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Report of Independent Auditors

The Board of Directors
Palomar Specialty Reinsurance Company Bermuda Ltd.

We have audited the accompanying condensed financial statements of Palomar Specialty Reinsurance Company Bermuda Ltd. (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.

Reference: Report of Independent Auditors on the condensed financial statements of Palomar Specialty Reinsurance Company Bermuda Ltd. as at December 31, 2020 and 2019 and for the years then ended.



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 Palomar Specialty Reinsurance Company Bermuda Ltd. 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.

Ernst & Young Ltd.

May 31, 2021

Chartered Professional Accountants

Reference: Report of Independent Auditors on the condensed financial statements of Palomar Specialty Reinsurance Company Bermuda Ltd. as at December 31, 2020 and 2019 and for the years then ended.

CONDENSED CONSOLIDATED BALANCE SHEET

Palomar Specialty Reinsurance Company Bermuda Ltd.
 As at December 31, 2020
 expressed in ['000s] United States Dollars

LINE No.		2020	2019
1	CASH AND CASH EQUIVALENTS	2,217	1,092
2	QUOTED INVESTMENTS		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	36,538	35,978
(b)	Total Bonds and Debentures	36,538	35,978
(c)	Equities		
	i. Common stocks	-	1,880
	ii. Preferred stocks	1,914	-
	iii. Mutual funds		
(d)	Total equities	1,914	1,880
(e)	Other quoted investments		
(f)	Total quoted investments	38,452	37,858
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	376	
(f)	Total investments in affiliates	376	-
(g)	Advances to affiliates		
(h)	Total investments in and advances to affiliates	376	-
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	223	205
10	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	607	600
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	607	600
11	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	-	-
12	FUNDS HELD BY CEDING REINSURERS	-	-
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	-	275
(h)	Prepayments	35	36
(i)			
(j)	Other Sundry Assets (Specify)		

CONDENSED CONSOLIDATED BALANCE SHEET

Palomar Specialty Reinsurance Company Bermuda Ltd.

As at December 31, 2020

expressed in ['000s] United States Dollars

LINE No.		2020	2019
(k)	Total sundry assets	35	311
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	41,910	40,066
	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		
(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	-	-
18	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19	TOTAL GENERAL BUSINESS INSURANCE RESERVES	-	-
	LONG-TERM BUSINESS INSURANCE RESERVES		
20	RESERVE FOR REPORTED CLAIMS		
21	RESERVE FOR UNREPORTED CLAIMS		
22	POLICY RESERVES - LIFE		
23	POLICY RESERVES - ACCIDENT AND HEALTH		
24	POLICYHOLDERS' FUNDS ON DEPOSIT		
25	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
(i)	Foreign Affiliates		
(ii)	Domestic Affiliates		
(iii)	Pools and Associations		
(iv)	All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-
	OTHER LIABILITIES		
28	INSURANCE AND REINSURANCE BALANCES PAYABLE		
29	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30	LOANS AND NOTES PAYABLE		
31	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32	AMOUNTS DUE TO AFFILIATES	-	334
33	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	12	41
34	FUNDS HELD UNDER REINSURANCE CONTRACTS		
35	DIVIDENDS PAYABLE		

CONDENSED CONSOLIDATED BALANCE SHEET

Palomar Specialty Reinsurance Company Bermuda Ltd.

As at December 31, 2020

expressed in ['000s] United States Dollars

LINE No.		2020	2019
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	12	375
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	12	375
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	41,898	39,691
41.	TOTAL	41,910	40,066
		TRUE	TRUE

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Palomar Specialty Reinsurance Company Bermuda Ltd.
As at December 31, 2020
expressed in ['000s] United States Dollars

LINE No.		2020	2019
	GENERAL BUSINESS UNDERWRITING INCOME		
1	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written		
	(b) Assumed gross premiums written	50	3,264
	(c) Total gross premiums written	50	3,264
2	REINSURANCE PREMIUMS CEDED		
3	NET PREMIUMS WRITTEN	50	3,264
4	INCREASE (DECREASE) IN UNEARNED PREMIUMS	-	15,694
5	NET PREMIUMS EARNED	50	18,958
6	OTHER INSURANCE INCOME		
7	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	50	18,958
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED		
9	COMMISSIONS AND BROKERAGE	-	4,732
10	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	-	4,732
11	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	50	14,226
	LONG-TERM BUSINESS INCOME		
12	GROSS PREMIUMS AND OTHER CONSIDERATIONS		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13	PREMIUMS CEDED		
14	NET PREMIUMS AND OTHER CONSIDERATIONS		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15	OTHER INSURANCE INCOME		
16	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17	CLAIMS - LIFE		
18	POLICYHOLDERS' DIVIDENDS		
19	SURRENDERS		
20	MATURITIES		
21	ANNUITIES		
22	ACCIDENT AND HEALTH BENEFITS		
23	COMMISSIONS		
24	OTHER		
25	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES)		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-
27	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Palomar Specialty Reinsurance Company Bermuda Ltd.
 As at December 31, 2020
 expressed in ['000s] United States Dollars

