Vantage Risk Ltd.

For the year/period ended

December 31, 2021 and 2020

Vantage Risk Ltd.

For the year/period ended December 31, 2021, and 2020

April 29, 2022

Report of Independent Auditors

To the Board of Directors and Shareholder of Vantage Risk Ltd.

Opinion

We have audited the accompanying financial statements of Vantage Risk Ltd (the "Company"), which comprise the balance sheets as of December 31, 2021 and December 31, 2020, and the related statements of operations, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2021 and for the period from July 28, 2020 to December 31, 2020, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and for the period from July 28, 2020 to December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material

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if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Vantage Risk Ltd.
BALANCE SHEETS
(Expressed in 000's U.S. dollars, except number of shares and per share amounts)

	December 31, 2021	December 31, 2020
ASSETS		
Fixed maturity securities available for sale, at fair value (amortized cost - $653,834 and $264,629 at December 31, 2021 and December 31, 2020, respectively)	$ 647,022	$ 264,824
Equity securities, at fair value	27,715	27,786
Short term investments, at fair value	5,022	199,964
Total investments	679,759	492,574
Cash and cash equivalents	78,015	210,583
Accrued investment income	2,581	1,450
Premiums receivable	137,257	-
Reinsurance recoverable on paid and unpaid losses	19,555	-
Prepaid reinsurance premiums	18,166	-
Deferred acquisition costs	34,388	-
Other assets	12,951	1,259
Total assets	**$ 982,672**	**$ 705,866**
LIABILITIES		
Reserves for claims and claim expenses	$ 169,882	$ -
Unearned premiums	138,314	-
Claims in course of payment	15,738	-
Reinsurance balances payable	21,661	-
Other liabilities	13,439	4,441
Total liabilities	**359,034**	**4,441**
SHAREHOLDER'S EQUITY		
Common shares, $10.00 par value, 10,000,000 shares authorized, issued and outstanding at December 31, 2021 and 2020	100,000	100,000
Additional paid-in capital	602,000	602,000
Retained deficit	(71,550)	(770)
Accumulated other comprehensive (loss) income	(6,812)	195
Total shareholder's equity	**623,638**	**701,425**
Total liabilities and shareholder's equity	**$ 982,672**	**$ 705,866**

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

Vantage Risk Ltd.
STATEMENTS OF OPERATIONS
(Expressed in 000's U.S. dollars)

	Year Ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Revenues		
Net earned premiums	$ 213,060	$ -
Net investment income	3,802	130
Net realized and unrealized losses on investments	(93)	-
Total revenues	216,769	130
Expenses		
Claims and claim expenses incurred, net	223,370	-
Acquisition expenses, net	41,498	-
General and administrative expenses	21,481	900
Other expenses	1,200	-
Total expenses	287,549	900
Net (loss)	$ (70,780)	$ (770)

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

Vantage Risk Ltd.
STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in 000's U.S. dollars)

	Year Ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Net (loss)	$ (70,780)	$ (770)
Other comprehensive (loss) income		
Change in net unrealized (losses) gains on investments	(7,007)	195
Total other comprehensive (loss) income	(7,007)	195
Total comprehensive (loss)	$ (77,787)	$ (575)

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

Vantage Risk Ltd.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in 000's U.S. dollars)

	Year Ended December 31, 2021				
	Common shares	**Additional paid-in capital**	**Retained deficit**	**Accumulated other comprehensive (loss) income**	**Total**
Balance as of December 31, 2020	$ 100,000	$ 602,000	$ (770)	$ 195	$ 701,425
Other comprehensive (loss)	-	-	-	(7,007)	(7,007)
Net (loss)	-	-	(70,780)	-	(70,780)
Balance as of December 31, 2021	$ 100,000	$ 602,000	$ (71,550)	$ (6,812)	$ 623,638

	Period Ended December 31, 2020				
	Common shares	**Additional paid-in capital**	**Retained deficit**	**Accumulated other comprehensive income**	**Total**
Balance as of July 28, 2020	$ -	$ -	$ -	$ -	$ -
Issuance of common shares	100,000	-	-	-	100,000
Capital contribution	-	602,000	-	-	602,000
Other comprehensive income	-	-	-	195	195
Net loss	-	-	(770)	-	(770)
Balance as of December 31, 2020	$ 100,000	$ 602,000	$ (770)	$ 195	$ 701,425

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

Vantage Risk Ltd.

