Fleming International Reinsurance Ltd.

Financial Condition Report
For the twelve-month (12) period ended December 31, 2024

As submitted to the Bermuda Monetary Authority on May 30, 2025

Contents

1 Executive Summary

This Financial Condition Report ("FCR") has been prepared in accordance with the Bermuda Monetary Authority's (the "BMA" or the "Authority") requirements of the Insurance (Public Disclosure) Rules 2015. This report outlines the financial condition of Fleming International Reinsurance Ltd. (the "Company" or "FIRe") for the year ended December 31, 2024, and forms part of the annual submission to the Authority.

Financial information disclosed in Section 4 – Solvency Valuation and Section 5 – Capital Management were derived on statutory or Economic Balance Sheet ("EBS") basis. All other financial information was calculated on generally accepted accounting principles ("GAAP") basis.

The Company was incorporated on November 8, 2007, in Bermuda and is licensed as a Class 3B insurer by the BMA under the Insurance Act 1978 and its related regulations, each as amended (the "Insurance Act"). The Company is a wholly owned subsidiary of Jaguar Holdings LLC ("Jaguar Holdings"), which is wholly owned by Fleming Intermediate Holdings LLC ("Fleming Holdings").

The Company was previously a wholly owned subsidiary of James River Group Holdings, Ltd. ("JRG Holdings"). On November 8, 2023, JRG Holdings entered into a Stock Purchase Agreement with Fleming Holdings. Pursuant to the Stock Purchase Agreement, and on the terms and subject to the conditions therein, Fleming Holdings agreed to purchase from JRG Holdings all of the common shares of the Company (the "Transaction"). The Transaction was completed on April 16, 2024 (the "closing date"). The Company subsequently changed its previous name, JRG Reinsurance Company Ltd., to its current name effective August 26, 2024.

The Company primarily provides non-catastrophe casualty reinsurance to U.S. third parties and through December 31, 2017, to JRG Holdings' U.S.-based insurance subsidiaries ("previously U.S.-based insurance affiliates"), and from January 1, 2018, through December 31, 2021, to Carolina Re Ltd ("Carolina Re"), previously a Bermuda-based affiliate. Carolina Re commuted the outstanding obligations ceded under the stop loss reinsurance treaty with the Company with effect from January 1, 2022. The previously U.S.-based insurance affiliates also commuted during 2023 the outstanding obligations ceded under the intercompany quota share reinsurance agreements with the Company effective January 1, 2023. The Company's underwriting activities were suspended in 2023 under its previous owner. The Company currently operates in the legacy insurance space and is actively looking at opportunities that fit within Fleming Holdings' long-term strategy and risk appetite.

The principal risks that are managed are Financial Risk, Insurance Risk, Legal/Litigation Risk, Operational Risk (including Cyber Risk), Reputational Risk, and Strategic Risk through investment and the past underwriting activities of the Group's regulated subsidiaries. These risks are controlled through the application of a Risk Management framework. The policies, procedures, and internal controls we have in place assist FIRe in assessing, managing and controlling these exposures. The executives of the Company are closely involved in the operations and monitor results carefully.

Capital Management

As of December 31, 2024, FIRe's regulatory capital requirements were assessed as follows:

Eligible Capital	**$187,404,000**
Minimum Margin Solvency	$38,991,000
Enhanced Capital Requirement	$83,810,000
Bermuda Solvency Capital Requirement	224%

For further details on the Company's Capital and Solvency Requirements please see section 5.

1.1 Name of Insurer

Fleming International Reinsurance Ltd.

1.2 Regulatory Supervisor

Insurance Supervisor
Bermuda Monetary Authority BMA House 43 Victoria Street, Hamilton Bermuda **(441) 295 5278**

1.3 Approved Auditor

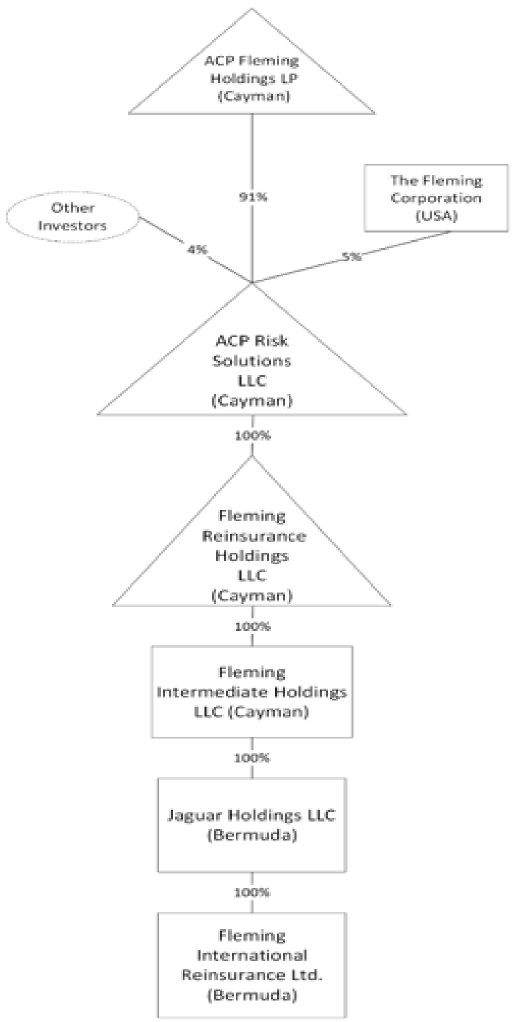
GAAP Reporting
EY Bermuda Ltd 3 Bermudiana Rd Hamilton, HM 08 Bermuda (441) 295 7000

1.4 Ownership Details

The Company is a wholly owned subsidiary of Jaguar Holdings, a holding company registered in Bermuda and is wholly owned by ACP Risk Solutions LLC ("ACPRS"), a Cayman-based company. ACPRS is ultimately majority-owned between The Fleming Corporation and ACP Fleming Holdings LP.

