

## INDEPENDENT AUDITOR'S REPORT

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

### Our Opinion

In our opinion, the condensed financial statements of Universal Shipowners Marine Insurance Association Limited (the Company) are prepared, in all material respects, 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').

### What We Have Audited

The Company's condensed financial statements comprise:

- the condensed balance sheet as at February 20, 2024;
- the condensed statement of income for the year then ended;
- the condensed statement of capital and surplus as at February 20, 2024; and
- the notes to the condensed financial statements, which include material accounting policy information.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the condensed financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we note that the condensed financial statements have been prepared in accordance with the financial reporting provisions of the Legislation. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of UK GAAP.

### Responsibilities of Management and Those Charged with Governance for the Condensed Financial Statements

Management is responsible for the preparation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation, and for such internal control as management determines is necessary to enable the preparation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the condensed financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Deloitte LLP  
London, United Kingdom  
16 August 2024

**CONDENSED CONSOLIDATED BALANCE SHEET**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at **February 20, 2024**

expressed in ['000s]

**United States Dollars**

LINE No.		2024	2023
1.	CASH AND CASH EQUIVALENTS	25,830	208,904
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	301,308	237,466
(b)	Total Bonds and Debentures	301,308	237,466
(c)	Equities		
	i. Common stocks	49	43
	ii. Preferred stocks		
	iii. Mutual funds	417,168	321,726
(d)	Total equities	417,217	321,769
(e)	Other quoted investments		
(f)	Total quoted investments	718,525	559,235
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	1,435	106
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection		
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	-	-
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates	206,243	152,677
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	206,243	152,677
12.	FUNDS HELD BY CEDING REINSURERS		

**CONDENSED CONSOLIDATED BALANCE SHEET**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at **February 20, 2024**

expressed in ['000s]

**United States Dollars**

LINE No.		2024	2023
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	29,976	135,783
(h)	Other Sundry Assets (Specify)		
(i)	Other Sundry Assets (Specify)	-	-
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	29,976	135,783
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	982,009	1,056,705
	<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b>		
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	548,996	592,390
(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	548,996	592,390
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	548,996	592,390
	<b>LONG-TERM BUSINESS INSURANCE RESERVES</b>		
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)	<b>Total Net Long-Term Business Insurance Reserves</b>	-	-
	<b>OTHER LIABILITIES</b>		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES		
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	720	744
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		

**CONDENSED CONSOLIDATED BALANCE SHEET**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at **February 20, 2024**

expressed in ['000s] **United States Dollars**

LINE No.		2024	2023
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	-	4
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased	15,668	71,000
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	<u>15,668</u>	<u>71,004</u>
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, 2024**expressed in ['000s] **United States Dollars**

<b>LINE No.</b>		<b>2024</b>	<b>2023</b>
38.	TOTAL OTHER LIABILITIES	16,388	71,748
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	565,384	664,138
	<b>CAPITAL AND SURPLUS</b>		
40.	TOTAL CAPITAL AND SURPLUS	416,625	392,567
41.	TOTAL	982,009	1,056,705
		<b>TRUE</b>	<b>TRUE</b>

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2024  
expressed in [000s] United States Dollars

LINE No.		2024	2023
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	115,198	131,990
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	115,198	131,990
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	115,198	131,990
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	115,198	131,990
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	115,198	131,990
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	132,058	112,223
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	132,058	112,223
11.	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	(16,860)	19,767
	<b>LONG-TERM BUSINESS INCOME</b>		
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	-	-
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
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.	<b>NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS</b>	-	-
29.	<b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	(16,860)	19,767
	<b>UNDERNOTED ITEMS</b>		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	456	679
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	456	679
31.	COMBINED INVESTMENT INCOME - NET	17,696	(120,225)
32.	COMBINED OTHER INCOME (DEDUCTIONS)		
33.	COMBINED INCOME BEFORE TAXES	380	(101,137)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		



**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2024  
expressed in [000s] United States Dollars**LINE No.**(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

2024	2023
380	(101,137)
33,905	63,906
34,285	(37,231)

**CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS**

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION

As at February 20, 2024  
expressed in ['000s] United States Dollars

LINE No.		2024	2023
1.	<b>CAPITAL:</b>		
(a)	Capital Stock		
	(i) Common Shares	120	120
	authorized	120,000	
	value	\$ 1,000	
	fully paid	120,000	
		shares of par	each issued and
			shares
	(ii)		
	(A) Preferred shares:		
	authorized		
	value		
	fully paid		
		shares of par	each issued and
			shares
	aggregate liquidation value for –		
	2024		
	2023		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
		shares of par	each issued and
			shares
	aggregate liquidation value for –		
	2024		
	2023		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	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.	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	392,448	255,148
(b)	Add: Income for the year	34,285	(37,231)
(c)	Less: Dividends paid and payable	(10,000)	(4,620)
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus	(228)	179,150
(f)	Surplus - End of Year	416,505	392,447
3.	<b>MINORITY INTEREST</b>		
4.	<b>TOTAL CAPITAL AND SURPLUS</b>	416,625	392,567

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED  
Notes to the Condensed Financial Statements  
As at February 20, 2024

(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 prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 ("FRS 102") - and Financial Reporting Standard 103 Insurance Contracts ("FRS 103"), - the financial reporting standard applicable in the UK and Republic of Ireland.
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.