STATEMENTS OF CASH FLOWS
(Expressed in 000's U.S. dollars)

	Year Ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (70,780)	$ (770)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, amortization and accretion	7,916	330
Net realized and unrealized (gains) losses on investments	(6,919)	195
Net losses on foreign exchange	1,135	-
Change in:		
Accrued investment income	(1,131)	(1,450)
Premiums receivable	(138,392)	-
Reinsurance recoverable on paid and unpaid losses	(19,555)	-
Prepaid reinsurance premiums	(18,166)	-
Deferred acquisition costs	(34,388)	-
Other assets	(8,602)	(1,178)
Reserves for claims and claim expenses	169,882	-
Unearned premiums	138,314	-
Claims in course of payment	15,738	-
Reinsurance balances payable	21,661	-
Accounts payable and other liabilities	8,998	1,441
Net cash provided (used) by operating activities	65,711	(1,432)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed maturity securities	(450,228)	(265,152)
Sales of fixed maturity securities	8,248	-
Maturities, calls, and paydowns of fixed maturity securities	52,719	-
Purchases of equity securities	-	(27,786)
Net change in short term investments	194,942	(199,964)
Acquisition of property and equipment	(3,960)	(83)
Payable for securities	-	3,000
Net cash used by investing activities	(198,279)	(489,985)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common shares	-	100,000
Contributed capital	-	602,000
Net cash provided by financing activities	-	702,000
Net (decrease) increase in cash and cash equivalents	(132,568)	210,583
Cash and cash equivalents—beginning of year/period	210,583	-
Cash and cash equivalents—end of year/period	$ 78,015	$ 210,583

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

Vantage Risk Ltd.

Notes to Financial Statements
(Expressed in 000's U.S. dollars except number of shares and per share amounts)

1. Nature of Operations

Effective October 19, 2020, Vantage Risk Ltd. (the "Company" or "Vantage") was registered as a Class 4 insurer under The Insurance Act 1978 (Bermuda), amendments thereto and related regulations (the "Act"). The Company is a wholly owned subsidiary of Vantage Group Holdings Ltd., a privately held Bermuda exempted company that provides property, casualty, and specialty (re)insurance through its wholly owned subsidiaries. Vantage Group Holdings Ltd. was incorporated on July 28, 2020, and is majority owned by funds managed by The Carlyle Group, Inc. and Hellman & Friedman LLC.

The Company commenced writing business on January 1, 2021.

2. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). These financial statements cover the period from inception, July 28, 2020, to December 31, 2020 and the full year from January 1, 2021 to December 31, 2021. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate actual results could differ, possibly materially, from those estimates. All amounts are reported in U.S. dollars.

3. Significant Accounting Policies

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

Investments
Fixed maturity investments, equity securities and short term investments
Fixed maturities are classified as available for sale. Available for sale ("AFS") securities are reported at fair value, net of valuation allowance for expected credit losses (if necessary), with unrealized changes in fair value recorded as a separate component of accumulated other comprehensive income (loss) ("AOCI") in shareholder's equity.

Equity securities are reported at fair value with changes in fair value recorded in net realized and unrealized gains (losses) on investments in the statements of operations.

Short term investments include securities due to mature within one year of the date of purchase and are recorded at fair value which typically approximates cost.

Interest income, dividend income, amortization and accretion of fixed maturity market premiums and discounts are recorded in net investment income, net of investment management and custody fees in the statements of operations. The amortization of premium and accretion of discount for fixed maturity securities is computed using the effective yield method.

Realized gains and losses are determined using cost calculated on a specific identification basis.

For mortgage-backed securities, and any other holdings for which there is a prepayment risk, prepayment assumptions are evaluated and revised as necessary. Any adjustments required due to the resultant change in effective yields and maturities are recognized prospectively. Prepayment fees or call premiums that are only payable when a security is called prior to its maturity are earned when received and reflected in net investment income.

Valuation allowance for fixed maturity investments
Management evaluates AFS securities with a fair value that has declined below amortized cost to determine how the decline in fair value should be recognized. If determined, based on the facts and circumstances related to the specific security, that management intends to sell a security or it is more likely than not that management would be required to sell a security before the recovery of its amortized cost, any existing allowance for expected credit losses is reversed with an offsetting entry to the security's amortized cost. In circumstances where the allowance has been reversed and the fair value is less than the amortized cost, the amortized cost of the security is written down to fair value. If neither of these conditions exist, management evaluates whether the decline in fair value has resulted from credit related or other factors.