1.5 Group Structure

Figure 1 – Corporate Structure



1.6 Insurance business written by business segment

The following show assumed premiums written by segment and geographic location of risks for the year ended December 31, 2024 (in thousands):

Third Party Reinsurance	$ 4,746
United States	$ 4,746

The Company currently has one segment, Third Party Reinsurance, distributed through traditional reinsurance brokers and structured reinsurance contracts usually as quota share arrangements, typically with loss mitigation features such as commissions that adjust based on underwriting results. Most of the policies assumed by the Company's Third Party Reinsurance business have a $1.0 million per occurrence limit, and typically assume only a portion of that exposure. Almost all of the segment's premiums are for casualty coverages. FIRe's Third Party Reinsurance segment writes virtually no reinsurance designed to respond to catastrophic events of any kind. The previous Excess and Surplus and Specialty Admitted Lines segments have been commuted effective January 1, 2023.

1.7 Performance of Investments & Material Income & Expenses for the Reporting Period

Performance of Investments for the Reporting Period:

The Company's investment portfolio consists of highly rated US Treasury, US Agency, Mortgage Backed, Asset Backed, and Corporate Debt securities totaling $400.2 million as of December 31, 2024. The effective duration of investments is 2.79 years with an effective convexity of 11.67. The Company generated an income from its investments of $22.8 million during the year. The main components of this were (in thousands):

Investment income: fixed income portfolio	$ 20,227
Investment income: cash equivalents	3,390
Investment income: funds withheld	489
Investment expenses	(1,295)
Total net investment income	$ 22,811

FIRe also had a net realized loss of $0.6 million during the year mainly from its fixed income portfolio.

Material Income & Expenses for the Reporting Period:

Despite the suspension of its underwriting activities effective January 1, 2023, the Company continued to earn the remaining unearned premium balance from its previously written business. The table below shows underwriting activity for the year ended December 31, 2024 (in thousands):

Net earned Premiums	$ 20,728
Net losses and loss expenses	(75,007)
Other underwriting expenses	2,453
Net underwriting loss	$ (51,826)

The Company reported a change in value of business acquired of $24.7 million during the year as an amortization of net intangibles recognized in connection with the pushdown accounting application as of the closing date.

1.8 Any other material information

Not applicable

2. Governance Structure

Governance of the Company relies on four cornerstones:

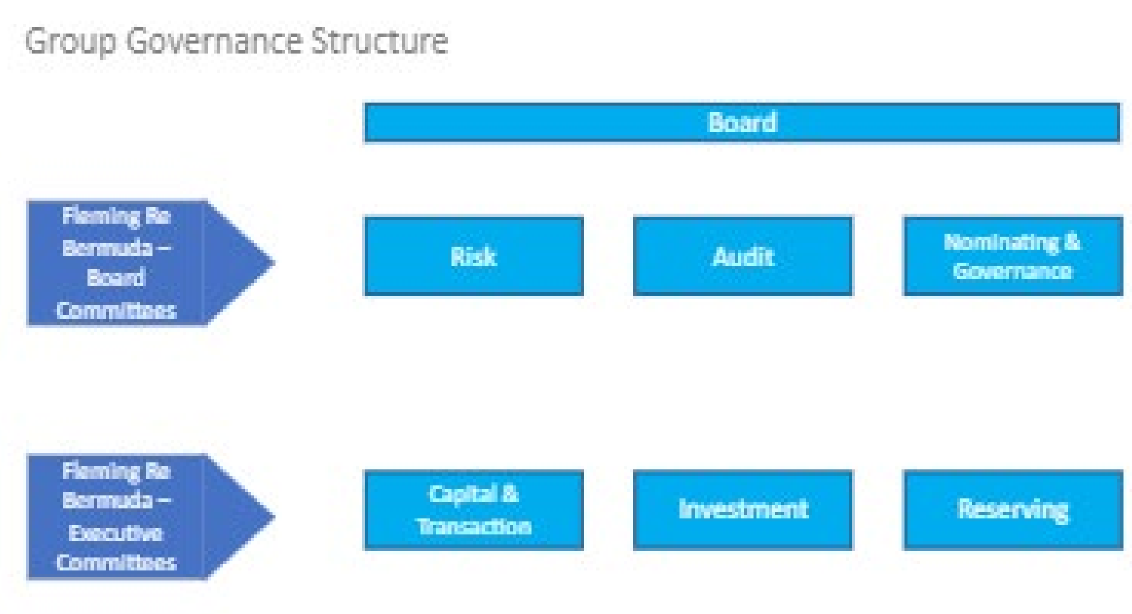
1) A Corporate Governance Framework, aligned with the Company's strategic objectives, providing oversight by the Board, clear ownership and accountability for risks, appropriate independence to various risk stakeholders as well as clear escalation and reporting channels.

2) An ERM Framework which is our reference includes a defined Risk Appetite framework. For each risk, limits and operational checkpoints as well as functional identification, measurement, mitigation and monitoring processes are documented. This ERM Framework also explains the roles and responsibilities of stakeholders holding the functions as defined within the Governance Framework.

3) An Internal Control Framework, defining the processes required to manage the Company in accordance with its Governance and Risk Management frameworks.

4) A Group Risk Register combining operational and risk management processes to deliver a descriptive analysis of all material risks threatening at least one of the Company's strategic objectives.

Figure 2 - Group Governance Structure



2.1 Board and Senior Executives

2.1.1. Board and Senior Executive Structure, role, responsibilities and segregation of responsibilities

The Board of Directors (the “Board”) and management are committed to good governance. The Board’s role is to exercise oversight in relation to the organization and is set out in our Bye-laws. These set out the roles and responsibilities of the Board. We believe the Company has a strong governance framework which we will continue to evaluate and reassess.

