

**Chubb INA Overseas Insurance
Company Ltd.**

(Incorporated in Bermuda)

Condensed General Purpose Financial Statements

December 31, 2023 and 2022

(in thousands of dollars)



April 26, 2024

Report of Independent Auditors

To the Board of Directors of Chubb INA Overseas Insurance Company Ltd.

Opinions

We have audited the accompanying condensed financial statements of Chubb INA Overseas Insurance Company Ltd. (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 (US 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.



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 US 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 US 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.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet

At December 31, 2023 and December, 31 2022

Condensed BALANCE SHEET			
Chubb INA Overseas Insurance Company Ltd. and its subsidiaries			
As at December 31, 2023			
expressed in ['000s] United States Dollars			
LINE No.		2023	2022
1	CASH AND CASH EQUIVALENTS	406,594	74,978
2	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity	—	—
	ii. Other	235,178	221,675
(b)	Total Bonds and Debentures	235,178	221,675
(c)	Equities		
	i. Common stocks	—	—
	ii. Preferred stocks	—	—
	iii. Mutual funds	—	—
(d)	Total equities	—	—
(e)	Other quoted investments	—	—
(f)	Total quoted investments	235,178	221,675
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	—	—
(f)	Total investments in affiliates	—	—
(g)	Advances to affiliates	19,941	127,110
(h)	Total investments in and advances to affiliates	19,941	127,110
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	—	—

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet... continued
At December 31, 2023 and December, 31 2022

Condensed BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd. and its subsidiaries

As at December 31, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
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	1,229	1,089
10	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	53,099	85,586
(b)	Deferred - not yet due	—	—
(c)	Receivables from retrocessional contracts	—	—
(d)	Total accounts and premiums receivable	53,099	85,586
11	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates	1,820	3,935
(b)	Domestic affiliates	—	—
(c)	Pools & associations	—	—
(d)	All other insurers	57,388	18,947
(e)	Total reinsurance balance receivable	59,208	22,882
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	12,453	12,434
(g)	Net receivables for investments sold	—	—
(h)		—	—
(i)		—	—
(j)		—	—
(k)	Total sundry assets	12,453	12,434
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	787,702	545,754

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet... continued
At December 31, 2023 and December, 31 2022

Condensed BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd. and its subsidiaries

As at December 31, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	223,864	206,736
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates	13,145	16,134
	ii. Domestic affiliates	260	694
	iii. Pools & associations	—	—
	iv. All other insurers	120,007	99,858
(c)	Total ceded unearned premium reserve	133,412	116,686
(d)	Net unearned premium reserve	90,452	90,050
17	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	603,880	541,012
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates	8,996	12,418
	ii. Domestic affiliates	1,782	1,463
	iii. Pools & associations	—	—
	iv. All other reinsurers	355,200	333,684
(c)	Total reinsurance recoverable balance	365,978	347,565
(d)	Net loss and loss expense provisions	237,902	193,447
18	OTHER GENERAL BUSINESS INSURANCE RESERVES	—	—
19	TOTAL GENERAL BUSINESS INSURANCE RESERVES	328,354	283,497
	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	—	—

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet... continued
At December 31, 2023 and December, 31 2022

Condensed BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd. and its subsidiaries

As at December 31, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
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	187,815	66,096
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	45	43
33	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	37	1,010
34	FUNDS HELD UNDER REINSURANCE CONTRACTS:	9,175	7,645
35	DIVIDENDS PAYABLE	—	—
36	SUNDRY LIABILITIES:		
(a)	Derivative instruments	—	—
(b)	Segregated accounts companies	—	—
(c)	Deposit liabilities	—	—
(d)	Net payable for investments purchased	—	—
(e)		—	—
(f)		—	—
(g)		—	—
(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	197,072	74,794
39	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	525,426	358,291
	CAPITAL AND SURPLUS		
40	TOTAL CAPITAL AND SURPLUS	262,276	187,463
41	TOTAL	787,702	545,754