For AFS securities, management qualitatively considers relevant facts and circumstances in evaluating whether a decline in fair value is credit related. Relevant facts and circumstances include but are not limited to: (i) the extent to which the fair value is less than amortized cost, (ii) changes in agency credit ratings, (iii) adverse conditions related to the security's industry or geographical area, (iv) failure to make scheduled payments, and (v) other known changes in the financial condition of the issuer or quality of any underlying collateral or credit enhancements.

If upon completion of this analysis it is determined that a potential credit loss exists, a valuation allowance for expected credit losses is established equal to the amount by which the present value of expected cash flows is less than amortized cost, limited to the amount by which fair value is less than amortized cost.

The Company elected not to measure a valuation allowance for expected credit losses for accrued investment income as uncollectible balances are written off in a timely manner.

Premiums and Acquisition Costs
Insurance Premiums
Insurance premiums written are recorded in accordance with the terms of the underlying policies, are generally recorded at the policy inception and are primarily earned on a pro rata basis over the term of the policies, usually 12 months. Unearned premiums represent the portion of premiums written that relate to the unexpired terms of the policies in force.

Reinsurance Premiums
Reinsurance premiums written are recorded based on the type of contract. For excess of loss reinsurance contracts, premiums are recorded as written based on the terms of the contract. For pro rata reinsurance contracts, reinsurance premiums are recorded as written based on amounts reported by brokers and ceding companies, supplemented by the Company's own estimates of premiums where reports have not been received. The determination of estimates requires a review by management based on experience with the ceding companies, familiarity with the market, timing of reported information, analysis and understanding of the characteristics of each line of business, and management's judgment of the impact of various factors, including premium or loss trends on the volume of business written and ceded to the Company. On an ongoing basis, the Company's underwriters review the amounts reported by these third parties for reasonableness based on their experience and knowledge of the subject class of business, taking into account management's historical experience with the brokers or ceding companies. In addition, reinsurance contracts under which the Company assumes business generally contain specific provisions which allow the Company to perform audits of the ceding company to ensure compliance with the terms and conditions of the contract, including accurate and timely reporting of information. Premium estimates are updated when new information is received and differences between such estimates and actual amounts are recorded in the period in which estimates are changed or the actual amounts are determined.

For multi-year reinsurance contracts which are payable in annual installments, generally only the initial annual installment is included as premiums written at policy inception, due to the ability of the reinsured to commute or cancel coverage during the term of the policy. The remaining annual installments are included as premiums written at each successive anniversary date within the multi-year term.

Reinsurance premiums written, irrespective of the class of business, are generally earned on a pro rata basis over the terms of the underlying policies or reinsurance contracts. Contracts and policies written on a "losses occurring" basis cover claims that may occur during the term of the contract or policy, which is typically 12 months. Accordingly, the reinsurance premium is earned evenly over the term. Contracts which are written on a "risks attaching" basis cover claims which attach to the underlying insurance policies written during the terms of these contracts. Premiums earned on "risks attaching" contracts usually extend beyond the original term of the reinsurance contract, typically resulting in recognition of reinsurance premiums earned over a 24-month period.

Reinstatement Premiums
Reinstatement premiums for the Company's insurance and reinsurance operations are recognized at the time a loss event occurs, where coverage limits for the remaining life of the contract are reinstated under pre-defined contract or policy terms. Reinsurance reinstatement premiums, if obligatory, are fully earned when recognized. The accrual of reinstatement premiums is based on an estimate of claims and claim expenses, which reflects management's judgment.

Premiums Receivable
Premiums receivable include amounts receivable from agents, brokers and insureds that are both currently due and amounts not yet due on insurance policies and reinsurance contracts. Premiums receivable balances are reported net of an allowance for expected credit losses (if necessary). The measurement of an allowance for 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 monitors credit risk associated with premiums receivable through its ongoing review of amounts outstanding, aging of the receivable, historical loss data, and counterparty financial strength measures (where available).

In certain instances, credit risk may be reduced by the Company's right to offset loss obligations and/or unearned premiums against premiums receivable. Any allowance for expected credit losses is recorded in the statements of operations in the period the receivable is recorded and updated in subsequent periods to reflect changes in the Company's estimate of expected credit losses.

Deferred Acquisition Costs
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 contracts 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 reinsurance contracts contain profit sharing provisions or adjustable commissions that are estimated based on the expected claims and claim expenses on those contracts. Acquisition costs include accrual for such estimates of commissions and are shown net of commissions and profit commissions earned on ceded reinsurance. Deferred acquisition costs are limited to their estimated realizable value based on the related unearned premiums. Anticipated claims and claims 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.

