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## Report of Independent Auditors

The Board of Directors  
Split Rock Insurance, Ltd.

We have audited the accompanying condensed financial statements of Split Rock Insurance, 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 Split Rock Insurance, Ltd. as at December 31, 2020 and 2019, and for the years then ended.*

### **Basis for Adverse Opinion on International Financial Reporting Standards**

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 International Financial Reporting Standards.

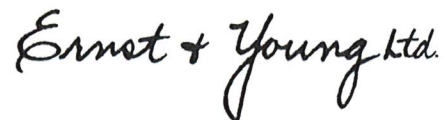
The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and International Financial Reporting Standards, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on International Reporting Standards**

In our opinion, because of the significance of the matter discussed in the “Basis for adverse opinion on International Financial Reporting Standards” paragraph, the condensed financial statements referred to above do not present fairly, in accordance with International Financial Reporting Standards, 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 Split Rock Insurance, 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.



April 28, 2021

Chartered Professional Accountants

**CONDENSED STATEMENT OF FINANCIAL POSITION**

Split Rock Insurance, Ltd.

As at **December 31, 2020**

expressed in ('000s) **United States Dollars**

LINE No.		2020	2019
1.	CASH AND CASH EQUIVALENTS	3,777	7,458
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	165,787	255,708
(b)	Total Bonds and Debentures	165,787	255,708
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	165,787	255,708
3.	UNQUOTED INVESTMENTS:		
(e)	Other unquoted investments	4,626	3,821
(f)	Total unquoted investments	4,626	3,821
9.	INVESTMENT INCOME DUE AND ACCRUED	741	957
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	234	240
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	234	240
13.	SUNDRY ASSETS:		
(g)	Net receivables for investments sold		
(k)	Total sundry assets	-	-
15.	TOTAL	175,165	268,184
	<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b>		
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	161,397	236,666
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		-
	iii. Pools & associations		
	iv. All other reinsurers	55,256	63,851
(c)	Total reinsurance recoverable balance	55,256	63,851
(d)	Net loss and loss expense provisions	106,141	172,815
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	106,141	172,815
	<b>OTHER LIABILITIES</b>		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	17,569	36,115
32.	AMOUNTS DUE TO AFFILIATES	6	6
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	79	88
38.	TOTAL OTHER LIABILITIES	17,654	36,209
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	123,795	209,024
	<b>CAPITAL AND SURPLUS</b>		
40.	TOTAL CAPITAL AND SURPLUS	51,370	59,160
41.	TOTAL	175,165	268,184

**CONDENSED STATEMENT OF PROFIT OR LOSS**

Split Rock Insurance, Ltd.

 As at **December 31, 2020**  
 expressed in ['000s] **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	-	906
3.	NET PREMIUMS WRITTEN	-	(906)
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	-	(906)
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	-	(906)
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	10,330	13,953
9.	COMMISSIONS AND BROKERAGE	-	
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	10,330	13,953
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	(10,330)	(14,859)
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	(10,330)	(14,859)
	<b>UNDERNOTED ITEMS</b>		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	389	218
	(b) Personnel cost	-	
	(c) Other	-	
	(d) Total combined operating expenses	389	218
31.	COMBINED INVESTMENT INCOME - NET	6,327	10,950
32.	COMBINED OTHER INCOME (DEDUCTIONS)	-	
33.	COMBINED INCOME BEFORE TAXES	(4,392)	(4,127)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	-	
	(b) Deferred	-	
	(c) Total	-	
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(4,392)	(4,127)
36.	COMBINED REALIZED GAINS (LOSSES)	5,839	910
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	1,447	(3,217)

**CONDENSED STATEMENT OF CHANGES IN CAPITAL AND SURPLUS**

Split Rock Insurance, Ltd.

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	120	120
	authorized	120	shares of par
	value	\$ 1,000	each issued and
	fully paid	120	shares
(b)	Contributed surplus	53,500	62,500
(d)	Total Capital	53,620	62,620
2.	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	-3,460	10,583
(b)	Add: Income for the year	1,447	(3,217)
(c)	Less: Dividends paid and payable		(20,000)
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	(237)	9,174
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	(2,250)	(3,460)
3.	<b>MINORITY INTEREST</b>		
4.	<b>TOTAL CAPITAL AND SURPLUS</b>	51,370	59,160

## NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS

Split Rock Insurance, Ltd.  
As at December 31, 2020  
(Expressed in thousands of United States Dollars)

### GENERAL NOTES TO THE FINANCIAL STATEMENTS

1. Split Rock Insurance, Ltd. (the "Company") was incorporated under the laws of Bermuda on February 5, 2013 and is registered as a Class 3A insurer under the Bermuda Insurance Act 1978, amendments thereto and Related Regulations, ("the Act"). The Company is a wholly owned subsidiary of Intact Ventures Inc. The Company's ultimate parent is Intact Financial Corporation ("IFC"). IFC is incorporated in Canada and is the largest provider of property and casualty insurance in Canada and a leading provider of specialty insurance in North America.
2. On August 1, 2013, the Company entered into a reinsurance agreement with Atlantic Specialty Insurance Company ("ASIC"), an indirect wholly owned subsidiary of IFC, to assume 20% quota share of ASIC specialty property and casualty net exposures. This agreement was not renewed upon its expiration at July 31, 2014.

