

ROOSEVELT ROAD RE LTD.

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITORS' REPORT THEREON)

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

ROOSEVELT ROAD RE LTD.
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022
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INDEPENDENT AUDITORS' REPORT

To the Shareholder,
Roosevelt Road Re Ltd.,

Opinion

We have audited the financial statements of Roosevelt Road Re Ltd. (the "Company"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of comprehensive income (loss), changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Roosevelt Road Re Ltd. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITORS' REPORT *(continued)*

Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audits 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 financial statements.
- Conclude whether, in our judgment, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.



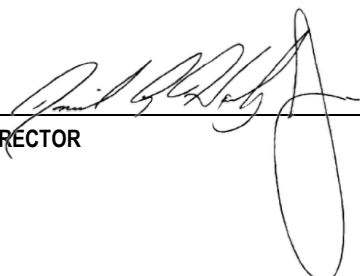
Chartered Professional Accountants
Hamilton, Bermuda
June 28, 2024

ROOSEVELT ROAD RE LTD.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Expressed in United States Dollars)

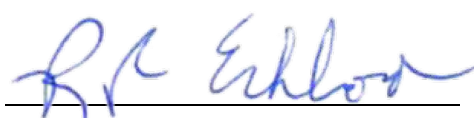
		December 31 2023	December 31 2022
	Note	\$	\$
ASSETS:			
Cash and cash equivalents	3	37,749,294	78,437,666
Investments	3,4,5	302,678,554	136,663,630
Accrued investment income		3,312,513	895,809
Investment receivable		-	18,442
Insurance balances receivable		56,186,323	22,331,346
Loan notes receivable	8	26,156,336	25,479,131
Funds withheld	7	7,902,437	120,313
Due from related parties	8	679,300	11,805
Prepaid expenses		283,414	82,825
Deposits		461,875	-
Right of use asset	6	454,616	-
Segregated account assets	16	1,048,438	1,191,260
Total assets		436,913,100	265,232,227
LIABILITIES AND SHAREHOLDER'S EQUITY:			
LIABILITIES			
Unearned premium	9	89,487,366	35,491,851
Losses and loss adjustment expenses	10	266,027,198	158,200,715
Losses payable		2,725,047	89,638
Accounts payable and accrued expenses	8	537,498	696,482
Lease liability	6	474,028	-
Segregated account liabilities	16	1,048,438	1,191,260
Total liabilities		360,299,575	195,669,946
SHAREHOLDER'S EQUITY			
Share capital	11	120,000	120,000
Contributed surplus	12	77,830,088	77,830,088
Retained deficit	13	(1,336,563)	(8,387,807)
Total shareholder's equity	14	76,613,525	69,562,281
Total liabilities and shareholder's equity		436,913,100	265,232,227

The accompanying notes should be read in conjunction with these financial statements

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:



DIRECTOR



DIRECTOR

ROOSEVELT ROAD RE LTD.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in United States Dollars)

	Note	December 31 2023 \$	December 31 2022 \$
UNDERWRITING INCOME:			
Net premiums written	9	209,690,170	84,394,027
Change in unearned premium	9	(53,995,514)	(8,977,482)
Net premiums earned		155,694,656	75,416,545
UNDERWRITING EXPENSES:			
Incurred losses	10	153,462,288	84,851,460
Total underwriting expenses		153,462,288	84,851,460
NET UNDERWRITING PROFIT		2,232,368	(9,434,915)
OTHER INCOME AND EXPENSES:			
Investment income (loss), net	4	12,379,397	(6,709,687)
General and administrative expenses	6,8	(7,560,521)	(4,439,723)
Total other income and expenses		4,818,876	(11,149,410)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		7,051,244	(20,584,325)

The accompanying notes should be read in conjunction with these financial statements

ROOSEVELT ROAD RE LTD.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in United States Dollars)

	Note	Share capital \$	Contributed surplus \$	Retained earnings (deficit) \$	Total \$
Shareholder's equity December 31, 2021		120,000	35,830,144	14,686,554	50,636,698
Capital contribution	12	-	41,999,944	-	41,999,944
Dividends paid	13	-	-	(2,490,036)	(2,490,036)
Comprehensive loss		-	-	(20,584,325)	(20,584,325)
Shareholder's equity December 31, 2022		120,000	77,830,088	(8,387,807)	69,562,281
Comprehensive income		-	-	7,051,244	7,051,244
Shareholder's equity December 31, 2023		120,000	77,830,088	(1,336,563)	76,613,525

The accompanying notes should be read in conjunction with these financial statements

ROOSEVELT ROAD RE LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in United States Dollars)

	December 31 2023	December 31 2022
	\$	\$
OPERATING ACTIVITIES:		
Net income (loss) from operations	7,051,244	(20,584,325)
Adjustments to reconcile net income (loss) from operations to net cash and cash equivalents provided by operating activities:		
Net unrealized (gains) losses on investments	(5,770,439)	9,672,414
Net realized losses on investments	1,666,006	1,173,716
Depreciation of right-of-use assets	102,057	-
Net changes in non-cash balances relating to operations:		
Accrued investment income	(2,416,704)	(325,947)
Investment receivable	18,442	(18,393)
Insurance balances receivable	(33,854,977)	(17,701,067)
Funds withheld	(7,782,124)	(120,313)
Due from related parties	(667,495)	(11,805)
Prepaid expenses	(200,589)	87,677
Deposits	(461,875)	-
Unearned premium	53,995,515	8,977,482
Losses and loss adjustment expenses	107,826,483	65,414,870
Losses payable	2,635,409	(1,142,895)
Due to related party	-	(9,128,874)
Accounts payable and accrued expenses	(158,984)	525,164
Lease liability	(82,645)	-
Cash and cash equivalents provided by operating activities	121,899,324	36,817,704
FINANCING ACTIVITIES:		
Capital contribution	-	41,999,944
Loan notes issued and cumulative interest, net	(1,000,049)	(1,117,274)
Loan repayments	322,844	784,209
Dividends paid	-	(2,490,036)
Cash and cash equivalents (used in) provided by financing activities	(677,205)	39,176,843
INVESTING ACTIVITIES:		
Purchase of investments	(283,010,129)	(52,322,164)
Proceeds from sale of investments	121,099,638	51,919,880
Cash and cash equivalents used in investing activities	(161,910,491)	(402,284)
(Decrease) increase in cash and cash equivalents	(40,668,372)	75,592,263
Cash and cash equivalents, beginning of year	78,437,666	2,845,403
Cash and cash equivalents, end of year	37,749,294	78,437,666
Comprised of:		
Cash and cash equivalents	16,117,056	28,313,146
Restricted cash and cash equivalents	21,632,238	50,124,520