Reserves for Claims and Claim Expenses
The reserves 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 ("IBNR"). 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.

Accordingly, claims and claim expenses ultimately paid may differ materially from the amounts recorded in the 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 statements of operations in the period in which they become known and are accounted for as changes in estimates.

Reinsurance
The Company purchases reinsurance to increase capacity and to limit the impact of individual losses and events on its underwriting results by reinsuring certain levels of risk with other insurance enterprises or reinsurers. The Company uses pro rata, excess of loss and facultative reinsurance contracts. The premiums paid to reinsurers (i.e., ceded premiums written) are recognized over the coverage period. Prepaid reinsurance premiums represent the portion of premiums ceded which relate to the unexpired term of the contracts in force. Ceded reinsurance contracts do not relieve the Company of its primary obligation to its (re)insureds.

Reinsurance recoverable on unpaid losses and loss expenses are estimated in a manner consistent with the associated claim liability. Reinsurance recoverable related to IBNR is generally developed as part of the Company's loss reserving process, therefore, its estimation is subject to similar risks and uncertainties as the estimation of IBNR. In certain instances, the Company obtains collateral, including letters of credit and trust accounts to reduce the credit exposure on its reinsurance recoverables. The Company reports its reinsurance recoverable on paid and unpaid losses net of an allowance for expected credit loss (if necessary). The allowance is based upon the Company's ongoing review of amounts outstanding, the financial condition of its reinsurers, amounts and form of collateral obtained and other relevant factors. Any allowance for expected credit losses is recorded in the statements of operations in the period the recoverable is recorded and updated in subsequent periods to reflect changes in the Company's estimate of expected credit losses.

Property and Equipment, and Capitalized Software Costs
Property and equipment, consisting of leasehold improvements, furniture and computer hardware, are carried at historical cost, less accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful economic lives of the assets (generally 3-5 years) or the remaining lease term, whichever is shorter.

The assets' residual value, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If such review indicates that the carrying amount of property and equipment assets is not recoverable, and the asset's fair value is less than the carrying amount, an impairment charge is recognized. The Company has not recorded any impairment charges during the year/period presented. An item of property or equipment is derecognized on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Capitalized software costs, which represent costs directly related to obtaining, developing or upgrading internal use software, are capitalized and amortized using the straight-line method over a period generally not exceeding ten years. Amortization begins when the software is ready for its intended use, regardless of whether the software has actually been placed in service.

Property and equipment and capitalized software costs are included in other assets in the balance sheets.

Foreign Exchange

The U.S. dollar is the functional currency of the Company. Monetary assets and liabilities denominated in foreign currencies are revalued at the prevailing exchange rate at the balance sheet date, and revenues and expenses denominated in foreign currencies are translated at the prevailing exchange rate on the transaction date, with the resulting foreign exchange gains (losses) included in the statements of operations. Non-monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rate on the transaction date and are not subsequently revalued or remeasured.

Leases

The Company records expenses for operating leases on a straight-line basis over the lease term. The Company recognizes assets and liabilities associated with leases in the balance sheets. The Company does not record an asset or liability for leases with an initial term of 12 months or less.

The right-of-use asset and the lease liability are recorded in other assets and other liabilities, respectively, in the Company's balance sheets.

4. Recent Accounting Pronouncements

Adopted

The Company adopted Accounting Standard Update (ASU) 2019-12, "Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes" from the date of incorporation which eliminates certain exceptions for recognizing deferred taxes for investments, performing intraperiod tax allocation and calculating income taxes in interim periods. This guidance also clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The adoption of this guidance did not have a material impact on the Company's financial statements.

The Company adopted ASU 2018-15, "Intangibles – Goodwill and Other – Internal Use Software (Subtopic 350-40)" from the date of incorporation which amends the guidance to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. For these arrangements, the guidance also limits the period to expense capitalized implementation costs based on the term of the hosting agreement, including the noncancellable period of the arrangement plus periods covered by options to extend the arrangement that are reasonably certain of exercise. The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments. The adoption of this guidance did not have a material impact on the Company's financial statements.

The Company adopted ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326)" from the date of incorporation which amends the guidance on reporting credit losses for assets held at amortized cost and available for sale fixed maturity securities. For assets held at amortized cost, the amended guidance eliminates the probable recognition threshold and instead requires an entity to reflect the current estimate of all expected credit losses. The estimate of expected credit losses considers historical information, current information, as well as reasonable and supportable forecasts, including estimates of prepayments. For available for sale fixed maturity securities, the guidance requires the Company to record allowances for expected credit losses for securities that are deemed to have valuation deterioration due to credit related factors. The adoption of this guidance did not have a material effect on the Company's financial statements.

