AUDITED FINANCIAL STATEMENTS

RenaissanceRe Specialty U.S. Ltd. and Subsidiary

December 31, 2020 and 2019

RenaissanceRe

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Report of Independent Auditors

TO THE BOARD OF DIRECTORS OF
RENAISSANCERE SPECIALTY U.S. LTD. AND SUBSIDIARY

We have audited the accompanying consolidated financial statements of RenaissanceRe Specialty U.S. Ltd. and subsidiary, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in shareholder's equity, and cash flow for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of RenaissanceRe Specialty U.S. Ltd. and subsidiary at December 31, 2020 and 2019, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the incurred and paid claims development prior to the most recent year and the average annual percentage payout of incurred claims disclosed on pages 29 through 39 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst & Young Ltd.

Hamilton, Bermuda
April 26, 2021

RENAISSANCERE SPECIALTY U.S. LTD. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2020 AND 2019
(in thousands of United States Dollars)

	2020	2019
Assets		
Fixed maturity investments trading, at fair value - amortized cost $2,619,419 at December 31, 2020 (2019 - $2,456,342) (Notes 4 and 5)	$ 2,707,399	$ 2,481,779
Short term investments, at fair value (Notes 4 and 5)	378,565	190,655
Equity investments trading, at fair value (Notes 4 and 5)	170,385	143,930
Other investments (Notes 4 and 5)	—	4,342
Total investments	3,256,349	2,820,706
Cash and cash equivalents	43,796	29,238
Premiums receivable (Note 6)	542,895	357,627
Prepaid reinsurance premiums (Notes 6 and 8)	92,353	77,032
Reinsurance recoverable (Notes 6, 7 and 8)	608,638	531,399
Accrued investment income	12,241	14,618
Deferred acquisition costs	152,079	109,485
Receivable for investments sold	85,118	15,548
Other assets	34,519	31,302
Goodwill and other intangible assets (Note 3)	106,896	108,032
Total assets	$ 4,934,884	$ 4,094,987
Liabilities and Shareholder's Equity		
Liabilities		
Reserve for claims and claim expenses (Note 6 and 7)	$ 2,781,938	$ 2,287,247
Unearned premiums	588,612	486,865
Reinsurance balances payable (Notes 6 and 8)	160,221	129,103
Due to affiliates, net (Note 8)	6,691	3,692
Payable for investments purchased	147,208	39,930
Accounts payable and accrued liabilities	8,444	20,590
Other liabilities	3	2,252
Total liabilities	3,693,117	2,969,679
Shareholder's Equity (Note 9)		
Common shares: $120.00 par value - 120,000 shares authorized; 1,000 shares issued and outstanding at December 31, 2020 (2019 - 1,000)	120	120
Additional paid-in capital	1,062,052	1,020,052
Retained earnings	179,595	105,136
Total shareholder's equity	1,241,767	1,125,308
Total liabilities and shareholder's equity	$ 4,934,884	$ 4,094,987

On behalf of the Board:

Director

Helen James

Director

See accompanying notes to the consolidated financial statements

RENAISSANCERE SPECIALTY U.S. LTD. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(in thousands of United States Dollars)

	2020	2019
Revenues		
Gross premiums written (Note 6)	$ 1,527,529	$ 993,482
Net premiums written (Note 6 and 8)	$ 1,281,069	$ 805,619
Increase in net unearned premiums	(174,609)	(80,843)
Net premiums earned (Notes 6 and 8)	1,106,460	724,776
Net investment income (Note 4)	59,644	56,584
Net foreign exchange gains	484	589
Other income	7,647	2,079
Net realized and unrealized gains on investments (Note 4)	152,360	65,164
Total revenues	1,326,595	849,192
Expenses		
Net claims and claim expenses incurred (Notes 6, 7 and 8)	917,189	533,147
Acquisition expenses	293,073	182,891
Operational expenses (Note 8)	37,913	42,070
Corporate expenses (Note 8)	967	623
Amortization of other intangible assets (Note 3)	1,136	1,182
Total expenses	1,250,278	759,913
Income before taxes	76,317	89,279
Income tax expense (Note 10)	(1,858)	(15,657)
Net income	$ 74,459	$ 73,622

See accompanying notes to the consolidated financial statements

RENAISSANCERE SPECIALTY U.S. LTD. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(in thousands of United States Dollars)

	2020	2019
Common shares	$ 120	$ 120
Additional paid-in capital		
Balance – January 1	1,020,052	895,052
Contribution of capital (Note 9)	42,000	125,000
Additional paid-in capital	1,062,052	1,020,052
Retained earnings		
Balance – January 1	105,136	31,514
Net income	74,459	73,622
Balance – December 31	179,595	105,136
Total shareholder's equity	$ 1,241,767	$ 1,125,308

See accompanying notes to the consolidated financial statements

RENAISSANCERE SPECIALTY U.S. LTD. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(in thousands of United States Dollars)

	2020	2019
Cash flows provided by operating activities		
Net income	$ 74,459	$ 73,622
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization and accretion	6,021	(170)
Amortization of other intangible assets	1,136	1,182
Net realized and unrealized gains on investments	(152,360)	(65,164)
Change in:		
Premiums receivable	(185,268)	(87,921)
Prepaid reinsurance premiums	(15,321)	(15,724)
Reinsurance recoverable	(77,239)	(6,308)
Accrued investment income	2,377	(6,491)
Deferred acquisition costs	(42,594)	(32,594)
Reserve for claims and claim expenses	494,691	712,309
Unearned premiums	101,747	185,273
Reinsurance balances payable	31,118	54,878
Other, net	1,398	14,045
Net cash provided by operating activities	240,165	826,937
Cash flows used in investing activities		
Proceeds from sales and maturities of fixed maturity investments trading	3,059,957	2,096,740
Purchases of fixed maturity investments trading	(3,142,060)	(3,005,338)
Net purchases of short term investments	(186,973)	(37,790)
Net purchases of equity investments trading	(2,905)	(24,755)
Net sales (purchases) of other investments	4,374	(4,349)
Net cash used in investing activities	(267,607)	(975,492)
Cash flows provided by financing activities		
Contribution of capital	42,000	125,000
Net cash provided by financing activities	42,000	125,000
Net increase (decrease) in cash and cash equivalents	14,558	(23,555)
Cash and cash equivalents, beginning of period	29,238	52,793
Cash and cash equivalents, end of period	$ 43,796	$ 29,238

See accompanying notes to the consolidated financial statements

NOTE 1. ORGANIZATION

RenaissanceRe Specialty U.S. Ltd. ("RenaissanceRe Specialty U.S.") is incorporated under the laws of Bermuda to provide property and casualty and specialty reinsurance on both a quota share and excess of loss basis. RenaissanceRe Specialty U.S. is a wholly-owned subsidiary of RenaissanceRe Finance Inc. ("RenaissanceRe Finance"), whose ultimate parent is RenaissanceRe Holdings Ltd. ("RenaissanceRe"). The consolidated financial statements of RenaissanceRe Specialty U.S. include the financial position and results of operations of its wholly-owned subsidiary, Renaissance Reinsurance U.S. Inc. ("Renaissance Reinsurance U.S.").

RenaissanceRe Specialty U.S. is a Bermuda-domiciled Class 3B insurer that has made a submission to the Internal Revenue Service ("IRS") to elect, pursuant to §953(d) of Internal Revenue Code of 1986 (the "Code"), to operate subject to United States ("U.S.") federal income tax. Renaissance Reinsurance U.S. is a reinsurance company domiciled in the state of Maryland and provides property and casualty and specialty reinsurance coverages to insurers and reinsurers, primarily in the Americas.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States ("GAAP") and include the accounts of RenaissanceRe Specialty U.S. and its wholly-owned subsidiary, which are collectively referred to herein as the "Company". All significant intercompany accounts and transactions have been eliminated from these statements.

Certain comparative information has been reclassified to conform to the current presentation.

Use of Estimates in Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. The major estimates reflected in the Company's consolidated financial statements include, but are not limited to, the reserve for claims and claim expenses; reinsurance recoverable and premiums receivable, including allowances for reinsurance recoverable and premiums receivable to reflect expected credit losses; estimates of written and earned premiums; fair value, including the fair value of investments; deferred acquisition expenses and the value of business acquired ("VOBA"); and the Company's deferred tax valuation allowance.

Premiums and Related Expenses

Premiums are recognized as income, net of any applicable reinsurance coverage purchased, over the terms of the related contracts and policies. Premiums written are based on contract and policy terms and include estimates based on information received from both insureds and ceding companies. Subsequent differences arising on such estimates are recorded in the period in which they are determined. Unearned premiums represent the portion of premiums written that relate to the unexpired terms of contracts and policies in force. Amounts are computed by pro rata methods based on statistical data or reports received from ceding companies. Reinstatement premiums are estimated after the occurrence of a significant loss and are recorded in accordance with the contract terms based upon paid losses and case reserves. Reinstatement premiums are earned when written.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

Acquisition costs are incurred when a contract or policy is issued and only the costs directly related to the successful acquisition of new and renewal contract or policies are deferred and amortized over the same period in which the related premiums are earned. Acquisition costs consist principally of commissions, brokerage and premium tax expenses. Certain of our assumed contracts contain profit sharing provisions or adjustable commissions that are estimated based on the expected loss and loss adjustment expense on those contracts. Acquisition costs include accruals for such estimates of commissions and are shown net of commissions and profit commissions earned on ceded reinsurance. Deferred policy acquisition costs are limited to their estimated realizable value based on the related unearned premiums. Anticipated claims and claim expenses, based on historical and current experience, and anticipated investment income related to those premiums are considered in determining the recoverability of deferred acquisition costs.

Claims and Claim Expenses

The reserve for claims and claim expenses includes estimates for unpaid claims and claim expenses on reported losses as well as an estimate of losses incurred but not reported. The reserve is based on individual claims, case reserves and other reserve estimates reported by insureds and ceding companies as well as management estimates of ultimate losses. Inherent in the estimates of ultimate losses are expected trends in claim severity and frequency and other factors which could vary significantly as claims are settled. Also, the Company does not have the benefit of a significant amount of its own historical experience in certain casualty and specialty lines of business. Accordingly, the reserving for incurred losses in these lines of business could be subject to greater variability.

Ultimate losses may vary materially from the amounts provided in the consolidated financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are reflected in the consolidated statements of operations in the period in which they become known and are accounted for as changes in estimates.

Reinsurance

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policies. For multi-year retrospectively rated contracts, the Company accrues amounts (either assets or liabilities) that are due to or from assuming companies based on estimated contract experience. If the Company determines that adjustments to earlier estimates are appropriate, such adjustments are recorded in the period in which they are determined. The Company evaluates the financial condition of its reinsurers through internal evaluation by senior management. Amounts recoverable from reinsurers are recorded net of a provision for current expected credit losses to reflect expected credit losses.

Assumed and ceded reinsurance contracts that lack significant transfer of risk are treated as deposits.

Certain assumed and ceded reinsurance contracts that do not meet all of the criteria to be accounted for as reinsurance in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic *Financial Services - Insurance* have been accounted for at fair value under the fair value option in accordance with FASB ASC Topic *Financial Instruments.*

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

Investments, Cash and Cash Equivalents

Fixed Maturity Investments

Investments in fixed maturities are classified as trading and are reported at fair value. Investment transactions are recorded on the trade date with balances pending settlement reflected in the balance sheet as a receivable for investments sold or a payable for investments purchased. Net investment income includes interest income together with amortization of market premiums and discounts and is net of investment management and custody fees. The amortization of premiums and accretion of discounts for fixed maturity securities is computed using the effective yield method. For mortgage-backed securities and other holdings for which there is prepayment risk, prepayment assumptions are evaluated quarterly and revised as necessary. Any adjustments required due to the change in effective yield and maturities are recognized on a prospective basis through yield adjustments. Fair values of investments are based on quoted market prices, or when such prices are not available, by reference to broker or underwriter bid indications and/or internal pricing valuation techniques. The net unrealized appreciation or depreciation on fixed maturity investments trading is included in net realized and unrealized gains on investments in the consolidated statements of operations. Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method.

Short Term Investments

Short term investments, which are managed as part of the Company's investment portfolio and have a maturity of one year or less when purchased, are carried at fair value. The net unrealized appreciation or depreciation on short term investments is included in net realized and unrealized gains on investments in the consolidated statements of operations.

Equity Investments, Classified as Trading

Equity investments are accounted for at fair value in accordance with FASB ASC Topic *Financial Instruments.* Fair values are primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. Net investment income includes dividend income and the net realized and unrealized appreciation or depreciation on equity investments is included in net realized and unrealized gains on investments in the consolidated statements of operations.

Other Investments

The Company accounted for its other investments at fair value in accordance with FASB ASC Topic *Financial Instruments* with interest, dividend income and income distributions included in net investment income. Realized and unrealized gains and losses on other investments was included in net realized and unrealized gains on investments. The Company's other investments included investments in catastrophe bonds which were recorded at fair value and the fair value was based on broker or underwriter bid indications.

Cash and Cash Equivalents

Cash equivalents include money market instruments with a maturity of ninety days or less when purchased.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

Derivatives

From time to time, the Company may enter into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading or to assume risk. The Company accounts for its derivatives in accordance with FASB ASC Topic *Derivatives and Hedging*, which requires all derivatives to be recorded at fair value on the Company's consolidated balance sheet as either assets or liabilities, depending on their rights or obligations, with changes in fair value reflected in current earnings. The Company does not currently apply hedge accounting. The fair value of the Company's derivatives is estimated by reference to quoted prices or broker quotes, where available, or in the absence of quoted prices or broker quotes, the use of industry or internal valuation models.