The accompanying notes should be read in conjunction with these financial statements

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in United States Dollars)

1. The Company

Roosevelt Road Re Ltd. (the “Company”), was incorporated under the laws of Bermuda on December 18, 2014. Effective October 12, 2022, the Company is registered as a Class 3B insurer under The Insurance Act 1978, amendments thereto and related regulations (the “Act”). The Company was previously registered as a Class 3A insurance under the Act. The Company is also registered as a Segregated Accounts Company (“SAC”) under The Segregated Accounts Companies Act 2000. The Company is managed and has its principal place of business in Bermuda. As at March 31, 2018, Insuratex Ltd., a Segregated Accounts Company, merged with the Company. As of December 31, 2023, there was one (2022: one) active segregated accounts within the Company.

The Company was a wholly owned subsidiary of Sandell Holdings Ltd. Sandell Holdings Ltd. was acquired by Randall & Quilter Investment Holdings Ltd. (“RQIH”) effective October 7, 2019. On October 29, 2020, Roosevelt Road Capital Partners LLC (“RRCP”), who also owns shares in Tradesman Program Managers LLC (“TPM”), purchased 65% of the Company from Sandell Holdings Ltd. and subsequently changed the Company’s name from Sandell Re Ltd. to Roosevelt Road Re Ltd. Roosevelt Road Capital Partners LLC is based in the United States of America and is in partnership with Accredited Surety and Casualty Company, Inc. (“ASCCI”), who are wholly owned by RQIH.

Effective August 30, 2022, 100% ownership of the Company’s shares were transferred from RRCP to Roosevelt Road Holdings Ltd. (“RRHL”), a Bermuda based company. The Company’s ultimate parent remains RRCP.

The Company reinsures U.S. property and casualty business from seven counterparties (2022: four), one of which is a related party (2022: one). The Company is party to a quota share retrocession agreement with Multi-Strat Re Ltd. (“MSRe”) where the Company assumed a quota share percentage of five contracts reinsured by MSRe. As at December 31, 2023, four contracts have reached contractual limits (2022 – four). The remaining contract, reinsuring U.S. workers compensation liabilities, is reserved to contractual limits.

On July 1, 2016, the Company entered into a contract to reinsure American Millennium Insurance Company (“AMIC”) for commercial automobile risk on a quota share basis. The contract was not renewed from December 18, 2018. The participation percentage in this contract varied from 23.75% to 33.75% between these dates.

Between 2017 and 2023, the Company has entered into various quota share reinsurance agreements with ASCCI, covering contractors’ general liability risks, habitational real estate general liability, automobile excess liability and workers compensation.

In 2022, the Company entered into a quota share reinsurance agreement with Knight Specialty Insurance Company covering business classified as professional liability, general liability and employee benefits liability for a senior living care program.

During 2023, the Company entered into various quota share reinsurance agreements with Clear Blue Insurance Company (“Clear Blue”), covering contractors’ general liability risks, habitational real estate general liability and professional liability, general liability and employee benefits liability for a senior living care program. In addition, the Company entered into various third-party insurance agreements with Clear Blue and Redstone Underwriters, LLC, Quantum Risk Solutions LLC and QEO Group, LLC covering general liability and automobile excess liability.

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in United States Dollars)

2. Significant accounting policies

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), denominated in U.S. dollars, which is the Company's functional currency, and which apply the following significant accounting policies adopted by the Company:

Use of estimates

To prepare the financial statements, management has to make estimates and assumptions that affect the book value of assets and liabilities, income and expenses, and data disclosed in the notes to the financial statements.

All estimates are subjective in nature and could materially influence the financial statements. Accordingly, management makes these estimates and assessments on an ongoing basis according to past experience and various factors that are deemed reasonable and which constitute the basis for these assessments. The amounts shown in the Company's future financial statements are likely to differ from these estimates in accordance with changes in assumptions or different conditions.

The principal significant estimates made by the Company's management primarily affect the provision for outstanding losses and loss expenses, unearned premiums, recoverability of deferred acquisition costs, fair value of investments and determination of other than temporary impairment ("OTTI") of investments.

Cash and cash equivalents

Cash and cash equivalents include cash held in banks, money market funds and other short-term deposits having original maturities within three months of the date of purchase.

Investments

The Company's investments are classified as held for trading as defined in Accounting Standards Codification ("ASC") 320, "*Investments - Debt Securities*". The Company's investment portfolio is reported at fair value based on market prices quoted on the relevant exchange or net asset values per share of each fund at the measurement date, with unrealized gains and losses included in net income. Realized gains or losses on sales of investments are determined on a specific identification basis.

Security transactions are accounted for on a trade-date basis with investment purchases and sales pending settlement accrued in the balance sheets. Investment income (loss) is recognized on an accrual basis in the statements of comprehensive income (loss).

Investments are reviewed periodically to determine if they have sustained an impairment. An investment is deemed to be impaired when the fair value is less than its amortized cost basis. The identification of potentially impaired investments involves significant management judgement.

Loan notes receivable

All loan notes are reported at cost, with interest income calculated per the individual loan note agreement. An estimate of the number of doubtful receivables is made when it is no longer likely that the entire receivable can be recovered. Impaired receivables are recorded as losses when they are identified as such.

