

June 28, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Insko Limited

Opinions

We have audited the accompanying condensed financial statements of Insko Limited (the "Company"), which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2023 and 2022, 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 December 31, 2023 and 2022, 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").

Adverse opinion on U.S. generally accepted accounting principles

In our opinion, because of the significance of the matter discussed in the *Basis for adverse opinion on U.S. generally accepted accounting principles* section of our report, the accompanying condensed financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2023 and 2022, or the results of its operations for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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.

Basis for adverse opinion on U.S. generally accepted accounting principles

As described in Note 3 to the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Bermuda Monetary Authority.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

INDEPENDENT AUDITORS' REPORT *(continued)*

Responsibilities of management for the condensed financial statements

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

In preparing the condensed financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the condensed financial statements are available to be issued.

Auditors' responsibilities for the audit of the condensed financial statements

Our objectives are to obtain reasonable assurance about whether the condensed financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. 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 U.S. 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.



Chartered Professional Accountants
Hamilton, Bermuda

CONDENSED BALANCE SHEET

InSCO Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
1.	CASH AND CASH EQUIVALENTS	12,326	10,819
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	2,465	5,510
(b)	Total Bonds and Debentures	2,465	5,510
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	2,465	5,510
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	-	80,331
(f)	Total unquoted investments	-	80,331
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	72	22
(h)	Total investments in and advances to affiliates	72	22
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)		

CONDENSED BALANCE SHEET

Insko Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED	18	22
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection		
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	-	-
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers	738	526
(e)	Total reinsurance balance receivable	738	526
12.	FUNDS HELD BY CEDING REINSURERS	131	126

CONDENSED BALANCE SHEET

Insko Limited

As at

December 31, 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	22,487	-
(h)	Other Sundry Assets - due from Insko Holdings		
(i)	Other Sundry Assets (Specify)		
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	22,487	-
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	38,237	97,356
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	18,599	18,863
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers	4,324	4,514
(c)	Total reinsurance recoverable balance	4,324	4,514
(d)	Net loss and loss expense provisions	14,275	14,349
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	14,275	14,349

CONDENSED BALANCE SHEET

Insko Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
	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	1,715	1,682
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	190	149
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		

CONDENSED BALANCE SHEET

Insko Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
(a)	Derivative instruments		
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	1,905	1,831
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	16,180	16,180
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	22,057	81,176
41.	TOTAL	38,237	97,356
		TRUE	TRUE
		-	-

CONDENSED STATEMENT OF INCOME

Insc0 Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	-	-
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	-	-
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	-	-
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	-	-
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	-	-
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	1,281	(144)
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	1,281	(144)
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	(1,281)	144
	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		

CONDENSED STATEMENT OF INCOME

Insc0 Limited

As at

December 31, 2023

expressed in ['000s]

United States Dollars

LINE No.		2023	2022
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	(1,281)	144
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	930	807
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	930	807
31.	COMBINED INVESTMENT INCOME - NET	644	262
32.	COMBINED OTHER INCOME (DEDUCTIONS)	-	-
33.	COMBINED INCOME BEFORE TAXES	(1,567)	(401)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(1,567)	(401)
36.	COMBINED REALIZED GAINS (LOSSES)	23,315	19,714

CONDENSED STATEMENT OF INCOME

InSCO Limited

As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.

37. COMBINED INTEREST CHARGES

38. NET INCOME

2023

2022

21,748

19,313

CONDENSED STATEMENT OF CAPITAL AND SURPLUS

InSCO Limited

As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	120	120
	value	\$ 1,000	
	fully paid	120	
		shares of par	each issued and
		shares	
	(ii)		
	(A) Preferred shares:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2023		
	2022		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2023		
	2022		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	each issued
(b)	Contributed surplus	104,440	185,521
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	104,560	185,641
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	(104,465)	(123,375)
(b)	Add: Income for the year	21,748	19,313
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	214	(403)
(e)	Add (Deduct) change in any other surplus	-	
(f)	Surplus - End of Year	(82,503)	(104,465)

3. MINORITY INTEREST

4. TOTAL CAPITAL AND SURPLUS

22,057

81,176

Insco Limited

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS

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

1. INSCO LIMITED

INSCO Limited (the "Company") was incorporated under the laws of Bermuda and is a wholly owned subsidiary of Insco Holdings Ltd., a Bermuda holding company.