Fair Value

The Company accounts for certain of its assets and liabilities at fair value in accordance with FASB ASC Topic *Fair Value Measurements and Disclosures*. The Company recognizes the change in unrealized gains and losses arising from changes in fair value in its consolidated statements of operations.

Business Combinations, Goodwill and Other Intangible Assets

The Company accounts for business combinations in accordance with FASB ASC Topic *Business Combinations*, and goodwill and other intangible assets that arise from business combinations in accordance with FASB ASC Topic *Intangibles - Goodwill and Other.* A purchase price that is in excess of the fair value of the net assets acquired arising from a business combination is recorded as goodwill, and is not amortized. Other intangible assets with a finite life are amortized over the estimated useful life of the asset. Other intangible assets with an indefinite useful life are not amortized.

Goodwill and other indefinite life intangible assets are tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Finite life intangible assets are reviewed for indicators of impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable, and tested for impairment if appropriate. For purposes of the annual impairment evaluation, goodwill is assigned to the applicable reporting unit of the acquired entities giving rise to the goodwill.

The Company has established the beginning of the fourth quarter as the date for performing its annual impairment tests. The Company has elected to use the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. Under this option, the Company is not required to calculate the fair value of a reporting unit unless the Company determines, based on its qualitative assessment, that it is more likely than not that a reporting unit's fair value is less than its carrying amount. If goodwill or other intangible assets are impaired, they are written down to their estimated fair value with a corresponding expense reflected in the Company's consolidated statements of operations.

The Company initially recorded VOBA to reflect the establishment of the value of business acquired asset, which represents the estimated present value of the expected underwriting profit within the unearned premiums liability, net of reinsurance, less costs to service the related policies and a risk premium. VOBA is derived using, among other things, estimated loss ratios by line of business to calculate the underwriting profit, weighted average cost of capital, risk premium and expected payout patterns. The adjustment for VOBA was amortized to acquisition expenses over approximately two years, as the contracts for business in-force as of the acquisition date expired.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

In accordance with FASB ASC Topic *Business Combinations*, transactions between entities under common control are to be initially recognized at GAAP book value by the receiving entity at the transfer date and the financial statements of the receiving entity shall report the results of operations for the period in which the transfer occurs as though the transfer of net assets had occurred at the beginning of the earliest period presented. Financial statements and financial information presented for prior years shall be retrospectively adjusted to furnish comparative information. However, the comparative information shall only be adjusted for periods during which the entities were under common control.

Foreign Exchange

The Company's functional currency is the U.S. dollar. Revenues and expenses denominated in foreign currencies are revalued at the prevailing exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are remeasured at exchange rates in effect at the balance sheet date, which may result in the recognition of exchange gains or losses which are included in the determination of net income.

Taxation

Income taxes have been provided for in accordance with the provisions of FASB ASC Topic *Income Taxes.* Deferred tax assets and liabilities result from temporary differences between the amounts recorded in the consolidated financial statements and the tax basis of the Company's assets and liabilities. Such temporary differences are primarily due to GAAP versus tax basis accounting differences related to insurance adjustments, intangible assets, investments, accrued expenses, along with net operating loss carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against net deferred tax assets is recorded if it is more likely than not that all, or some portion, of the benefits related to net deferred tax assets will not be realized. Uncertain tax positions are also accounted for in accordance with FASB ASC Topic *Income Taxes.* Uncertain tax positions must meet a more-likely-than-not recognition threshold to be recognized.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

Recently Adopted Accounting Pronouncements

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 modifies the recognition of credit losses by replacing the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is applicable to financial assets such as loans, debt securities, trade receivables, off-balance sheet credit exposures, reinsurance receivables, and other financial assets that have the contractual right to receive cash. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The Company's invested assets are measured at fair value through net income, and therefore those invested assets were not impacted by the adoption of ASU 2016-13. The Company has other financial assets, such as premiums receivable and reinsurance recoverable, that were not materially impacted by the adoption of ASU 2016-13. ASU 2016-13 became effective for public business entities that are SEC filers for annual and interim periods beginning after December 15, 2019. For all other entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2020. Accordingly, the Company adopted ASU 2016-13 effective January 1, 2020. The adoption of ASU 2016-13 did not have a material impact on the Company's consolidated statements of operations and financial position, and as a result, there was no cumulative effect adjustment to opening retained earnings as of January 1, 2020.

Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement

In August 2018, the FASB issued ASU No. 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). ASU 2018-13 modifies the disclosure requirements of fair value measurements as part of the disclosure framework project with the objective to improve the effectiveness of disclosures in the notes to the financial statements. ASU 2018-13 allows for removal of the amount and reasons for transfer between Level 1 and Level 2 of the fair value hierarchy; the policy for transfers between levels; and the valuation processes for Level 3 fair value measurements. ASU 2018-13 became effective for all entities for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Accordingly, the Company adopted ASU 2018-13 effective January 1, 2020. Since ASU 2018-13 is disclosure-related only, it did not have an impact on the Company's consolidated statements of operations and financial position.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES, cont'd.

Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). Among other things, ASU 2017-04 requires the following: (1) the elimination of step two of the goodwill impairment test; entities will no longer utilize the implied fair value of their assets and liabilities for purposes of testing goodwill for impairment, (2) the quantitative portion of the goodwill impairment test will be performed by comparing the fair value of a reporting unit with its carrying amount; an impairment charge is to be recognized for the excess of carrying amount over fair value, but only to the extent of the amount of goodwill allocated to that reporting unit, and (3) foreign currency translation adjustments are not to be allocated to a reporting unit from an entity's accumulated other comprehensive income (loss); the reporting unit's carrying amount should include only the currently translated balances of the assets and liabilities assigned to the reporting unit. ASU 2017-04 became effective for public business entities that are SEC filers for annual periods, or any interim goodwill impairment tests in annual periods, beginning after December 15, 2019. All other entities, including not-for-profit entities, that are adopting the amendments of ASU 2017-04 should do so for their annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted. Accordingly, the Company adopted ASU 2017-04 effective January 1, 2020. The adoption of ASU 2017-04 did not have a material impact on the Company's consolidated statements of operations and financial position.

<u>Recently Issued Accounting Pronouncements Not Yet Adopted</u>

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). Among other things, ASU 2019-12 eliminates certain exceptions for recognizing deferred taxes for investments, performing intra-period tax allocation and calculating income taxes in interim periods. ASU 2019-12 also clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company is currently evaluating the impact of this guidance; however, it is not expected to have a material impact on the Company's consolidated statements of operations and financial position.

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS

On March 2, 2015, RenaissanceRe acquired 100% of the outstanding common shares of Platinum Underwriters Holdings, Ltd. ("Platinum"), a previously publicly traded company listed on the New York Stock Exchange and headquartered in Bermuda. Platinum, through its wholly owned subsidiaries, provided property and casualty reinsurance coverage through reinsurance brokers to insurers and select reinsurers on a worldwide basis. In connection with an internal restructuring, effective July 1, 2015, Platinum was merged with RenaissanceRe, with RenaissanceRe continuing as the surviving company.

Also, in connection with the acquisition of Platinum, RenaissanceRe undertook an internal restructuring and as a result, effective March 2, 2015, Renaissance Reinsurance U.S., a wholly-owned subsidiary of Platinum formerly known as Platinum Underwriters Reinsurance Inc., became a wholly-owned subsidiary of RenaissanceRe Specialty U.S. The net assets of Renaissance Reinsurance U.S. were transferred to RenaissanceRe Specialty U.S. on March 2, 2015 at GAAP book value and accounted for as a business combination with an entity under common control.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS, cont'd.

As a result of the acquisition of Platinum, and subsequent internal restructuring, RenaissanceRe allocated goodwill and other intangible assets related to the acquisition of Platinum to Renaissance Reinsurance U.S. Consequently, Renaissance Reinsurance U.S. recognized $29.1 million of identifiable finite lived intangible assets, $8.4 million of identifiable indefinite lived intangible assets and $94.4 million of goodwill primarily attributable to Platinum's assembled workforce and synergies expected to result upon integration of Platinum into RenaissanceRe's operations. These assets were transferred to RenaissanceRe Specialty U.S. in accordance with FASB ASC Topic *Business Combinations* for transactions between entities under common control.

The following table shows an analysis of goodwill and other intangible assets:

At December 31,	2020	2019
Goodwill, net	$ 94,399	$ 94,399
Other intangible assets, net	12,497	13,633
Total goodwill and other intangible assets	$ 106,896	$ 108,032

Included in goodwill and other intangible assets at December 31, 2020 and 2019 was gross goodwill of $94.4 million. There were no adjustments or impairment losses associated with goodwill during 2020 or 2019. During 2020, the Company recorded amortization expense of $1.1 million related to other intangible assets (2019 - $1.2 million).

The gross carrying value and accumulated amortization by major category of other intangible assets is shown below:

	Other intangible assets		
At December 31, 2020	Gross carrying value	Accumulated amortization and impairment losses	Total
Customer relationships	$ 10,525	$ (6,428)	$ 4,097
Licenses	8,400	—	8,400
Value of business acquired	14,123	(14,123)	—
Software	2,285	(2,285)	—
Covenants not-to-compete	1,900	(1,900)	—
Trade names	239	(239)	—
	$ 37,472	$ (24,975)	$ 12,497

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS, cont'd.

The remaining useful life of intangible assets with finite lives ranges from 4 to 9 years, with a weighted-average amortization period of 5.3 years. Expected amortization of the other intangible assets is shown below:

2021	$ 1,066
2022	980
2023	888
2024	789
2025	194
2026 and thereafter	180
Total remaining amortization expense	4,097
Indefinite lived	8,400
Total	$ 12,497

NOTE 4. INVESTMENTS

Fixed Maturity Investments Trading

The following table summarizes the fair value of fixed maturity investments trading:

At December 31,	2020	2019
U.S. treasuries	$ 793,691	$ 956,879
Agencies	143,508	111,133
Non-U.S. government	65,417	81,413
Non-U.S. government-backed corporate	35,893	14,736
Corporate	994,578	717,253
Agency mortgage-backed	148,446	181,506
Non-agency mortgage-backed	16,231	16,204
Commercial mortgage-backed	205,587	168,905
Asset-backed	304,048	233,750
Total fixed maturity investments trading	$ 2,707,399	$ 2,481,779

Contractual maturities of fixed maturity investments trading are described in the following table. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

At December 31, 2020	Amortized Cost	Fair Value
Due in less than one year	$ 103,565	$ 104,349
Due after one through five years	842,760	870,896
Due after five through ten years	900,150	934,332
Due after ten years	116,623	123,510
Mortgage-backed	353,252	370,264
Asset-backed	303,069	304,048
Total	$ 2,619,419	$ 2,707,399

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 4. INVESTMENTS, cont'd.

Equity Investments Trading

The following table summarizes the fair value of equity investments trading:

At December 31,	2020	2019
Communications and technology	$ 70,180	$ 50,365
Consumer	26,482	22,961
Industrial, utilities and energy	25,724	24,446
Financials	22,750	23,852
Healthcare	20,924	18,826
Basic materials	4,325	3,480
Total	$ 170,385	$ 143,930

Pledged Investments

At December 31, 2020, $791.9 million (2019 - $322.7 million) of cash and investments at fair value were on deposit with, or in trust accounts for the benefit of various counterparties, including with respect to RenaissanceRe's credit facilities. Of this amount, $620.4 million (2019 - $9.1 million) is on deposit with, or in trust accounts for the benefit of, U.S. state regulatory authorities.

Net Investment Income

The components of net investment income are as follows:

Year ended December 31,	2020	2019
Fixed maturity investments	$ 58,803	$ 52,250
Short term investments	1,070	4,264
Equity investments	2,689	2,299
Other investments	258	—
Cash and cash equivalents	102	344
	62,922	59,157
Investment expenses	(3,278)	(2,573)
Net investment income	$ 59,644	$ 56,584

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 4. INVESTMENTS, cont'd.

Net Realized and Unrealized Gains on Investments

Net realized and unrealized gains on investments are as follows:

Year ended December 31,	2020	2019
Net realized gains on fixed maturity investments	66,143	11,568
Net unrealized gains on fixed maturity investments trading	62,547	30,602
Net realized and unrealized gains on fixed maturity investments trading	128,690	42,170
Net realized and unrealized losses on investments-related derivatives	(135)	(18)
Net realized gains on equity investments trading sold during the period	171	16,960
Net unrealized gains on equity investments trading still held at reporting date	23,625	6,061
Net realized and unrealized gains on equity investments trading	23,796	23,021
Net realized and unrealized gains (losses) on other investments	9	(9)
Net realized and unrealized gains on investments	$ 152,360	$ 65,164

Other Investments

The table below shows the fair value of the Company's portfolio of other investments:

At December 31,	2020	2019
Catastrophe bonds	$ —	$ 4,342

NOTE 5. FAIR VALUE MEASUREMENTS

The use of fair value to measure certain assets and liabilities with resulting unrealized gains or losses is pervasive within the Company's consolidated financial statements. Fair value is defined under accounting guidance currently applicable to the Company to be the price 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 Company recognizes the change in unrealized gains and losses arising from changes in fair value in its consolidated statements of operations.

FASB ASC Topic *Fair Value Measurements and Disclosures* prescribes a fair value hierarchy that prioritizes the inputs to the respective valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to valuation techniques that use at least one significant input that is unobservable (Level 3). The three levels of the fair value hierarchy are described below:

- Fair values determined by Level 1 inputs utilize unadjusted quoted prices obtained from active markets for identical assets or liabilities for which the Company has access. The fair value is determined by multiplying the quoted price by the quantity held by the Company;

- Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals, broker quotes and certain pricing indices; and

- Level 3 inputs are based all or in part on significant unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In these cases, significant management assumptions can be used to establish management's best estimate of the assumptions used by other market participants in determining the fair value of the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Company considers factors specific to the asset or liability.