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in United States Dollars)

2. Significant accounting policies *(continued)*

Revenue recognition and acquisition costs

Insurance premiums for prospective reinsurance contracts are earned over the loss exposure or coverage period of the underlying policies. Premiums for retroactive reinsurance policies are earned at the inception of the contracts, as all of the underlying loss events covered by the underlying policies occurred in the past. Premium adjustments are recorded in the periods in which they become known.

Commissions and other costs incurred on the acquisition of new and renewal prospective business are deferred and amortized over the terms of the policies or contracts of reinsurance to which they relate. Brokerage, commission and other costs related to retroactive risk is expensed in the period in which the retroactive policy incepts. The method followed in determining the deferred acquisition costs limits the amount of deferral to its realizable value by giving consideration to losses and loss adjustment expenses expected to be incurred as premiums are earned and also considers anticipated investment income (loss).

Effective January 1, 2020, premiums were ceded net of acquisition costs in accordance with the Company's amended quota share reinsurance agreements with ASCCI.

Realized gains on retrospective policies assumed through novation agreements are deferred and amortized over the anticipated payout period.

General and administrative expenses

General and administrative expenses are recognized on the accrual basis of accounting.

Assets held and liabilities related to segregated accounts

The Company has adopted the method of "deposit accounting" relating to the insurance transactions of its segregated account Insuratex Ltd. since the contracts facilitated are maintained in a segregated account, which insures certain risks of the participant(s) of that segregated account. Losses incurred by the segregated account are limited to the assets available within that segregated account. The result of operations of the segregated accounts are not included within these financial statements as the Company's shareholder does not have an interest in the net income, assets or liabilities of the segregated accounts. The significant accounting policies adopted by the segregated accounts follow those of the Company described herein.

Assets held within the segregated accounts have been recorded within these financial statements as segregated account assets and the corresponding liabilities are recorded as segregated account liabilities.

Losses and loss adjustment expenses

Losses and loss expenses paid are recorded when advised by ceding companies. The liability for losses and loss expense provisions includes an amount determined from loss reports and individual cases and an amount, based on past experience and industry loss development factors, for losses incurred but not reported ("IBNR"). These estimates are continually reviewed and are necessarily subject to the impact of future changes in such factors as claims severity and frequency. While management believes that the amount is adequate, the ultimate liability is subject to inherent uncertainty given the nature of the reinsurance coverage in place and may be materially in excess of, or less than, the amounts provided and any adjustments will be reflected in the periods in which they become known.

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in United States Dollars)

2. Significant accounting policies *(continued)*

Foreign currency transactions

Asset and liabilities denominated in currencies other than U.S. dollars are translated at the closing rates of exchange at the end of the reporting period, with the resulting foreign exchange rate differences included in investment (loss) income in the statements of operations and comprehensive (loss) income. Transactions denominated in foreign currencies, including purchases and sales of investments and income and expenses, are translated at the rates of exchange prevailing on the respective dates of the transactions.

Taxation

The Bermuda Corporate Income Tax Act (Bermuda CIT Act) was enacted on December 27, 2023 and is effective in 2025 for Bermuda businesses that are part of multinational groups with annual revenue exceeding Euro 750 million. As the Company is not part of multinational groups with annual revenue exceeding Euro 750 million, it does not fall within the scope of the Bermuda CIT Act.

Operating leases

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for a consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The Company has a lease capitalization policy threshold, below which lease assets and lease liabilities are not recognized. The Company had one lease agreement (2022 – nil) that met the lease capitalization threshold.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and is adjusted for certain remeasurements of the lease liability. Right-of-use asset and lease liability are presented on the statements of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company applies judgement to determine the lease term for some lease contracts which contain renewal options.

The Company does not recognize right-of-use assets and lease liabilities for leases with lease terms that are less than 12 months at inception. Lease payments associated with these arrangements are instead recognized as an expense over the term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in United States Dollars)

2. Significant accounting policies *(continued)*

New accounting standards adopted during the year

A number of new and revised standards were effective for the year ended December 31, 2023, and have been applied in the preparation of these financial statements, including:

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this update significantly change the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. The update also provides for recording credit losses on available-for-sale debt securities through an allowance account. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2022. A review of reinsurance balances receivable, loan notes receivable and funds withheld was conducted for the financial year ended December 31, 2023. Historically, settlement is typically within 60 to 90 days. As management is not aware of any conditions or events that could occur that would alter the assessment of collectability of receivables, management has determined a zero-credit loss allowance is reasonable.

In June 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this update significantly change the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. The update also provides for recording credit losses on available-for-sale debt securities through an allowance account.

In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses. This update defers the implementation date of the new credit loss standard for nonpublic entities by one year, and clarifies that operating lease receivables are not within its scope.

In May 2019, the FASB issued ASU 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief. This update provides transition relief by providing entities with an alternative to irrevocably elect the fair value option for eligible financial assets measured at amortized cost upon adoption of the credit losses standard.

In November 2019, the FASB issued ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments—Credit Losses. This update was issued to clarify the new credit impairment guidance in ASC 326 based on implementation issues raised by stakeholders.

New accounting standards to be adopted

A number of new and revised standards are effective for annual periods beginning after January 1, 2024 and have not been applied in the preparation of these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

3. Pledged assets

Pursuant to its reinsurance agreements, the Company is required to provide its ceding companies with collateral to secure its obligations to them. The Company has satisfied such obligations with letters of credit and reinsurance trusts which are issued and held by two financial institutions.

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in United States Dollars)

3. Pledged assets *(continued)*

The Company has a trust agreement with Bank of New York Mellon Investment Management in the amount of \$38,572,334 (2022 - Morgan Stanley Investment Management in the amount of \$127,929,297), which is pledged as collateral in favor of ASCCI at December 31, 2023 and 2022.

Barclays Bank PLC (“Barclays”) issued letters of credit to the Company in the amounts of \$108,000,000 (Clear Blue), \$145,337,394 (ASCCI), \$3,275,310 (MSRe) and \$906,571 (AMIC) (2022 - \$5,744,857 (MSRe) and \$1,595,069 (AMIC)) to be held as collateral. The Company also has a standby letter of credit with Barclays in the amount of \$250,000,000 (2022 - \$100,000,000).