LINE No.		2020	2019
29	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	50	14,226
	UNDERNOTED ITEMS		
30	COMBINED OPERATING EXPENSE		
	(a) General and administration	180	234
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	180	234
31	COMBINED INVESTMENT INCOME - NET	1,059	693
32	COMBINED OTHER INCOME (DEDUCTIONS)	-	-
33	COMBINED INCOME BEFORE TAXES	929	14,685
34	COMBINED INCOME TAXES (IF APPLICABLE)		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	929	14,685
36	COMBINED REALIZED GAINS (LOSSES)	106	190
37	COMBINED INTEREST CHARGES		
38	NET INCOME	1,035	14,875

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

GENERAL NOTES TO THE FINANCIAL STATEMENTS

1. Palomar Specialty Reinsurance Company Bermuda Ltd. (the “Company”) was incorporated under the laws of Bermuda on August 14, 2014. The Company is a wholly-owned subsidiary of Palomar Holdings, Inc., (formerly GC Palomar Holdings) (the “Parent”), a company incorporated in Delaware. The Company is registered under and regulated by the Insurance Act 1978 and its related regulations.
2. The Company reinsures only U.S. commercial earthquake business ceded by its affiliate, Palomar Specialty Insurance Company (PSIC).
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 on United States of America Generally Accepted Accounting Principles (“US GAAP”) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from US GAAP.
4. The financial statements are prepared in accordance with the Insurance Act 1978, as amended by the Insurance Amendment Act 1995, and the Insurance Account Rules 2016 and reflect the following policies:
 - (a) Premiums and acquisition expenses

Premiums are earned on a pro rata basis over the policy term. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums. Acquisition costs, consisting of commissions, related to the unearned premiums are deferred and amortized to income over the period in which the respective premiums are earned.
 - (b) Losses and loss expense provisions

The Company reinsures only U.S. commercial earthquake business ceded by its affiliate, Palomar Specialty Insurance Company (PSIC). Palomar Re’s reinsurance liability to PSIC is triggered only by a single loss from an earthquake event exceeding \$15 million.
 - (c) Cash and cash equivalents

Cash and cash equivalents comprise of cash held at banks.
 - (d) Investment income

Investment income consists primarily of interest income and dividends. Interest income is recognized on the accrual basis and includes amortization of premiums or discount on fixed interest securities purchased at amounts different from their par value. Net investment income represents investment income, net of expenses.
5. Income is recognised on the following basis:

Premium income - See General Note 4 (a)
Commission income – N/A
Interest income – See General Note 4 (d)
- 6-12. Not applicable

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

13. The Company invests in a variety of investment grade fixed income securities, including U.S. government issues, state government issues, mortgage and asset-backed obligations, and corporate bonds.

The Company utilizes passive and active equity investment strategies and invests in a variety of equity funds.

All of the Company's investments in fixed income securities and equity funds are classified as available-for-sale investment transactions recorded on trade date; and, therefore, are carried at fair value, with unrealized gains and losses included in accumulated other comprehensive income as a separate component of shareholder's equity. The Company uses the specific-identification method to determine the cost of fixed income securities sold and the first-in, first-out method for lots of equity funds sold.

Investment income consists primarily of interest and distributions. Interest income is recognized on an accrual basis. Net investment income represents investment income, net of expenses.

Other-than-temporary declines in fair value of fixed income securities are evaluated for amounts considered to be a credit loss by comparing the expected present value of cash flows to be collected to the amortized cost. Once the amount of other-than-temporary impairment (OTTI) related to the credit loss is determined, the unrealized loss is then bifurcated into the credit-related loss and the loss related to all other factors. The credit-related OTTI loss is recognized as a realized loss in the statement of comprehensive loss and the cost basis of the security is reduced. The OTTI related to other factors remains in accumulated other comprehensive income. Other-than-temporary declines in the fair value of equity funds are recorded as realized losses in the statement of comprehensive income and the cost basis of the fund is reduced (see Note 3 – Investments).

Fair Value

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurement, fair value is defined as the price that the Company would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are quoted prices for similar investments in active markets; quoted prices for identical or similar investments in inactive markets; or valuations based on models where the significant inputs are observable or can be corroborated by observable market data.

Level 3 – Pricing inputs into models are unobservable for the investment. The unobservable inputs require significant management judgment or estimation.