The Key components are set forth in the following documents:

1) Our Bye-laws
2) Board Terms of Reference
3) Corporate Governance Framework
4) Risk Management Framework
5) Code of Conduct
6) Committee Charters

The Board meets on a Quarterly basis and currently consist of five members. The Directors of the Company's Board are listed as follows:

Name	Experience
Stephen Minor	20+ years
Eric Haller	20+ years
Martin Dolan	35+ years
Gerald Haase	20+ years
Scott Millimet	40+ years

The Board of Directors has delegated its authority to committees as shown in the Group Governance Structure and each committee has their own Charter.

2.2 Renumeration Policy

The Nominating & Governance Committee has the delegated authority of the Board as set out in the Terms of Reference including responsibility for overseeing, on behalf of the Board, the compensation of the Board of the Company. Including setting goals and objectives for senior executives and evaluating performance with respect to such goals and objectives. The Company's CEO and, where the employee is of an executive-level, the board of ACPRS, is responsible for setting the compensation of employees of the Company.

2.3 Pension and Early Retirement Schemes

The Company's CEO and, where the employee is of an executive level, the board of ACPRS, is responsible for approving all remuneration benefits and follows guidelines set out in the Employee Handbook. The Company has a registered and a non-registered pension plan with BF&M.

2.4 Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executive Material Transactions

Altamont Capital Partners are the majority shareholder in the Company. Representatives from the shareholders sit on the Board of ACPRS, but not on the Board of the Company.

2.5 Fitness and Proprietary Requirements

2.5.1 Fit and Proper Process in assessing the Board and Senior Executive

The Company appoints members of the Board based on the individual's expertise, work experience and professional judgment. The Board of Directors Term of Reference provides guidance for appointments to the Board. The Company has developed and adopted this set of governance guidelines to promote the effective functioning of the Board and set forth a common set of expectations for how the Board should perform its functions.

The Board and Senior Management have considerable experience in Underwriting, Finance, Reinsurance, Actuarial, and Claims across various jurisdictions. They provide valued oversight and input to the operations and risk management of the Company. Because directors play such an important role in the Company, their recruitment demands a correspondingly systematic and professional approach. The Board's objective is to have a number and mix of directors to ensure that there is an appropriate level of experience, knowledge, skills and expertise commensurate with the nature, scale and complexity of the Company's business.

The Board works with Management to ensure that key roles within the organization are filled by employees who are demonstrably qualified for their role. Employees go through a number of checks and balances to ensure the Board makes informed decisions about the suitability of a potential staff member.

Stephen Minor—Executive Director

Stephen is the founder of Fleming Corp., an independent private equity sponsor focused on financial institutions, utilities, and tactical opportunities in long term asset classes where permanent capital affords an advantage. Previously, he was a Principal at Torch Hill Investment Partners, a Washington DC-based private equity fund. Prior to Torch Hill, Stephen worked for Deutsche Bank in NY in the securitization and debt products group. He has served as a director on the boards of All Coast, UniGas, Artel, Fleming Re, Fleming International Re and Fleming Properties. Stephen attended the US Naval Academy, graduated from Vanderbilt University and received an MBA from Georgetown.

Eric Haller – Director and CEO

Eric has over twenty years of senior industry experience at international insurers. Prior to Fleming, Eric was the CFO & CRO of Safe Harbor Re, a Bermuda-based long-term reinsurer providing runoff solutions and reinsurance to the life and annuity market. Eric has been responsible for overseeing all aspects of corporate reinsurers, including business development, underwriting, treasury, accounting, tax, risk and regulatory compliance functions. He also developed and executed strategic operating decisions across entire organizations. Prior to joining Safe Harbor Re, Eric led the North American M&A team at Randall & Quilter (AIM: RQIH). Prior to R&Q, he headed the Strategic Planning Group at Athene, the Apollo backed reinsurer and worked at XL Capital in their Investment Management Group and began his career with Deloitte & Touche.

Martin Dolan – Independent Director
Martin has been a senior insurance banker for over twenty-eight years and has worked globally, including in Europe, the UK, Bermuda and the US. He has served with Lloyds of London, Equitas, AIG and various other regulators which include the State of Wisconsin. His current position is at Dolan & Company, where he is the senior principal.

Gerald Haase – Independent Director
Gerald is a Fellow of the Casualty Actuarial Society with broad executive experience leading both public and private companies. He previously served as the Group COO of Catalina Holdings and CEO of its various subsidiary companies, as well as the COO of CNA Financial. Gerald obtained his Bachelor's degree from University of Iowa and an Executive MBA from NYU Stern School of Business.

Scott Millimet *(appointed January 15, 2025)* **– Independent Director**
Scott is the founder and the current President of Institutional Client Management that outsources CIO function to numerous early stage and established insurers ranging from Property and Catastrophe, (P&C) to Casualty and Long Term Care. He has over thirty-five years of extensive experience in multi-sector fixed income asset management in the United States and other countries.

<u>Other Senior Executives:</u>

Chief Actuarial Officer - Louis Gariepy
Mr. Gariépy has more than thirty years of actuarial and insurance industry experience. Mr. Gariepy is a former Chief Actuary at Chubb Bermuda (formerly ACE Bermuda), Chief Risk Officer at Chubb Tempest Re (formerly ACE Tempest Re) and a former Chief Actuary - Reserving for Liberty Mutual – Commercial division. Mr. Gariépy also held various roles with the Equator Re (QBE), Zurich Group, RLI Insurance and the Wyatt Company (now part of Willis Towers Watson). Most recently, Mr. Gariépy was Chief Actuary of Premia Re Bermuda prior to joining Fleming in March 2022. Mr. Gariépy holds a B.S. in Actuarial Science from Laval University and an MBA from the Edinburgh Business School, Heriot-Watt University. Mr. Gariépy is also a Fellow of the Casualty Actuarial Society and the Canadian Institute of Actuaries and a member of the American Academy of Actuaries.