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statement of Income

For the years ended December 31, 2023 and December, 31 2022

Condensed STATEMENT OF INCOME			
Chubb INA Overseas Insurance Company Ltd. and its subsidiaries			
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	722,387	646,924
	(c) Total gross premiums written	722,387	646,924
2	REINSURANCE PREMIUMS CEDED	522,490	459,906
3	NET PREMIUMS WRITTEN	199,897	187,018
4	INCREASE (DECREASE) IN UNEARNED PREMIUMS	(151)	(11,300)
5	NET PREMIUMS EARNED	199,746	175,718
6	OTHER INSURANCE INCOME	—	—
7	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	199,746	175,718
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	81,249	62,387
9	COMMISSIONS AND BROKERAGE	61,583	61,147
10	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	142,832	123,534
11	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	56,914	52,184
	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	—	—

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statement of Income... continued

For the years ended December 31, 2023 and December, 31 2022

Condensed STATEMENT OF INCOME

Chubb INA Overseas Insurance Company Ltd. and its subsidiaries

As at December 31, 2023

expressed in ['000s] United States Dollars

LINE No.		2023	2022
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	56,914	52,184
	UNDERNOTED ITEMS		
30	COMBINED OPERATING EXPENSE		
	(a) General and administration	24,199	21,308
	(b) Personnel cost	4,957	4,364
	(c) Other	—	—
	(d) Total combined operating expenses	29,156	25,672
31	COMBINED INVESTMENT INCOME - NET	19,364	5,442
32	COMBINED OTHER INCOME (DEDUCTIONS)	27,227	29,719
33	COMBINED INCOME BEFORE TAXES	74,349	61,673
34	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	—	—
	(b) Deferred	—	—
	(c) Total	—	—
35	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	74,349	61,673
36	COMBINED REALIZED GAINS (LOSSES)	(6,126)	13,817
37	COMBINED INTEREST CHARGES	—	—
38	NET INCOME	68,223	75,490

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statement of Capital and Surplus

For the years ended December 31, 2023 and December, 31 2022

Condensed STATEMENT OF CAPITAL AND SURPLUS

Chubb INA Overseas Insurance Company Ltd. and its subsidiaries

As at December 31, 2023

expressed in ['000s] United States Dollars

LINE No.			2023	2022
1	CAPITAL:			
(a)	Capital Stock			
	(i) Common Shares			
	authorized	120,000	120	120
	value	1		
	fully paid	120,000		
			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		34,880	34,880
(c)	Any other fixed capital			
	(i) Hybrid capital instruments		—	—
	(ii) Guarantees and others		—	—
	(iii) Total any other fixed capital		—	—
(d)	Total Capital		35,000	35,000
2	SURPLUS:			
(a)	Surplus - Beginning of Year		152,463	107,883
(b)	Add: Income for the year		68,223	75,490
(c)	Less: Dividends paid and payable		—	—
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		9,000	(18,150)
(e)	Add (Deduct) change in any other surplus		(2,410)	(12,760)
(f)	Surplus - End of Year		227,276	152,463
3	MINORITY INTEREST		—	—
4	TOTAL CAPITAL AND SURPLUS		262,276	187,463

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

1. General

Chubb INA Overseas Insurance Company Ltd. (CIOIC or the Company) incorporated under the laws of Bermuda on January 24, 2018, and registered as a Class 3A insurer on April 3, 2018. The company, which was capitalized with \$35 million of cash, is a wholly-owned subsidiary of ACE INA Overseas Insurance Company Ltd. (AIOIC), a Bermuda exempted company. AIOIC is a wholly-owned subsidiary of Chubb INA International Holdings, Ltd., who in turn is ultimately wholly-owned by Chubb Limited (Chubb), a company incorporated in Switzerland.

2. Nature of risks underwritten

The Company writes property and casualty reinsurance business and acts as an affiliate reinsurer with respect to business written by international affiliates.

3. Accounting standards & policies

Basis of presentation

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 (U.S. GAAP) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from U.S. 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 U.S. 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 U.S. GAAP.

The preparation of Condensed General Purpose Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amounts included in the Condensed Financial Statements reflect the Company’s best estimates and assumptions; actual amounts could differ materially from these estimates. The Company’s principal estimates include:

- unpaid loss and loss expense provisions;
- amortization of deferred policy acquisition costs;
- the assessment of risk transfer for certain reinsurance contracts;
- reinsurance recoverable, including a valuation allowance for uncollectible reinsurance; and
- the valuation of the investment portfolio and assessment of valuation allowance for expected credit losses.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

4. Significant accounting policies

(a) Investments

Bonds and Debentures (including fixed maturities and short-term investments)

Bonds and debentures are classified as available-for-sale (AFS) and are reported at fair value with changes in fair value recorded as change in unrealized appreciation (depreciation) of investments in Condensed Statement of Capital and Surplus. Short-term investments comprise securities due to mature within one year of the date of purchase and are recorded at fair value which typically approximates cost.

