CASH EQUIVALENTS	208,904	81,049
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	237,466	197,672
(b)	Total Bonds and Debentures	237,466	197,672
(c)	Equities		
	i. Common stocks	43	139,988
	ii. Preferred stocks		
	iii. Mutual funds	321,726	163,212
(d)	Total equities	321,769	303,200
(e)	Other quoted investments		
(f)	Total quoted investments	559,235	500,872
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	106	20
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection		
(b)	Deferred - not yet due		174,757
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	-	174,757
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates	152,677	
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	152,677	-
12.	FUNDS HELD BY CEDING REINSURERS		

CONDENSED CONSOLIDATED BALANCE SHEET
UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION
As at **February 20, 2023**
expressed in ['000s] **United States Dollars**

LINE No.		2023	2022
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		
(g)	Net receivables for investments sold	135,783	221
(h)	Other Sundry Assets (Specify)		
(i)	Other Sundry Assets (Specify)	-	-
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	135,783	221
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	1,056,705	756,919
	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	592,390	501,056
(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	592,390	501,056
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	592,390	501,056
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE		
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates		
	(ii) Domestic Affiliates		
	(iii) Pools and Associations		
	(iv) All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30.	LOANS AND NOTES PAYABLE		

CONDENSED CONSOLIDATED BALANCE SHEET

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES		
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	744	552
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	4	42
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Liabilities Payable for investments purchased	71,000	1
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	71,004	43
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	-	-

CONDENSED CONSOLIDATED BALANCE SHEET

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at **February 20, 2023**expressed in ['000s] **United States Dollars****LINE No.**

38. TOTAL OTHER LIABILITIES

39. TOTAL INSURANCE RESERVES AND OTHER LIABILITIES

CAPITAL AND SURPLUS

40. TOTAL CAPITAL AND SURPLUS

41. TOTAL

2023**2022**

71,748

595

664,138

501,651

392,567

255,268

1,056,705

756,919

TRUE**TRUE**

-

-

CONDENSED CONSOLIDATED STATEMENT OF INCOME

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	131,990	84,635
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	131,990	84,635
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	131,990	84,635
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	131,990	84,635
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	131,990	84,635
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	INCURRED	112,223	90,712
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	112,223	90,712
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	19,767	(6,077)
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	19,767	(6,077)
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	679	342
	(b) Personnel cost		

CONDENSED CONSOLIDATED STATEMENT OF INCOME

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2023
expressed in ['000s] United States Dollars**LINE No.**(c) Other
(d) Total combined operating expenses

31. COMBINED INVESTMENT INCOME - NET

32. COMBINED OTHER INCOME (DEDUCTIONS)

33. COMBINED INCOME BEFORE TAXES

34. COMBINED INCOME TAXES (IF APPLICABLE):

(a) Current
(b) Deferred
(c) Total

35. COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)

36. COMBINED REALIZED GAINS (LOSSES)

37. COMBINED INTEREST CHARGES

38. NET INCOME

2023**2022**

679

342

(120,225)

(11,739)

(101,137)

(18,158)

-

-

(101,137)

(18,158)

63,906

25,098

(37,231)

6,940

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized 120,000 shares of par	120	120
	value \$ 1,000 each issued and		
	fully paid 120,000 shares		
	(ii)		
	(A) Preferred shares:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for —		
	2023 _____		
	2022 _____		
	(B) Preferred shares issued by a subsidiary:		
	authorized _____ shares of par		
	value _____ each issued and		
	fully paid _____ shares		
	aggregate liquidation value for —		
	2023 _____		
	2022 _____		
	(iii) Treasury Shares		
	repurchased _____ shares of par		
	value _____ each issued		
(b)	Contributed surplus		
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	120	120
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	255,148	289,889
(b)	Add: Income for the year	(37,231)	6,940
(c)	Less: Dividends paid and payable	(4,620)	(41,500)
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus	179,150	(181)
(f)	Surplus - End of Year	392,447	255,148
3.	MINORITY INTEREST		
4.	TOTAL CAPITAL AND SURPLUS	392,567	255,268

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

Matters to be set forth in a General Note to the Financial Statements

1. Universal Ship-owners Marine Insurance Association Limited (the “Insurer” or “Company”) was incorporated under the laws of Bermuda on March 9, 1971 as an exempted company under The Companies Act 1970.