Chief Financial Officer/Chief Operations Officer – Mike Garceau
Mike joined Fleming in July 2024 as an experienced executive and entrepreneur with over thirty years of industry experience. He founded the Garceau Agency, supported by Goosehead Insurance, to provide high-quality affordable insurance for the Connecticut and Massachusetts areas. Before that, he founded Apogee Properties, a start-up company with extensive and diverse commercial and residential real-estate portfolios. Mike was the chief operating officer of Blackboard Insurance (previously Hamilton USA) for four years, having previously worked for AIG, XL Capital and Zurich.

Chief Technology Officer – Benjamin Bomhoff, Jr
Information Technology leader with twenty-three years of experience as a senior technology leader and over forty years in a variety of IT positions in the insurance industry.

Chief Claims Officer – Mark Aussicker
Mark has significant claim and risk management experience working on behalf of insurance carriers, managing general agents and third-party administrators.

Head of M&A – Daniel Linden
Certified Public Accountant and Chartered Financial Analyst with considerable experience with multinational clients in a broad spectrum of industries.

Chief Risk Officer – Pierre Samson, FCAS
Actuary with over thirty years of experience in the Bermuda market, in the fields of Risk Management, Actuarial (Reserving) and Underwriting.

Chief Accounting Officer – Neil Anderson
Chartered Accountant with thirty years' experience in public practice and the reinsurance industry in Bermuda.

The Nominating & Governance Committee has reviewed the independence of each of our Directors and deems Mr. Dolan, Mr. Haase and Mr. Millimet to be independent Board members.

2.6 Risk Management and Solvency Self-Assessment

2.6.1 Risk Management Process & Procedures to Identify, Measure, Manage and Report on Risk Exposures

FIRe views risk management as a key component of its business activities. Risk management processes and procedures are managed at Board level in conjunction with Senior Management. The goal of the Company's risk management framework is to ensure that every effort is made to manage risk appropriately in order to maximize potential opportunities and minimize the adverse effects of risk.

The objectives of the risk management policy in FIRe may be summarised as follows:

1) To confirm and communicate FIRe's commitment to risk management as well as to assist in achieving its strategic and operational goals and objectives.
2) To formalise and communicate a consistent approach to managing risk for all FIRe's activities and to establish a common reporting protocol aligned to group reporting.
3) To ensure that all significant risks to FIRe are identified, assessed managed and reported to the risk committee as well as the relevant group board committees where necessary.
4) To assign accountability to all staff for the management of risks within their areas of control.
5) To provide a commitment to staff that risk management is a core management capability.

The Company's Risk Committee has responsibility for the risk management processes and procedures. The role of the Committee is to encourage and safeguard the highest standards of integrity in the risk management framework, processes and monitoring, having regard to laws and regulations applicable to the Group and the requirements of the BMA.

The Risk Committee is listed as follows:

Name	Position
Gerald Haase	Independent Director
Martin Dolan	Independent Director
Scott Millimet	Independent Director
Stephen Minor	Executive Director
Eric Haller	CEO and Executive Director – Chair of Risk Committee

The Risk Committee convenes quarterly and reports to the Board. The Risk Committee, consisting of five members, is responsible for setting risk limits, monitoring and enforcing compliance with risk limits, and setting the risk management policies and procedures of the Company. The Risk Committee is responsible for performing ongoing oversight and monitoring compliance for the material risks of the Company.

- Ensure that the Company has an effective risk management framework in place, that is proportionate to the nature, scale and complexity of the risks inherent in the business. This should be reviewed at least annually and should cover risk identification, measurement, response and monitoring.
- Provide oversight and advice to the Board on the current risk exposures of the company and future risk strategy.
- Provide advice to the Board on Key Risk Indicators, including risk appetite and risk tolerance.
- Provide advice to the Board on all company policies relating to risk management.
- Provide advice to the Board on the management of internal capital modeling.

2.6.2 Risk Management Strategy

It is critical that the Company implements appropriate risk tolerance levels in order to balance the acquiring of assets and assumption of liabilities. The Company applies risk charges to all aspects of its operations in accordance with generally accepted actuarial standards.

The principal objective of the Company is to provide run-off solutions for captives, insurance and reinsurance companies and other insurance-related companies requiring surplus relief, risk capacity and risk protection by assuming low volatility liabilities.

This is supported by the Company's governance objectives, to ensure an effective corporate governance structure and risk management framework are in place, meeting all statutory and regulatory requirements and international best standards. Further detail on the Company's strategic and governance objectives are below:

Strategic Objectives	Governance enabling Strategic Objectives
Financial: Close profitable run-off transactions within our risk tolerances and underwriting guidelines.	1) Protect the interests of shareholders and generate long-term value. 2) Establish an ERMF that can scale to accommodate an increase in growth and complexity.
Business Development: Establish a broad network of intermediaries and create innovation to the run-off industry	1) Ensure intermediaries are reputable and known in the industry. 2) Ensure innovation to the industry does not generate additional risk. Board Committees will be involved in this process.
Operational: Develop best in class infrastructure, internal resources and external resources.	1) Focus on internal training and accountability as well as clearly defining responsibilities. 2) External resources should be reputable, and all relationships are in line with our outsourcing policy.
Information: Remain aware of trends in the insurance market, emerging markets that possess new risks, and new methods of conducting business.	1) Establish a culture of transparency within the organization and ensure goals, principles and processes are understood. 2) Create open channels of communication to identify and report any abuses, conflicts of interest but also to identify areas for improvement. This will be in line with our Code of Conduct, Employee Handbook and our Anti-Money Laundering Policies.