The Company adopted ASU 2016-02, "Leases (Topic 842)" from the date of incorporation which requires that entities recognize assets and liabilities associated with leases in the balance sheets and disclose key information about leasing arrangements. The Company and its subsidiaries lease office space and equipment under operating lease arrangements for which the Company is the lessee. The adoption of this guidance did not have a material effect on the Company's financial statements.

5. Fair Value Measurements

Fair value is defined as 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.

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:

(Expressed in 000's U.S. dollars except number of shares and per share amounts)

• 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 at the measurement date. 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 attributes (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 attributes 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 are 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. 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.

In order to determine if a market is active or inactive for a security, a number of factors are considered, 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 valuation techniques, nor have there been any transfers into or out of Level 3 during the periods presented in these financial statements.

Below is a summary of the assets that are measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
December 31, 2021				
Equity securities				
Exchange-traded funds	$ 27,715	$ 27,715	$ -	$ -
Fixed maturity securities				
U.S. Government	82,497	-	82,497	-
Asset-backed	52,196	-	52,196	-
U.S. Agencies	192,122	-	192,122	-
U.S. Corporate	278,666	-	278,666	-
Foreign Governments	15,011	-	15,011	-
Municipalities	26,530	-	26,530	-
Short term investments	5,022	-	5,022	-
	$ 679,759	$ 27,715	$ 652,044	$ -

	Total	Level 1	Level 2	Level 3
December 31, 2020				
Equity securities				
Exchange-traded funds	$ 27,786	$ 27,786	$ -	$ -
Fixed maturity securities				
Asset-backed	24,415	-	24,415	-
U.S. Agencies	73,932	-	73,932	-
U.S. Corporate	161,308	-	161,308	-
Foreign Governments	5,169	-	5,169	-
Short term investments	199,964	-	199,964	
	$ 492,574	$ 27,786	$ 464,788	$ -

Level 1 Securities

The Company's investments classified as Level 1 as of December 31, 2021, and 2020 consisted of exchange-traded funds that are publicly listed and/or actively traded in an established market.

Level 2 Securities

The Company values Level 2 securities using various observable market inputs obtained from a pricing service. The pricing service prepares estimates of fair value measurements for the Company's Level 2 securities using proprietary valuation models based on techniques such as matrix pricing which include observable market inputs. The fair value measurements and disclosures guidance defines observable market inputs as the assumptions market participants would use in pricing the asset or liability developed on market data obtained from sources independent of the Company. The extent of the use of each observable market input for a security depends on the type of security and the market conditions at the balance sheet date. Depending on the security, the priority of the use of observable market inputs may change as some observable market inputs may not be relevant or additional inputs may be necessary. The Company uses the following observable market inputs ("standard inputs"), listed in the approximate order of priority, in the pricing evaluation of Level 2 securities: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research data. The following describes the significant inputs generally used to determine the fair value of the Company's fixed maturity securities by asset class:

U.S. government and government agency securities: U.S. government and government agencies and authorities securities are priced by the Company's independent pricing service utilizing standard inputs.

Asset-backed securities – valuations provided by independent pricing services, substantially all through index providers and pricing vendors with an immaterial amount through broker-dealers. The fair values of these securities are generally determined through the use of pricing models which use spreads to determine the appropriate average life of the securities. These spreads are generally obtained from the new issue market, secondary trading and from broker-dealers who trade in the relevant security market.

U.S. Corporate securities – valuations provided by independent pricing services, substantially all through index providers and pricing vendors with an immaterial amount through broker-dealers. The fair values of these securities are generally determined using the spread above the risk-free yield curve. These spreads are generally obtained from the new issue market, secondary trading and from broker-dealers who trade in the relevant security market.

Foreign government securities – valuations provided by independent pricing services, with all prices provided through index providers and pricing vendors. The fair values of these securities are generally based on international indices or valuation models which include daily observed yield curves, cross-currency basis index spreads and country credit spreads.

Municipal securities – valuations provided by independent pricing services, with all prices provided through index providers and pricing vendors. The fair values of these securities are generally determined using spreads obtained from broker dealers who trade in the relevant security market, trade prices and the new issue market.

Short-term investments - valuations provided by independent pricing services, generally determined using the spread above the risk-free yield curve.