Accordingly, at December 31, 2023 and 2022, cash and cash equivalents amounting to \$21,632,238 and \$50,124,520, respectively, and investments with a carrying value of \$263,906,221 and \$128,257,191, respectively, are restricted.

4. Investments

The cost or amortized cost, gross unrealized holding gains and losses, and fair value of the Company’s held for trading investments at December 31, 2023 and 2022 are as follows:

	Cost/ Amortized Cost \$	Gross Unrealized Gains \$	Gross Unrealized Losses \$	Fair Value \$
As at December 31, 2023				
Fixed maturity investments:				
U.S. treasuries	11,355,098	3,764	(120,926)	11,237,936
Asset-backed securities	18,218,445	2,837	(1,457,041)	16,764,241
Municipal bonds	340,000	-	(30,444)	309,556
Corporate securities	102,493,140	740,837	(3,822,145)	99,411,832
Non-U.S. government and agencies	637,990	-	(32,961)	605,029
Long-term fixed term deposits	174,149,960	-	-	174,149,960
Total fixed maturity investments	307,194,633	747,438	(5,463,517)	302,478,554
Private investment	200,000	-	-	200,000
Total investments	307,394,633	747,438	(5,463,517)	302,678,554
As at December 31, 2022				
Fixed maturity investments:				
U.S. treasuries	14,475,813	-	(505,940)	13,969,873
Asset-backed securities	23,005,616	3,257	(2,051,189)	20,957,684
Municipal bonds	595,000	-	(52,079)	542,921
Corporate securities	108,073,615	29,216	(7,801,651)	100,301,180
Non-U.S. government and agencies	1,000,106	-	(108,134)	891,972
Total investments	147,150,150	32,473	(10,518,993)	136,663,630

ROOSEVELT ROAD RE LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in United States Dollars)

4. Investments *(continued)*

The following table shows the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

December 31, 2023	Less than 12 Months		12 Months Or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	\$	\$	\$	\$	\$	\$
U.S. treasuries	2,029,617	(19,568)	4,656,109	(101,358)	6,685,726	(120,926)
Asset-backed securities	-	-	15,714,029	(1,457,041)	15,714,029	(1,457,041)
Municipal bonds	-	-	309,556	(30,444)	309,556	(30,444)
Corporate securities	20,919,549	(775,016)	43,344,113	(3,047,129)	64,263,662	(3,822,145)
Non-U.S. government and agencies	-	-	605,029	(32,961)	605,029	(32,961)
Total	22,949,166	(794,584)	64,628,836	(4,668,933)	87,578,002	(5,463,517)

December 31, 2022	Less than 12 Months		12 Months Or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	\$	\$	\$	\$	\$	\$
U.S. treasuries	4,609,243	(148,223)	9,360,630	(357,717)	13,969,873	(505,940)
Asset-backed securities	10,565,596	(696,454)	10,283,100	(1,354,735)	20,848,696	(2,051,189)
Municipal bonds	250,178	(4,822)	292,743	(47,257)	542,921	(52,079)
Corporate securities	35,614,553	(1,690,998)	62,209,727	(6,110,653)	97,824,280	(7,801,651)
Non-U.S. government and agencies	295,333	(24,248)	596,639	(83,886)	891,972	(108,134)
Total	51,334,903	(2,564,745)	82,742,839	(7,954,248)	134,077,742	(10,518,993)

As of December 31, 2023, there were 195 securities in an unrealized loss position with an estimated fair value of \$87,578,002 (2022 - 285 with an estimated fair value of \$134,077,742). Of these securities, there were 193 at December 31, 2023 (2022 - 172) with an estimated fair value of \$64,628,836 (2022 - \$82,742,839) that had been in an unrealized loss position for 12 months or greater; none of these securities were considered to be other than temporarily impaired. The Company has no intent to sell, and it is not more likely than not that the Company will be required to sell these securities before their fair values recover above the adjusted cost. The unrealized losses from these securities were not a result of credit, collateral or structural issues.

The cost or amortized cost, estimated fair value, and contractual maturity of the Company's investments classified as held for trading at December 31, 2023 and 2022 are shown below. Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations without penalties.

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4. Investments *(continued)*

	December 31, 2023		December 31, 2022	
	Amortized Cost/Cost	Fair Value	Amortized Cost/Cost	Fair Value
	\$	\$	\$	\$
Due within one year	185,246,306	184,532,736	14,328,907	13,872,478
Due after one year to five years	96,117,067	93,022,463	114,719,978	106,310,969
Due after five years to ten years	13,154,424	13,349,839	3,816,632	3,605,585
Due after more than ten years	12,676,836	11,573,516	14,284,633	12,874,598
Total fixed maturity securities	307,194,633	302,478,554	147,150,150	136,663,630

The following table sets forth certain information regarding the investment ratings of the Company's held for trading securities for the years ended December 31, 2023 and 2022. Ratings are the lower of those assigned by Standard & Poor's, Moody's, DBRS, or Fitch Group.

	December 31, 2023		December 31, 2022	
	Amortized Cost/Cost	%	Amortized Cost/Cost	%
	\$		\$	
AAA	14,170,016	5	19,988,335	14
AA	19,361,858	6	24,234,045	16
A	233,025,412	76	59,077,789	40
BBB	37,934,391	12	43,849,981	30
BB+ and lower	-	-	-	-
Not rated	2,702,956	1		
	307,194,633	100	147,150,150	100

Major categories of net investment income (loss) are summarized as follows:

	2023	2022
	\$	\$
Interest income	7,434,556	3,076,352
Unrealized losses	(1,666,006)	(1,173,716)
Realized losses	5,770,439	(9,672,414)
Interest on loan notes receivable	1,671,405	1,117,274
Interest written off on loan notes receivable	(671,355)	-
Investment expenses	(159,642)	(57,183)
Net investment income (loss)	12,379,397	(6,709,687)

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5. Fair value of financial instruments

The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amounts reported in the statements of financial position for these instruments approximate their fair values.