The key risks categories are summarized in the risk register along with specific risks which the Company has established, including a risk description, evaluation and mitigating factors. The key risk categories are summarized below:

- Financial
- Insurance
- Legal/Litigation
- Operational (including Cyber)
- Reputational
- Strategic
- Governance
- Regulatory

In addition to the above, an outsourcing policy defining the key criteria for service providers has been implemented. The policy details the relevant key components of the Company's Enterprise Risk Management Framework and ensures that it:

- Contains clearly assigned overall risk management responsibilities;
- Is defined to be consistent with the strategic objectives of the Company;
- Operates across all the activities of the Company;
- is consistently applied to all major decision-taking processes of the Company.

2.6.3 Risk Policies

The Company has documented its risk appetite framework within the Risk Management Policy. The risk appetite framework will be updated as needed. In addition to these functional areas, the Company has documented policies to address the risk appetite of the operational functions of the Company.

As soon as the tolerance levels defined in the Risk Appetite framework are exceeded due to an event that increases the risk(s) the Company is exposed to, the Risk Management Function defines appropriate corrective measures to reduce the risk to within acceptable limits.

Any corrective measures together with an implementation plan will be submitted to the Risk Committee for approval.

In addition to the risk appetite and policies, controls and monitoring tools have been created to ensure risks are managed appropriately. The risk register is used to document all risks that the business assumes it may take and assess the current risk profile.

We are also embedding risk awareness throughout the Company to ensure we take a proactive approach in educating employees. We encourage ongoing training and briefings for our employees and hold an annual training session. All employees are further required to read and sign:

- Code of Conduct
- Employee Handbook

Further all employees must be aware of all other company policies including AML, ATF, IT Policy and Data Security.

2.6.4 Risk Management and Solvency Self-Assessment Systems Implementation

The Company has set up a Corporate Governance Framework based on following principles:

- The Board of Directors is the focal point of the governance system and is ultimately accountable and responsible for the performance and conduct of the Company and, as such, must have at its disposal all required capabilities to achieve its duties. The Board has delegated its authority to various committees to assist with these duties.

- An embedded Compliance Function reporting to the Risk Committee aims to ensure the continuous compliance of the Company with all legal, regulatory and administrative requirements.

- An appropriate segregation of duties in order to enable the various risk management, internal audit, actuarial and compliance functions to perform independent risk and business control, mitigation, monitoring and reporting tasks. These functions are carried out by the board committees in conjunction with management oversight of outsourced service providers.
- A meaningful and practical approach in documenting policies and strategies to formalize all processes and ensure efficiency, fit and proper and best-in-class criteria.
- Structured reporting processes to enable the appropriate escalation of risk issues to the Board of Directors in order to ensure a clear and comprehensive flow of information, which allows the Board to perform its duties efficiently, prudently and in line with the company's strategic objectives.

The Company has chosen the "three lines of defense" governance model, which leads to the following general governance framework throughout the Company.

1st Line of Defense	**2nd Line of Defense**	**3rd Line of Defense**
Risk and control embedded in the business	**The Oversight Function**	Provides independent assurance
Primary accountability within the context of the management of day-to-day operations. The first line of defense ensures that operations are carried out correctly and that risk exposures are managed, controlled and reported in accordance with the risk appetite and risk policies set out by the board. The 1st line of defense is Management, comprised of various designated Risk Owners.	The 2nd line represents functions defining, developing, implementing and maintaining risk frameworks, policies and procedures independent of operations. It defines the business guidelines and oversees the operations. It monitors and ensures that operations, policies and strategies are adequately aligned. The 2nd line of defense includes ERM and Compliance	The 3rd line challenges the design and effectiveness of risk management, compliance, control and governance processes. In order to achieve the necessary independence and objectivity, Internal Audit is an independent function that reports directly to the Audit Committee. The 3rd line of defense includes internal and external audit.

2.6.5 Relationship between Solvency Self-Assessment, Solvency Needs & Capital and Risk Management

The Company will follow an internal process to assess the adequacy of its risk management and current and prospective solvency positions under normal and severe stress scenarios. This solvency self-assessment will require analyzing all reasonably foreseeable and relevant material risks (i.e., reserving, underwriting, credit, market, operational, liquidity risks, etc.) that could have an impact on the Company's ability to meet its policyholder obligations. Senior Management will review this actuarial assessment of their current and future risks which will inform their own judgment about risk management and the adequacy of their capital position. This enterprise-wide valuation is not a one-off exercise; it is a continuous evolving process and will form a key component of the Company's risk management framework (RMF).

2.6.6 Solvency Self-Assessment Approval Process

The Chief Actuarial Officer will conduct periodic risk analytic reviews to measure and manage the risk capital needs for the Company. An annual internal actuarial risk assessment report will be prepared for and vetted by Senior Management and presented to the Board for approval and subsequently distributed to relevant 3rd party reviewers (*i.e.,* auditors, rating agencies, regulators, and investors).

2.7 Internal Controls

2.7.1 Internal Control System

The Board and Senior Executives review and assess the effectiveness of the internal reporting and operating controls. Any material deficiencies are documented, and resolution measures are implemented in a timely manner. The Board and Senior Management have developed policies and procedures requiring direct reporting of internal control weaknesses to them.

It is the responsibility of the company's senior officers, including our Chief Executive Officer, to maintain reliable and effective internal controls. This is achieved by continuously assessing their quality.

2.7.2 Compliance Function

In May 2023, the Company hired a dedicated Compliance Officer with over 15 years of experience in Financial Crime Compliance (including Sanctions adherence, Fraud mitigation and Anti-Money Laundering controls) and Regulatory Compliance (including Anti-Bribery and Corruption controls and Regulatory enforcement and reporting). The Compliance function has worked to integrate itself into all aspects of the company's internal control processes, including corporate governance, policy drafting and business continuity. Compliance has also engaged with Internal Audit to ensure appropriate oversight of this process. Compliance actively supports the ERM process. The Compliance function has as one of its primary functions the responsibility to monitor regulatory changes in the relevant jurisdictions and ensure compliance with applicable laws. This includes ensuring that regulatory reporting and public disclosure requirements are adhered to, thus avoiding any potential exposure to legal penalties, financial forfeiture or material loss which might be caused by a lack of compliance.