In order to determine if a market is active or inactive for a security, the Company considers a number of factors, including, but not limited to, the spread between what a seller is asking for a security and what a buyer is bidding for the same security, the volume of trading activity for the security in question, the price of the security compared to its par value (for fixed maturity investments), and other factors that may be indicative of market activity.

There have been no material changes in the Company's valuation techniques, nor have there been any transfers between Level 1 and Level 2, and Level 3, respectively, during the period represented by these consolidated financial statements.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

Below is a summary of the assets that are measured at fair value on a recurring basis and also represents the carrying amount on the Company's consolidated balance sheets:

At December 31, 2020	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$ 793,691	$ 793,691	$ —	$ —
Agencies	143,508	—	143,508	—
Non-U.S. government	65,417	—	65,417	—
Non-U.S. government-backed corporate	35,893	—	35,893	—
Corporate	994,578	—	994,578	—
Agency mortgage-backed	148,446	—	148,446	—
Non-agency mortgage-backed	16,231	—	16,231	—
Commercial mortgage-backed	205,587	—	205,587	—
Asset-backed	304,048	—	304,048	—
Total fixed maturity investments	2,707,399	793,691	1,913,708	—
Short term investments	378,565	—	378,565	—
Equity investments trading	170,385	170,385	—	—
Other assets and (liabilities)				
Derivative assets (1)	1	1	—	—
Derivative liabilities (1)	(4)	(4)	—	—
Assumed reinsurance contract	(190)	—	—	(190)
Total other assets and (liabilities) (1)	(193)	(3)	—	(190)
	$ 3,256,156	$ 964,073	$ 2,292,273	$ (190)

(1) See "Note 12. Derivative Instruments" for additional information related to the fair value by type of contract, of derivatives entered into by the Company.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

At December 31, 2019	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments				
U.S. treasuries	$ 956,879	$ 956,879	$ —	$ —
Agencies	111,133	—	111,133	—
Non-U.S. government	81,413	—	81,413	—
Non-U.S. government-backed corporate	14,736	—	14,736	—
Corporate	717,253	—	717,253	—
Agency mortgage-backed	181,506	—	181,506	—
Non-agency mortgage-backed	16,204	—	16,204	—
Commercial mortgage-backed	168,905	—	168,905	—
Asset-backed	233,750	—	233,750	—
Total fixed maturity investments	2,481,779	956,879	1,524,900	—
Short term investments	190,655	—	190,655	—
Equity investments trading	143,930	143,930	—	—
Other investments	4,342	—	4,342	
Other assets and (liabilities)				
Derivative assets (1)	6	6	—	—
Derivative liabilities (1)	(2)	(2)	—	—
Assumed reinsurance contract	501	—	—	501
Total other assets and (liabilities) (1)	505	4	—	501
	$ 2,821,211	$ 1,100,813	$ 1,719,897	$ 501

(1) See "Note 12. Derivative Instruments" for additional information related to the fair value by type of contract, of derivatives entered into by the Company.

Level 1 and Level 2 Assets and Liabilities Measured at Fair Value

Fixed Maturity Investments

Fixed maturity investments included in Level 1 consist of the Company's investments in U.S. treasuries. Fixed maturity investments included in Level 2 are agencies, non-U.S. government, non-U.S. government-backed corporate, corporate, agency mortgage-backed, non-agency mortgage-backed, commercial mortgage-backed and asset-backed.

The Company's fixed maturity investments are primarily priced using pricing services, such as index providers and pricing vendors, as well as broker quotations. In general, the pricing vendors provide pricing for a high volume of liquid securities that are actively traded. For securities that do not trade on an exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine month end prices. Observable inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, bids, offers, reference data and industry and economic events. Index pricing generally relies on market traders as the primary source for pricing; however, models are also utilized to provide prices for all index eligible securities. The models use a variety of observable inputs such as benchmark yields, transactional data, dealer runs, broker-dealer quotes and corporate

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

actions. Prices are generally verified using third-party data. Securities which are priced by an index provider are generally included in the index.

In general, broker-dealers value securities through their trading desks based on observable inputs. The methodologies include mapping securities based on trade data, bids or offers, observed spreads, and performance on newly issued securities. Broker-dealers also determine valuations by observing secondary trading of similar securities. Prices obtained from broker quotations are considered non-binding, however they are based on observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets.

The Company considers these broker quotations to be Level 2 inputs as they are corroborated with other market observable inputs. The techniques generally used to determine the fair value of the Company's fixed maturity investments are detailed below by asset class.

U.S. Treasuries

Level 1 - At December 31, 2020, the Company's U.S. treasuries fixed maturity investments were primarily priced by pricing services and had a weighted average yield to maturity of 0.4% and a weighted average credit quality of AA (2019 - 1.7% and AA, respectively). When pricing these securities, the vendor services utilize daily data from many real time market sources, including active broker-dealers. Certain data sources are regularly reviewed for accuracy to attempt to ensure the most reliable price source is used for each issue and maturity date.

Agencies

Level 2 - At December 31, 2020, the Company's agency fixed maturity investments had a weighted average yield to maturity of 1.1% and a weighted average credit quality of AA (2019 - 2.2% and AA, respectively). The issuers of the Company's agency fixed maturity investments primarily consist of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and other agencies. Fixed maturity investments included in agencies are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources and integrate other observations from markets and sector news. Evaluations are updated by obtaining broker-dealer quotes and other market information including actual trade volumes, when available. The fair value of each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data.

Non-U.S. Government

Level 2 - At December 31, 2020, the Company's non-U.S. government fixed maturity investments had a weighted average yield to maturity of 0.5% and a weighted average credit quality of AA (2019 - 2.0% and AAA, respectively). The issuers of securities in this sector are non-U.S. governments and their respective agencies as well as supranational organizations. Securities held in these sectors are primarily priced by pricing services that employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

Non-U.S. Government-backed Corporate

Level 2 - At December 31, 2020, the Company's non-U.S. government-backed corporate fixed maturity investments had a weighted average yield to maturity of 1.5% and a weighted average credit quality of AA (2019 - 2.7% and AA, respectively). Non-U.S. government-backed corporate fixed maturity investments are primarily priced by pricing services that employ proprietary discounted cash flow models to value the securities. Key quantitative inputs for these models are daily observed benchmark curves for treasury, swap and high issuance credits. The pricing services then apply a credit spread to the respective curve for each security which is developed by in-depth and real time market analysis. For securities in which trade volume is low, the pricing services utilize data from more frequently traded securities with similar attributes. These models may also be supplemented by daily market and credit research for international markets.

Corporate

Level 2 - At December 31, 2020, the Company's corporate fixed maturity investments principally consist of U.S. and international corporations and had a weighted average yield to maturity of 1.3% and a weighted average credit quality of BBB (2019 - 2.4% and A, respectively). The Company's corporate fixed maturity investments are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources regarding the issuer of the security and obtain credit data, as well as other observations from markets and sector news. Evaluations are updated by obtaining broker-dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk. In certain instances, securities are individually evaluated using a spread which is added to the U.S. treasury curve or a security specific swap curve as appropriate.

Agency Mortgage-backed

Level 2 - At December 31, 2020, the Company's agency mortgage-backed fixed maturity investments included agency residential mortgage-backed securities with a weighted average yield to maturity of 1.0%, a weighted average credit quality of AA and a weighted average life of 3.7 years (2019 - 2.5%, AA and 4.6 years, respectively). The Company's agency mortgage-backed fixed maturity investments are primarily priced by pricing services using a mortgage pool specific model which utilizes daily inputs from the active to be announced market which is very liquid, as well as the U.S. treasury market. The model also utilizes additional information, such as the weighted average maturity, weighted average coupon and other available pool level data which is provided by the sponsoring agency. Valuations are also corroborated with daily active market quotes.

Non-agency Mortgage-backed

Level 2 - The Company's non-agency mortgage-backed fixed maturity investments included non-agency prime and non-agency Alt-A residential mortgage-backed securities. At December 31, 2020, the Company's non-agency prime residential mortgage-backed fixed maturity investments had a weighted average yield to maturity of 1.0%, a weighted average credit quality of AAA and a weighted average life of 1.7 years (2019 - 2.8%, AAA and 2.4 years, respectively). At December 31, 2020, the Company's non-agency Alt-A fixed maturity investments had a weighted average yield to maturity of 0.8%, a weighted average credit quality of AAA and a weighted average life of 1.4 years (2019 - 2.6%, AAA and 2.0 years, respectively). Securities held in these sectors are primarily priced by pricing services using an option adjusted spread model or other relevant models, which principally utilize inputs including benchmark yields, available trade information or broker quotes, and issuer spreads. The pricing services also review collateral prepayment speeds, loss severity and delinquencies among other collateral performance indicators for the securities valuation, when applicable.

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

Commercial Mortgage-backed

Level 2 - At December 31, 2020, the Company's commercial mortgage-backed fixed maturity investments had a weighted average yield to maturity of 1.3%, a weighted average credit quality of AAA and a weighted average life of 5.2 years (2019 - 2.5%, AAA and 5.4 years, respectively). Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bid and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services discount the expected cash flows for each security held in this sector using a spread adjusted benchmark yield based on the characteristics of the security.

Asset-backed

Level 2 - At December 31, 2020, the Company's asset-backed fixed maturity investments had a weighted average yield to maturity of 1.6%, a weighted average credit quality of AA and a weighted average life of 2.6 years (2019 - 3.1%, AAA and 2.6 years, respectively). The underlying collateral for the Company's asset-backed fixed maturity investments primarily consists of student loans, credit card receivables, auto loans and other receivables. Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services determine the expected cash flows for each security held in this sector using historical prepayment and default projections for the underlying collateral and current market data. In addition, a spread is applied to the relevant benchmark and used to discount the cash flows noted above to determine the fair value of the securities held in this sector.

Short Term Investments

Level 2 - At December 31, 2020, the Company's short term investments had a weighted average yield to maturity of 0.1% and a weighted average credit quality of AAA (2019 - 1.7% and AAA, respectively). The fair value of the Company's portfolio of short term investments is generally determined using amortized cost which approximates fair value and, in certain cases, in a manner similar to the Company's fixed maturity investments noted above.

Equity Investments, Classified as Trading

Level 1 - The fair value of the Company's portfolio of equity investments, classified as trading is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. When pricing these securities, the pricing services utilize daily data from many real time market sources, including applicable securities exchanges. All data sources are regularly reviewed for accuracy to attempt to ensure the most reliable price source was used for each security.

Other investments

Catastrophe Bonds

Level 2 - The Company's other investments included investments in catastrophe bonds which were recorded at fair value based on broker or underwriter bid indications.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

Other Assets and Liabilities

Derivatives

Level 1 - Other assets and liabilities include certain derivatives entered into by the Company. The fair value of these transactions includes certain exchange traded futures contracts which are considered Level 1.

Assumed Reinsurance Contracts

Level 3 - At December 31, 2020 the Company had a $0.2 million net liability related to an assumed reinsurance contract accounted for at fair value, with the fair value obtained through the use of an internal valuation model (2019 - $0.5 million net asset). The inputs to the internal valuation model are principally based on indicative pricing obtained from independent brokers and pricing vendors for similarly structured marketable securities. The most significant unobservable inputs include prices for similar marketable securities and a liquidity premium. The Company considers the prices for similar securities to be unobservable, as there is little, if any market activity for these similar assets. In addition, the Company has estimated a liquidity premium that would be required if the Company attempted to effectively exit its position by executing a short sale of these securities. Generally, an increase in the prices for similar marketable securities or a decrease in the liquidity premium would result in an increase in the expected profit and ultimate fair value of this assumed reinsurance contract.

Level 3 Assets Measured at Fair Value

Below is a summary of quantitative information regarding the significant unobservable inputs (Level 3) used in determining the fair value of assets measured at fair value on a recurring basis:

At December 31, 2020	Fair Value (Level 3)	Valuation Technique	Unobservable Inputs	Low	High	Weighted Average or Actual
Assumed reinsurance contracts	$ (190)	Internal valuation model	Bond price	n/a	n/a	$ 99.31
			Liquidity discount	n/a	n/a	1.3 %

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 5. FAIR VALUE MEASUREMENTS, cont'd.

Below is a reconciliation of the beginning and ending balances, for the periods shown, of other assets (liabilities) measured at fair value on a recurring basis using Level 3 inputs. Interest and dividend income are included in net investment income and are excluded from the reconciliation.

	Other assets (liabilities)
Balance - January 1, 2020	$ 501
Total realized losses	
Included in other income	(691)
Balance - December 31, 2020	$ (190)

	Other assets
Balance - January 1, 2019	$ 550
Total realized losses	
Included in other income	(49)
Balance - December 31, 2019	$ 501

Financial Instruments Disclosed, But Not Carried, at Fair Value

The Company uses various financial instruments in the normal course of its business. The Company's insurance contracts are excluded from the fair value of financial instruments accounting guidance, unless the Company elects the fair value option, and therefore, are not included in the amounts discussed herein. The carrying values of cash and cash equivalents, accrued investment income, receivables for investments sold, certain other assets, payables for investments purchased, certain other liabilities, and other financial instruments not included herein approximated their fair values.