Interest, amortization of fixed maturity market premiums and discounts related to these securities are recorded in combined investment income, net of investment management and custody fees, in the Condensed Statement of Income. Realized gains or losses on sales of investments are determined on a first-in, first-out basis.

Valuation allowance for fixed income securities

Management evaluates expected credit losses (ECL) for AFS securities when fair value is below amortized cost. AFS securities are evaluated for potential credit loss on an individual security level but the evaluation may use assumptions consistent with expectations of credit losses for a group of similar securities. If management has the intent to sell or will be required to sell the security before recovery, the entire impairment loss will be recorded through income to net realized gains and losses. If management does not have the intent to sell or will not be required to sell the security before recovery, an allowance for credit losses is established and is recorded through income to net realized gains and losses, and the non-credit loss portion is recorded through other comprehensive income.

Examples of criteria that are collectively evaluated to determine if a credit loss has occurred include the following:

- The extent to which the fair value is less than amortized cost;
- Adverse conditions related to the security, industry, or geographic area;
- Downgrades in the security's credit rating by a rating agency; and
- Failure of the issuer to make scheduled principal or interest payments

AFS securities that meet any one of the criteria included above will be subject to a discounted cash flow analysis by comparing the present value of expected future cash flows with the amortized cost basis. Projected cash flows are driven primarily by assumptions regarding probability of default and the timing and amount of recoveries associated with defaults. Chubb developed the projected cash flows using market data, issuer-specific information, and credit ratings. In combination with contractual cash flows and the use of historical default and recovery data by Moody's Investors Service (Moody's) rating category we generate expected cash flows using the average cumulative issuer-weighted global default rates by letter rating.

If the present value of expected future cash flows is less than the amortized cost, a credit loss exists and an allowance for credit losses will be recognized. If the present value of expected future cash flows is equal to or greater than the amortized cost basis, management will conclude an expected credit loss does not exist.

Management reviews credit losses and the valuation allowance for expected credit losses each quarter. When all or a portion of a fixed maturity security is identified to be uncollectible and written off, the valuation allowance for expected credit losses is reduced by the same amount. In general, a security is considered uncollectible no later than when all efforts to collect contractual cash flows have been exhausted.

Below are considerations for when a security may be deemed uncollectible:

- We have sufficient information to determine that the issuer of the security is insolvent;
- We receive notice that the issuer of the security has filed for bankruptcy, and the collectability is expected to be adversely impacted by the bankruptcy;
- The issuer of a security has violated multiple debt covenants;
- Amounts have been past due for a specified period of time with no response from the issuer;
- A significant deterioration in the value of the collateral has occurred;

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

- We have received correspondence from the issuer of the security indicating that it doesn't intend to pay the contractual principal and interest.

We elected to not measure an allowance for accrued investment income as uncollectible balances are written off in a timely manner, typically 30 to 45 days after uncollected balances are due.

(b) Cash

The Company has agreements with a third party bank provider which implemented two international multi-currency notional cash pooling programs. In the program, participating-Chubb entities establish deposit accounts in different currencies with the bank provider and each day the credit or debit balances in every account are notionally translated into a single currency (U.S. dollars) and then notionally pooled. The bank extends overdraft credit to any participating Chubb entity as needed, provided that the overall notionally-pooled balance of all accounts in each pool at the end of each day is at least zero. Actual cash balances are not physically converted and are not commingled between legal entities. Any overdraft balances incurred under this program by a Chubb entity would be guaranteed by Chubb Limited (up to \$300 million in the aggregate). The Company's syndicated letter of credit facility allows for same day drawings to fund a net pool overdraft should participating Chubb entities overdraw contributed funds from the pool. The Company is a participating Chubb entity.

(c) Reinsurance

The Company assumes and cedes reinsurance with other insurance companies to provide greater diversification of business and minimize the net loss potential arising from large risks. Ceded reinsurance contracts do not relieve the Company of its primary obligation to policyholders.