Compliance risk is mitigated by the following:

- The Board oversees that there are review mechanisms regarding the Company's compliance with all relevant laws, regulations, codes of conduct, industry standards and guidance notes.
- The Company's dedicated Compliance Officer and Senior Management who each have over 20 or more years of experience – are familiar with and monitor developments in local laws and regulations.
- Work with third party service providers such as its external auditors – EY Bermuda; Bermuda counsel – Appleby; U.S. counsel – Sidley Austin, Virtual Chief Information Security Officer – Cyber Chain Alliance, and Corporate Services - Conyers.
- The Company participates in industry peer groups and organizations which discuss and consider compliance and regulatory issues.
- Management conducts periodic informational meetings with the Bermuda Monetary Authority to ensure they are informed of developments affecting the company.

The compliance function reports to and is subject to oversight by the Risk Committee and Audit Committee. Employees are educated that they must comply with all laws and regulations as laid out in our Code of Conduct and Employee Handbook. We seek to continually improve the process by which risks facing the company are identified, evaluated and mitigated. This results in the continual refinement of the organization's operational practices.

2.8 Internal Audit

The Company implemented its internal audit function during 2021 and continues to build upon that infrastructure. The Company uses Baker Tilly to perform its internal audit testing.

2.9 Actuarial Function

The Company's actuarial function is responsible for setting, monitoring and adjusting technical provisions both premium and loss and loss expenses best estimates, and their corresponding risk margin.

The Company's Chief Actuary is Mr. Louis Gariépy.

The Company's Loss Reserve Specialist is Karl Goring of Milliman, Inc.

The Company has established an effective actuarial function based on the nature, scale, complexity, and profile of risks to which it is exposed.

2.10 Enterprise Risk Management Function

In July 2023, the Company hired a dedicated Chief Risk Officer with over thirty years of experience in the fields of risk management, actuarial (reserving) and underwriting. The ERM Framework follows two guiding principles: "pragmatic approach to problem solving" and "ERM embedded in the company's culture". ERM has implemented a Risk Working Group ("RWG"), comprised of several senior executives of the Company. The RWG meets monthly to discuss and advance relevant ERM matters.

2.11 Outsourcing

The Company has appointed the following service providers:

- Yi Jing of Willis Towers Watson – Loss Reserve Specialist
- Ernst & Young - Independent External Auditor
- Baker Tilly – Independent Internal Auditor
- Conyers Corporate Services Limited - Company Secretary
- Appleby (Bermuda) Limited – Legal Advisors
- Conning Inc. – Investment Managers
- New England Asset Management – Investment Managers
- Soteria – IT service providers
- Cyber Chain Alliance – Virtual Chief Information Security Officer (vCISO)

2.12 Other Material Information

No other material information to report.

3. Risk Profile

3.1 Material Risk

FIRe's principal risk areas that make up our ERMF are Financial, Insurance, Legal/Litigation, Operational, Reputational, Governance, Regulatory and Strategic. These risks are identified in section 2.6.2 and discussed below:

FINANCIAL RISK; includes Tax, Underwriting, Investment, Liquidity & Concentration Risk, Credit Risk, and Market Risk

Investment, Liquidity & Concentration Risk
A significant amount of the Company's investments will be held to support transactions that require over-collateralization. These will be managed by an external investment manager and will have conservative guidelines associated with them and may be more restrictive than the optimal portfolio outlined below.

To accomplish the organization's investment objectives for asset-liability matching, based on its time horizon, risk tolerances, performance expectations, and asset class preferences, an optimal portfolio was identified by the Investment Committee. This comprises diverse portfolios of high-quality, investment grade or higher debt instruments (avoiding high concentration to any large exposures) that are sufficiently marketable for sale in order to have satisfactory liquidity to pay claims and commutations and pursue acquisitions consistent with the Company's business objectives.

The Investment Manager is authorized to utilize portfolios within certain strategic asset allocations as approved by the Investment Executive Committee, from time to time.

The Company's manages its credit risk by leveraging the investment capabilities of its portfolio managers: Conning Inc and New England Asset Management. The investment managers' asset allocations are set within the investment policy, investing in investments of high credit quality and appropriate diversification.

To mitigate any counter-party credit risk, the Company only transacts with insurers and reinsurers rated A- and above.

The Company aims to match the currency and duration of assets to liabilities unless there is a particular strategic reason to not do so, such as where the reporting currency differs from the currencies of both the assets and liabilities, unless doing so increases the overall risk of the transaction. In those circumstances management would document the exception or rationale.

INSURANCE RISK; includes both Underwriting Risk and Reserving Risk

Our underwriting philosophy is based on Integrity, Transparency and Efficiency. Our underwriting focus will be on executing profitable transactions versus premium growth. The Company will be opportunistic and undertake transactions with appropriate risk/return profiles with an overall focus on risk management. This will be achieved by employing experts who understand the liabilities, various structures and can assess the risk appropriately. In addition, we will develop and maintain strong industry relationships to ensure sufficient deal flow and allow the Company to target appropriate transactions.

The Company's reserve risks stems either from an underestimation of the absolute level of claims, or an inability to foresee trends in claims settlements emanating from one or more particular classes of risks. The Company will always look to reach the breakeven level on loss distribution. To satisfy this point on each transaction, the Company generally looks for the percentile confidence level of the reserve distribution to be between the 80^{th} - 85^{th} percentile, in order to complete the transaction.