Valuation models used by independent pricing services can change from period to period, depending on the appropriate observable inputs that are available at the balance sheet date to price a security.

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. The carrying values of cash and cash equivalents, accrued investment income, certain other assets, certain other liabilities, and other financial instruments approximated their fair values.

Fair value measurements on a non-recurring basis

The Company measures the fair value of certain assets on a non-recurring basis, generally quarterly, annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include certain fixed assets and intangible assets.

(Expressed in 000's U.S. dollars except number of shares and per share amounts)

6. Investments

The following tables present the cost or amortized cost, gross unrealized gains and losses, fair value and valuation allowance of the Company's available for sale fixed maturity securities as of the dates indicated:

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Valuation Allowance
December 31, 2021					
U.S. Government	$ 82,512	$ 19	$ (34)	$ 82,497	$ -
Asset-backed	52,281	36	(121)	52,196	-
U.S. Agencies	195,629	-	(3,507)	192,122	-
U.S. Corporate	281,394	54	(2,782)	278,666	-
Foreign governments	15,085	-	(74)	15,011	-
Municipalities	26,933	-	(403)	26,530	-
	$ 653,834	$ 109	$ (6,921)	$ 647,022	$ -

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Valuation Allowance
December 31, 2020					
Asset-backed	$ 24,408	$ 18	$ (11)	$ 24,415	-
U.S. Agencies	74,132	157	(357)	73,932	-
U.S. Corporate	160,921	413	(26)	161,308	-
Foreign governments	5,168	1	-	5,169	-
	$ 264,629	$ 589	$ (394)	$ 264,824	$ -

The cost or amortized cost and estimated fair values of available for sale fixed maturity securities by remaining maturity are presented below. Expected maturities could differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost or Amortized Cost	Fair Value
December 31, 2021		
Due in one year or less	$ 86,520	$ 86,527
Due after one year through five years	355,730	351,991
Due after five years through ten years	29,531	28,736
Total	471,781	467,254
Asset-backed	52,281	52,196
Mortgage-backed securities	129,772	127,572
Total	$ 653,834	$ 647,022

The following table presents the fair value and unrealized losses of the Company's available for sale fixed maturity securities, aggregated by investment category and length of time that individual securities were in a continuous unrealized loss position, for which no valuation allowance for expected credit loss has been recorded, as of the dates indicated:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2021						
U.S. Government	$ 3,472	$ (34)	$ -	$ -	$ 3,472	$ (34)
Asset-backed	29,554	(121)	-	-	29,554	(121)
U.S. Agencies	192,122	(3,507)	-	-	192,122	(3,507)
U.S. Corporate	266,225	(2,782)	-	-	266,225	(2,782)
Foreign governments	15,011	(74)	-	-	15,011	(74)
Municipalities	26,530	(403)	-	-	26,530	(403)
Total	$ 532,914	$ (6,921)	$ -	$ -	$ 532,914	$ (6,921)

	Less than 12 Months	12 Months or More	Total

	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2020						
Asset-backed	$ 9,926	$ (11)	$ -	$ -	$ 9,926	$ (11)
U.S. Agencies	50,967	(357)	-	-	50,967	(357)
U.S. Corporate	5,777	(26)	-	-	5,777	(26)
Total	$ 66,670	$ (394)	$ -	$ -	$ 66,670	$ (394)

Total gross unrealized losses represented approximately 1.3% and 0.6% of the aggregate fair value of the related securities as of December 31, 2021, and December 31, 2020, respectively. The total gross unrealized losses comprised 176 and 17 individual securities as of December 31, 2021, and December 31, 2020, respectively. The Company concluded that for these securities, the gross unrealized losses as of December 31, 2021, and December 31, 2020 were related to noncredit factors and therefore, did not recognize any credit-related losses during the related periods. Additionally, we neither intend to sell the securities nor do we believe that it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis.

The following table presents the gross realized gains and gross realized losses from sales of our available for sale securities:

	Year ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Gross realized gains from sales	$ 15	$ -
Gross realized losses from sales	$ (7)	$ -

Net Investment Income

The components of net investment income are as follows:

	Year ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Fixed maturity securities available for sale	$ 4,225	$ 157
Equity securities	116	-
Short term investments, cash, and other	31	28
Gross investment income	4,372	185
Investment expenses	(570)	(55)
Net investment income	$ 3,802	$ 130

Pledged Investments

As of December 31, 2021, the Company had restricted assets comprised of fixed maturity investments of $130,553, that were pledged during the normal course of business.