On August 14, 2019, The Mangrove Partners Master Fund Ltd. (the ultimate majority owner of Insco Holdings Ltd.) sold its investment in Insco Holdings Ltd. (formerly called Acumen Holdings Ltd., which changed its name to Insco Holdings Ltd. on February 20, 2019), which is incorporated in the Cayman Islands, to Buttonwood Holdings, Ltd. ("BHL"). BHL is ultimately owned by a number of preferred shareholders, none with more than 9.9% shareholding.

On September 17, 2019 the Bermuda Monetary Authority authorised an application made by the Company for a restructuring of beneficial ownership to BHL.

On October 1, 2021, Buttonwood Holdings Acquisition Company 1 Limited ("BHAC"), a wholly owned subsidiary of BHL (incorporated in Bermuda on February 19, 2021), acquired 100% of the issued and outstanding shares of Insco Holdings Ltd.

On November 17, 2023, Insco Holdings Ltd. entered into a Share and Purchase Agreement with a vendee to acquire the Company. The Sale and Purchase Agreement contained a break clause and on February 23, 2024, the vendee exercised the clause, cancelling the agreement to acquire the Company.

Insco Limited's principal office in Bermuda is Power House, 7 Par-la-Ville Road, Hamilton, HM11, Bermuda.

2. The Company ceased all writing and accepting of insurance business as of November 15, 1984. Prior to cessation, the Company's Net Premium Income included reinsurance of coverage placed with primary insurers by companies in the Gulf Oil Corporation group. Since 1977, the Company had entered into an active participation in International Markets in the following books of business: casualty; property; marine; oil and aviation.
3. The condensed general purpose financial statements have been prepared in conformity 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"). The condensed general purpose financial statements are based upon accounting principles generally accepted in the United States of America ("US GAAP") but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from US GAAP. The more significant variances are as follows:
- A statement of cash flows is not included;
 - A statement of comprehensive income is not included;
 - The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under US GAAP; and
 - The notes included in the condensed general purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under US GAAP.
4. There were no changes to accounting policies during the year.
5. Premiums are recorded as reported for Non-Group business and on an accrual basis for Group business. Premiums are taken into income earned on a pro-rata basis over policy periods. Investment income is earned on the accrual basis of accounting. There is no commission income.
6. Transactions in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the dates of the transactions. Year end monetary assets and liability balances denominated in foreign currency are translated into US Dollars at the year-end rates. The resultant exchange gain or loss is recorded in other income in Line 32 of the Condensed Statement of Income.
7. The Company did not experience any foreign currency control restrictions during the year.

8. There were no material contingencies or commitments during the year.
9. There were no defaults made by the insurer during the year.
10. There are no dividend arrears.
11. No loans were made during the year.
12. There are no retirement benefits obligations.
13. The fair value hierarchy of investments is as follows:

	Fair value	Level 1	Level 2	Level 3
<u>2023</u>	\$	\$	\$	\$
Financial assets				
Hedge funds	-	-	-	-
Fixed income securities	2,464,744	-	2,464,744	-
Time deposits	12,281,491	12,281,491	-	-
Total	14,746,235	12,281,491	2,464,744	-

	Fair value	Level 1	Level 2	Level 3
<u>2022</u>	\$	\$	\$	\$
Financial assets				
Hedge funds	80,331,222	-	80,331,222	-
Fixed income securities	5,509,776	-	5,509,776	-
Time deposits	10,591,957	10,591,957	-	-
Total	96,432,955	10,591,957	85,840,998	-

14. The contractual maturity profile of fixed maturity and short-term investment are:

	Fair value	Up to a year	1 – 5 years	5 – 10 years	Over 10 years
<u>2023</u>	\$	\$	\$	\$	\$
Financial assets					
Fixed income securities	2,464,744	-	1,388,908	1,075,836	-
Time deposits	12,281,491	12,281,491	-	-	-
Total	14,746,235	12,281,491	1,388,908	1,075,836	-

	Fair value	Up to a year	1 – 5 years	5 – 10 years	Over 10 years
<u>2022</u>	\$	\$	\$	\$	\$
Financial assets					
Fixed income securities	5,509,776	1,879,352	1,860,750	1,769,674	-
Time deposits	10,591,957	10,591,957	-	-	-
Total	16,101,733	12,471,309	1,860,750	1,769,674	-

15. Related party transactions

Quest Consulting (London) Limited is considered a related party by virtue of having common directors and shareholders, who have the ability to exercise influence over the financial and operating policies of the Company. During the year, the Company was charged by and paid Quest Consulting (London) Limited \$600,000 management fees (2022: \$500,000).