For both ceded and assumed reinsurance, risk transfer requirements must be met in order to account for a contract as reinsurance, principally resulting in the recognition of cash flows under the contract as premiums and losses. To meet risk transfer requirements, a reinsurance contract must include insurance risk, consisting of both underwriting and timing risk, and a reasonable possibility of a significant loss for the assuming entity. To assess risk transfer for certain contracts, the Company generally develops expected discounted cash flow analyses at contract inception.

Reinsurance balances receivable and reinsurance recoverable includes balances due from reinsurance companies for paid and unpaid losses and loss expenses that will be recovered from reinsurers, based on contracts in force. The method for determining the reinsurance recoverable on unpaid losses and loss expenses incurred but not reported (IBNR) involves actuarial estimates consistent with those used to establish the associated liability for unpaid losses and loss expenses as well as a determination of the Company's ability to cede unpaid losses and loss expenses under the terms of the reinsurance agreement.

Reinsurance balances receivable and reinsurance recoverable is generally presented net of a valuation allowance for uncollectible reinsurance determined based upon a review of the financial condition of the reinsurers and other factors. The valuation allowance for uncollectible reinsurance is based on an estimate of the reinsurance recoverable balance that the Company will ultimately be unable to recover due to reinsurer insolvency, a contractual dispute, or any other reason. The valuation of this allowance includes several judgments including certain aspects of the allocation of reinsurance recoverable on IBNR claims by reinsurer and a default analysis to estimate uncollectible reinsurance. The primary components of the default analysis are reinsurance recoverable balances by reinsurer, net of collateral, and default factors used to determine the portion of a reinsurer's balance deemed uncollectible. The definition of collateral for this purpose requires some judgment and is generally limited to assets held in trust, letters of credit, and liabilities held by the Company with the same legal entity for which it believes there is a contractual right of offset. The determination of the default factor is principally based on the financial strength rating of the reinsurer. Default factors require considerable judgment and are determined using the current financial strength rating, or rating equivalent, of each reinsurer as well as other key considerations and assumptions. Changes in the valuation allowance for uncollectible reinsurance recoverables are recorded in Losses and loss expenses in the Condensed Statement of Income. The more significant considerations to calculate the valuation allowance include, but are not necessarily limited to, the following:

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- For reinsurers that maintain a financial strength rating from a major rating agency, and for which recoverable balances are considered representative of the larger population (i.e., default probabilities are consistent with similarly rated reinsurers and payment durations conform to averages), the financial rating is based on a published source and the default factor is based on published default statistics of a major rating agency applicable to the reinsurer's particular rating class. When a recoverable is expected to be paid in a brief period of time by a highly rated reinsurer, such as certain property catastrophe claims, a default factor may not be applied;
- For balances recoverable from reinsurers that are both unrated by a major rating agency and for which management is unable to determine a credible rating equivalent based on a parent, affiliate, or peer company, the Company determines a rating equivalent based on an analysis of the reinsurer that considers an assessment of the creditworthiness of the particular entity, industry benchmarks, or other factors as considered appropriate. The Company then applies the applicable default factor for that rating class. For balances recoverable from unrated reinsurers for which the ceded reserve is below a certain threshold, the Company generally applies a default factor of 34 percent, consistent with published statistics of a major rating agency;
- For balances recoverable from reinsurers that are either insolvent or under regulatory supervision, the Company establishes a default factor and resulting provision for uncollectible reinsurance based on reinsurer-specific facts and circumstances. Upon initial notification of insolvency, the Company generally recognizes an expense for a substantial portion of all balances outstanding, net of collateral, through a combination of write-offs of recoverable balances and increases to the provision for uncollectible reinsurance. When regulatory action is taken on a reinsurer, the Company generally recognizes a default factor by estimating an expected recovery on all balances outstanding, net of collateral. When sufficient credible information becomes available, the Company adjusts the provision for uncollectible reinsurance by establishing a default factor pursuant to information received; and
- For other recoverables, management determines the provision for uncollectible reinsurance based on the specific facts and circumstances.

Ceded unearned reinsurance premiums represent the portion of premiums ceded to reinsurers applicable to the unexpired coverage terms of the reinsurance contracts in force.