The Fair Value Option for Financial Assets

The Company has elected to account for certain financial assets at fair value using the guidance under FASB ASC Topic *Financial Instruments*, as the Company believes it represents the most meaningful measurement basis for these assets. Below is a summary of the balances the Company has elected to account for at fair value:

At December 31,	2020	2019
Other investments	$ —	$ 4,342
Other (liabilities) assets	(190)	501

Included in net realized and unrealized gains on investments for 2020 was net unrealized gains of $9 thousand related to the changes in fair value of other investments (2019 - losses of $7 thousand). Net unrealized losses related to the changes in the fair value of other liabilities recorded in other income was $Nil for the years ended December 31, 2020 and 2019.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 6. REINSURANCE

The Company purchases reinsurance and other products to manage its risk portfolio and to reduce its exposure to large losses. The Company currently has in place contracts that provide for recovery of a portion of certain claims and claim expenses, generally in excess of various retentions or on a proportional basis. In addition to losses recoverable, certain of the Company's ceded reinsurance contracts provide for payments of additional premiums, for reinstatement premiums and for lost no-claims bonuses, which are incurred when losses are ceded to the respective reinsurance contracts. See "Note 8. Related Party Transactions and Major Customers" for information related to intercompany reinsurance agreements in place. The Company remains liable to the extent that any reinsurer fails to meet its obligations.

The following table sets forth the effect of reinsurance and retrocessional activity on net premiums written and earned and on net claims and claim expenses incurred:

Year ended December 31,	2020	2019
Premiums written		
Assumed	$ 1,527,529	$ 993,482
Ceded	(246,460)	(187,863)
Net premiums written	$ 1,281,069	$ 805,619
Premiums earned		
Assumed	$ 1,337,599	$ 896,915
Ceded	(231,139)	(172,139)
Net premiums earned	$ 1,106,460	$ 724,776
Claims and claim expenses		
Gross claims and claim expenses incurred	$ 1,127,080	$ 644,562
Claims and claim expenses recovered	(209,891)	(111,415)
Net claims and claim expenses incurred	$ 917,189	$ 533,147

The Company adopted ASU 2016-13 effective January 1, 2020. In assessing an allowance for reinsurance assets, which includes premiums receivable and reinsurance recoverable, the Company considers historical information, financial strength of reinsurers, collateralization amounts, and ratings to determine the appropriateness of the allowance. In assessing future default for reinsurance assets, the Company evaluates the provision for current expected credit losses under the probability of default and loss given default method. The Company utilizes its internal capital and risk models, which use counterparty ratings from major rating agencies, and assesses the current market conditions for the likelihood of default. The Company updates its internal capital and risk models for counterparty ratings and current market conditions on a periodic basis. Historically, the Company has not experienced material credit losses from reinsurance assets. The adoption of ASU 2016-13 did not have a material impact on the Company's consolidated statements of operations and financial position.

Premiums receivable reflect premiums written based on contract and policy terms and include estimates based on information received from both insureds and ceding companies and our own judgement. Consequently, premiums receivable include premiums reported by the ceding companies, supplemented by our estimates of premiums that are written but not reported. Due to the nature of reinsurance, ceding companies routinely report and remit premiums to us subsequent to the contract coverage period, although the time lag involved in the process of reporting and collecting premiums is typically shorter than the lag in reporting losses.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 6. REINSURANCE, cont'd.

At December 31, 2020, the Company's premiums receivable balance was $542.9 million (2019 - $357.6 million). Of the Company's premiums receivable balance as of December 31, 2020, the majority are receivable from highly rated counterparties and Lloyd's syndicates. Following the adoption of ASU 2016-13, the provision for current expected credit losses on the Company's premiums receivable was $1.2 million at December 31, 2020. Prior to the adoption of ASU 2016-13, the Company estimated credit losses based on contract specific facts and circumstances and an internal valuation methodology. The estimated credit losses at December 31, 2019 was $1.2 million. The following table provides a roll forward of the provision for current expected credit losses of the Company's premiums receivable:

Year ended December 31,	2020
Beginning balance	$ 1,168
Provision for allowance	—
Ending balance	$ 1,168

Reinsurance recoverable reflects amounts due from reinsurers based on the claim liabilities associated with the reinsured policy. The Company accrues amounts that are due from assuming companies based on estimated ultimate losses applicable to the contracts.

At December 31, 2020, the Company's reinsurance recoverable balance was $608.6 million (2019 - $531.4 million). Of the Company's reinsurance recoverable balance at December 31, 2020, 43.9% is fully collateralized by the Company's reinsurers, 55.7% is recoverable from reinsurers rated A- or higher by major rating agencies and 0.4% is recoverable from reinsurers rated lower than A- by major rating agencies (2019 - 43.9%, 56.0% and 0.1%, respectively). The reinsurers with the three largest balances accounted for 28.4%, 12.8% and 8.8%, respectively, of the Company's reinsurance recoverable balance at December 31, 2020 (2019 - 40.5%, 13.8% and 8.8%, respectively), with the largest reinsurance recoverable balance at each of December 31, 2020 and 2019 being with Renaissance Reinsurance. See "Note 8. Related Party Transactions and Major Customers" for information related to intercompany reinsurance agreements in place. The provision for current expected credit losses was $0.6 million at December 31, 2020. Prior to the adoption of ASU 2016-13, the estimated credit losses at December 31, 2019 was $0.7 million. The three largest company-specific components of the provision for current expected credit losses represented 19.4%, 17.4% and 11.7% of the Company's total provision for current expected credit losses at December 31, 2020. Prior to the adoption of ASU 2016-13, the three largest company-specific components of the estimated credit losses at December 31, 2019 was 15.8%, 15.8% and 13.1%, respectively. The following table provides a roll forward of the provision for current expected credit losses of the Company's reinsurance recoverable:

Year ended December 31,	2020
Beginning balance	$ 727
Provision for allowance	(118)
Ending balance	$ 609

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES

General Description

The Company believes the most significant accounting judgment made by management is its estimate of claims and claim expense reserves. Claims and claim expense reserves represent estimates, including actuarial and statistical projections at a given point in time, of the ultimate settlement and administration costs for unpaid claims and claim expenses arising from the insurance and reinsurance contracts the Company sells. The Company establishes its claims and claim expense reserves by taking claims reported to the Company by insureds and ceding companies, but which have not yet been paid ("case reserves"), adding estimates for the anticipated cost of claims incurred but not yet reported to the Company, or incurred but not enough reported to the Company (collectively referred to as "IBNR") and, if deemed necessary, adding costs for additional case reserves which represent the Company's estimates for claims related to specific contracts previously reported to the Company which it believes may not be adequately estimated by the client as of that date, or adequately covered in the application of IBNR.

The following table summarizes the Company's claims and claim expense reserves by main class of business, allocated between case reserves, additional case reserves and IBNR:

At December 31, 2020	Case Reserves	Additional Case Reserves	IBNR	Total
Property	$ 179,105	$ 4,627	$ 205,413	$ 389,145
Casualty and Specialty	605,052	15,958	1,771,783	2,392,793
Total	$ 784,157	$ 20,585	$ 1,977,196	$ 2,781,938
At December 31, 2019				
Property	$ 137,726	$ 5,575	$ 120,807	$ 264,108
Casualty and Specialty	576,227	21,617	1,425,295	2,023,139
Total	$ 713,953	$ 27,192	$ 1,546,102	$ 2,287,247

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Activity in the reserve for claims and claim expenses is summarized as follows:

Year ended December 31,	2020	2019
Reserve for claims and claim expenses, net of reinsurance recoverable, as of beginning of period	$ 1,755,848	$ 1,049,847
Net incurred related to:		
Current year	892,142	522,473
Prior years	25,047	10,674
Total net incurred	917,189	533,147
Net paid related to:		
Current year	119,017	77,450
Prior years	293,156	239,254
Total net paid	412,173	316,704
Loss portfolio transfer retrocessional agreement (1)	(89,222)	489,190
Foreign exchange (2)	1,658	368
Reserve for claims and claim expenses, net of reinsurance recoverable, as of end of period	2,173,300	1,755,848
Reinsurance recoverable, as of end of period	608,638	531,399
Reserve for claims and claim expenses, as of end of period	$ 2,781,938	$ 2,287,247

(1) During 2019, RenaissanceRe Europe AG (formerly known as Tokio Millennium Re AG) ("RenaissanceRe Europe"), US Branch, a related party whose ultimate parent is RenaissanceRe, transferred its U.S. casualty portfolio to Renaissance Reinsurance U.S. through a loss portfolio transfer retrocession agreement. See "Note 8. Related Party Transactions and Major Customers" for information related to the loss portfolio transfer retrocession agreement.

(2) Reflects the impact of the foreign exchange revaluation of the reserve for claims and claim expenses, net of reinsurance recoverable, denominated in non-U.S. dollars as at the balance sheet date.

The Company's reserving methodology for each line of business uses a loss reserving process that calculates a point estimate for its ultimate settlement and administration costs for claims and claim expenses. The Company does not calculate a range of estimates and does not discount any of its reserves for claims and claim expenses. The Company uses this point estimate, along with paid claims and case reserves, to record its best estimate of additional case reserves and IBNR in its consolidated financial statements. Under GAAP, the Company is not permitted to establish estimates for catastrophe claims and claim expense reserves until an event occurs that gives rise to a loss.

Reserving involves other uncertainties, such as the dependence on information from ceding companies, the time lag inherent in reporting information from the primary insurer to the Company or to the Company's ceding companies, and differing reserving practices among ceding companies. The information received from ceding companies is typically in the form of bordereaux, broker notifications of loss and/or discussions with ceding companies or their brokers. This information may be received on a monthly, quarterly or transactional basis and normally includes paid claims and estimates of case reserves. The Company sometimes also receives an estimate or provision for IBNR. This information is updated and adjusted periodically during the loss settlement period as new data or facts in respect of initial claims, client accounts, industry or event trends may be reported or emerge in addition to changes in applicable statutory and case laws.

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont’d.

The Company’s estimates of large losses are based on factors including currently available information derived from claims information from certain customers and brokers, industry assessments of losses, proprietary models, and the terms and conditions of the Company’s contracts. The uncertainty of the Company’s estimates for large losses is also impacted by the preliminary nature of the information available, the magnitude and relative infrequency of the events, the expected duration of the respective claims development period, inadequacies in the data provided to the relevant date by industry participants and the potential for further reporting lags or insufficiencies; and in certain large losses, significant uncertainty as to the form of the claims and legal issues, under the relevant terms of insurance and reinsurance contracts. In addition, a significant portion of the net claims and claim expenses associated with certain large losses can be concentrated with a few large clients and therefore the loss estimates for these large losses may vary significantly based on the claims experience of those clients. The contingent nature of business interruption and other exposures will also impact losses in a meaningful way, which may give rise to significant complexity in respect of claims handling, claims adjustment and other coverage issues, over time.

Given the magnitude of certain events, there can be meaningful uncertainty regarding total covered losses for the insurance industry and, accordingly, several of the key assumptions underlying the Company's loss estimates. Loss reserve estimation in respect of the Company's retrocessional contracts poses further challenges compared to directly assumed reinsurance. In addition, the Company’s actual net losses from these events may increase if the Company’s reinsurers or other obligors fail to meet their obligations.

The Company reevaluates its actuarial reserving techniques on a periodic basis. Typically, the quarterly review procedures include reviewing paid and reported claims in the most recent reporting period, reviewing the development of paid and reported claims from prior periods, and reviewing the Company’s overall experience by underwriting year and in the aggregate. The Company monitors its expected ultimate claims and claim expense ratios and expected claims reporting assumptions on a quarterly basis and compares them to its actual experience. These actuarial assumptions are generally reviewed annually, based on input from the Company’s actuaries, underwriters, claims personnel and finance professionals, although adjustments may be made more frequently if needed. Assumption changes are made to adjust for changes in the pricing and terms of coverage the Company provides, changes in industry results for similar business, as well as its actual experience to the extent the Company has enough data to rely on its own experience. If the Company determines that adjustments to an earlier estimate are appropriate, such adjustments are recorded in the period in which they are identified.

Because of the inherent uncertainties discussed above, the Company has developed a reserving philosophy that attempts to incorporate prudent assumptions and estimates, and the Company has generally experienced favorable net development on prior accident years net claims and claim expenses in the last several years. However, there is no assurance that this favorable development on prior accident years net claims and claim expenses will occur in future periods.

The Company establishes a provision for unallocated loss adjustment expenses ("ULAE") when the related reserve for claims and claim expenses is established. ULAE are expenses that cannot be associated with a specific claim but are related to claims paid or in the process of settlement, such as internal costs of the claims function, and are included in the reserve for claims and claim expenses. The determination of the ULAE provision is subject to judgment.

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont’d.

Incurred and Paid Claims Development and Reserving Methodology

The information provided herein about incurred and paid accident year claims development for the years ended prior to December 31, 2020 on a consolidated basis and by main class of business is presented as supplementary information. The Company applied a retrospective approach with respect to acquisitions, presenting all relevant historical information for all periods presented. In addition, included in the incurred claims and claim expenses and cumulated paid claims and claim expenses tables below is a reconciling item that represents the unamortized balance of fair value adjustments recorded in connection with an acquisition to reflect an increase in net claims and claim expenses due to the addition of a market based risk margin that represented the cost of capital required by a market participant to assume the net claims and claim expenses of the acquiree, partially offset by a decrease from discounting in connection with an acquisition, to reflect the time value of money.

For incurred and paid accident year claims denominated in foreign currency, the Company used the current year-end balance sheet foreign exchange rate for all periods provided, thereby eliminating the effects of changes in foreign currency translation rates from the incurred and paid accident year claims development information included in the tables below.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

The following table details the Company's consolidated incurred claims and claim expenses and cumulative paid claims and claim expenses as of December 31, 2020, net of reinsurance, as well as IBNR and additional case reserve ("ACR") included within the net incurred claims amounts.