Investments:

The following tables show the fair value of the Company's investments in accordance with ASC 820, "Fair Value Measurements and Disclosures" as of December 31, 2023 and 2022.

	Total fair value	Quoted prices in active markets for identical assets (Level 1)	Fair value measurement using	
			Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2023:	\$	\$	\$	\$
U.S. treasuries	11,237,936	11,237,936	-	-
Asset-backed securities	16,764,241	-	16,764,241	-
Municipal bonds	309,556	-	309,556	-
Corporate securities	99,411,832	-	99,411,832	-
Non-U.S. government and agencies	605,029	-	605,029	-
Long-term fixed term deposits	174,149,960	-	174,149,960	-
Private investment	200,000	-	-	200,000
Total investments	302,678,554	11,237,936	291,240,618	200,000

	Total fair value	Quoted prices in active markets for identical assets (Level 1)	Fair value measurement using	
			Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2022:	\$	\$	\$	\$
U.S. treasuries	13,969,873	13,969,873	-	-
Asset-backed securities	20,957,684	-	20,957,684	-
Municipal bonds	542,921	-	542,921	-
Corporate securities	100,301,180	-	100,301,180	-
Non-U.S. government and agencies	891,972	-	891,972	-
Total investments	136,663,630	13,969,873	122,693,757	-

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5. Fair value of financial instruments *(continued)*

Level 3 Measurements

The following table presents a reconciliation of the beginning and ending balances for all investments measured at fair value on a recurring basis using Level 3 inputs during the years ended December 31, 2023 and 2022:

	2023	2022
	\$	\$
Opening balance	-	-
Purchases	200,000	-
Sales	-	-
Unrealized gain/loss	-	-
Ending balance	200,000	-

In accordance with U.S. GAAP, the Company is required to recognize certain assets at their fair value in the statements of financial position. This includes the Company's fixed maturity investments. In accordance with the Fair Value Measurements and Disclosures Topic of FASB's ASC 820 ("ASC 820"), fair value is defined as 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. ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon whether the inputs to the valuation of an asset or liability are observable or unobservable in the market at the measurement date, with quoted market prices being the highest level (Level 1) and unobservable inputs being the lowest level (Level 3). A fair value measurement will fall within the level of the hierarchy based on the input that is significant to determining such measurement.

The three levels are defined as follows:

Level 1: Observable inputs to the valuation methodology that are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Observable inputs to the valuation methodology other than quoted market prices (unadjusted) for identical assets or liabilities in active markets. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in markets that are not active and inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology that are unobservable for the asset or liability.

At each measurement date, the Company estimates the fair value of the financial instrument using various valuation techniques. The Company utilizes, to the extent available, quoted market prices in active markets or observable market inputs in estimating the fair value of the investments. When quoted market prices or observable market inputs are not available, the Company utilizes valuation techniques that rely on unobservable inputs to estimate the fair value of investments. The following describes the valuation techniques used to determine the fair value of investments held as of December 31, 2023 and 2022 and what level within the fair value hierarchy each valuation technique resides:

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5. Fair value of financial instruments *(continued)*

Investments

Fair values for the Company's investment securities are obtained from an independent pricing source. If securities are traded in active markets, quoted prices are used to measure fair value (Level 1). If quoted prices are not available, prices are obtained from an independent pricing vendor based on pricing models that consider a variety of observable inputs (Level 2). Benchmark yields, prices for similar securities in active markets and quoted bid or ask prices are just a few of the observable inputs utilized. If the pricing vendor is unable to provide a current price for a security, a fair value is developed using alternate sources based on a variety of less objective assumptions and inputs (Level 3). As of December 31, 2023 and 2022, one of the Company's investment securities is classified as Level 3 (2022 – none).

While the Company obtains pricing from independent pricing services, management is ultimately responsible for determining the fair value measurements for all securities. To ensure fair value measurement is applied consistently and in accordance with U.S. GAAP, the Company periodically updates its understanding of the pricing methodologies used by the independent pricing services. The Company also challenges any prices it believes may not be representative of fair value under current market conditions. The Company's review process includes, but is not limited to: (i) initial and ongoing evaluation of the pricing methodologies and valuation models used by outside parties to calculate fair value; (ii) quantitative analysis; (iii) a review of multiple quotes obtained in the pricing process and the range of resulting fair values for each security, if available, and (iv) randomly selecting purchased or sold securities and comparing the executed prices to the fair value estimates provided by the independent pricing sources.

There have been no material changes to any of the Company's valuation techniques from what was used as of December 31, 2022. Since the fair value of a financial instrument is an estimate of what a willing buyer would pay for the asset if sold, the Company will not know the ultimate value of the financial instruments until they are sold. The Company believes the valuation techniques utilized provide it with the best estimate of the price that would be received to sell the assets or transfer the liabilities in an orderly transaction between participants at the measurement date.

Other assets and liabilities:

The fair value of insurance balances receivable, accrued investment income, investment receivable, funds withheld, amounts due from related parties, accounts payable and accrued expenses, due to related party, and losses payable approximates their carrying value due to their relative short-term nature.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Company would actually realize in a current market exchange. However, any differences would not be expected to be material. Certain instruments such as other assets, unearned premiums, outstanding losses and loss expenses and deposit liabilities are excluded from fair value disclosure. Thus the total fair value amounts cannot be aggregated to determine underlying economic value of the Company.

6. Operating leases and commitments

Operating Leases exempt from ASC 842

Lease expenses exempt from ASC 842 included in general and administrative expenses for the year ended December 31, 2023 was \$110,850 (2022 - \$210,041).

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6. Operating leases and commitments *(continued)*

Operating Leases under ASC 842

ASU 2016-02 “Leases (Topic 842)”, amends the accounting for leases by lessees and lessors. The primary change from the new guidance is the recognition of right-of-use assets and lease liabilities by lessees for those leases classified as operating leases. Additional changes include accounting for lease origination and executory costs, required lessee reassessments during the lease term due to changes in circumstances, and expanded lease disclosures. The Company has elected to apply several of the available practical expedients, including carry-over of historical lease determination and lease classification conclusions and accounting for lease and non-lease components in contracts in which the Company is a lessee as a single lease component.