(d) Deferred policy acquisition costs (DAC)

Policy acquisition costs consist of commissions (direct and ceded) and certain underwriting costs related directly to the successful acquisition of new or renewal insurance contracts. Policy acquisition costs on property and casualty (P&C) contracts are generally amortized ratably over the period in which premiums are earned. The effect of changes in estimates of expected gross profits is reflected in the period the estimates are revised. Policy acquisition costs are reviewed to determine if they are recoverable from future income, including investment income. Unrecoverable policy acquisition costs are expensed in the period identified.

(e) Losses and loss expense provisions

A liability is established for the estimated unpaid losses and loss expenses under the terms of the Company's policies and agreements. Similar to premiums that are recognized as revenues over the coverage period of the policy, a liability for unpaid losses and loss expenses is recognized as expense when insured events occur over the coverage period of the policy. The liability includes a provision for both reported claims (case reserves) and incurred but not reported claims (IBNR reserves). IBNR reserve estimates are generally calculated by first projecting the ultimate cost of all losses that have occurred (expected losses), and then subtracting paid losses, case reserves, and loss expenses. The methods of determining such estimates and establishing the resulting liabilities are reviewed regularly and any adjustments are reflected in the Condensed Statement of Income of income in the period in which they become known. Future developments may result in losses and loss expenses materially greater or less than the recorded amounts.

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Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves first reported in previous calendar years and excludes the effect of losses from the development of earned premium from previous accident years.

For purposes of analysis and disclosure, management views prior period development to be changes in the nominal value of the loss estimates from period to period, net of premium and profit commission adjustments on loss sensitive contracts. Prior period development generally excludes changes in loss estimates that do not arise from the emergence of claims, such as those related to uncollectible reinsurance, unallocated loss adjustment expenses or foreign currency. Accordingly, specific items excluded from prior period development include the following: gains/losses related to foreign currency remeasurement; losses recognized from the early termination or commutation of reinsurance agreements that principally relate to the time value of money; and losses that arise from changes in estimates of earned premiums from prior accident years. Except for foreign currency remeasurement, which is included in Combined realized gains (losses), these items are included in current year losses.

(f) Premiums

Premiums are generally recorded as written upon inception of the policy. For multi-year policies for which premiums written are payable in annual installments, only the current annual premium is included as written at policy inception due to the ability of the insured/reinsured to commute or cancel coverage within the policy term. The remaining annual premiums are recorded as written at each successive anniversary date within the multi-year term.

For property and casualty (P&C) reinsurance products, premiums written are primarily earned on a pro-rata basis over the policy terms to which they relate. Unearned premiums reserves represent the portion of premiums written applicable to the unexpired portion of the policies in force. For retrospectively-rated policies, written premiums are adjusted to reflect expected ultimate premiums consistent with changes to incurred losses, or other measures of exposure as stated in the policy, and earned over the policy coverage period.

Reinsurance premiums assumed are based on information provided by ceding companies supplemented by the Company's own estimates of premium when the Company has not received ceding company reports. Estimates are reviewed and adjustments are recorded in the period in which they are determined. Premiums are earned over the coverage terms of the related reinsurance contracts and range from one to three years.

(g) Foreign currency remeasurement and translation

Transactions in currencies other than the Company's functional currency are remeasured into the functional currency and the resulting foreign exchange gains and losses are reflected in combined realized gain (losses) in the Condensed Statement of Income. Functional currency assets and liabilities are translated into the reporting currency, U.S. dollars, using period end exchange rates and the related translation adjustments are recorded as change in any other surplus in Condensed Statement of Capital and Surplus. Functional statement of operations amounts expressed in functional currencies are translated using average exchange rates.

(h) Income Taxes

United States Taxation

The Company is a wholly-owned subsidiary of AIOIC, which has elected under IRC Section 953(d) to be treated as a U.S. company for U.S. tax reporting purposes and included in the consolidated U.S. tax return of their ultimate U.S. shareholder-parent, Chubb Group Holdings, Inc. and subsidiaries. Under the U.S. Controlled Foreign Corporation tax provisions, the Company's income is subject to U.S. tax at the shareholder level and included in AIOIC's U.S. income tax return.