The Company was a wholly-owned subsidiary of The Britannia Steam Ship Insurance Association Limited (“Britannia UK”). The Company reinsures 90% of Britannia UK's protection and indemnity risks (Class 3) and 90% of Britannia UK's freight, demurrage and defense risk (Class 6), and receives its share of the premium income less a discount for this year of 25% for Class 3 and Class 6. On 25 February 2019, the Company's Board of Directors adopted revised byelaws, which created two new share classes, following which Britannia UK transferred two non-voting shares (0.002%) to the Britannia Steam Ship Insurance Association Holdings (“Britannia Holdings”) and 59,999 Class B shares (49.999%) to the Britannia Steam Ship Insurance Association Europe (“Britannia Europe”).

Britannia Holdings is the ultimate controlling member of Britannia UK and Britannia Europe. Britannia UK and Europe are incorporated associations whose members mutually insure each other, and on whom premium calls are made as required to meet anticipated and known claims. Members are ship-owners who have entered ships for insurance by Britannia UK and Europe.

Following a UK court approval for a Part VII of the Financial Services and Markets Act 2000 to transfer all of Britannia UK business to Britannia Europe, the Company's Board of Directors and Britannia UK resolved on February 16, 2021, to transfer all 59,999 Class A common shares to Britannia Europe with effect from February 20, 2021. This resulted in Britannia Europe becoming the sole shareholder of the Insurer's voting shares.

With effect from February 9, 2023, 59,999 Class A common shares and 59,999 Class B common shares held by Britannia Europe are transferred to Britannia Holdings Ltd. This resulted in Britannia Holdings becoming the sole shareholder of Insurer's voting shares.

On February 10, 2023, the Bermuda Monetary Authority approved the change of the Insurer's controller from Britannia Europe to Britannia Holdings. In addition the Authority approved the merger of Boudicca Insurance Company Limited, with the Insurer continuing as the surviving company.

2. See Part 1, Note 1.
3. The Condensed financial statements are based on UK GAAP.
4. Significant accounting policies

Significant accounting policies are as follows:

- (a) **Premiums**
Recorded premium income represents the Insurer's share of advance calls and budgeted calls (to the extent that they are expected to be called within 12 months from the balance sheet date) for the current year and adjustments for previous years.
- (b) **Losses and loss expenses**
Claims and related expenses, which include the Insurer's share of claims, are charged to the statement of income on an incurred basis.

Full provision is made for outstanding claims which are based upon the Insurer's prudent estimate of the ultimate likely cost of individual claims notified but not paid at the balance sheet date. Provision is also made

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

for claims incurred but not reported (IBNR) based on statistical methods. Both the individual estimates and the IBNR methodology are reviewed on a regular basis. Although, based on information currently available, the ultimate liability of the claims provisions may, as a result of subsequent information and events, prove to be less than or in excess of the amount provided. Provision for the future cost of claims handling is included within the IBNR

- (c) Cash and time deposits
Cash and time deposits include cash and money market funds with original maturities of three months or less.
- (d) Quoted investments
Quoted investments are carried at market value. Unrealized gains and losses represent the difference between the valuation of investments at the balance sheet date and their purchase price or their valuation at the commencement of the year, with an adjustment to reverse previously recognized unrealized gains or losses on investments disposed of in the current year.

5. Recognition of income

Investment income consists of interest on cash and money market funds and is recorded on an accrual basis.

Premium income – see 4(a) above.

Commission income – N/A

6. Foreign currency translation

The Insurer uses the US dollar as its currency of presentation and functional currency. Assets and liabilities in foreign currencies are translated to United States dollars at year-end rates of exchange. Purchases and sales of foreign currency investments are translated at transaction date rates and gains and losses on sales include the effect of exchange fluctuations. Since reinsurance operations are reported in United States dollars, the related balances are not subject to translation. Translation adjustments are reflected in the statement of income.