7. Reserves for claims and claim expenses

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 comprises case and IBNR reserves.

(Expressed in 000's U.S. dollars except number of shares and per share amounts)

As claims and claim expense reserves are estimates, the Company's actual losses incurred may be more or less than the Company's previously developed estimates, which is referred to as either unfavorable or favorable development, respectively. The following table presents a reconciliation of claims and claim expense reserves for the year ended December 31, 2021.

	Year Ended December 31, 2021
Reserve for claims and claim expenses, as of beginning of year	$ -
Net losses incurred during the year related to:	
Current year	223,370
Prior period	-
Total net losses incurred	223,370
Net losses paid during the year related to:	
Current year	71,154
Prior period	-
Total net losses paid	71,154
Foreign exchange losses (1)	65
Reserve for claims and claim expenses, net of reinsurance recoverable, as of end of year	152,151
Reinsurance recoverable, as of end of year (2)	17,731
Reserve for claims and claim expenses, as of end of year	$ 169,882

(1) 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.
(2) Excludes reinsurance recoverable on paid losses of $1,824 as of December 31, 2021

Since 2021 is the first-year writing business, all losses incurred relate to accident year 2021 and as such, loss development tables are not considered to be meaningful and have not been presented.

8. Shareholder's Equity

The Company was formed on July 28, 2020, with authorized share capital of 10 common shares of $1.00 par value. The 10 common shares were issued to Vantage Group Holdings Ltd. on August 17, 2020. Then on October 12, 2020, the Company's Board of Directors approved that the existing 10 common shares of $1.00 par value be consolidated into a single share of $10.00 par value and that the share capital be increased to $100,000 representing 10,000,000 common shares of $10.00 par value, subject to shareholder approval, which was obtained on October 14, 2020. All 10,000,000 common shares of $10.00 par value were issued to Vantage Group Holdings Ltd.

The Company did not declare dividends during the year ended December 31, 2021, or the period ended December 31, 2020.

9. Commitments, Contingencies and Other Items

Concentrations of credit risk

The Company underwrites a significant amount of its (re)insurance business through brokers. There is credit risk associated with payments of (re)insurance balances to the Company in regard to these brokers' ability to fulfil their contractual obligations. In addition, in some jurisdictions, if the broker fails to make payments to the insured under the Company's policy, the Company may remain liable to the insured for the deficiency. These brokerage companies are large and well established, and there are no indications they are financially distressed.

(Expressed in 000's U.S. dollars except number of shares and per share amounts)

The following table sets forth the Company's premiums written by broker that individually contributed more than 10% of total gross written premium for the year ended December 31, 2021:

Broker	
Marsh & McLennan Companies Inc.	29.5%
Aon Corporation and subsidiaries	28.6%
Willis Towers Watson & Co.	13.4%

There was no other broker or (re)insured that accounted for more than 10% of gross written premiums for the periods indicated.

Operating leases

The Company leases office space and office equipment under various operating leases, the expiration terms of which range from January 2023 to December 2026. Total rent expense with respect to these operating leases for the year ended December 31, 2021 and period ended December 31, 2020 was $285 and $10 respectively. Supplemental information related to operating leases is as follows for the periods indicated:

	Year ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Operating lease right of use assets	$ 2,407	$ 357
Operating lease liability	2,406	374

	Year ended December 31, 2021	Period from July 28, 2020 to December 31, 2020
Weighted average remaining operating lease term	4.7 years	1.1 years

Maturities of the existing lease liabilities are expected to occur as follows:

2022	$ 619
2023	469
2024	444
2025	439
Thereafter	435
Total operating lease liability	$ 2,406

Letters of Credit

During 2021, the Company entered several letter of credit facilities ("LOCs") with commercial banks, these LOCs are required under the terms of certain insurance and reinsurance agreements.

The following table summarizes the outstanding letters of credit as of December 31, 2021:

Bank	Commitment	In Use
Wells Fargo Bank, N.A. (1)	$ -	$ 10,451
Lloyds Bank Corporate Markets plc	50,000	45,722
HSBC Bank Bermuda Limited	3,000	1,250
Total		$ 57,423

(1) - Uncommitted facility

Contingencies

The Company may become involved in a variety of litigation and legal and regulatory proceedings relating to its business operations and, from time to time, it may become involved in other actions.

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The Company will establish an accrued liability for certain legal and regulatory proceedings when and if it is determined that a loss related matter is both probable and reasonably estimable. As of December 31, 2021 and 2020 no accrued liability was recorded.