LEGAL / LITIGATION RISK

All transactions are reviewed by legal experts to mitigate the risks for any potential litigation. The Company looks to avoid litigation on claims unless there is a thorough understanding of the underlying claim and the circumstances surrounding this, and the Company can get comfortable with the parameters of the claim and its own legal position in this regard.

OPERATIONAL RISK

This is the risk of loss from inappropriate or failed internal processes, personnel and systems. There are many sources of operational risk including, but not limited to; processes and controls, staff and human capital management; regulatory and governance compliance; cyber threats, business continuity and outsourcing. These are typically not quantifiable nor subject to a risk budget and are mitigated and managed through a variety of risk management policies and operating guidelines which prescribe processes to identify, assess, monitor and control these risks on a day-to-day basis.

GOVERNANCE

This risk relates to our internal control structure (policies, procedures and company records) and considers the discipline applied to the processes which we use to govern corporate activities. Liaison with the Company Secretary factors highly in the management of this risk class.

3.2 Mitigation of Risks

FIRe encourages a disciplined risk culture by valuing integrity and setting high ethical standards, clear lines of responsibility and accountability, segregation of duties and implementation of robust control systems. Since the discipline of risk management includes not only the risk management functions but all areas of the Company, it is important to foster a strong and embedded risk culture within FIRe. As part of a sound risk culture at the Company, all employees need to be aware of the risks they face when performing their functions. This awareness implies an openness to regularly monitor and, if necessary, challenge existing concepts, procedures, and rules. Company wide communications, training sessions, and further intra-company social activities are designed and offered to increase risk awareness and to educate staff in risk identification and mitigation techniques.

FIRe's risk culture includes:

- The Code of Conduct, which outlines the company's expectation that all employees will observe the highest standards of integrity and adherence to FIRe's Risk appetite.
- The Board of Directors, who are tasked with ensuring adherence with the parameters set out by the Code of Conduct.
- The various Board Committees, which allow for more in depth analysis of the risks faced by the key functional areas of the company.
- The Enterprise Risk Management (ERM) Framework, which details the various aspects of our approach to managing the risks faced by FIRe

3.3 Material Risk Concentrations

Underwriting guidelines clearly reflect the level and type of risk that FIRe is willing to take. Risk limits are overseen by the Board.

3.4 Investment of assets in Accordance with the Prudent Person Principles

FIRe's investments are managed by outsourced asset managers in accordance with the Investment Guidelines. Exposures are controlled by setting investments limits in line with the Company's risk appetite. The Investment guidelines are approved by the Board.

The assets are invested to maximize return within the Board's approved Risk appetite and requirements of the Prudent Person Principle. Investments are held at fair value, with changes in fair value recorded through the profit and loss account.

Investment goals that align with the Prudent Person Principle are:

- Maintain ability to meet liability payoff obligations and operating expenses as they become due.
- Preserve invested capital.
- Investments should adhere to regulatory framework and agreed investment guidelines.
- Earn attractive risk adjusted returns.

FIRe only assumes investment risks that it can properly identify, measure, respond to, monitor, control and report on, while taking into consideration its capital adequacy and liquidity requirements. All investment guidelines have been approved by FIRe's Board, as well as by any applicable counterparties. These approvals are documented for each transaction.

Investment guidelines are drafted to be aligned to the pre-set risk tolerance and exposures limits and must be approved by the Investment Committee of the Company's Board.

Subject to Investment Committee approval, third-party investment managers may be hired and are subject to strict guidelines specified in their investment management agreement. Third-party managers also are used to augment the Company's internal investment monitoring and risk management systems.

3.5 Stress and Scenario Testing

Given its current status, the overall book will reduce in size assuming expected performance and payout patterns. As such, solvency requirements will reduce over time unless impacted by deterioration. To assess the impact of potential deterioration, FIRe performs stress testing on a regular basis. The stress testing is focused on the investment portfolio and reserving process. Based on the procedures performed, the Board and Management consider the Company to be appropriately capitalized with adequate liquidity to meet its liabilities and that risks to which the company are exposed continue to be managed within our appetite.

4. Solvency Valuation

4.1 Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

The Company has used the valuation principles outlined by Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime" for the reporting period's statutory filing. The economic valuation principles outlined in this document are to measure assets and liabilities on a fair value basis (which is the value that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date).

The fair value principles used for the assets are as follows:

Cash and Cash Equivalents – The Company considers highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. The valuation basis for the Economic Balance Sheet is consistent with the US GAAP financial statements.

Quoted Investments – Quoted investments classified as "bonds and debentures" are carried at fair value. Fair value generally represents quoted market value prices for securities traded in the public marketplace or prices analytically determined using bid or closing prices for securities not traded in the public marketplace. The valuation basis for the Economic Balance Sheet is consistent with the US GAAP financial statements.

Premium Receivable and Funds Held by Ceding Reinsurers - Premiums receivable are carried at face value net of any allowance for doubtful accounts, which approximates fair value. The allowance for doubtful accounts represents an estimate of amounts considered uncollectible based on the Company's assessment of the collectability of receivables that are past due. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

4.2. Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

Technical provisions are valued at an economic value using the best estimate of probability-weighted cash flows, with an additional risk margin. Cash flows are discounted using factors prescribed by the Bermuda Monetary Authority. Risk Margin is calculated using the Cost of Capital method, using rates supplied by the Bermuda Monetary Authority. Cash flows take into account all future cash inflows and outflows required to settle the insurance obligations attributable to the remaining lifetime of the policy. Technical provisions were calculated 'gross of reinsurance' with a separate assessment of the amounts expected to be recovered from the reinsurers consistent with the gross assessment.

