



May 26, 2021

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors,  
Insko Limited

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, 2020 and 2019, and the related condensed statements of income for the years then ended, and the related notes to the condensed financial statements.

### **Management's responsibility 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 Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the "Legislation"). Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the condensed financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the condensed financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements.

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



## INDEPENDENT AUDITORS' REPORT *(continued)*

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 3 of 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.

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.

### **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" paragraph, the condensed financial statements referred to above 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, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of Insko Limited as of December 31, 2020 and 2019, and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Legislation described in Note 3.

A handwritten signature in black ink that reads "Mazars Limited". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Hamilton, Bermuda

## CONDENSED BALANCE SHEET

InSCO Limited

As at

December 31, 2020

expressed in ['000s]

United States Dollars

LINE No.		2020	2019
1.	CASH AND CASH EQUIVALENTS	6,880	2,708
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	12,986	18,072
(b)	Total Bonds and Debentures	12,986	18,072
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	12,986	18,072
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	-	50,368
(f)	Total unquoted investments	-	50,368
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		

## CONDENSED BALANCE SHEET

Insc0 Limited

As at

December 31, 2020

expressed in ['000s]

United States Dollars

LINE No.		2020	2019
9.	INVESTMENT INCOME DUE AND ACCRUED	16	27
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	385	327
(e)	Total reinsurance balance receivable	385	327
12.	FUNDS HELD BY CEDING REINSURERS	156	87
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	50,302	
(h)	Other Sundry Assets (Specify)		
(i)	Other Sundry Assets (Specify)		
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	50,302	-
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	70,725	71,589
<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	-	-

## CONDENSED BALANCE SHEET

Insc0 Limited

As at

December 31, 2020

expressed in ['000s]

United States Dollars

LINE No.		2020	2019
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	18,064	19,221
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers	4,243	4,450
(c)	Total reinsurance recoverable balance	4,243	4,450
(d)	Net loss and loss expense provisions	13,821	14,771
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	13,821	14,771
	<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	1,730	1,582
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		

## CONDENSED BALANCE SHEET

InSCO Limited

As at

December 31, 2020

expressed in ['000s]

United States Dollars

LINE No.		2020	2019
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	136	114
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments		
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	1,866	1,696
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	15,687	16,467
	<b>CAPITAL AND SURPLUS</b>		
40.	TOTAL CAPITAL AND SURPLUS	55,038	55,122
41.	TOTAL	70,725	71,589
		TRUE	TRUE
		-	-

## CONDENSED STATEMENT OF INCOME

Insc0 Limited

As at

expressed in ['000s]

December 31, 2020

United States Dollars

LINE No.		2020	2019
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
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	-	-
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	INCURRED	(9)	748
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	(9)	748
11.	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	9	(748)
	<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		

## CONDENSED STATEMENT OF INCOME

Insc0 Limited

As at

expressed in ['000s]

December 31, 2020

United States Dollars

LINE No.		2020	2019
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>	9	(748)
	<b>UNDERNOTED ITEMS</b>		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	822	812
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	822	812
31.	COMBINED INVESTMENT INCOME - NET	602	876
32.	COMBINED OTHER INCOME (DEDUCTIONS)	40	(164)
33.	COMBINED INCOME BEFORE TAXES	(171)	(848)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(171)	(848)
36.	COMBINED REALIZED GAINS (LOSSES)	(184)	870
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	(355)	22



## CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Insko Limited

As at **December 31, 2020**  
expressed in ['000s] **United States Dollars**

LINE No.		2020	2019
1.	<b>CAPITAL:</b>		
(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 —		
	2020		
	2019		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for —		
	2020		
	2019		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	each issued
(b)	Contributed surplus	185,521	185,521
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	185,641	185,641
2.	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	(130,519)	(130,587)
(b)	Add: Income for the year	(355)	22
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	271	46
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	(130,603)	(130,519)
3.	<b>MINORITY INTEREST</b>		
4.	<b>TOTAL CAPITAL AND SURPLUS</b>	55,038	55,122

## 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 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.

On September 17, 2019 the Bermuda Monetary Authority authorised an application made by the Company for a restructuring of beneficial ownership to Buttonwood Holdings, Ltd. It is anticipated that the restructuring will complete in 2021. Buttonwood Holdings, Ltd is ultimately owned by a number of preferred shareholders, none with more than 9.9% shareholding.