Bermuda Taxation

Under Bermuda law, the Company is not required to pay any taxes on income or capital gains. However, on December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act of 2023 ("CIT") which

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Notes to Condensed General Purpose Financial Statements

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

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established a 15 percent income tax on net taxable income of Bermuda entities subject to the CIT effective January 1, 2025. The CIT provides for a variety of elections that may be made by a Bermuda entity that may exempt or result in timing differences related to the recognition of income for tax purposes. The Company intends to elect to exempt its income from the CIT.

5. Revenue Recognition

For revenue recognition of premium, investment and commission income, see Note 4(a), (c), (d) and (f) in the general note to the financial statements.

6. Foreign Currency Transactions

For foreign currency transactions, see Note 4(g) in the general note to the financial statements. Transaction gains and losses resulting from foreign currency transactions are recorded in combined realized gains (losses). There were \$(3.7) million and \$14.7 million of foreign exchange gains (losses) during the year of 2023 and 2022, respectively.

7. Foreign Exchange Control Restrictions

Not applicable.

8. Commitments, Contingencies, and Guarantees

(a) Concentrations of credit risk

In accordance with industry practice, we generally pay amounts owed on claims to brokers who, in turn, remit these amounts to the insured or ceding insurer. Although the law is unsettled and depends upon the facts and circumstances of the particular case, in some jurisdictions, if a broker fails to make such a payment, we might remain liable to the insured or ceding insurer for the deficiency. Conversely, in certain jurisdictions, if the brokers do not remit premiums paid for these policies over to us, these premiums might be considered to have been paid and the insured or ceding insurer will no longer be liable to us for those amounts, whether or not we have actually received the premiums from the broker. Consequently, we assume a degree of credit risk associated with brokers with whom we transact business. However, due to the unsettled and fact-specific nature of the law, we are unable to quantify our exposure to this risk. To date, we have not experienced any material losses related to these credit risks.

(b) Legal proceedings

The Company may be subject to arbitration proceedings involving disputed interpretations of treaty coverage. These arbitration proceedings, involving disputed interpretations of treaty coverage and/or claims on policies issued by ceding companies, are typical to the reinsurance industry in general and in the normal course of business and are considered in the Company's loss and loss expense reserves. In addition to arbitration proceedings, the Company may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on assumed reinsurance treaties. This category of business litigation could involve, amongst other things, allegations of underwriting errors or misconduct, employment claims, regulatory activity or disputes arising from business ventures. In the opinion of the Company's management, the ultimate liability for these matters could be, but we believe is not likely to be, material to the Company's condensed financial condition and results of operations.

(c) Letters of Credit

The Company has access to credit facilities with letter of credit capacity of \$3.9 billion with a sub-limit of \$3.0 billion of which can be used for revolving credit. The existing credit facilities have remaining terms expiring through October 2027. Chubb's LOC usage on these facilities was \$0.9 billion and \$1.2 billion at December 31, 2023 and 2022, respectively.

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

9. Default

Not applicable

10. Dividends on Preferred Shares

Not applicable

11. Loans

Not applicable

12. Retirement obligation

CIOIC provides pension benefits to employees through defined contribution plans. Under these plans, employees' contributions may be supplemented by company matching contributions based on the level of employee contribution. These contributions are invested at the election of each employee in one or more of several investment portfolios offered by a third-party investment advisor.

13. Fair Value Measurements

The following table presents, by valuation hierarchy, the financial instruments measured at fair value on a recurring basis:

December 31, 2023	Quoted Prices in Active Markets for Identical Assets or Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	(in thousands of U.S. dollars)			
Assets:				
<u>Fixed maturities available-for-sale</u>				
Foreign	\$ —	\$ 234,549	\$ —	\$ 234,549
Corporate securities	—	370	—	370
Short-term investments	186	73	—	259
Total quoted investments at fair value	<u>\$ 186</u>	<u>\$ 234,992</u>	<u>\$ —</u>	<u>\$ 235,178</u>

December 31, 2022	Quoted Prices in Active Markets for Identical Assets or Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	(in thousands of U.S. dollars)			
Assets:				
<u>Fixed maturities available-for-sale</u>				
Foreign	\$ —	\$ 219,132	\$ —	\$ 219,132
Corporate securities	—	177	—	177
Short-term investments	354	2,012	—	2,366
Total quoted investments at fair value	<u>\$ 354</u>	<u>\$ 221,321</u>	<u>\$ —</u>	<u>\$ 221,675</u>

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

14. Contractual Maturity

The following table presents bonds and debentures by contractual maturity at December 31, 2023 and 2022.