	Incurred claims and claim expenses, net of reinsurance										
	For the year ended December 31,										At December 31, 2020
Accident Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	IBNR and ACR
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
2011	$ 318,921	$ 325,447	$ 307,653	$ 295,795	$ 291,067	$ 288,632	$ 282,886	$ 286,315	$ 294,227	$ 300,590	$ 8,909
2012	—	291,067	286,642	282,640	278,836	274,068	286,208	293,418	296,029	307,349	18,792
2013	—	—	244,995	239,739	224,913	214,703	209,277	202,133	196,469	199,787	14,762
2014	—	—	—	255,782	255,207	246,672	225,405	218,231	214,695	206,844	16,869
2015	—	—	—	—	232,720	249,822	244,455	237,939	238,901	238,834	28,195
2016	—	—	—	—	—	187,426	179,421	187,285	188,864	185,042	28,893
2017	—	—	—	—	—	—	282,784	254,577	244,630	252,155	58,256
2018	—	—	—	—	—	—	—	427,615	443,894	440,271	176,461
2019	—	—	—	—	—	—	—	—	525,098	532,920	502,770
2020	—	—	—	—	—	—	—	—	—	886,480	693,627
Total										$ 3,550,272	$ 1,547,534

	Cumulative paid claims and claim expenses, net of reinsurance									
	For the year ended December 31,									
Accident Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
2011	$ 70,590	$ 141,132	$ 171,552	$ 194,625	$ 220,444	$ 233,402	$ 244,952	$ 256,582	$ 261,528	$ 265,195
2012	—	70,630	122,452	153,182	184,082	201,384	231,000	244,638	258,409	261,549
2013	—	—	46,382	86,954	113,141	133,164	152,021	161,418	171,019	173,080
2014	—	—	—	59,478	93,615	121,301	140,559	158,648	169,573	176,780
2015	—	—	—	—	44,604	88,689	124,120	151,893	175,172	192,638
2016	—	—	—	—	—	31,267	56,270	80,893	111,869	127,299
2017	—	—	—	—	—	—	61,296	84,926	128,380	146,319
2018	—	—	—	—	—	—	—	42,498	126,057	200,169
2019	—	—	—	—	—	—	—	—	77,517	177,804
2020	—	—	—	—	—	—	—	—	—	119,043
Total										$ 1,839,876
Outstanding liabilities from accident year 2011 and prior, net of reinsurance										46,336
Loss portfolio transfer retrocessional agreement (1)										399,965
Adjustment for unallocated loss adjustment expenses										14,893
Unamortized fair value adjustments in connection with an acquisition										1,710
Liability for claims and claim expenses, net of reinsurance										$ 2,173,300

(1) During 2019, RenaissanceRe Europe, US Branch, a related party whose ultimate parent is RenaissanceRe, transferred its U.S. casualty portfolio to Renaissance Reinsurance U.S. through a loss portfolio transfer retrocession agreement. See "Note 8. Related Party Transactions and Major Customers" for information related to the loss portfolio transfer retrocession agreement.

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Property Main Class of Business

Included in the Property main class of business is property per risk, property (re)insurance, delegated authority arrangements and regional U.S. multi-line reinsurance. The Company's predominant exposure under such coverage is to property damage. However, other risks, including business interruption and other non-property losses, may also be covered when arising from a covered peril. The Company's coverages are offered on either a worldwide basis or are limited to selected geographic areas. Principally all of the business is reinsurance, although the Company also writes insurance business primarily through delegated authority arrangements. The Company offers these products principally through proportional reinsurance coverage or in the form of delegated authority arrangements. In a proportional reinsurance arrangement (also referred to as quota share reinsurance or pro rata reinsurance), the reinsurer shares a proportional part of the original premiums and losses of the reinsured.

Also within the Property main class of business, the Company writes property catastrophe excess of loss reinsurance contracts to insure insurance and reinsurance companies against natural and man-made catastrophes. Under these contracts, the Company indemnifies an insurer or reinsurer when its aggregate paid claims and claim expenses from a single occurrence of a covered peril exceeds the attachment point specified in the contract, up to an amount per loss specified in the contract. Generally, the Company's most significant exposure is to losses from hurricanes, earthquakes and other windstorms, although the Company is also exposed to claims arising from other man-made and natural catastrophes, such as tsunamis, winter storms, freezes, floods, fires, tornadoes, explosions and acts of terrorism. The Company's predominant exposure under such coverage is to property damage. However, other risks, including business interruption and other non-property losses, may also be covered under the Company's catastrophe contracts when arising from a covered peril. The Company's coverages are offered on either a worldwide basis or are limited to selected geographic areas. Coverage can also vary from "all property" perils to limited coverage on selected perils, such as "earthquake only" coverage. The Company also enters into retrocessional contracts that provide property catastrophe coverage to other reinsurers or retrocedants. This coverage is generally in the form of excess of loss retrocessional contracts and may cover all perils and exposures on a worldwide basis or be limited in scope to selected geographic areas, perils and/or exposures. The exposures the Company assumes from retrocessional business can change within a contract term as the underwriters of a retrocedant may alter their book of business after the retrocessional coverage has been bound.

Claims and claim expenses in the Company's Property catastrophe class of business are generally characterized by losses of low frequency and high severity. Initial reporting of paid and incurred claims in general, tends to be relatively prompt, particularly for less complex losses. The Company considers this business "short-tail" as compared to the reporting of claims for "long-tail" products, which tends to be slower. However, the timing of claims payment and reporting also varies depending on various factors, including: whether the claims arise under reinsurance of primary insurance companies or reinsurance of other reinsurance companies; the nature of the events (e.g., hurricanes, earthquakes or terrorism); the geographic area involved; post-event inflation which may cause the cost to repair damaged property to increase significantly from current estimates, or for property claims to remain open for a longer period of time, due to limitations on the supply of building materials, labor and other resources; complex policy coverage and other legal issues; and the quality of each client's claims management and reserving practices. Management's judgments regarding these factors are reflected in the Company's reserve for claims and claim expenses.

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont’d.

Reserving for most of the Company's Property catastrophe class of business generally does not involve the use of traditional actuarial techniques. Rather, claims and claim expense reserves are estimated by management by completing an in-depth analysis of the individual contracts which may potentially be impacted by the loss. The in-depth analysis generally involves: 1) estimating the size of insured industry losses; 2) reviewing reinsurance contract portfolios to identify contracts which are exposed; 3) reviewing information reported or otherwise provided by customers and brokers; 4) discussing the loss with customers and brokers; and 5) estimating the ultimate expected cost to settle all claims and administrative costs arising from the loss on a contract-by-contract basis and in aggregate for the event. Once a loss has occurred, during the then current reporting period, the Company records its best estimate of the ultimate expected cost to settle all claims arising from the loss. The Company's estimate of claims and claim expense reserves is then determined by deducting cumulative paid losses from its estimate of the ultimate expected loss. The Company’s estimate of IBNR is determined by deducting cumulative paid losses, case reserves and additional case reserves from its estimate of the ultimate expected loss. Once the Company receives a valid notice of loss or payment request under a catastrophe reinsurance contract, it is generally able to process and pay such claims promptly.

Because losses from which claims arise under policies written within the Property catastrophe class of business are typically prominent, public events such as hurricanes and earthquakes, the Company is often able to use independent reports as part of its loss reserve estimation process. The Company also reviews catastrophe bulletins published by various statistical reporting agencies to assist in determining the size of the industry loss, although these reports may not be available for some time after an event.

For smaller events including localized severe weather events such as windstorms, hail, ice, snow, flooding, freezing and tornadoes, which are not necessarily prominent, public occurrences, the Company initially places greater reliance on catastrophe bulletins published by statistical reporting agencies to assist in determining what events occurred during the reporting period than the Company does for large events. This includes reviewing catastrophe bulletins published by Property Claim Services for U.S. catastrophes. The Company sets its initial estimates of reserves for claims and claim expenses for these smaller events based on a combination of its historical market share for these types of losses and the estimate of the total insured industry property losses as reported by statistical reporting agencies, although management may make significant adjustments based on the Company's current exposure to the geographic region involved as well as the size of the loss and the peril involved. This approach supplements the Company's approach for estimating losses for larger catastrophes, which as discussed above, includes discussions with brokers and ceding companies and reviewing individual contracts impacted by the event. Approximately one year from the date of loss for these small events, the Company typically estimates IBNR for these events by using the paid Bornhuetter-Ferguson actuarial method. The loss development factors for the paid Bornhuetter-Ferguson actuarial method are selected based on a review of the Company's historical experience. There were no significant changes to the Company's paid loss development factors over the last three years.

In general, reserves for the Company's more recent large losses are subject to greater uncertainty and, therefore, greater potential variability, and are likely to experience material changes from one period to the next. This is due to the uncertainty as to the size of the industry losses, uncertainty as to which contracts have been exposed, uncertainty due to complex legal and coverage issues that can arise out of large or complex losses, and uncertainty as to the magnitude of claims incurred by the Company's customers. As the Company's claims age, more information becomes available and the Company believes its estimates become more certain.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

The following table details the Company's Property main class of business incurred claims and claim expenses and cumulative paid claims and claim expenses as of December 31, 2020, net of reinsurance, as well as IBNR and ACR included within the net incurred claims amounts.

	Incurred claims and claim expenses, net of reinsurance										
	For the year ended December 31,										At December 31, 2020
Accident Year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**IBNR and ACR**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
2011	$ 61,627	$ 54,214	$ 52,850	$ 51,516	$ 50,467	$ 50,123	$ 50,166	$ 50,363	$ 50,523	$ 51,854	$ 10
2012	—	48,871	37,192	34,604	34,132	34,470	34,463	34,451	34,083	34,054	49
2013	—	—	34,594	33,319	32,637	28,875	28,538	28,001	28,026	30,216	2
2014	—	—	—	42,578	38,764	38,128	37,570	38,922	39,354	38,948	114
2015	—	—	—	—	36,638	36,698	35,313	42,415	42,908	40,514	4,628
2016	—	—	—	—	—	30,302	24,398	24,918	29,760	28,539	1,774
2017	—	—	—	—	—	—	104,360	77,798	74,584	78,479	5,327
2018	—	—	—	—	—	—	—	121,896	145,506	141,234	15,763
2019	—	—	—	—	—	—	—	—	162,040	169,112	14,359
2020	—	—	—	—	—	—	—	—	—	280,565	147,770
Total										$ 893,515	$ 189,796

	Cumulative paid claims and claim expenses, net of reinsurance									
	For the year ended December 31,									
Accident Year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
2011	$ 29,340	$ 42,941	$ 46,715	$ 49,285	$ 49,953	$ 49,939	$ 50,014	$ 50,232	$ 50,442	$ 50,799
2012	—	18,947	26,937	31,019	32,683	33,234	33,281	33,386	33,963	33,972
2013	—	—	13,793	24,720	27,476	28,685	29,077	29,066	29,225	29,503
2014	—	—	—	19,091	28,188	33,092	34,764	35,596	36,413	36,976
2015	—	—	—	—	17,585	28,070	31,409	34,183	35,538	36,746
2016	—	—	—	—	—	12,357	14,911	12,309	13,812	21,844
2017	—	—	—	—	—	—	46,496	49,508	64,396	67,376
2018	—	—	—	—	—	—	—	28,053	73,936	102,170
2019	—	—	—	—	—	—	—	—	49,507	108,570
2020	—	—	—	—	—	—	—	—	—	88,094
Total										$ 576,050
Outstanding liabilities from accident year 2011 and prior, net of reinsurance										6,718
Adjustment for unallocated loss adjustment expenses										1,967
Unamortized fair value adjustments recorded in connection with an acquisition										64
Liability for claims and claim expenses, net of reinsurance										$ 326,214

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Casualty and Specialty Main Class of Business

The Company offers its casualty and specialty reinsurance products principally on a proportional basis, and it also provides excess of loss coverage. The Company offers casualty and specialty reinsurance products to insurance and reinsurance companies and provides coverage for specific geographic regions or on a worldwide basis.

As with the Company's Property main class of business, its Casualty and Specialty main class of business reinsurance contracts can include coverage for relatively large limits or exposures. As a result, the Company's casualty and specialty reinsurance business can be subject to significant claims volatility. In periods of low claims frequency or severity, the Company's results will generally be favorably impacted while in periods of high claims frequency or severity the Company's results will generally be negatively impacted.

The Company's processes and methodologies in respect of loss estimation for the coverages offered through its Casualty and Specialty main class of business differ from those used for its Property catastrophe class of business. For example, the Company's casualty and specialty coverages are more likely to be impacted by factors such as long-term inflation and changes in the social and legal environment, which the Company believes gives rise to greater uncertainty in its reserves for claims and claim expenses. The Company believes this makes its Casualty and Specialty main class of business reserving subject to greater uncertainty than its Property main class of business.

The Company calculates multiple point estimates for claims and claim expense reserves using a variety of actuarial reserving techniques for many, but not all, of its classes of business for each underwriting year within the Casualty and Specialty main class of business. The Company does not believe that these multiple point estimates are, or should be considered, a range. Rather, the Company considers each class of business and determines the most appropriate point estimate for each underwriting year based on the characteristics of the particular class including: (1) loss development patterns derived from historical data; (2) the credibility of the selected loss development pattern; (3) the stability of the loss development patterns; (4) how developed the underwriting year is; and (5) the observed loss development of other underwriting years for the same class. The Company also considers other relevant factors, including: (1) historical ultimate loss ratios; (2) the presence of individual large losses; and (3) known occurrences that have not yet resulted in reported losses. The Company makes determinations of the most appropriate point estimate of loss for each class based on an evaluation of relevant information and do not ascribe any particular portion of the estimate to a particular factor or consideration. In addition, the Company believes that a review of individual contract information improves the loss estimates for some classes of business.

