

Fergus Reinsurance Limited

DECLARATION OF COMPLIANCE

(Prepared in accordance with section 15A of the Insurance Act 1978)

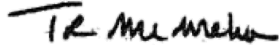
For the Year-Ended – December 31, 2020

We, the undersigned Directors of Fergus Reinsurance Limited (“the Company”) declare that to the best of our knowledge and belief, the Company has:

- (a) Complied with all requirements of the minimum criteria, with exception of the minimum margin solvency and enhanced capital requirements as noted below*;
- (b) Not Compliant with the minimum margin of solvency* as at December 31, 2020;
- (c) Not Compliant with applicable enhanced capital requirements* as at its financial year end;
- (d) Complied with applicable conditions, directions and restrictions imposed on, or approvals granted to, the insurer; and
- (e) Complied with the minimum liquidity ratio for general business as at its financial year end.

*It was noted during the preparation of the Company’s BSCR for the year ended December 31, 2020, that the preference shares linked to the segregated accounts within the Company, require approval to be considered Tier 1 capital, and thus, the Company does not meet the eligible tier capital requirements. The Company brought this matter to the Authority’s attention and requested a meeting with the Authority to discuss. The Company is currently reviewing a capital restructure to restore the Company to compliance. It is anticipated that the restructure will be completed early in the second quarter of 2022.

DIRECTORS:



Director: Thomas McMahon

January 25, 2022

Date



Director: Navin Dadlani

Jan/25/2022

Date