The Company has recognized a right-of-use asset and corresponding lease liability on its statements of financial position. The Company occupies office space under a single operating lease with expiration on January 31, 2028. The operating lease agreement has options to terminate by either lessor or lessee with no significant penalties and options to renew. The Company has assessed that these options are not reasonably certain to be exercised.

	2023
	\$
Right-of-use asset	454,616
Lease liability	474,028
Discount rate - operating leases	7%

As of December 31, 2023, future minimum lease payments under operating leases for each of the succeeding fiscal years are as follows:

	\$
2024	129,187
2025	131,869
2026	134,507
2027	137,197
Thereafter	11,452
	544,212
Imputed interest	(70,184)
Lease liability	474,028

For the year ended December 31, 2023, depreciation of the right-use-asset of \$134,721 (2022 - \$nil) and interest expense of \$32,665 (2022 - \$nil) are included in general and administrative expenses.

7. Funds withheld

Pursuant to certain reinsurance contracts, the Company is required to provide security for the payment of its obligations. Included in funds withheld is \$7,902,437 and \$120,313 at December 31, 2023 and 2022, respectively, provided as security for certain policies.

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8. Related party transactions

During 2019, the Company entered into a loan agreement with Randall & Quilter Investment Holding Ltd. for up to \$20,000,000. As at December 31, 2022, \$19,000,000 had been loaned. The initial applicable rate of interest was 2.75% above LIBOR. On August 5, 2020, the applicable rate of interest changed to 3% above the secured overnighted funding rate prevailing on the first business day of each month. The loan note receivable was due to mature on July 31, 2024. Interest earned during the year ended December 31, 2023 was \$287,389 (2022 - \$849,128).

In February 2023, the loan balance of \$19,000,000 was included as consideration in a deal for RRCP acquiring 40% of Tradesman Program Managers from Randall & Quilter Investment Holding Ltd. As part of the transaction, interest receivable of \$671,355 was written off. In exchange, the Company entered into a loan agreement with Roosevelt Road Capital Partners LLC on February 22, 2023 in the amount of \$19,000,000. The applicable rate of interest is 6%. The loan note receivable is due to mature on February 22, 2028. The interest earned during the year ended December 31, 2023 was \$905,753 (2022 - \$nil). The loan is unsecured.

The Company entered into a loan agreement with Roosevelt Road Capital Partners LLC on August 7, 2020 in the amount of \$6,000,000. The applicable rate of interest is 3% above the secured overnighted funding rate prevailing on the first business day of each month. The loan note receivable is due to mature on June 30, 2024. The interest earned during the year ended December 31, 2023 was \$478,262 (2022 - \$268,146). The loan is unsecured.

As at December 31, 2023 and 2022, loan notes receivable comprised of the following:

	2023	2022
	\$	\$
RQIH note receivable	-	19,000,000
RQIH interest receivable	-	383,967
RRCP notes receivable	25,000,000	6,000,000
RRCP interest receivable	1,156,336	95,164
	26,156,336	25,479,131

As at December 31, 2023 and 2022, amounts due from (to) related parties comprised of the following:

	2023	2022
	\$	\$
Roosevelt Road Holdings Ltd.	48,684	11,805
RRH Intermediate Holdings LLC	967,166	-
Roosevelt Road Capital Partners	(333,479)	-
Tradesman Program Managers LLC	(3,071)	-
	679,300	11,805

Amounts due from (to) related parties are interest free, non-secured and repayable on demand.

During the year ended December 31, 2023, Tradesman Program Managers LLC earned \$44,086,608 in commissions on premium ceded to the Company (2022 - \$28,947,034).

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Included in general and administrative expenses for year ended December 31, 2023 are fees paid to Directors of the Company of \$2,100,000 (2022: \$854,167), of which \$nil was included in accounts payables and accrued expenses as at December 31, 2023 (2022: \$nil).

9. Premiums

Activity in unearned premium for the years ended December 31, 2023 and 2022 is summarized as follows:

	2023			2022		
	Gross \$	Ceded \$	Net \$	Gross \$	Ceded \$	Net \$
At January 1	35,491,851	-	35,491,851	26,514,369	-	26,514,369
Premium assumed	209,690,170	-	209,690,170	84,394,027	-	84,394,027
Premiums earned	(155,694,655)	-	(155,694,655)	(75,416,545)	-	(75,416,545)
At December 31	89,487,366	-	89,487,366	35,491,851	-	35,491,851

10. Losses and loss adjustment expenses

The liability for losses and loss adjustment expenses comprises:

	2023 \$	2022 \$
Outstanding losses	92,537,503	64,133,252
Losses incurred but not reported ("IBNR")	173,489,695	94,067,463
	266,027,198	158,200,715

Activity in the liability for losses and loss adjustment expenses comprises:

	2023 \$	2022 \$
Gross balance at beginning of year	158,200,715	92,785,845
Less: Reinsurance recoverable	-	-
Net balance at beginning of year	158,200,715	92,785,845
Incurred losses related to:		
Current year	127,246,801	56,617,993
Prior years	26,215,487	28,233,467
Total incurred	153,462,288	84,851,460
Paid losses related to:		
Current year	10,538,559	2,104,590
Prior years	35,097,246	17,332,000
Total paid	45,635,805	19,436,590
Net balance at end of year	266,027,198	158,200,715
Plus: Reinsurance recoverable	-	-

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Gross balance at end of year

266,027,198

158,200,715

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10. Losses and loss adjustment expenses *(continued)*

In 2023, the increase (2022 – increase) in incurred losses of prior years is related to unfavorable (2022 – unfavorable) development of prior loss estimates during the year. Changes in the prior years' provision for claims and claims adjustment are due to the ongoing analysis of loss development trends across all accident years on the Company's book of business which are not attributable to any specific occurrence or event.

Management believes that the assumptions used to establish its provision for losses and loss adjustment expenses represent a realistic and appropriate basis for estimating those reserves as of December 31, 2023 and 2022.