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED

Notes to the Condensed Financial Statements

As at February 20, 2024

(Expressed in U.S. Dollars)

- (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 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, 2024, the Company's financial instruments measured at fair value were categorized as follows:

February 20, 2024	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	\$ 48,963	\$ –	\$ –	\$48,963
Quoted Bonds and Debentures	\$ 301,307,915	–	–	\$301,307,915
Other Quoted Investments.	\$ 417,168,437	–	–	\$417,168,437
<b>Total</b>	<b>\$ 718,525,315</b>	<b>–</b>	<b>–</b>	<b>\$718,525,315</b>

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED  
Notes to the Condensed Financial Statements  
As at February 20, 2024

(Expressed in U.S. Dollars)

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

February 20, 2023	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	\$ 42,914	\$ –	\$ –	\$42,914
Quoted Bonds and Debentures	\$ 237,466,304	–	–	\$237,466,304
Other Quoted Investments.	\$ 321,727,636	–	–	\$321,727,636
<b>Total</b>	<b>\$ 559,236,853</b>	<b>–</b>	<b>–</b>	<b>\$559,236,853</b>

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 20,2024	Amortized cost	Fair value
Less than one year	\$ 65,839,836	\$ 63,475,728
After one year to five years	\$ 237,586,906	\$ 237,832,187
	\$ 303,426,742	\$ 301,307,915
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

15. Related Parties: Amount Due from Parent during the course of business is \$ 206,242,704 (2023 : \$152,677,873).

16. Subsequent Events: On 26<sup>th</sup> March 2024, cargo vessel, Dali, struck the Francis Scott Key bridge in Baltimore. The company is currently evaluating the impact of this incident in terms of the reinsurance cover it provides.

17. N/A

UNIVERSAL SHIPOWNERS MARINE INSURANCE ASSOCIATION LIMITED  
Notes to the Condensed Financial Statements  
As at February 20, 2024

(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 \$10,000,000 during the year 2023, to holders of Class A and B common shares.

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

1. \$0 (2023 : \$208,307,863.76) 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 \$0 (2023:\$489,594,445.90) are pledged in favor of Britannia Europe and \$0 (2023 : \$69,637,941.89) pledged in favor of Britannia UK to secure obligations owed by the Company under the Reinsurance Agreements.
- 3-8 Not Applicable
9. Accrued Investment balance for the year is \$1,434,757 ( 2023 : 106,675)
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)
14. Not Applicable
16. Not Applicable

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17. Activity in the reserve for losses and loss adjustment expenses for the years ended February 20, 2024 and 2023 is summarized as follows:

		<u>2024</u>	<u>2023</u>
Balance at February 21 (Gross and net)	\$ USMIA Boudicca	592,389,992	501,055,504 153,827,889
		592,389,992	654,883,393
Total incurred		132,057,966	112,223,014
Total paid		<u>(175,451,705)</u>	<u>(174,716,415)</u>
Balance at February 20 (Gross and net)	\$	<u>548,996,253</u>	<u>592,389,992</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. Reserves on individual reported claims within retention are estimated on a 'highest reasonable likely outcome' basis, except in circumstances where there is insufficient information available to make a meaningful estimate. In such cases, a statistically derived reserve is applied, which is based on the development of similar notifications made in earlier years. Provisions in respect of the share of other Clubs' Pool claims are based on information and data supplied by the other parties to the Pooling Agreement, to which similar actuarial techniques and models are applied as described earlier. Provisions for all claims are based on information available at the balance sheet date. Significant delays are experienced in the notification of certain claims (sometimes of many years' duration), and accordingly the ultimate cost of claims cannot be known with certainty at the balance sheet date. It is possible that subsequent information and events may result in the ultimate liability varying from the amount provided. Any such differences between claims provisions and subsequent settlement are dealt with in the income statement in later years.
21. The IBNR provision for claims within retention is determined based on standard actuarial projection techniques supported by stochastic modelling. The model uses historical information on claims development, adjusted for inflation and other variables, such as the number of ships entered, to project the ultimate cost of claims. The principal assumption underlying this approach is that past experience is a reliable basis for projecting the ultimate cost of claims in more recent years. The confidence levels selected for setting IBNR reserves reflect risk tolerance.
- 22- 32. Not Applicable
33. The accounts payable and accrued expenses are \$720,296 (2023: 744,745)
- 34-37. Not Applicable

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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>2024</u>		<u>2023</u>	
	Cost/ amortised cost	Market value	Cost/ amortised cost	Market value
Derivatives at fair value through income	\$ -	-	2	(4,466)

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

	<u>2024</u>	<u>2023</u>
Net realised gains/ (losses) on sale of equities	\$ (35,002)	65,518,053
Net realised gains/ (losses) on sale of mutual funds	31,681,148	(2,246,867)
Net realised gains/ (losses) on sale of bonds	2,074,003	845,252
Net realised gains/ (losses) on sale of derivatives	184,753	(210,678)
	\$ 33,904,902	63,905,760