	<u>2023</u>		<u>2022</u>
	Fair Value		Fair Value
	(in thousands of U.S. Dollars)		
<u>Available-for-sale; maturity period</u>			
Due in 1 year or less	\$ 13,374	\$	11,752
Due after 1 year through 5 years	119,055		106,889
Due after 5 years through 10 years	101,473		101,871
Due after 10 years	1,276		1,163
	<u>\$ 235,178</u>	<u>\$</u>	<u>221,675</u>

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

15. Related Party Transactions

The Company assumes and cedes premiums and losses and loss expenses under various quota share agreements relating to multinational business which is written by various affiliates. Balances are interest free and repayable on demand. Significant statement of income amounts and balance sheet account balances for and at the years ended December 31, 2023 and 2022 that have been affected by these intercompany reinsurance agreements are as follows:

(in thousands of U.S. dollars)	<u>2023</u>		<u>2022</u>
Assets:			
Accounts and premiums receivable	\$ 53,099	\$	85,586
Ceded unearned premium reserves	13,405		16,828
Reinsurance recoverable on loss and loss expense	10,778		13,881
Liabilities:			
Loss and loss expense provisions	\$ 603,880	\$	541,012
Unearned premiums	223,864		206,736
Reinsurance balances payable	10,609		5,908
Statement of Income:			
Gross premiums written	722,387		646,924
Reinsurance premiums ceded	(48,399)		(51,527)
Net premiums earned	668,991		587,510
Losses and loss expenses	248,665		252,742
Policy acquisition costs	61,727		54,628

There are amounts due from related parties of \$19.9 million and \$127.1 million as of December 31, 2023 and 2022, respectively. There are no significant amounts due to related parties.

16. Subsequent events

The Company has performed an evaluation of subsequent events through **April 26, 2024**, which is the date that the financial statements were issued. No significant subsequent events were identified.

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2023

17. Other Information

Not applicable.

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Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Statement of Capital and Surplus
December 31, 2023

1. (a) Capital Stock

Common Shares

Authorized: 120,000 shares of \$1 par value

Issued and fully paid 120,000 shares

Preferred Shares

Not applicable.

(b) Contributed Surplus

On January 24, 2018, CIOIC was incorporated and ultimately capitalized with \$35 million in cash.

There is no change in contributed surplus during the year ended December 31, 2023.

2. Dividends Paid and Payable

Not applicable.

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Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Balance Sheet

December 31, 2023

1. Cash and Cash equivalents

There was no restricted cash at December 31, 2023 and 2022.

2. Quoted Investments

Refer to General Note 4(a) to the Condensed Financial Statements for method of valuation. At December 31, 2023 and 2022, there were restricted investments of \$201.2 million and \$189.8 million, respectively.

3. Unquoted Investments

Not applicable.

4. Investment in and advances to affiliates

Refer to General Note 15 to the Condensed Financial Statements.

5. Investments in Mortgage loans on Real Estates

Not applicable.

6. Policy Loans

Not applicable.

7. Real Estate

Not applicable.

8. Collateral Loans

Not applicable.

9. Investment Income due and Accrued

At December 31, 2023 and 2022, there was \$1.2 million and \$1.1 million, respectively, of accrued investment income included in the Condensed Balance Sheets.

10. Accounts and Premiums Receivable

At December 31, 2023 and 2022, there was \$53.1 million and \$85.6 million of accounts and premiums receivable with affiliates included in the Condensed Balance Sheets.

11. Reinsurance Balances Receivable

There was \$59.2 million and \$22.9 million of reinsurance balance receivable, and \$43.9 million and \$11.6 million inward collateral at December 31, 2023 and 2022, respectively. Included in inward collateral are trust funds and letters of credit.

12. Funds Held by Ceding Reinsurers

Not applicable.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Balance Sheet

December 31, 2023

13. Sundry Assets

At December 31, 2023 and 2022, there was \$12.5 million and \$12.4 million, respectively, of deferred acquisition cost included in the Condensed Balance Sheet. Refer to General Note 4(d) to the Condensed Financial Statements for additional information.