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. The Company adopted US GAAP Accounting Standards Update 'ASU 2016-01 Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities.' effective January 1, 2019. The adoption of this standard resulted in fair value changes of equity securities being recognized in net income rather in the statement of statutory capital and surplus. During the year ended December 31, 2020, the Company recognized \$65,790 of net unrealized losses on equity securities in net income under the new standards, that would have been recognized in in the statement of statutory capital and surplus under the prior standards.
5. Premiums are recorded as reported for Non-Group business and on an accrual basis for Group business. Premiums are taken into incomes 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 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>2020</u>	\$	\$	\$	\$
<b>Financial assets</b>				
Hedge Funds	-	-	-	-
Fixed income securities	12,986,256	-	12,986,256	-
Time deposits	6,090,165	6,090,165	-	-
	<hr/>			
<b>Total</b>	19,076,421	6,090,165	12,986,256	-
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	Fair value	Level 1	Level 2	Level 3
<u>2019</u>	\$	\$	\$	\$
<b>Financial assets</b>				
Hedge Funds	50,368,139	-	50,368,139	-
Fixed income securities	18,072,163	-	18,072,163	-
Time deposits	2,358,579	2,358,579	-	-
	<hr/>			
<b>Total</b>	70,798,881	2,358,579	68,440,302	-
	<hr/>			

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>2020</u>	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Fixed income securities	12,986,256	-	7,610,063	5,376,193	-
Time deposits	6,090,165	6,090,165	-	-	-
<b>Total</b>	<b>19,076,421</b>	<b>6,090,165</b>	<b>7,610,063</b>	<b>5,376,193</b>	<b>-</b>

	Fair value	Up to a year	1 – 5 years	5 – 10 years	Over 10 years
<u>2019</u>	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Fixed income securities	18,072,163	-	-	18,072,163	-
Time deposits	2,358,579	2,358,579	-	-	-
<b>Total</b>	<b>20,430,742</b>	<b>2,358,579</b>	<b>-</b>	<b>18,072,163</b>	<b>-</b>

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 \$500,000 management fees.

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 \$43,721 for management fees.

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 November 30, 2020 assets totalling \$50,302,349 were redeemed from the Mangrove i-Feeder Investment Fund and reflected in redemptions payable related to the sale of the private insurance company. The balance at December 31, 2020 was \$50,302,349. On completion of the sale to Buttonwood Holdings, Ltd the sundry asset will be reinvested in i-Feeder Fund.

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 financial statements by the board of directors and materially affecting the financial statements.
17. There is no further information which in the opinion of the board of directors is required to be disclosed if the 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<br>120 shares of par value \$1,000.00 each | \$120,000 |
| 1(b) | There were no changes to contributed surplus during the year.                |           |
| 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 \$6,090,164  
The value of Cash and Time Deposits encumbered in Letters of Credit was \$1,485,387
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 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 \$12,986,256
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.
4. There were no investment in and advances to affiliates during the year.
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, 2020 was \$16,132
10. Accounts and premiums receivable  
Insurance receivable                      \$nil
11. Reinsurance balances receivable  
Insurance receivable                      \$385,292
12. There are no funds held by ceding reinsurers.  
Funds held by assumed policyholders amounted to \$156,085 at the year end.
13. Sundry assets, net receivables for investments sold. On November 30, 2020 unquoted assets totalling \$50,302,349 were redeemed from the Mangrove i-Feeder Investment Fund and reflected in redemptions payable related to the sale of the private insurance company. The balance at December 31, 2020 was \$50,302,349. On completion of the sale to Buttonwood Holdings, Ltd the sundry asset will be reinvested in i-Feeder Fund.
14. The value of the Letters of Credit held are  
Letter of Credit held at Bank of Butterfield                      \$1,485,387
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, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Gross balance at beginning of year	19,221	19,444
Less reinsurance recoverable	4,450	4,099
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Net balance at beginning of year	14,771	15,345
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Incurred losses related to:		
Current year	0	0
Prior years	(9)	748
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Total incurred	(9)	748
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Paid losses related to:		
Current year	0	0
Prior years	(941)	(1,322)
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Total paid	(941)	(1,322)
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Net balance at end of year	13,821	14,771
Plus reinsurance recoverable	4,243	4,450
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Gross balance at end of year	18,064	19,221
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The unfavourable 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 unfavourable development on prior year incurred losses largely attributable to unfavourable development on policies and a reduction in the reserve for unallocated adjustment expenses based on current estimates of exposure. There were no additional or return premiums accrued as a result of prior year effects.

Letters of credit in the amount of \$1,485,387 secured on accounts totalling \$1,485,387 and funds withheld of \$156,085 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, 2020 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 financial statements. As adjustment to these estimates become known, such adjustments are reflected in current operations. Management must estimate and recoverables which may be uncollectible based on the creditworthiness of its reinsurers and other factors. Any amounts considered to be uncollectable 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.

20-32 N/A

33. Accounts payable and accrued liabilities as at 31 December 2020 relate to

Audit fee	\$27,500
GAAP Audit fee	\$7,500
Actuarial review	\$50,000
Insco Holding	\$25,000
City Computers Limited – IT	\$12,297
Mangrove – IT	\$10,956

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. This includes Foreign exchange loss, as well as income received during the year from a commutation.
- 36. N/A