Marsh Management Limited is considered a related party by virtue of having common directors. During the year, the Company was charged by and paid Marsh Management Limited \$58,877 for management fees (2022: \$59,661).

Mangrove Partners is considered a related party by virtue of having common directors and shareholders, who have the ability to exercise influence over the financial and operating policies of the Company. During 2016, the Company invested \$30,000,000 in the i-feeder investment fund. On December 29, 2023 assets totalling \$103,568,113 were redeemed from the Mangrove i-feeder Investment Fund and acting in accordance with a letter dated December 18, 2023 from the BMA, the Company paid a redemption of \$81,081,000 to Insko Holdings Ltd which reduced the equity of the Company to \$22,057,020 at December 31, 2023. The balance from the i-feeder redemption of \$22,487,113 is reflected as redemptions payable related to the sale of the private insurance company.

16. There have been no transactions made or other event occurring between the end of the relevant year and the date of approval of the condensed general purpose financial statements by the board of directors and materially affecting the condensed general purpose financial statements.
17. There is no further information which in the opinion of the board of directors is required to be disclosed if the condensed general purpose financial statements are not to be misleading.

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

- 1(a) Authorized, Issued and Fully Paid in 2023 and 2022
120 shares of par value \$1,000 each \$120,000
- 1(b) During 2023 the Company returned \$81,081,000 in contributed capital to its sole shareholder in preparation for the share purchase agreement described in General Note 1. There were no changes in 2022.
- 2(c) No dividend has been declared or paid during the year.

**Matters to be set forth in Notes to the Balance Sheet
– Class 3A, Class C, and Class D**

1. Cash and Time Deposits

Cash and Time Deposits include cash equivalents which are comprised of highly liquid investments with original maturity dates of three months or less when purchased together with fixed term deposits for periods in excess of three months.

The value of the Time Deposits at year end were \$12,281,491 (2022: \$10,591,957).

The value of Cash and Time Deposits encumbered in Letters of Credit was \$1,563,837 (2022: \$1,528,958).

2. Quoted Investments

Investments are carried at fair market value, based on quoted market prices. Unrealised investment gains and losses are reported on a net basis with the change in unrealised gains and losses recorded in the condensed statement of statutory capital and surplus. Realised gains and losses are measured as the difference between the amounts for which the securities are disposed and their amortised cost.

The value of quoted investments at the year-end were \$2,464,744 (2022: \$5,509,776).

3. Unquoted investments

Investments are carried at fair market value, based on reported Net Asset Values. Unrealised investment gains and losses are reported on a net basis with the change in unrealised gains and losses recorded through income. Realised gains and losses are measured as the difference between the amounts for which the securities are disposed and their amortised cost.

Unquoted investments at year end amounted to \$nil (2022: \$80,331,222).

4. Advances to affiliates.

During the year Insco paid audit, license and regulatory costs totalling \$nil on behalf of Insco Holdings Ltd. The total amount due from affiliates of \$22,095 (2022: \$22,095) will be recovered by the Company by offset against the accrued management fee payable to Insco Holdings Ltd. in 2024.

5. There is no investment in real estate.

6. There are no policy loans.

7. There is no investment in real estate.

8. There are no collateral loans.

9. Accrued income relates to the Company's fixed income investment portfolio. The balance at December 31, 2023 was \$18,132 (2022: \$21,648).

10. Accounts and premiums receivable

Insurance receivable \$nil (2022: \$nil)

11. Reinsurance balances receivable

Insurance receivable \$737,636 (2022: \$526,105)

12. There are no funds held by ceding reinsurers.

Funds held by assumed policyholders amounted to \$131,088 at the year-end (2022: \$126,195).

13. Sundry assets, net receivables for investments sold. On December 29, 2023 unquoted assets totalling \$103,568,113 were redeemed from the Mangrove i-Feeder Investment Fund. From these proceeds the Company paid a redemption of \$81,081,000 to Insco Holdings Ltd leaving the balance of \$22,487,113 reflected in redemptions payable related to the sale of the private insurance company.