14. Letters of Credit, Guarantees and other

Not applicable.

16. Unearned Premium Reserve

Refer to General Note 4(f) to the Condensed Financial Statements for additional information.

17. Loss and loss Expense Provisions

The following table presents a reconciliation of unpaid losses and loss expense provisions for the years ended December 31, 2023 and 2022

(in thousands of U.S. dollars)

	<u>2023</u>	<u>2022</u>
Gross losses and loss expense provisions at beginning of year	\$ 541,012	\$ 387,347
Reinsurance recoverable on unpaid losses ⁽¹⁾	<u>(347,565)</u>	<u>\$ (241,723)</u>
Net losses and loss expense provisions at beginning of year	<u>193,447</u>	<u>145,624</u>
Net losses and loss expenses incurred in respect of losses occurring in:		
Current year	86,691	88,876
Prior years	<u>(5,442)</u>	<u>(26,489)</u>
Total	<u>81,249</u>	<u>62,387</u>
Net losses and loss expenses paid in respect of losses occurring in:		
Current year	5,043	3,837
Prior years	<u>40,921</u>	<u>4,381</u>
Total	<u>45,964</u>	<u>8,218</u>
Foreign currency revaluation and Other	9,170	(6,346)
Net losses and loss expense provisions at end of year	237,902	193,447
Reinsurance recoverable on unpaid losses ⁽¹⁾	<u>365,978</u>	<u>347,565</u>
Gross losses and loss expense provisions at end of year	<u>\$ 603,880</u>	<u>\$ 541,012</u>

⁽¹⁾ Net of provision for uncollectible reinsurance.

Net losses and loss expenses incurred includes \$5.4 million and \$26.5 million of net favorable prior period development related to casualty programs in the years ended December 31, 2023 and 2022, respectively.

The Company utilizes trust funds in certain transactions where the trust funds are set up for the benefit of the ceding companies and generally take the place of letter of credit requirements. See Note 2 to the Condensed Balance Sheet

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Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Balance Sheet

December 31, 2023

for additional information. At December 31, 2023 and 2022, there were trust funds of \$201.2 million and \$189.8 million that were restricted, respectively.

There were \$271.4 million and \$241.9 million of inward collateral at December 31, 2023 and 2022, respectively. Included in inward collateral are trust funds and letters of credit.

20. Reserves for Reported Claims

Not applicable.

21. Reserves for Unreported Claims

Not applicable.

22. Policy Reserves - Life

Not applicable.

23. Policy Reserves for Accident and Health

Not applicable.

24. Policyholders' funds on deposit

Not applicable.

25. Liability for Future Policyholders' dividends

Not applicable.

26. Other Insurance Reserves – Long term

Not applicable.

27. Total Long-term Business Insurance Reserves

Not applicable.

28. Insurance and Reinsurance Balance Payable

At December 31, 2023 and 2022, there were \$10.6 million and \$5.9 million of insurance and reinsurance balance payable with affiliates included in the Condensed Balance Sheets.

29. Commissions, expenses, fees and taxes payable

Not applicable

30. Loans and Notes Payable

Not applicable

31. Income Taxes

Not applicable

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Balance Sheet

December 31, 2023

32. Amounts due to Affiliates

The amount due to affiliate is interest free and payable on demand.

33. Accounts Payable and Accrued Liabilities

At December 31, 2023 and 2022, there were \$37.2 thousand and \$1.0 million of accounts payable and accrued liabilities included in the Condensed Balance Sheets.

34. Funds Held under Reinsurance Contracts

At December 31, 2023 and 2022, there were no funds held under Reinsurance Contracts with affiliates included in the Condensed Balance Sheets.

35. Dividends Payable

Not applicable.

36. Sundry Liabilities

Not applicable.

37. Letters of Credit, Guarantees and other instruments

Not applicable.

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Notes to Condensed General Purpose Financial Statements

Matters to be set forth in the Notes to the Condensed Statement of Income
December 31, 2023

6. Other Insurance Income

Not applicable

15. Other Insurance Income

Not applicable

32. Combined Other Income (Deductions)

Other income includes policy fees earned in connection with Multinational programs.

36. Combined Realized Gains (Loss)

Realized gains (losses) include foreign exchange gains (losses), capital gains (losses), and other-than-temporary impairment losses during the year.