10. Reinsurance

The Company evaluates the financial condition of its reinsurers and monitors concentration of credit risk arising from its exposure to individual reinsurers. The reinsurance program is generally placed with reinsurers whose rating, at the time of placement, was A- or better (or the equivalent) as rated by one or more nationally recognized statistical rating organizations, or providing reinsurance on a collateralized basis. Exposure to a single reinsurer is also controlled with restrictions dependent on rating.

The following table sets forth the effect of reinsurance on premiums written and earned:

	Year Ended December 31, 2021
Premiums written	
Direct	$ 26,769
Assumed	360,755
Ceded	(54,319)
Net premiums written	$ 333,205
Premiums earned	
Direct	$ 6,794
Assumed	242,417
Ceded	(36,151)
Net earned premiums	$ 213,060

Retrocession Agreement with Vista Re

On May 4, 2021, Vantage Risk Ltd. entered into a retrocession agreement with Vista Re Ltd (“Vista Re”). Vista Re is a Bermuda exempted company registered as a special purpose insurer under the Act. The retrocession agreement provides up to $225,000 of reinsurance coverage for protection against losses over a three-year period from named storm events in all 50 states of the U.S., the District of Columbia, Puerto Rico and the U.S. Virgin Islands and North American earthquake events in all 50 states of the U.S., the District of Columbia, Puerto Rico, the U.S. Virgin Islands and all provinces and territories of Canada. Vista Re financed the property catastrophe reinsurance coverage by issuing $225,000 in principal-at-risk variable rate notes to unrelated investors (the “Series 2021-1 Notes”). During the year ended December 31, 2021, the Company recorded $15,188 of ceded premiums written and no ceded losses related to this agreement.

11. Statutory financial information

The Company 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 Act, the Company is required to maintain certain measures of solvency and liquidity. The Act requires the Company to meet a minimum solvency margin and a minimum liquidity ratio. The Company has satisfied these requirements for 2021 and 2020. The Bermuda Statutory Capital Requirement (“BSCR”) is a risk-based capital model to measure risk and to determine an enhanced capital requirement and target capital level (defined as 120% of the enhanced capital requirement (“ECR”)) for Class 4 insurers.

A Class 4 insurer is prohibited from declaring or paying a dividend if in breach of its ECR, solvency margin or minimum liquidity ratio or if the declaration or payment of such dividend would cause such a breach. Where an insurer fails to meet its solvency margin or minimum liquidity ratio on the last day of any financial year, it is prohibited from declaring or paying any dividends during the next financial year without the approval of the Authority. Further, a Class 4 insurer is 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 Authority an affidavit signed by at least two directors and the insurer’s principal representative stating that the declaration of such dividends has not caused the insurer to fail to meet its solvency margin or minimum liquidity ratio. Class 4 insurers must obtain the Authority’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.

(Expressed in 000's U.S. dollars except number of shares and per share amounts)

Total statutory capital and surplus as of December 31, 2021, the associated required amount and statutory net (loss) income for the year ended December 31, 2021 was as follows:

	Bermuda
Statutory capital and surplus, as of December 31, 2021	$ 619,650
Required statutory capital and surplus, as of December 31, 2021	166,604
Net loss, year ended December 31, 2021	$ 70,780

12. Income Taxes

Under Bermuda law, no income or capital gains taxes are imposed on the Company. The Minister of Finance of Bermuda has assured the Company that, pursuant to The Exempted Undertakings Tax Protection Amendment Act of 2011, they will be exempt until 2035 from imposition of any such taxes.

13. Subsequent Events

The Company has completed its subsequent events evaluation for the period subsequent to the balance sheet date of December 31, 2021, through April 29, 2022, the date the financial statements were available to be issued.

In February 2022, military conflict escalated between Russia and Ukraine. Following Russia's invasion of Ukraine, the U.S., the U.K., and the European Union governments, among others, have developed coordinated financial and economic sanctions targeting Russia that, in various ways, constrain transactions with numerous Russian entities, including major Russian banks, and individuals; transactions in Russian sovereign debt; and investment, trade and financing to, from, or in certain regions of Ukraine.

We are monitoring the status of emerging (re)insurance claims related to the conflict. At this time, we are unable to reasonably estimate the possible loss or range of loss, if any, arising from this conflict due to a number of factors, including the presence of complex or novel legal theories, and the ongoing discovery and development of information important to potential claims by (re)insureds.

It is possible that our financial condition, results of operations or cash flows will be materially affected in future periods due to potential claims by (re)insureds.