Under the January 1, 2015 The Company entered in a new reinsurance agreement with ASIC in which the Company assumes 50% quota share of ASIC business. The 50% quote share agreement was renewed on January 1, 2016 and January 1, 2017. The Company did not renew the ASIC quota share reinsurance agreement on January 1, 2018.

On November 1, 2013, the Company entered into a reinsurance agreement with Star & Shield Insurance Exchange ("SSIE"), a US domiciled property and casualty insurance company, to assume 40% quota share of SSIE automobile liability and physical damage book of business. This agreement was not renewed upon its expiration on November 1, 2014. In June 2019 SSIE novated the reinsurance agreement to Peachtree Casualty Insurance Company.

On September 28, 2017, Company entered into an adverse development cover ("ADC") with Swiss Reinsurance America Corporation ("Swiss Re") which covers net losses incurred in accident year 2016 and prior. The ADC provides protection up to \$200 million above net losses in excess of \$1.2 billion on the combined balance of ASIC and the Company at December 31, 2016.

On December 31, 2019 the Company entered into a retroactive reinsurance agreement effective December 31, 2019 whereby substantially all of the healthcare loss reserves on accident years 2017 and forward were ceded by way of a loss portfolio transfer. On July 1, 2020 the agreement was terminated and commuted.

**3. BASIS OF PRESENTATION**

The accompanying condensed 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 under International Financial Reporting Standards (IFRS) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from IFRS. 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 IFRS; 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 IFRS.

**Use of Estimates**

The presentation of the financial statements in conformity with the financial reporting provisions of the Legislation requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements. The most significant items on the balance sheet that involve accounting estimates and actuarial determinants are reserves for losses and loss expenses and valuation of investments. The recorded amounts of revenues and expenses during the reporting period are based on information currently available, and actual results could differ from these estimates. Management believes the amounts recorded are reasonable.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies are summarized as follows:

**Cash and cash equivalents**

Cash and cash equivalents include amounts due from banks, money market mutual funds, short-term securities with maturities of less than 90 days and commercial paper held in the ordinary course of business.

**Premium Income**

Premiums are earned on a pro rata basis over the terms of the policies. Premiums applicable to future periods, if any, are deferred as unearned premium in the balance sheet. Additional premiums reported by ceding companies are fully earned in the period when they are reported. The Company is assuming written premiums as they are earned.

**Commission Income**

Commissions are expensed as incurred.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Losses and loss adjustment expenses**

The liability for losses and loss adjustment expenses represents estimates of the ultimate cost of all losses incurred but not paid through to the statement of financial position date. These estimates are continually reviewed and, as adjustments become necessary, such adjustments are reflected in current operations. Inherent in the estimates of losses are expected trends of frequency, severity and other factors that could vary significantly as claims are settled. Accordingly, ultimate losses could vary from the amounts provided in these financial statements. Any subsequent differences arising are recorded in the period in which they are determined.

**Investment Income**

Quoted investments are fixed maturity investment and are recorded at fair value.

Other unquoted investments are private equity funds and are recorded at fair value.

Investment transactions are recorded on the trade date with balances pending settlement reflected in the condensed balance sheet as a component of sundry assets or sundry liabilities. Premiums and discounts on all fixed maturity investments are amortized and accreted to income over the anticipated life of the investment. Changes in unrealized investment gains or losses are recorded as change in unrealized appreciation (depreciation) of investments as a separate component of surplus. Realized investment gains or losses are included in the Condensed Statement of Profit or Loss and are derived using the specific identification method for determining the cost of investments sold. Interest income is recorded on the accrual basis. Dividends are recognized on the ex-dividend date.

**Foreign Currency Translation**

Foreign currency denominated assets and liabilities are translated at exchange rates in effect at the Condensed Statement of Financial Position date. Foreign currency revenues and expenses are translated at the exchange rates in effect at the date of the transaction. Exchange gains or losses are reflected in the Condensed Statement of Profit or Loss.