When developing claims and claims expense reserves for its Casualty and Specialty main class of business, the Company considers several actuarial techniques such as the expected loss ratio method, the Bornhuetter-Ferguson actuarial method and the paid and reported chain ladder actuarial method.

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

For classes of business and underwriting years where the Company has limited historical claims experience, estimates of ultimate losses are generally initially determined based on the loss ratio method applied to each underwriting year and to each class of business. Unless the Company has credible claims experience or unfavorable development, it generally selects an ultimate loss based on its initial view of the loss. The selected ultimate losses are determined by multiplying the initial expected loss ratio by the earned premium. The initial expected loss ratios are key inputs that involve management judgment and are based on a variety of factors, including: (1) contract by contract expected loss ratios developed during the Company's pricing process; (2) historical loss ratios and combined ratios adjusted for rate change and trend; and (3) industry benchmarks for similar business. These judgments take into account management's view of past, current and future factors that may influence ultimate losses, including: (1) market conditions; (2) changes in the business underwritten; (3) changes in timing of the emergence of claims; and (4) other factors that may influence ultimate loss ratios and losses.

The determination of when reported losses are sufficient and credible to warrant selection of an ultimate loss ratio different from the initial expected loss ratio also requires judgment. The Company generally makes adjustments for reported loss experience indicating unfavorable variances from initial expected loss ratios sooner than reported loss experience indicating favorable variances. This is because the reporting of losses in excess of expectations tends to have greater credibility than an absence or lower than expected level of reported losses. Over time, as a greater number of claims are reported and the credibility of reported losses improves, actuarial estimates of IBNR are typically based on the Bornhuetter-Ferguson actuarial method or the reported chain ladder actuarial method.

The Bornhuetter-Ferguson method allows for greater weight to be applied to expected results in periods where little or no actual experience is available, and, hence, is less susceptible to the potential pitfall of being excessively swayed by experience of actual paid and/or reported loss data, compared to the chain ladder actuarial method. The Bornhuetter-Ferguson method uses the initial expected loss ratio to estimate IBNR, and it assumes that past experience is not fully representative of the future. As the Company's reserves for claims and claim expenses age, and actual claims experience becomes available, this method places less weight on expected experience and places more weight on actual experience. This experience, which represents the difference between expected reported claims and actual reported claims, is reflected in the respective reporting period as a change in estimate. The utilization of the Bornhuetter-Ferguson method requires the Company to estimate an expected ultimate claims and claim expense ratio and select an expected loss reporting pattern. The Company selects its estimates of the expected ultimate claims and claim expense ratios as described above and selects its expected loss reporting patterns by utilizing actuarial analysis, including management's judgment, and historical patterns of paid losses and reporting of case reserves to the Company, as well as industry loss development patterns. The estimated expected claims and claim expense ratio may be modified to the extent that reported losses at a given point in time differ from what would be expected based on the selected loss reporting pattern.

The reported chain ladder actuarial method utilizes actual reported losses and a loss development pattern to determine an estimate of ultimate losses that is independent of the initial expected ultimate loss ratio and earned premium. The Company believes this technique is most appropriate when there are a large number of reported losses with significant statistical credibility and a relatively stable loss development pattern. Information that may cause future loss development patterns to differ from historical loss development patterns is considered and reflected in the Company's selected loss development patterns as appropriate. For certain reinsurance contracts, historical loss development patterns may be developed from ceding company data or other sources.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

In addition, certain specialty coverages may be impacted by natural and man-made catastrophes. The Company estimates reserves for claim and claim expenses for these losses, following a process that is similar to its Property main class of business described above.

The following table details the Company's Casualty and Specialty main class of business incurred claims and claim expenses and cumulative paid claims and claim expenses as of December 31, 2020, net of reinsurance, as well as IBNR and ACR included within the net incurred claims amounts.

	Incurred claims and claim expenses, net of reinsurance										
	For the year ended December 31,										At December 31, 2020
Accident Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	IBNR and ACR
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
2011	$ 257,294	$ 271,233	$ 254,803	$ 244,279	$ 240,600	$ 238,509	$ 232,720	$ 235,952	$ 243,704	$ 248,736	$ 8,899
2012	—	242,196	249,450	248,036	244,704	239,598	251,745	258,967	261,946	273,295	18,743
2013	—	—	210,401	206,420	192,276	185,828	180,739	174,132	168,443	169,571	14,760
2014	—	—	—	213,204	216,443	208,544	187,835	179,309	175,341	167,896	16,755
2015	—	—	—	—	196,082	213,124	209,142	195,524	195,993	198,320	23,567
2016	—	—	—	—	—	157,124	155,023	162,367	159,104	156,503	27,119
2017	—	—	—	—	—	—	178,424	176,779	170,046	173,676	52,929
2018	—	—	—	—	—	—	—	305,719	298,388	299,037	160,698
2019	—	—	—	—	—	—	—	—	363,058	363,808	488,411
2020	—	—	—	—	—	—	—	—	—	605,915	545,857
Total										$ 2,656,757	$ 1,357,738

	Cumulative paid claims and claim expenses, net of reinsurance									
	For the year ended December 31,									
Accident Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
2011	$ 41,250	$ 98,191	$ 124,837	$ 145,340	$ 170,491	$ 183,463	$ 194,938	$ 206,350	$ 211,086	$ 214,396
2012	—	51,683	95,515	122,163	151,399	168,150	197,719	211,252	224,446	227,577
2013	—	—	32,589	62,234	85,665	104,479	122,944	132,352	141,794	143,577
2014	—	—	—	40,387	65,427	88,209	105,795	123,052	133,160	139,804
2015	—	—	—	—	27,019	60,619	92,711	117,710	139,634	155,892
2016	—	—	—	—	—	18,910	41,359	68,584	98,057	105,455
2017	—	—	—	—	—	—	14,800	35,418	63,984	78,943
2018	—	—	—	—	—	—	—	14,445	52,121	97,999
2019	—	—	—	—	—	—	—	—	28,010	69,234
2020	—	—	—	—	—	—	—	—	—	30,949
Total										$ 1,263,826
Outstanding liabilities from accident year 2011 and prior, net of reinsurance										39,618
Loss portfolio transfer retrocession agreement (1)										399,965
Adjustment for unallocated loss adjustment expenses										12,926
Unamortized fair value adjustments recorded in connection with an acquisition										1,646
Liability for claims and claim expenses, net of reinsurance										$ 1,847,086

(1) During 2019, RenaissanceRe Europe, US Branch, a related party whose ultimate parent is RenaissanceRe, transferred its U.S. casualty portfolio to Renaissance Reinsurance U.S. through a loss portfolio transfer retrocession agreement. See "Note 8. Related Party Transactions and Major Customers" for information related to loss portfolio transfer retrocession agreement.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Prior Year Development of the Reserve for Net Claims and Claim Expenses

The Company's estimates of claims and claim expense reserves are not precise in that, among other things, they are based on predictions of future developments and estimates of future trends and other variable factors. Some, but not all, of the Company's reserves are further subject to the uncertainty inherent in actuarial methodologies and estimates. Because a reserve estimate is simply an insurer's estimate at a point in time of its ultimate liability, and because there are numerous factors that affect reserves and claims payments that cannot be determined with certainty in advance, the Company's ultimate payments will vary, perhaps materially, from its estimates of reserves. If the Company determines in a subsequent period that adjustments to its previously established reserves are appropriate, such adjustments are recorded in the period in which they are identified. On a net basis, the Company's cumulative favorable or unfavorable development is generally reduced by offsetting changes in its reinsurance recoverable, as well as changes to loss related premiums such as reinstatement premiums, all of which generally move in the opposite direction to changes in the Company's ultimate claims and claim expenses.

The following table details the Company's prior year net development by main class of business of its liability for net unpaid claims and claim expenses:

Year ended December 31,	2020	2019
	(Favorable) adverse development	(Favorable) adverse development
Property	$ 6,098	$ 26,162
Casualty and Specialty	18,949	(15,488)
Total net adverse development of prior accident years net claims and claim expenses	$ 25,047	$ 10,674

Changes to prior year estimated claims reserves decreased the Company's net income by $25.0 million during 2020 (2019 - $10.7 million), excluding the consideration of changes in reinstatement, adjustment or other premium items, profit commissions and income tax.

The net adverse development on prior accident years net claims and claim expenses of $25.0 million for 2020 was primarily driven by the application of the Company's actuarial reserving methodology with attritional net claims and claim expenses reported coming in higher than expected on prior accident years events in both the Property and Casualty and Specialty main classes of business.

The net adverse development on prior accident years net claims and claim expenses of $10.7 million for 2019 was principally associated with the Company's Property main class of business and the result of net increases in the estimated ultimate losses associated with Typhoons Jebi, Mangkhut and Trami, Hurricane Florence, the wildfires in California during the third and fourth quarters of 2018, Hurricane Michael and certain losses associated with aggregate loss contracts (collectively, the "2018 Large Loss Events"). Partially offsetting this was net favorable development on prior accident years net claims and claim expenses due to the application of the Company's actuarial reserving methodology with attritional net claims and claim expenses reported coming in lower than expected on prior accident years events principally within the Casualty and Specialty main class of business.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Reconciliation of the Disclosure of Incurred and Paid Claims Development to the Reserve for Claims and Claim Expenses

The reconciliation of the net incurred and paid claims development tables to the reserve for claims and claim expenses in the consolidated balance sheet is as follows:

At December 31, 2020	
Net reserve for claims and claim expenses	
Property	$ 326,214
Casualty and Specialty	1,847,086
Total net reserve for claims and claim expenses	2,173,300
Reinsurance recoverable	
Property	$ 62,933
Casualty and Specialty	545,705
Total reinsurance recoverable	608,638
Total gross reserve for claims and claim expenses	$ 2,781,938

Historical Claims Duration

The following is unaudited supplementary information about average historical claims duration by main class of business:

	Average annual percentage payout of incurred claims by age, net of reinsurance (number of years)									
At December 31, 2020	1	2	3	4	5	6	7	8	9	10
Property	36.2 %	26.5 %	13.4 %	4.7 %	5.3 %	1.0 %	0.6 %	0.9 %	0.3 %	0.7 %
Casualty and Specialty	11.3 %	15.2 %	13.8 %	11.2 %	8.8 %	7.4 %	4.8 %	3.8 %	1.5 %	1.3 %

Claims Frequency

Each of the Company's main classes of business are broadly considered to be assumed reinsurance, where multiple claims are often aggregated, perhaps multiple times through retrocessional reinsurance, before ultimately being ceded to the Company. In addition, the nature, size, terms and conditions of contracts entered into by the Company changes from one accident year to the next and the quantum of contractual or policy limits, and accordingly the potential amount of claims and claim expenses associated with a reported claim, can range from nominal, to significant. These factors can impact the amount and timing of the claims and claim expenses to be recorded and accordingly, developing claim frequency information is highly subjective and is not prepared or utilized for internal purposes. In addition, the Company does not have direct access to claim frequency information underlying certain of its proportional contracts given the nature of that business. As a result, the Company does not believe providing claim frequency information is practicable as it relates to its proportional contracts.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 7. RESERVE FOR CLAIMS AND CLAIM EXPENSES, cont'd.

Notwithstanding the factors noted above, the Company has developed claims frequency information associated with its excess of loss reinsurance contracts. As each accident year develops, the Company would expect the cumulative number of reported claims to increase in certain of its excess of loss reinsurance contracts, most notably in its Casualty and Specialty main class of business. In determining claims frequency for its excess of loss reinsurance contracts, the Company has made the following assumptions:

- Claims below the insured layer of a contract are excluded;
- If an insured loss event results in claims associated with a number of layers of a contract, the Company would consider this to be a single claim; and
- If an insured loss event results in claims associated with a number of the Company's operating subsidiaries, the Company considers each operating subsidiary to have a reported claim.

The following table details the Company's cumulative number of reported claims for its excess of loss reinsurance contracts allocated by main class of business:

	At December 31, 2020	
	Cumulative number of reported claims	
Accident Year	Property	Casualty and Specialty
2011	636	814
2012	390	639
2013	387	551
2014	380	655
2015	340	671
2016	434	747
2017	763	829
2018	866	671
2019	745	524
2020	757	280

NOTE 8. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS

Amounts due to and from affiliates are non-interest bearing and payable on demand, or in accordance with the contractual terms of reinsurance-related transactions.

Guarantees and Capital Agreements

Effective July 1, 2015, each of RenaissanceRe Specialty U.S. and Renaissance Reinsurance U.S. entered into an amended net worth maintenance agreement with RenaissanceRe, whereby capital support of $1.0 billion is available from RenaissanceRe. The capital support from RenaissanceRe maintains total shareholder's equity of RenaissanceRe Specialty U.S. and Renaissance Reinsurance U.S. equal to $500.0 million and $400.0 million, respectively, and under no circumstances shall RenaissanceRe be obligated to contribute in excess of $1.0 billion in the aggregate under the amended net worth maintenance agreement. All other terms and conditions of the original net worth maintenance agreement remain unchanged. The full $1.0 billion remained available under the amended net worth maintenance agreement at December 31, 2020.

NOTE 8. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS, cont'd.

Reinsurance-Related Transactions

RenaissanceRe Specialty U.S. has entered into an agency agreement with RenaissanceRe Underwriting Managers U.S. LLC ("RUMUS") whereby RUMUS is authorized to bind reinsurance on behalf of the Company. The Company reimburses RUMUS for costs and expenses incurred in connection with this agency agreement. During the years ended December 31, 2020 and 2019, fees incurred under this agency agreement were $0.7 million.