14. The value of the Letters of Credit held are

Letter of Credit held at Bank of Butterfield \$1,563,837 (2022: \$1,528,958)

16. There is no unearned premium reserve.

17. Loss and loss expense provisions

Movements in the loss and loss expense provisions for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
	\$	\$
Gross balance at beginning of year	18,863	20,217
Less reinsurance recoverable	4,514	4,977
<hr/>		
Net balance at beginning of year	14,349	15,240
<hr/>		
Incurred losses related to:		
Current year	0	0
Prior years	1,281	(144)
<hr/>		
Total incurred	1,281	(144)
<hr/>		
Paid losses related to:		
Current year	0	0
Prior years	(1,356)	(747)
<hr/>		
Total paid	(1,356)	(747)
<hr/>		
Net balance at end of year	14,274	14,349
Plus reinsurance recoverable	4,325	4,514
<hr/>		
Gross balance at end of year	18,599	18,863
<hr/>		

The favourable movement during the year was mainly due to adverse market experience during the year on the asbestos and pollution segments, which was offset by favourable movement on the non-latent claims.

The favourable movement during the prior year was mainly due to adverse market experience during the year on the asbestos and pollution segments, which was offset by favourable movement on the non-latent claims. There were no additional or return premiums accrued as a result of prior year effects.

Letters of credit in the amount of \$1,563,837 (2022: \$1,528,958) secured on accounts totalling \$1,563,837 (2022: \$1,528,958) and funds withheld of \$131,088 (2022: \$126,195) are held as security against the Company's liabilities. All other amounts are unsecured.

Generally, provision is made for the estimated unpaid amounts of losses and loss expenses arising from incidents reported to the Company during the year, together with a provision for losses incurred, but not yet reported ("IBNR"). The IBNR is based on past experience using the latest available information and management best estimates of the probable number and nature of claims arising from incidents not yet

reported. The IBNR as at December 31, 2023 and 2022 was established in conjunction with an independent actuarial study for certain risks assumed. The methods of making such estimates and the resulting reserves established are continually reviewed and updated. Any adjustments resulting therefrom are reflected in earnings in the year in which they became known and such adjustments could be material.

The liabilities for unpaid losses and loss expenses are after deductions for reinsurance recoveries from other insurance companies. Amounts recoverable from reinsurance pursuant to reinsurance agreements have been estimated using assumptions consistent with those used in establishing the liability for loss and loss adjustment expenses described above, including the independent actuarial study as appropriate. Management believes that the reinsurance recoverable as recorded represents its best estimate of such amounts. However, as changes in the estimated ultimate liability for losses and loss adjustment expense are determined, the estimated ultimate amount recoverable from reinsurers will also change. Accordingly, the ultimate recoverable could be significantly in excess of or less than the amount indicated in the condensed general purpose financial statements. As adjustment to these estimates become known, such adjustments are reflected in current operations. Management must estimate any recoverables which may be uncollectible based on the creditworthiness of its reinsurers and other factors. Any amounts considered to be uncollectible are covered by an allowance for doubtful accounts, which is reviewed at least annually. In the event that all or any of the reinsuring companies might be unable to meet their obligations under existing reinsurance agreements, the Company would be liable for such defaulted amount.

The Company acts as an insurer and reinsurer of companies which are subject to claims arising from environmental property damage and the clean-up of toxic waste disposal sites. In a large number of instances, the Company has been advised that a potential for claims against the insured exists, but the insured and reinsured are only in a position to quantify the amounts involved. There are various potential interpretations of the coverage provided by the underlying contracts. In addition, it is probable that all insured claims have not yet been reported. As a result, the potential exposure to loss varies significantly over a wide range of values.

On December 27, 2023, the Bermuda Corporate Income Tax Act 2023 ("BCIT Act") was enacted into law. The BCIT Act introduces a 15% corporate income tax ("CIT") on Bermuda businesses that are part of multinational enterprise ("MNE") groups with annual revenue of €750 million or more. The effective date for the CIT is January 1, 2025, except for certain provisions commencing January 1, 2024.

The BCIT Act has not been applied to the Company's condensed general purpose financial statements as at and for the year ended December 31, 2023. The Company is not in scope for CIT.

18-32 N/A

33. Accounts payable and accrued liabilities as at December 31, 2023 relate to:

Audit fee	\$42,000	(2022: \$35,000)
Actuarial review	\$50,000	(2022: \$50,000)
Insco Holding	\$85,000	(2022: \$60,000)
Mangrove	\$9,002	(2022: \$nil)

34-37 N/A

Matters to be set forth in Notes to the Statement of Income
– Class 3A, Class C, and Class D

6. N/A

15. N/A

32. N/A

36. N/A