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The Company uses independent pricing sources to obtain the estimated fair value of investments. The fair value is based on quoted market prices, where available. In cases where quoted market prices are not available, the fair value is based on a variety of valuation techniques depending on the type of investment. The fair values obtained from independent pricing sources are reviewed for reasonableness and any discrepancies are investigated for final valuation. The valuation methods used by the Company, by type of investment, are described below.

The fair value of the Company's investments in equity funds is based on quoted prices available in active markets and classified and disclosed in Level 1 of the hierarchy.

The fair value of the Company's investments in fixed income securities is estimated using relevant inputs, including available market information, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. An Option Adjusted Spread model is also used to develop prepayment and interest rate scenarios. Industry standard models are used to analyze and value securities with embedded options or prepayment sensitivities. These fair value measurements are estimated based on observable, objectively verifiable market information rather than market quotes; therefore, these investments are classified and disclosed in Level 2 of the hierarchy

14. The contractual maturity profile for the insurers' fixed maturity and short term investments:

	2020	
	Cost	Fair Value
Due within 1 year	1,978,941	2,019,531
Due after 1 year through 5 years	13,578,224	14,218,723
Due after 5 years through 10 years	9,325,092	10,503,305
Due after 10 years	100,000	104,935
Mortgage & Asset Backed Securities	9,108,120	9,691,541
Total	34,090,377	36,538,035

	2019	
	Cost	Fair Value
Due within 1 year	1,358,307	1,351,114
Due after 1 year through 5 years	12,356,137	12,585,957
Due after 5 years through 10 years	8,297,386	8,906,295
Due after 10 years	365,435	388,172
Mortgage & Asset Backed Securities	12,338,015	12,746,850
Total	34,715,280	35,978,388

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

15-16. Not applicable

17. The Company has evaluated the impact of the continuing COVID 19 pandemic on its December 31, 2020 statutory financial statements until May XX, 2021, the date these condensed general purpose financial statements were available to be issued and did not identify any element that would require an adjustment to these condensed general purpose financial statements. The Board of Directors however acknowledges that this pandemic may have an impact on its operations in 2021, the magnitude of which is unpredictable and uncertain. As an immediate action, appropriate measures have been taken which are driven directly by its parent as the totality of the Company's underwriting business is sourced from its parent. In particular:

- The Insurer does not have any explicit hedging protection arrangement at local level but there is business continuity plan driven by its parent to ensure that from an operational aspects, there is appropriate monitoring over the underwriting process and claims handling.
- Losses and premium collection are closely monitored through regular communication with all parties concerned.
- Liquidity and solvency position are vigorously monitored by way of various stress tests performed for worst-case scenarios and no breach has been identified.
- Business relationships with all third parties not limited to banks, are being closely monitored.

The Insurer currently believes that it has the ability to meet the statutory solvency and liquid ratio requirements and continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this report. The full extent and duration of the impact of COVID-19 on the Insurer's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

NOTES TO THE CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

1. (a) Capital Stock

Authorised, issued and fully paid 120,000 common shares of par value \$1 each.

(b) Contributed Surplus – There was no change in contributed surplus during the year.

2. (c) Not applicable.

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Not applicable.
2. See General Note 13.
3. Not applicable.
4. Amounts advanced to affiliates of \$375,612 (2019: \$Nil) are interest free, unsecured and have no fixed terms of repayments.
- 5-8. Not applicable.
9. Investment income due and accrued of \$223,077 (2019: \$205,008) represents accrued investment income due at year end.
10. Accounts and premiums receivable of \$607,075 (2019: \$600,404) comprise premiums receivable from the ceding company
- 11-12. Not applicable
13. Sundry assets are composed of investments receivable and prepaid expenses. Investments receivable are in the amount of \$Nil (2019: \$274,974). Prepaid expenses represents prepaid management fee and out of pocket expenses in the amount of \$34,725 (2019: \$35,584).
14. Not applicable.
16. See Part 1 note 4(a).
17. Not applicable
- 20-27. Not applicable.
28. Not applicable.
29. Not applicable.
30. Not applicable.
31. Not applicable.
32. Amounts due to affiliates are interest free, unsecured and have no fixed terms of repayment.
33. Accounts payable and accrued expenses in the amount of \$11,961 (2019: \$40,825) represent the accrued secretarial fee, actuarial fee, and audit fee.
- 34-35. Not applicable.
36. Not applicable.
37. Not applicable.

PALOMAR SPECIALTY REINSURANCE COMPANY BERMUDA LTD.

NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

- 6. Not applicable
- 15. Not applicable.
- 32. Not applicable
- 36. Realized gains reflect net gains resulting from the sale of marketable securities during the year.