- 5. Investment Income: See General Note 4.
- 6. Not Applicable
- 7. There are no foreign exchange control restrictions affecting assets of the Company.
- 8-12. Not Applicable



Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

13. The fair value of the Company's quoted and unquoted investments as at December 31, 2020 and 2019 are presented below by Level.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy of investments is based on the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity can access at the measurement date
- Level 2: Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly
- Level 3: Unobservable inputs

<b>As at December 31, 2020</b>				
	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Quoted Investments</b>				
Bonds and debentures				
Other	165,787	-	165,787	-
Cash and short term investments				
Private Money Market Funds	3,777	3,777	-	-
<b>Quoted Investments</b>	<b>169,564</b>	<b>3,777</b>	<b>165,787</b>	<b>-</b>
Unquoted Investments:				
Other unquoted investments	4,626	-	-	4,626
<b>Unquoted Investments</b>	<b>4,626</b>	<b>-</b>	<b>-</b>	<b>4,626</b>
<b>Total</b>	<b>174,190</b>	<b>3,777</b>	<b>165,787</b>	<b>4,626</b>

<b>As at December 31, 2019</b>				
	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Quoted Investments</b>				
Bonds and debentures				
Other	255,708		255,708	-
Cash and short term investments				
Private Money Market Funds	7,458	7,458	-	-
<b>Quoted Investments</b>	<b>263,166</b>	<b>7,458</b>	<b>255,708</b>	<b>-</b>
Unquoted Investments:				
Other unquoted investments	3,821	-	-	3,821
<b>Unquoted Investments</b>	<b>3,821</b>	<b>-</b>	<b>-</b>	<b>3,821</b>
<b>Total</b>	<b>266,987</b>	<b>7,458</b>	<b>255,708</b>	<b>3,821</b>

Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

14. The cost or amortized cost and fair value of the Company's fixed maturity investments as of December 31, 2020 and 2019 is presented below by contractual maturity.

Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

	<b>As at December 31, 2020</b>	
	<b>Cost or amortized cost</b>	<b>Fair Value</b>
Due within one year	978	979
Due after one year through five years	31,249	32,014
Due after five years through ten years	9,510	9,829
Due after ten years	119,846	122,965
<b>Total</b>	<b>161,583</b>	<b>165,787</b>

	<b>As at December 31, 2019</b>	
	<b>Cost or amortized cost</b>	<b>Fair Value</b>
Due within one year	-	-
Due after one year through five years	48,253	48,518
Due after five years through ten years	44,744	45,848
Due after ten years	158,683	161,342
<b>Total</b>	<b>251,680</b>	<b>255,708</b>

15. Related party transactions

**Intact Services USA LLC**

Effective August 1, 2013, the Company entered into a services agreement with Intact Services USA LLC ("ISU"), an affiliate and wholly owned subsidiary of IFC, pursuant to which ISU provides various operational services for the Company. The Company had \$6 and \$6 payable to OBS at December 31, 2020 and 2019, respectively.

***Atlantic Specialty Insurance Company***

Please see General Note 2 for details of the reinsurance agreements with ASIC. For the year ended December 31, 2020 and 2019, the Company assumed gross written premiums of \$0 and \$0 and losses and loss expenses of \$10,806 and \$31,991 from ASIC and had \$0 and \$0 in premiums receivable from ASIC and \$17,566 and \$36,108 in reinsurance balances payable to ASIC at December 31, 2020 and 2019, respectively.

Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

15. Related party transactions (continued)

***Investment Management Agreement with Intact Investment Management***

Intact Investment Management LLC ("IIM"), a wholly owned subsidiary of Intact Financial Corporation, supervised and directed the fixed income and other investments portion of the Company's investment portfolio in accordance with the Company's investment objectives, policies, and restrictions described in the Company's investment guidelines. IIM had full discretion and authority to make all investment decisions in respect of the fixed income and other investments portion of the Company's investment portfolio and to do anything which IIM deem is required, appropriate or advisable in connection with the foregoing, subject to and in accordance with the Company's Investment Guidelines. The assets of the Company's portfolio are held in one or more separately identifiable accounts in the custody of a bank or similar entity designated by the Company and acceptable to IIM.

The Company incurred fees of \$23 and \$35 related to IIM in the year ended December 31, 2020 and 2019 respectively, and had \$4 and \$3 in fees payable to IIM at December 31, 2020 and 2019, respectively.

16. Not Applicable.  
17. Not Applicable.

**NOTES TO THE CONDENSED STATEMENT OF FINANCIAL POSITION**

1. Cash and cash equivalents

At December 31, 2020 and 2019, cash and cash equivalents of \$1,403 and \$4,225 were held in trust as restricted balances for a ceding insurer in order to indemnify against certain losses and loss expenses.

2. Quoted investments

At December 31, 2020 and 2019, quoted investments of \$160,396 and \$252,631 were held in trust as restricted balances in order to indemnify ceding insurers against certain losses and loss expenses. Please see General Note 4 for a description of the valuation method for quoted investments.