7- 12. Not Applicable

13. As of February 20, 2023, the Company's financial instruments measured at fair value were categorized as follows:

	Quoted prices in active markets for identified assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
February 20, 2023				
Fixed maturity securities:				
Quoted Equities	\$ 42,914	\$ –	\$ –	\$42,914
Quoted Bonds and Debentures	\$ 237,466,304	–	–	\$237,466,304
Other Quoted Investments.	\$ 321,727,636	–	–	\$321,727,636
Total	\$ 559,236,853	–	–	\$559,236,853

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

As of February 20, 2022, the Company's financial instruments measured at fair value were categorized as follows:

February 20, 2022	Quoted prices in active markets for identified assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Fixed maturity securities:				
Quoted Equities	\$ 139,987,699	\$ —	\$ —	\$139,987,699
Quoted Bonds and Debentures	\$ 16,112,532	—	—	\$16,112,532
Other Quoted Investments.	\$ 344,771,436	—	—	\$344,771,436
Total	\$ 500,871,667	—	—	\$500,871,667

14. The carrying value of debt securities by contractual maturity is shown below. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

February 20, 2023	Amortized cost	Fair value
Less than one year	\$ 21,998,342	\$ 21,962,344
After one year to five years	\$ 34,911,043	33,945,356
	\$ 56,909,384	\$ 55,907,670

February 20, 2022	Amortized cost	Fair value
Less than one year	\$ 5,438,557	\$ 5,672,605
After one year to five years	10,523,368	10,450,079
	\$ 16,122,684	\$ 15,961,925

15. Related Parties: Amount Due from Parent during the course of business – \$152,677,873.

16. N/A

17. N/A

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

Matters to be set forth in Notes to the Consolidated Statement of Capital and Surplus

A. 1(a) Capital Stock

Authorized, issued and fully paid: 120,000 ordinary shares of U.S. \$1 each par value \$120,000

1(b) Contributed surplus - Not Applicable

1(c) Any other fixed capital - Not Applicable

2(c) Dividends paid and payable

The Insurer declared a dividend of \$4,620,000 during the year 2022, to holders of Class A and B common shares.

Matters to be set forth in Notes to the Consolidated Balance Sheet – Class 3A

1. \$208,307,863.76 (2022 – \$79,876,197.03) of Cash and money market funds are pledged in favor of Britannia Europe to secure obligations owed by the Company under the Reinsurance Agreement.

2. See Part I (4)(d)

Quoted investments amounting to \$489,594,445.90 (2022 - \$433,522,276.81) are pledged in favor of Britannia Europe and \$69,637,941.89 (2022 - \$67,349,390.19) pledged in favor of Britannia UK to secure obligations owed by the Company under the Reinsurance Agreements.

3-9 Not Applicable

10. All premium receivables are due from related parties.

11. Not Applicable

12. Not Applicable

13(a) Not Applicable

13(b) See Part VI (36) (d)

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

14. Not Applicable
16. Not Applicable
17. Activity in the reserve for losses and loss adjustment expenses for the years ended February 20, 2023 and 2022 is summarized as follows:

		<u>2023</u>	<u>2022</u>
Balance at February 21 (Gross and net)	\$ USMIA	501,055,504	500,175,740
	Boudicca	153,827,889	
		654,883,393	
Total incurred		112,223,014	90,712,275
Total paid		(174,716,415)	(89,832,511)
Balance at February 20 (Gross and net)	\$	<u>592,389,992</u>	<u>501,055,504</u>

There were no significant changes in the key assumptions utilized in the analysis and calculations of the Company's reserves during the year.

20. - 37. Not Applicable

Matters to be set forth in Notes to the Consolidated Statement of Income

6. Not Applicable
15. Not Applicable
32. Not Applicable
36. (d) Derivative instruments are held to support the Insurer's investment return. Derivative instruments are measured at initial recognition, and subsequently, at fair value and changes in fair value are recognized in the income and expenditure account. Transaction costs incurred in buying and selling derivative instruments are recognized in the income and expenditure account when incurred. The fair value of a derivative instrument is determined by reference to published price quotations in an active market.

	<u>2023</u>		<u>2022</u>		
	Cost/ amortised cost	Market value	Cost/ amortised cost	Market value	
Derivatives at fair value through income	\$ <u>2</u>	<u>(4,466)</u>	<u>7</u>	<u>(43,526)</u>	\$

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2023

(Expressed in U.S. Dollars)

36. Realized gains (losses) arose from sale of quoted investments and derivatives, and is mainly made up of:

	<u>2023</u>	<u>2022</u>
Net realised gains on sale of equities	\$ 65,518,053	20,065,326
Net realised gains on sale of mutual funds	(2,246,867)	2,106,591
Net realised gains on sale of bonds	845,252	2,722,386
Net realised gains on sale of derivatives	<u>(210,678)</u>	<u>203,426</u>
	<u>\$ 63,905,760</u>	<u>25,097,729</u>