However, these assumptions are subject to change and the Company continually reviews and adjusts its reserve estimates taking into account all currently known information and updated assumptions related to unknown information. While management believes it has made a reasonable estimate of loss expenses occurring up to the statements of financial position date, the ultimate costs of claims incurred could exceed the Company's reserves and have a materially adverse effect on its future results of operations and financial condition.

The following tables present information about incurred and paid claims development as of December 31, 2023, net of reinsurance, as well as cumulative claim frequency and the total of IBNR reserves plus expected development on reported claims. The tables include unaudited information about incurred and paid claims development for the years ended December 31, 2015 through 2016, which presented as supplementary information.

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10. Losses and loss adjustment expenses *(continued)*

U.S. Property and Casualty:

Accident Year	Incurred claims and allocated claim adjustment expenses, net of reinsurance									At December 31, 2023	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Unaudited										
2015	8,255,706	5,945,864	11,886,604	11,886,857	12,059,274	11,786,537	11,786,537	11,786,537	11,786,537	-	-
2016		11,034,657	15,835,163	20,232,061	20,832,412	20,219,067	20,219,067	20,219,067	20,219,067	2,474,758	-
2017			-	-	-	-	-	-	-	-	-
2018				-	-	-	-	-	-	-	-
2019					-	-	-	-	-	-	-
2020						-	-	-	-	-	-
2021							4,024,418	10,853,000	14,321,711	2,376,518	87
2022								23,493,250	35,338,919	10,577,247	267
2023									18,276,569	9,518,882	155
Total									<u>99,942,803</u>	<u>24,947,405</u>	

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10. Losses and loss adjustment expenses *(continued)*

U.S. Property and Casualty *(continued)*:

Paid claims and allocated claim adjustment expenses, net of reinsurance

Accident Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Unaudited								
2015	693,992	3,804,884	6,532,345	8,505,690	9,623,958	10,251,036	10,796,790	11,161,811	11,495,495
2016		1,643,963	6,538,194	11,365,318	13,813,902	15,254,805	16,186,340	16,733,430	17,164,141
2017			-	-	-	-	-	-	-
2018				-	-	-	-	-	-
2019					-	-	-	-	-
2020						-	-	-	-
2021							329,793	3,335,844	7,122,889
2022								1,974,309	12,635,964
2023									3,180,346
Total									<u>51,598,835</u>
									<u>48,343,968</u>
Liability of losses and loss adjustment expenses, net of reinsurance									<u><u>48,343,968</u></u>

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10. Losses and loss adjustment expenses *(continued)*

Commercial Automobile Risk:

Accident Year	Incurred claims and allocated claim adjustment expenses, net of reinsurance									At December 31, 2023	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Unaudited										
2015	8,402	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	-	1
2016		868,197	1,412,427	1,418,693	1,627,447	1,605,149	1,815,284	1,827,972	1,883,615	2,673	195
2017			1,184,860	1,137,082	1,777,580	1,911,148	1,978,827	1,915,229	1,933,094	1,7378	284
2018				1,476,782	2,365,322	2,838,793	3,506,577	3,614,449	3,533,544	37,339	266
2019					102,940	136,543	281,327	215,304	229,550	59,673	16
2020						-	-	-	126	126	-
2021							8,131	8,060	8,060	8,060	-
2022								9,617	707,843	540,615	73
2023									44,950,602	32,828,884	4,992
Total									<u>53,248,294</u>	<u>33,494,748</u>	

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10. Losses and loss adjustment expenses *(continued)*

Commercial Automobile Risk *(continued)*:

Accident Year	Paid claims and allocated claim adjustment expenses, net of reinsurance								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Unaudited								
2015	-	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860
2016		133,460	736,576	845,654	1,488,439	1,518,428	1,566,604	1,572,011	1,874,678
2017			375,399	753,371	1,356,245	1,599,982	1,758,301	1,867,649	1,875,001
2018				291,335	1,449,235	2,016,686	2,790,438	3,144,946	3,515,285
2019					72,816	84,474	102,774	138,365	142,652
2020						-	-	-	-
2021							-	-	-
2022								-	-
2023									6,925,779
Total									<u>14,335,255</u>
Liability of losses and loss adjustment expenses, net of reinsurance									<u><u>38,913,039</u></u>

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10. Losses and loss adjustment expenses *(continued)*

General Liability:

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance									At December 31, 2023	
	For the years ended December 31									Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Unaudited										
2017			422,917	263,477	206,103	84,848	32,363	37,852	39,007	-	2
2018				13,757,413	12,788,305	16,109,716	21,126,532	24,470,819	23,927,894	4,436,819	148
2019					23,367,739	27,819,807	33,683,263	42,023,473	40,440,954	7,166,914	272
2020						14,680,323	17,223,901	23,033,727	25,244,793	7,044,504	319
2021							19,268,336	23,231,720	24,426,193	12,436,408	531
2022								29,329,968	30,680,039	22,319,636	641
2023									54,450,230	49,409,966	1,091
									199,209,110	102,814,247	

Accident year	Paid claims and allocated claim adjustment expenses, net of reinsurance								
	For the years ended December 31								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Unaudited								
2017			-	-	24,672	35,254	32,363	37,852	39,007
2018				46,959	574,148	2,403,277	4,337,003	8,705,242	11,104,180
2019					325,848	2,058,817	4,392,208	9,003,525	15,840,728
2020						290,454	1,243,464	4,134,096	6,924,667
2021							129,468	1,085,108	2,785,383
2022								92,095	761,815
2023									166,208
									37,621,988

Liability for losses and loss adjustment expenses, net of reinsurance

161,587,122

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10. Losses and loss adjustment expenses *(continued)*

Habitational:

Accident year	Incurred claims and allocated claim adjustment expenses, net of reinsurance									At December 31, 2023	
	2015	2016	2017	2018	2019	For the years ended December 31		2022	2023	Total IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	\$	\$	\$	\$	\$	2020	2021	\$	\$	\$	
	Unaudited										
2020						44,003	31,762	20,932	21,861	16,166	5
2021							1,477,464	1,439,458	1,880,987	1,076,436	94
2022								3,785,158	6,891,017	3,496,956	200
2023									9,569,400	7,643,737	170
									18,363,265	12,233,295	
Paid claims and allocated claim adjustment expenses, net of reinsurance											
Accident year	For the years ended December 31										
	2015	2016	2017	2018	2019	2020	2021	2022	2023		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Unaudited										
2020						-	-	3,699	5,694		
2021							12,399	86,705	188,168		
2022								38,186	720,108		
2023									266,226		
									1,180,196		
										17,183,069	

Liability for losses and loss adjustment expenses, net of reinsurance

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10. Losses and loss adjustment expenses *(continued)*

The reconciliation of the incurred and paid claims development tables to the liability for losses and loss adjustment expenses in the statements of financial position is as follows:

	December 31, 2022 \$	December 31, 2022 \$
Net outstanding liabilities:		
U.S. Property and Casualty	48,343,968	33,146,460
Commercial Automobile Risk	38,913,039	867,660
General Liability	161,587,122	119,069,641
Habitational	17,183,069	5,116,958
	266,027,198	158,200,715

The following table is unaudited supplementary information for average annual historical duration of claims:

Years	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance								
	Unaudited								
	1	2	3	4	5	6	7	8	9
U.S. Property and Casualty	4.4%	11.1%	7.6%	0.4%	8.0%	10.3%	16.4%	31.7%	7.7%
Commercial Automobile Risk	9.1%	25.7%	10.5%	21.6%	17.7%	9.2%	-%	6.3%	-%
General Liability	0.4%	2.4%	18.8%	17.2%	14.0%	18.9%	28.3%	-%	-%
Habitational	1.0%	4.0%	8.4%	12.6%	74.0%	-%	-%	-%	-%

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11. Share capital

The Company has 120,000 authorized, issued and fully paid common shares of par value \$1 each.

12. Contributed surplus

Contributed surplus represents additional capital contributed by the Company's parents and former parents.

During the year ended December 31, 2022, additional cash capital contributions were made to the Company by RRCP of \$33,299,944 in May 2022 and by RRHL of \$8,700,000 in December 2022.

13. Dividends

During the year ended December 31, 2023, no dividends were declared. During the year ended December 31, 2022, dividends of \$2,490,036 were declared and paid to Roosevelt Road Capital Partners, LLC.

14. Statutory requirements

The Company is registered under the Bermuda Insurance Act 1978, amendments thereto and related regulations which require that the Company maintain minimum levels of solvency and liquidity as defined by the Bermuda Insurance Act 1978. For the years ended December 31, 2023 and 2022, these requirements have been met.

At December 31, 2023 and 2022, the minimum required statutory capital and surplus and the minimum required level of liquid assets is as follows:

	December 31 2023	December 31 2022
	\$	\$
Minimum required statutory capital and surplus	39,904,080	23,756,000
Actual statutory capital and surplus	77,128,000	70,362,000
Minimum required level of liquid assets	268,294,567	146,090,000
Actual liquid assets	408,394,325	239,640,000

A reconciliation of the statutory capital and surplus to GAAP equity is below:

	December 31 2023	December 31 2022
	\$	\$
Shareholder's equity in accordance with U.S. GAAP	76,613,525	69,562,281
Less: Non-admitted assets		
Prepaid expenses	(283,414)	(82,825)
Add: Non-controlling SAC consolidated under statutory accounting	797,538	882,948
Statutory capital and surplus	77,127,649	70,362,404

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15. Risks

Concentration of credit risk

As of December 31, 2023, cash and cash equivalents are held with HSBC, Bank of New York Mellon and Barclays (2022 - HSBC, Morgan Stanley and Barclays). As of December 31, 2023, the Company's investment portfolios are held by Bank of New York Mellon and Barclays (2022 - Morgan Stanley and Barclays).

Foreign exchange risk

The Company is exposed to foreign currency risk due to reinsurance balances receivable and reserves for insurance contracts in British Pounds and Euros. Due to limited exposure to foreign currency risk, any weakening or strengthening of foreign currency balances would not have a material effect on the financial results of the Company.

Legal/regulatory risk

Legal/regulatory risk is the risk that the legal or regulatory environment in which an insurer operates will change and create additional loss costs or expenses not anticipated by the insurer in pricing its products. That is, regulatory initiatives designed to reduce insurer profits or new legal theories may create costs for the insurer beyond those recorded in the financial statements. The Company mitigates this risk through its underwriting and loss adjusting practices which identify and minimize the adverse impact of this risk.

16. Segregated account assets and liabilities

As at December 31, 2023 and 2022, segregated accounts assets and liabilities are shown separately in the balance sheets as segregated account assets and segregated account liabilities. A summary of these balances, and the aggregate operations of the segregated accounts, is as follows:

	December 31 2023 \$	December 31 2022 \$
Balance Sheet		
Cash and cash equivalents	65,861	62,811
Funds withheld	982,577	1,128,449
Total Assets	1,048,438	1,191,260
Losses and loss adjustment expenses	170,844	171,455
Losses payable	5,562	2,126
Intercompany payables	60,039	41,885
Accounts payable and accrued expenses	14,455	92,846
Net equity due to preferred shareholders	797,538	882,948
Total liabilities and shareholders' equity	1,048,438	1,191,260

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16. Segregated account assets and liabilities *(continued)*

	2023	2022
	\$	\$
Statement of Operations and Comprehensive Loss		
Net premiums written	-	-
Change in unearned premium	-	-
Net premiums earned	-	-
Incurring losses	(11,250)	(994)
General and administrative expenses	(77,636)	(94,755)
Net investment income (loss)	3,476	691
Net loss and comprehensive loss	(85,410)	(95,058)

17. Subsequent events

The Company has evaluated all known recognized and non-recognized subsequent events through June 28, 2024 the date the financial statements were available to be issued.

The Board approved a dividend distribution of \$3,061,822 in April 2024.