3. Unquoted investments

At December 31, 2020 and 2019, none of the unquoted investments were held in trust as restricted balances. Please see General Note 4 for a description of the valuation method for unquoted investments.

- 4-8. Not Applicable

9. At December 31, 2020 and 2019, the Investment income due and accrued was \$741 and \$957.

10. Not Applicable.

- 11-12. Not Applicable

13. Not Applicable

Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

14. Not Applicable

16. Not Applicable

17(a). Loss and Loss Adjustment Expense Provisions

The reconciliation of unpaid losses and loss expense for the period ended December 31, 2020 and 2019 is as follows:

	Dec 31, 2020	Dec 31, 2019
Gross loss and loss expense provisions at beginning of year	236,666	327,254
Less: Reinsurance recoverable at beginning of year	63,851	24,911
Net loss and loss expense provisions at beginning of year	<u>172,815</u>	<u>302,343</u>
Acquisition / Sale of loss reserves (net):	-	(18,307)
Net losses incurred and net loss expenses incurred related to:		
Current year	-	-
Prior years	10,330	13,953
Total net incurred losses & loss expenses	<u>10,330</u>	<u>13,953</u>
Net losses and loss expenses paid or payable related to:		
Current year	-	-
Prior years	(77,004)	(125,174)
Total losses and loss expenses paid or payable	<u>(77,004)</u>	<u>(125,174)</u>
Foreign exchange and other	-	-
Net loss and loss expense provisions at end of year	<u>106,141</u>	<u>172,815</u>
Add: Reinsurance recoverable at end of year	55,256	63,851
Gross loss and loss expense provisions at end of year	<u><u>161,397</u></u>	<u><u>236,666</u></u>

17(b). Incurred loss and loss expense in 2020 was \$10,330. This consisted of adverse development of \$10,884 partially offset by \$8,000 of cessions under the adverse development cover. There was an additional adverse impact to risk margin and discount of \$7,446 which is a result of exhausting the ADC limit. A portion of the risk margin was previously being ceded to the ADC, however, because the ADC limit is exhausted, risk margin can no longer be ceded.

The adverse development gross of reinsurance in 2020 was primarily driven by the Architects & Engineers, Healthcare and Government Risks businesses in accident years 2015 and 2016.

Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

17(b). (Continued)

Incurred loss and loss expense in 2019 was \$13,953. This consisted of adverse development of \$32,060 partially offset by \$22,423 of cessions under the adverse development cover. There was an additional adverse impact to risk margin and discount of \$4,316 primarily driven by a significant decrease in the discount rate.

The adverse development gross of reinsurance in 2019 was driven by the Healthcare and Programs businesses in accident years 2015-2017. The adverse development in accident years 2015 and 2016 was greatly reduced by the adverse development cover, whereas the unfavorable development in accident year 2017 was not subject to the cover.

17(c). At December 31, 2020 and 2019, total restricted assets held for security or collateral against a liability or contingent liability are \$161,799 and \$256,856.

20-27. Not Applicable

28. At December 31, 2020 and 2019 the reinsurance balance due to affiliates is \$17,569 and \$36,115.

29-31. Not Applicable

32. Amounts due to affiliates.

The amounts due to affiliates represents amounts due from the Company to various group companies. These arise from normal operating activities. At December 31, 2020 and 2019, amounts due to affiliates were \$6 and \$6 respectively; the amounts outstanding were unsecured, interest free and settled quarterly.

33. Accounts Payable and Accrued liabilities.

The accounts payable and accrued liabilities represents' amounts due from the Company for accrued investment expenses and audit fees. These arise from normal operating activities. At December 31, 2020 and 2019, accounts payable was \$79 and \$88 respectively.

34-35. Not Applicable

36. Not Applicable

37. Not Applicable

**NOTES TO THE CONDENSED STATEMENT OF PROFIT OR LOSS**

6. Not Applicable

15. Not Applicable

32. Not Applicable

Split Rock Insurance, Ltd.  
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS  
(Expressed in thousands of United States Dollars)

36. Realized gains (losses)

Realized gains (losses) during the period were generated by the sale of equity and fixed income securities and derivatives during the period.

See General Note 4 Investments and Investment Income.

**NOTES TO THE CONDENSED STATEMENT OF CAPITAL AND SURPLUS**

1(a). Capital Stock

At December 31, 2020 and 2019, the common stock consists of 120,000 authorized, issued and fully paid common share with a par value of \$1.00 each.

1(b). Contributed Surplus

Contributed surplus represents a contribution to surplus made by the parent company or a return of capital to the parent company. During 2020, the Company returned \$9,000 of capital to its parent company. During 2019, the Company returned \$10,000 of capital to its parent company.

2(c). Dividends

In 2020 the Company paid a dividend of \$0 to its parent company (\$20,000 in 2019).