RenaissanceRe Specialty U.S. had entered into a reinsurance agreement with Renaissance Reinsurance Ltd. ("Renaissance Reinsurance"), a wholly-owned subsidiary of RenaissanceRe. Effective December 31, 2017, this reinsurance agreement with Renaissance Reinsurance was cancelled on a cutoff basis. During 2020, net earned premiums ceded and net claims and claim expenses recovered under this agreement were $Nil and $4.9 million, respectively (2019 - $Nil and $2.0 million, respectively). At December 31, 2020, outstanding reinsurance recoverable under this agreement were $18.4 million (2019 - $23.4 million) and premiums receivable were $5.3 million (2019 - receivable $1.8 million).

Renaissance Reinsurance U.S. had entered into reinsurance agreements with Renaissance Reinsurance. Effective December 31, 2017, these reinsurance agreements with Renaissance Reinsurance were cancelled on a cutoff basis. During 2020, net earned premiums ceded and net claims and claim expenses under these agreements were $0.1 million and $1.2 million, respectively (2019 - $0.3 million and $2.5 million, respectively). At December 31, 2020, outstanding reinsurance recoverable under these agreements were $149.8 million (2019 - $192.0 million) and premiums receivable were $31.9 million (2019 - $5.0 million).

Effective October 1, 2019, Renaissance Reinsurance U.S. entered into a loss portfolio transfer retrocession agreement (the "LPT Retrocession Agreement"), with an affiliate, RenaissanceRe Europe, US Branch, with respect to all casualty business written by RenaissanceRe Europe, US Branch prior to the effective date of the LPT Retrocession Agreement. Pursuant to the LPT Retrocession Agreement, RenaissanceRe Europe, US Branch retrocedes to Renaissance Reinsurance U.S. 100% of its reserves, including unearned premium and reserve for claims and claim expenses for the related casualty reinsurance contracts. Renaissance Reinsurance U.S. pays a ceding commission equal to the actual acquisition expenses paid or incurred by RenaissanceRe Europe, US Branch on unearned premium for the related casualty reinsurance contracts plus a percentage of the unearned premium ceded to Renaissance Reinsurance U.S. under the LPT Retrocession Agreement. The LPT Retrocession Agreement is accounted for under FASB ASC Topic *Financial Services - Insurance* in accordance with retroactive reinsurance accounting principles.

NOTE 8. RELATED PARTY TRANSACTIONS AND MAJOR CUSTOMERS, cont'd.

During 2019 and in connection with the LPT Retrocession Agreement, Renaissance Reinsurance U.S. assumed reserves for claims and claim expenses of $513.6 million and unearned premiums of $146.4 million for consideration of $605.3 million which included the carrying value of the reserves for claims and claim expenses assumed and unearned premium assumed, net of ceding commission of $54.7 million. The total deferred gain liability recognized in 2019 was $10.4 million. During 2020, the Company amortized $7.0M of the deferred gain on the LPT Retrocession Agreement, which is included in Other Income. At December 31, 2020, reinsurance balances payable associated with this loss portfolio transfer retrocession agreement were $15.7 million, outstanding reserves for claims and claim expenses assumed under this agreement were $400.0 million and unearned premiums were $0.5 million (2019 - $2.9 million, $489.2 million and $88.7 million, respectively).

Other Items

Under the terms of various administration agreements, the Company reimbursed RenaissanceRe Services Ltd. for administrative services, office lease, investment and certain employee benefit plans on the basis of directly identifiable costs plus an allocation of other expenses. During 2020, net allocated costs and expenses to the Company under these administration agreements were $17.5 million (2019 - $17.8 million).

Major Customers

During 2020, the Company received 78.3% (2019 - 82.9%) of its gross premiums assumed from three reinsurance brokers. Subsidiaries and affiliates of Marsh Inc., Aon plc, and Willis Towers Watson Public Limited Company accounted for approximately 35.6%, 30.1% and 12.6%, respectively, of the Company's gross premiums assumed in 2020 (2019 - 40.2%, 30.3% and 12.4%, respectively).

NOTE 9. SHAREHOLDER'S EQUITY

During 2020, the Company's parent, RenaissanceRe Finance contributed additional paid in capital of $42.0 million which was settled in cash during the year.

During 2019, the Company's parent, RenaissanceRe Finance contributed additional paid in capital of $125.0 million which was settled in cash during the year.

NOTE 10. TAXATION

Under current Bermuda law, RenaissanceRe Specialty U.S. is not subject to any income or capital gains taxes in Bermuda. In the event that such taxes are imposed, RenaissanceRe Specialty U.S. would be exempted from any such tax until March 2035 pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966, and Amended Act of 1987 and 2011, respectively. As discussed in "Note 1. Organization", RenaissanceRe Specialty U.S., a Bermuda-domiciled reinsurer, has made a submission to the IRS to elect, pursuant to §953(d) of the Code, to operate subject to U.S. federal income tax. Renaissance Reinsurance U.S. is a U.S. reinsurance company domiciled in the state of Maryland. Both entities will file as members of the RenaissanceRe Finance and subsidiaries consolidated income tax return for the year ended December 31, 2020. Under this agreement, federal income taxes are charged to operations based upon amounts estimated to be payable as a result of separate company tax return calculations. In the event that the sum of payments from all members of the RenaissanceRe Finance consolidated tax group exceeds the consolidated tax liability for any tax period as a result of any losses or tax credits of one or more member, RenaissanceRe Finance shall pay to each member having the losses or credits, its allocable portion of such excess. Intercompany tax payments of $18.0 million were made during 2020 (2019 - payments of $6.5 million).

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 10. TAXATION, cont'd.

Income tax expense is comprised as follows:

Year ended December 31, 2020	Current	Deferred	Total
Total income tax (expense) benefit	$ (5,820)	$ 3,962	$ (1,858)
Year ended December 31, 2019			
Total income tax expense	$ (13,627)	$ (2,030)	$ (15,657)

The Company's expected income tax provision has been calculated as the pre-tax income multiplied by the U.S. federal corporate statutory tax rate of 21%. A reconciliation of the difference between the provision for income taxes and the expected tax provision is as follows:

Year ended December 31,	2020	2019
Expected income tax expense	$ (16,026)	$ (18,749)
Royalty fees	11,520	2,415
Tax exempt income	212	181
Amortization of intangibles	2,275	—
Other	161	496
Income tax expense	$ (1,858)	$ (15,657)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

Year ended December 31,	2020	2019
Deferred tax assets		
Reserve for claims and claim expenses	$ 34,379	$ 25,321
Tax loss carryforward	24,358	15,022
Unearned premiums	20,853	17,223
Accrued expenses	4,591	5,190
	84,181	62,756
Deferred tax liabilities		
Investments	(26,920)	(8,771)
Deferred acquisition expenses	(25,518)	(24,469)
Amortization and depreciation	(941)	(2,677)
	(53,379)	(35,917)
Net deferred tax asset before valuation allowance	30,802	26,839
Valuation allowance	—	—
Net deferred tax asset	$ 30,802	$ 26,839

The Company's deferred tax asset relates primarily to GAAP versus tax basis accounting differences related to insurance adjustments, intangible assets, investments and accrued expenses, along with net operating loss carryforwards. The Company's valuation allowance assessment is based on all available information including projections of future GAAP taxable income. The Company has determined it is more likely than not that it will be able to recover its deferred tax asset.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 10. TAXATION, cont'd.

The Company has net operating loss carryforwards of $116.0 million at December 31, 2020 (2019 - $71.1 million). The net operating loss carryforwards will begin to expire in 2033.

The Company has unrecognized tax benefits of $Nil as of December 31, 2020 and 2019. Interest and penalties related to unrecognized tax benefits, would be recognized in income tax expense. At December 31, 2020 and 2019, interest and penalties accrued on unrecognized tax benefits was $Nil.

Income tax returns filed for tax years 2017 through 2019 are open for examination by the Internal Revenue Service. The Company does not expect the resolution of these open years to have a significant impact on its results from operations and financial condition.

NOTE 11. STATUTORY REQUIREMENTS

RenaissanceRe Specialty U.S. and Renaissance Reinsurance U.S. are subject to insurance laws and regulations in Bermuda and the U.S., respectively. These regulations include certain restrictions on the amount of dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the respective regulatory authorities.

The statutory capital and surplus, required minimum statutory capital and surplus and unrestricted net assets of the Company's regulated insurance operations are detailed below:

	RenaissanceRe Specialty U.S. (1)		Renaissance Reinsurance U.S. (2)	
At December 31,	**2020**	**2019**	**2020**	**2019**
Statutory capital and surplus	$ 1,241,766	$ 1,125,308	$ 722,721	$ 677,729
Required statutory capital and surplus	209,693	141,295	474,622	394,204
Unrestricted net assets	74,975	239,412	72,272	46,630

(1) RenaissanceRe Specialty U.S.'s actual capital and surplus is based on its statutory financial statements and required statutory capital and surplus is based on the minimum solvency margin. Unrestricted net assets represents the amount of shareholders' equity that is permitted to be distributed in light of the statutory restrictions noted above, and the definition of distributable reserves and certain legal restrictions per the Companies Act.

(2) Renaissance Reinsurance U.S.'s unrestricted net assets represents its ordinary dividend capacity.

The difference between statutory financial statements and statements prepared in accordance with GAAP varies by jurisdiction; however, the primary difference is that for the Company's regulated entities the statutory financial statements generally do not recognize goodwill and intangible assets or deferred acquisition costs. Also, in the U.S., fixed maturity investments are generally recorded at amortized cost and deferred income tax is charged directly to equity.

RenaissanceRe Specialty U.S.

RenaissanceRe Specialty U.S. is subject to insurance laws and regulations in Bermuda. These regulations include certain restrictions on the amount of dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the BMA. Under the Insurance Act 1978, amendments thereto and related regulations of Bermuda (collectively, the "Insurance Act"), RenaissanceRe Specialty U.S. to maintain certain measures of solvency and liquidity, including its MSM, defined as the prescribed minimum amount by which the value of the assets of RenaissanceRe Specialty U.S. must exceed the value of its liabilities, the breach of which represents an unacceptable level of risk and triggers the strongest supervisory actions.

NOTE 11. STATUTORY REQUIREMENTS, cont’d.

In addition, RenaissanceRe Specialty U.S. is required to maintain statutory capital and surplus at a level equal to or in excess of its enhanced capital requirement (“ECR”) which is established by reference to the Bermuda Solvency Capital Requirement (the “BSCR”) model. The BSCR is a mathematical model designed to give the BMA robust methods for determining an insurer’s capital adequacy. The ECR is equal to the greater of the minimum solvency margin or required capital calculated by reference to the BSCR. The Economic Balance Sheet (“EBS”) is an input to the BSCR which determines RenaissanceRe Specialty U.S.’s ECR. The EBS regime prescribes the use of financial statements prepared in accordance with GAAP as the basis on which statutory financial statements are prepared, and those statutory financial statements form the starting basis for the EBS. The BMA has established a target capital level (“TCL”) which is set at 120% of the ECR. While RenaissanceRe Specialty U.S. is not required to maintain statutory capital and surplus at this level, it serves as an early warning signal for the BMA, and failure to meet the target capital level may result in additional reporting requirements or increased regulatory oversight. The Company is currently completing its 2020 BSCR, which must be filed with the BMA on or before April 30, 2021, and at this time, the Company believes it will exceed the ECR.

Underlying the BSCR is the belief that all insurers should operate on an ongoing basis with a view to maintaining their capital at a prudent level in excess of the minimum solvency margin otherwise prescribed under the Insurance Act. Alternatively, under the Insurance Act, insurers may, subject to the terms of the Insurance Act and to the BMA’s oversight, elect to utilize an approved internal capital model to determine regulatory capital. In either case, ECR shall at all times equal or exceed the Class 3B insurer’s minimum solvency margin and may be adjusted in circumstances where the BMA concludes that the insurer’s risk profile deviates significantly from the assumptions underlying its ECR or the insurer’s assessment of its risk management policies and practices used to calculate ECR applicable to it.

Under the Insurance Act, RenaissanceRe Specialty U.S. is defined as a Class 3B insurer. Class 3B insurers are prohibited from declaring or paying any dividends if in breach of the required minimum solvency margin or minimum liquidity ratio (the “Relevant Margins”) or if the declaration or payment of such dividend would cause the insurer to fail to meet the Relevant Margins. Where an insurer fails to meet its Relevant Margins on the last day of any financial year, it is prohibited from declaring or paying any dividends during the next financial year without the prior approval of the BMA. Further, Class 3B insurers are prohibited from declaring or paying in any financial year dividends of more than 25% of its total statutory capital and surplus (as shown on its previous financial year’s statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the BMA an affidavit stating that it will continue to meet its Relevant Margins. Class 3B insurers must obtain the BMA’s prior approval for a reduction by 15% or more of the total statutory capital as set forth in its previous year’s statutory financial statements. These restrictions on declaring or paying dividends and distributions under the Insurance Act are in addition to the solvency requirements under the Companies Act 1981, amendments thereto of Bermuda (the “Companies Act”) which apply to all Bermuda companies. In addition, an insurer engaged in general business is also required to maintain the value of its relevant assets at not less than 75% of the amount of its relevant liabilities.

Renaissance Reinsurance U.S.

Renaissance Reinsurance U.S. is subject to statutory accounting principles as defined by the National Association of Insurance Commissioners (the “NAIC”). The NAIC uses a risk-based capital ("RBC") model to monitor and regulate the solvency of licensed life, health, and property and casualty insurance and reinsurance companies. Renaissance Reinsurance U.S. is domiciled in Maryland, which has adopted the NAIC's model law.

NOTE 11. STATUTORY REQUIREMENTS, cont'd.