At December 31, 2024, the total Technical Provisions amounted to $206.3 million, comprising the following (in thousands):

Best estimate loss and loss expense provisions	$ 229,562
Best Estimate Premium Provisions	$ (42,623)
Risk margin	$ 19,398

4.3 Description of Reinsurance Recoverables from Reinsurance Contracts

Recoverables from reinsurance contracts are based on principles similar to the gross best estimate and include reinstatement premiums required to be paid to the reinsurer, and expenses in relation to the management and administration of reinsurance claims.

On February 23, 2022, the Company entered into a loss portfolio transfer retrocession agreement (the "LPT") with Fortitude Reinsurance Company Ltd. ("Fortitude") under which Fortitude reinsures the majority of the Company's reserves. Under the terms of the transaction, which closed on March 31, 2022 (the "Retrocession Closing Date"), the Company (a) ceded to Fortitude all existing and future claims for losses arising under certain casualty reinsurance agreements with underlying insurance companies with treaty inception dates ranging from 2011 to 2020 (the "Subject Business"), in each case net of third-party reinsurance and other recoveries, up to an aggregate limit of $400.0 million; (b) continues to manage and retain the benefit of other third-party reinsurance on the Subject Business; (c) paid Fortitude a reinsurance premium of $335.0 million, $310.0 million of which the Company credited to a notional funds withheld account (the "Funds Withheld Account") and $25.0 million of which was paid in cash to Fortitude; and (d) pays Fortitude a 2% per annum crediting rate on the Funds Withheld Account balance on a quarterly basis.

On August 16, 2024, the Company entered into a novation agreement ("the Novation") with Fortitude and Fleming Reinsurance (Cayman) SPC Ltd. ("Fleming Cayman"), an affiliated company, to novate the retrocession to Fortitude. The Company received $67.0 million from Fortitude as full and final settlement of Fortitude's liabilities with respect to the Subject Business; $2.0 million of this is payable to Fleming Cayman as an administrative fee. The related Funds Withheld Account, therefore, increased by $65.0 million; with the crediting rate now set at 4.25% per annum, payable on a quarterly basis. Following the Novation, the new parties to the LPT have amended the payment limit to $65.0 million from the previous $90.0 million.

At December 31, 2024 and 2023, the Company had reinsurance recoverables on unpaid and paid losses of $119.1 million and $238.4 million, respectively, with $111.5 million and $227.8 million related to the LPT, respectively. All material reinsurance recoverable amounts are from companies with A.M. Best Company ratings of "A-" (Excellent) or better or are collateralized by a trust agreement or Funds Withheld Account.

4.4 Valuation Other Liabilities

The Company's liabilities follow the valuations principles outlined by Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime" which values liabilities at a fair value basis.

Other liabilities are primarily reinsurance balances payable, vendor accruals and contingent liability and are stated at the amount estimated to be paid when eventually settling the obligation. These amounts are not discounted

4.5 Any Other Material Information

No additional material information to report.

5. Capital Management

5.1 Overview

The 2024 capital structure supported the current operations and complied with the regulatory requirements.

5.2 Eligible Capital

5.2.1. Capital Management Policy and Process for Capital Needs, How Capital is Managed and Material Changes During the Reporting Period

The primary capital management objective of the Company is to maintain a strong capital base to support the business and to meet regulatory capital requirements.

Given the over-collateralized nature of the business and strict investment guidelines associated with that collateral, the Company's assets are very liquid. The Company has significant sources of capital that are able to meet the needs of the upcoming year.

5.2.2. Eligible Capital Categorized by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act:

As at December 31, 2024 the Company's Eligible Capital was categorized as follows (in thousands):

Tier 1	**$186,361**
Tier 2	1,043
Tier 3	-
Total	$187,404

At the end of the reporting period, the Company's Eligible Capital for its Minimum Margin of Solvency (MSM) and Enhanced Capital Requirement (ECR) are categorized consistent with the above table of Eligible Capital.

Tier 1 and Tier 2 capital is entirely comprised of Common Stock, Contributed Surplus and Statutory Economic Surplus. Tier 2 capital resulted from collateral pledged in excess of obligations.

5.2.3. Confirmation of Eligible Capital That is Subject to Transitional Arrangements

The Company does not have eligible capital that is subject to transitional arrangements.

5.2.4. Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR

The Company has entered into contracts with cedants that require the Company to fully collateralize estimates of its obligations calculated by the cedant. Assets are held in trust accounts for the benefit for the cedant. These assets are released to the Company upon the payment of the obligations. Interest income arising from these assets accrues to the Company.

5.2.5. Identification of Ancillary Capital Instruments Approved by the Authority
The Company does not have any ancillary capital.

5.2.6. Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus
The Company does not have any difference in shareholders equity.

5.3 Regulatory Capital Requirements
5.3.1 Economic Capital requirement and Minimum Margin of Solvency
As at December 31, 2024, the regulatory capital requirements were assessed as follows (in thousands):

Enhanced Capital Requirement	**$83,810**
Minimum Margin of Solvency	$38,991

5.3.2. Identification of Any Non-Compliance with the MSM and the ECR
The Company was compliant with the MSM and ECR requirement at the end of the reporting period.

5.3.3. A Description of the Amount and Circumstances Surrounding the Non-Compliance, The Remedial Measure and Their Effectiveness
Not applicable. The Company was compliant.

5.3.4. Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance
Not applicable. The Company was compliant.

5.5 Approved Internal Capital Model
The Company is developing an internal capital model, however, we are not seeking BMA approval for this model at this time.

6. Subsequent Events

None to report.

FLEMING
International RE

DECLARATION

To the best of their knowledge and belief, the financial condition report fairly represents the financial condition of Fleming International Reinsurance Ltd., in all material respects as at December 31, 2024.

On Behalf of

Fleming International Reinsurance Ltd.

Eric Haller

Eric Haller
CEO

Signature:

Mike Garceau

Mike Garceau
Chief Financial and Operations Officer

Signature: Mike Garceau
Mike Garceau (May 30, 2025 12:43 EDT)