Laws and regulations in the U.S. establish minimum capital adequacy levels and grant regulators the authority to take specific actions based on the level of impairment. Based on Maryland's adoption of the RBC model of the NAIC, the first level at which action is required is the Company Action Level RBC. If Renaissance Reinsurance U.S.'s total adjusted capital is less than Company Action Level RBC (but greater than Regulatory Action Level RBC), then Renaissance Reinsurance U.S. must file an RBC plan with the Maryland Insurance Commissioner (the "Commissioner"). If Renaissance Reinsurance U.S.'s total adjusted capital is less than Regulatory Action Level RBC, then the Commissioner must take certain regulatory actions.

Under Maryland insurance law, Renaissance Reinsurance U.S. must notify the Commissioner within five business days after the declaration of any dividend or distribution, other than an extraordinary dividend or extraordinary distribution, and notify the Commissioner at least ten days prior to the payment or distribution thereof. The Commissioner has the right to prevent payment of such a dividend or such a distribution if the Commissioner determines, in the Commissioner's discretion, that after the payment thereof, the policyholders' surplus of Renaissance Reinsurance U.S. would be inadequate or could cause Renaissance Reinsurance U.S. to be in a hazardous financial condition. Renaissance Reinsurance U.S. must give at least 30 days prior notice to the Commissioner before paying an extraordinary dividend or making an extraordinary distribution. Extraordinary dividends and extraordinary distributions are dividends or distributions which, together with any other dividends and distributions paid during the immediately preceding twelve-month period, would exceed the lesser of:

- 10% of the insurer's statutory policyholders' surplus (as determined under statutory accounting principles) as of December 31 of the prior year; or

- the insurer's net investment income excluding realized capital gains (as determined under statutory accounting principles) for the twelve-month period ending on December 31 of the prior year and pro rata distributions of any class of the insurer's securities, plus any amounts of net investment income (subject to the foregoing exclusions) in the three calendar years prior to the preceding year which have not been paid out as dividends.

At December 31, 2020, Renaissance Reinsurance U.S. had an ordinary dividend capacity of $72.3 million which can be paid in 2021.

Renaissance Reinsurance U.S. is required to file statutory basis financial statements with the Maryland Insurance Administration, as its domestic regulator, with the NAIC and with insurance regulators in certain other states where it is licensed, authorized or accredited to do business. The operations of Renaissance Reinsurance U.S. are subject to examination by those state insurance regulators at any time. Renaissance Reinsurance U.S. has completed its 2020 statutory basis financial statements, which were filed with the NAIC before the deadline of March 1, 2021. Renaissance Reinsurance U.S. exceeded the CAL.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 12. DERIVATIVE INSTRUMENTS

From time to time, the Company may enter into derivative instruments such as futures, options, swaps, forward contracts and other derivative contracts primarily to manage its foreign currency exposure, obtain exposure to a particular financial market, for yield enhancement, or for trading and to assume risk. The Company's derivative instruments can be exchange traded or over-the-counter, with over-the-counter derivatives generally traded under International Swaps and Derivatives Association master agreements, which establish the terms of the transactions entered into with the Company's derivative counterparties. In the event a party becomes insolvent or otherwise defaults on its obligations, a master agreement generally permits the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' marked-to-market values so that a single sum in a single currency will be owed by, or owed to, the non-defaulting party. Effectively, this contractual close-out netting reduces credit exposure from gross to net exposure. Where the Company has entered into master netting agreements with counterparties, or the Company has the legal and contractual right to offset positions, the derivative positions are generally netted by counterparty and are reported accordingly in other assets and other liabilities.

The location and amount of the (losses) gains recognized in the Company's consolidated statements of operations related to the Company's principal derivative instruments are shown in the following table:

	Location of (loss) gain recognized on derivatives	**Amount of (loss) gain recognized on derivatives**	
Year ended December 31,		**2020**	**2019**
Interest rate futures	Net realized and unrealized gains on investments	$ (135)	$ 50
Interest rate swaps	Net realized and unrealized gains on investments	—	(69)
Total		$ (135)	$ (19)

Interest Rate Derivatives

The Company uses interest rate futures and swaps within its portfolio of fixed maturity investments to manage its exposure to interest rate risk, which may result in increasing or decreasing its exposure to this risk.

Interest Rate Futures

At December 31, 2020, the Company had $0.2 million of notional long positions and $4.6 million of notional short positions of primarily Eurodollar, U.S. treasury and non-U.S. treasury futures contracts (2019 - $19.3 million and $2.5 million, respectively). The fair value of these derivatives is determined using exchange traded prices. As of December 31, 2020, the Company recognized the fair value as gross and net amount of $1 thousand of derivative asset in Other Assets and $4.0 thousand as derivative liability in Other Liabilities respectively. As of December 31, 2019, the Company recognized the fair value as gross and net amount of $6.0 thousand and $4.0 thousand respectively of derivative asset in Other Assets and gross and net amount of $2.0 thousand and $Nil respectively as derivative liability in Other Liabilities respectively.

(unless otherwise noted, amounts in tables expressed in thousands of United States ("U.S.") dollars, except per share amounts and percentages)

NOTE 12. DERIVATIVE INSTRUMENTS, cont'd.

Interest Rate Swaps

At December 31, 2020 and 2019, the Company did not hold any interest rate swaps. The fair value of interest rate swaps is determined using the relevant exchange traded price where available or a discounted cash flow model based on the terms of the contract and inputs, including, where applicable, observable yield curves.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk

Instruments which potentially subject the Company to concentration of credit risk consist principally of investments, cash and cash equivalents, premiums receivable and reinsurance balances. The Company limits the amount of credit exposure to any one financial institution and, except for the securities of the U.S. Government, U.S. Government related entities and money market securities, none of the Company's fixed maturity or short term investments exceeded 10% of shareholder's equity at December 31, 2020. See "Note 6. Reinsurance" and "Note 7. Reserve for Claims and Claim Expenses" for information with respect to reinsurance recoverable.

Letters of Credit and Other Commitments

The outstanding amounts issued or drawn under each of the Company's significant credit facilities is set forth below:

At December 31, 2020	**Issued or Drawn**
Revolving Credit Facility (1)	$ —
Bilateral Letter of Credit Facilities	
Secured	223,466
Unsecured (1)	—
	$ 223,466

(1) At December 31, 2020, no amounts were issued or drawn under this facility.

Revolving Credit Facility

RenaissanceRe, the Company's ultimate parent, and the Company, among other operating subsidiaries of RenaissanceRe, are parties to a second amended and restated credit agreement dated November 9, 2018 (as amended, the "Revolving Credit Agreement") with various banks, financial institutions and Wells Fargo Bank, National Association ("Wells Fargo") as administrative agent, which amended and restated a previous credit agreement. The Revolving Credit Agreement provides for a revolving commitment to RenaissanceRe of $500.0 million, with a right, subject to satisfying certain conditions, to increase the size of the facility to $700.0 million. Amounts borrowed under the Revolving Credit Agreement bear interest at a rate selected by RenaissanceRe equal to the Base Rate or LIBOR (each as defined in the Revolving Credit Agreement) plus a margin. In addition to revolving loans, the Revolving Credit Agreement provides that the entire facility will also be available for the issuance of standby letters of credit, subject to the terms and conditions set forth therein, and swingline loans, which are capped at $50.0 million for each of the swingline lenders. At December 31, 2020, RenaissanceRe had $Nil of letters of credit outstanding under the Revolving Credit Agreement, of which $Nil relates to the Company.

NOTE 13. COMMITMENTS AND CONTINGENCIES, cont'd.

The Revolving Credit Agreement contains representations, warranties, covenants and certain financial covenants customary for bank loan facilities of this type, including limits on the ability of RenaissanceRe and its subsidiaries to merge, consolidate, sell a substantial amount of assets, incur liens and declare or pay dividends under certain circumstances. If certain events of default occur, in some circumstances the lenders' obligations to make loans may be terminated and the outstanding obligations of RenaissanceRe under the Revolving Credit Agreement may be accelerated. The scheduled commitment maturity date of the Revolving Credit Agreement is November 9, 2023.

Certain subsidiaries of RenaissanceRe guarantee its obligations under the Revolving Credit Agreement. Subject to certain exceptions, additional subsidiaries of RenaissanceRe are required to become guarantors if such subsidiaries issue or incur certain types of indebtedness.

Uncommitted, Secured Standby Letter of Credit Facility with Wells Fargo

RenaissanceRe, the Company's ultimate parent, maintains a standby letter of credit facility with Wells Fargo Bank, National Association ("Wells Fargo") which, as of December 31, 2020, provides for a secured, uncommitted facility under which letters of credit may be issued from time to time for the respective accounts of RenaissanceRe's operating subsidiaries and joint ventures, including the Company (the "Applicants"). Pursuant to the agreement, the Applicants may request secured letter of credit issuances, and also have an option to request the issuance of up to $100.0 million of unsecured letters of credit (outstanding on such request date). The agreement contains representations, warranties and covenants that are customary for facilities of this type. Under the agreement, each applicant is required to pledge eligible collateral having a value sufficient to cover all of its obligations under the agreement with respect to secured letters of credit issued for its account. In the case of an event of default under the agreement, Wells Fargo may exercise certain remedies, including conversion of collateral of a defaulting applicant into cash. At December 31, 2020, RenaissanceRe had $111.9 million of secured letters of credit outstanding and $Nil of unsecured letters of credit outstanding under this agreement, of which $0.4 million and $Nil, respectively, relates to the Company.

Secured Letter of Credit Facility with Citibank Europe

RenaissanceRe, the Company's ultimate parent, maintains a facility letter, with Citibank Europe plc ("Citibank Europe"), pursuant to which Citibank Europe has established a letter of credit facility under which Citibank Europe provides a commitment to issue letters of credit for the accounts of RenaissanceRe's operating subsidiaries and joint ventures, including the Company (the "Participants"). The aggregate commitment amount is $300.0 million. The letter of credit facility is scheduled to expire on December 31, 2022. At all times during which it is a party to the facility, each Participant is obligated to pledge to Citibank Europe securities with a value that equals or exceeds the aggregate face amount of its then-outstanding letters of credit. In the case of an event of default under the facility with respect to a Participant, Citibank Europe may exercise certain remedies, including terminating its commitment to such Participant and taking certain actions with respect to the collateral pledged by such Participant (including the sale thereof). In the facility letter, each Participant makes representations and warranties that are customary for facilities of this type and agrees that it will comply with certain informational and other undertakings. At December 31, 2020, RenaissanceRe had $295.5 million aggregate face amount of letters of credit outstanding and, subject to the sublimits described above, $4.5 million remained unused and available to the Participants under this facility, of which $223.0 million of the aggregate face amount of letters of credit outstanding relates to the Company.

NOTE 13. COMMITMENTS AND CONTINGENCIES, cont'd.

Uncommitted, Unsecured Letter of Credit Facility with Citibank Europe

The Company, among other operating subsidiaries of RenaissanceRe, the Company's ultimate parent, is party to a Master Agreement for Issuance of Payment Instruments and a Facility Letter for Issuance of Payment Instruments with Citibank Europe dated March 22, 2019, as amended, which established an uncommitted, unsecured letter of credit facility pursuant to which Citibank Europe or one of its correspondents may issue standby letters of credit or similar instruments in multiple currencies for the account of one or more of the applicants. The obligations of the applicants under this facility are guaranteed by RenaissanceRe.

Pursuant to the master agreement, each applicant makes representations and warranties that are customary for facilities of this type and agrees that it will comply with certain informational and other customary undertakings. The master agreement contains events of default customary for facilities of this type. In the case of an event of default under the facility, Citibank Europe may exercise certain remedies, including requiring that the relevant applicant pledge cash collateral in an amount equal to the maximum actual and contingent liability of the issuing bank under the letters of credit and similar instruments issued for such applicant under the facility, and taking certain actions with respect to the collateral pledged by such applicant (including the sale thereof). In addition, Citibank Europe may require that the relevant applicant pledge cash collateral if certain minimum ratings are not satisfied.

At December 31, 2020, the aggregate face amount of the payment instruments issued and outstanding under this facility was $262.4 million, of which $Nil of aggregate face amount of the payment instruments issued and outstanding relates to the Company.

Indemnifications and Warranties

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on past experience, management currently believes that the likelihood of such an event is remote.

Litigation

The Company is subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties or contracts or direct surplus lines insurance policies. In the Company's industry, business litigation may involve allegations of underwriting or claims-handling errors or misconduct, employment claims, regulatory actions or other disputes. The Company may also directly or indirectly be subject to its claims litigation involving, among other things, disputed interpretations of policy coverages. In addition, the Company may from time to time engage in litigation or arbitration related to claims for payment in respect of ceded reinsurance, including disputes that challenge the Company's ability to enforce its underwriting intent. Such matters could result, directly or indirectly, in providers of protection not meeting their obligations to the Company or not doing so on a timely basis. The Company may also be subject to other disputes from time to time, relating to operational or other matters distinct from insurance or reinsurance related claims. Any litigation or arbitration, or regulatory process, contains an element of uncertainty, and the value of an exposure or a gain contingency related to a dispute is difficult to estimate. The Company believes that no individual litigation or arbitration to which the Company is presently a party is likely to have a material adverse effect on the Company's financial condition, business or results of operations.

NOTE 14. SUBSEQUENT EVENTS

The Company has completed its subsequent events evaluation for the period subsequent to the balance sheet date of December 31, 2020, through April 26, 2021, the date the consolidated financial statements were available to be issued.

Subsequent to December, 31 2020, the Company received a $200M capital commitment from RenaissanceRe. The Company anticipates the capital contribution to be paid in full on or before June 30, 2021.