



# AmTrust International Insurance

## An AmTrust Financial Company

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**AmTrust International Insurance, Ltd.**  
**Consolidated Financial Statements**  
With Independent Auditors' Report Thereon  
As of and for the years ended December 31, 2025 and 2024

AMTRUST INTERNATIONAL INSURANCE, LTD.

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KPMG LLP  
Two Manhattan West  
375 9th Avenue, 17th Floor  
New York, NY 10001

## **Independent Auditors' Report**

The Stockholder and Board of Directors of  
AmTrust International Insurance, Ltd.:

### *Opinion*

We have audited the consolidated financial statements of AmTrust International Insurance, Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

*Required Supplementary Information*

U.S. generally accepted accounting principles require that the incurred claims and allocated claims adjustment expenses, net of reinsurance, for each year ended from December 31, 2016 to December 31, 2024 and cumulative paid claims and allocated claims adjustment expenses, net of reinsurance, for each year ended from December 31, 2016 to December 31, 2024, and average annual percentage payout of incurred claims by age, net of reinsurance, included in tables on pages 32 - 35 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated 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.

*KPMG LLP*

New York, New York  
April 27, 2026

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands, Except Par Value Per Share)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost \$4,584,265; and \$4,058,772; allowance for credit losses of \$338; and \$202 )	\$ 4,548,630	\$ 3,901,332
Equity securities, at fair value (cost \$742,606; and \$258,934)	849,628	337,649
Short-term investments, at fair value (amortized cost \$481,282; and \$389,061)	482,478	387,272
Other investments	48,638	53,640
<b>Total investments</b>	<u>5,929,374</u>	<u>4,679,893</u>
Cash, cash equivalents, restricted cash and restricted cash equivalents	626,389	489,330
Accrued interest and dividends	40,313	28,763
Premiums receivable, net (allowance for credit losses of \$11,362; and \$12,760)	1,029,170	869,491
Reinsurance receivable, net (allowance for credit losses of \$638; and \$149)	1,939,696	1,723,671
Prepaid reinsurance premiums	644,598	546,393
Deferred policy acquisition costs	393,502	336,200
Property, equipment and software, net	157,627	156,271
Goodwill	28,767	177,760
Other intangible assets, net	5,934	46,854
Due from affiliates, net	391,491	305,918
Other assets	555,524	535,064
<b>Total assets</b>	<u>\$ 11,742,385</u>	<u>\$ 9,895,608</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>Liabilities:</b>		
Loss and loss adjustment expense reserves	\$ 4,792,062	\$ 4,563,764
Unearned premiums	2,243,574	2,060,701
Ceded reinsurance premiums payable	612,069	372,308
Funds held under reinsurance treaties	922,493	710,686
Debt, net	103,312	96,387
Accrued expenses and other liabilities (recorded at fair value \$20,411; and \$10,445)	770,761	625,813
<b>Total liabilities</b>	<u>9,444,271</u>	<u>8,429,659</u>
<b>Stockholder's equity:</b>		
Common stock, \$1 par value; 250 shares authorized, issued and outstanding in 2025 and 2024, respectively	250	250
Additional paid-in capital	1,889,995	2,103,457
Accumulated other comprehensive loss	(150,672)	(348,438)
Retained earnings (deficit)	558,676	(301,034)
<b>Total AmTrust International Insurance, Ltd. equity</b>	<u>2,298,249</u>	<u>1,454,235</u>
Non-controlling interest	(135)	11,714
<b>Total stockholder's equity</b>	<u>2,298,114</u>	<u>1,465,949</u>
<b>Total liabilities and stockholder's equity</b>	<u>\$ 11,742,385</u>	<u>\$ 9,895,608</u>

*See the accompanying Notes to the Consolidated Financial Statements.*

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(In Thousands)

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Net earned premiums	\$ 2,322,587	\$ 2,313,262
Service and fee income	149,990	133,175
Net investment income	177,214	157,466
Net realized gain on investments	53,482	67,198
Net gain (loss) on sales of businesses	878,153	(14,837)
Other revenue	41,170	42,494
<b>Total revenues</b>	<b>3,622,596</b>	<b>2,698,758</b>
<b>Losses and expenses:</b>		
Loss and loss adjustment expenses	1,542,234	1,568,084
Amortization of deferred acquisition costs	624,662	617,089
Underwriting, general and administrative expenses	187,013	184,915
Interest expense	4,212	7,343
Interest on reinsurance funds withheld	26,983	19,876
Foreign currency loss (gain)	83,839	(23,793)
Other expense	214,310	186,873
<b>Total losses and expenses</b>	<b>2,683,253</b>	<b>2,560,387</b>
<b>Income before income taxes and equity in earnings of unconsolidated entities</b>	<b>939,343</b>	<b>138,371</b>
Less: Provision for income taxes	80,523	94,805
<b>Income before equity in earnings of unconsolidated entities</b>	<b>858,820</b>	<b>43,566</b>
Equity in income of unconsolidated entities	—	40,852
<b>Net income</b>	<b>858,820</b>	<b>84,418</b>
Net loss (income) attributable to non-controlling interest	890	(7,026)
<b>Net income attributable to AmTrust International Insurance, Ltd.</b>	<b>\$ 859,710</b>	<b>\$ 77,392</b>

*See the accompanying Notes to the Consolidated Financial Statements.*

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands)

	Years Ended December 31,	
	2025	2024
<b>Net income</b>	\$ 858,820	\$ 84,418
<b>Other comprehensive income (loss), net of tax:</b>		
Foreign currency translation	99,226	(52,166)
Net unrealized gain on investments	98,014	40,914
Pension liability	526	164
<b>Other comprehensive income (loss), net of tax</b>	197,766	(11,088)
<b>Comprehensive income</b>	1,056,586	73,330
Comprehensive loss (income) attributable to non-controlling interest	890	(7,026)
<b>Comprehensive income attributable to AmTrust International Insurance, Ltd.</b>	<u>\$ 1,057,476</u>	<u>\$ 66,304</u>

*See the accompanying Notes to the Consolidated Financial Statements.*

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
(In Thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total AmTrust International Insurance, Ltd. Equity	Non- Controlling Interest	Total Stockholder's Equity
<b>Balance, December 31, 2023</b>	\$ 250	\$ 2,103,457	\$ (337,350)	\$ (378,426)	\$ 1,387,931	\$ 5,301	\$ 1,393,232
Net income	—	—	—	77,392	77,392	7,026	84,418
Foreign currency translation, net of tax	—	—	(52,166)	—	(52,166)	—	(52,166)
Net unrealized gain on investments, net of tax	—	—	40,914	—	40,914	—	40,914
Pension liability, net of tax	—	—	164	—	164	—	164
Other change in non-controlling interest	—	—	—	—	—	(613)	(613)
<b>Balance, December 31, 2024</b>	<u>\$ 250</u>	<u>\$ 2,103,457</u>	<u>\$ (348,438)</u>	<u>\$ (301,034)</u>	<u>\$ 1,454,235</u>	<u>\$ 11,714</u>	<u>\$ 1,465,949</u>
Net income (loss)	—	—	—	859,710	859,710	(890)	858,820
Foreign currency translation, net of tax	—	—	99,226	—	99,226	—	99,226
Net unrealized gain on investments, net of tax	—	—	98,014	—	98,014	—	98,014
Pension liability, net of tax	—	—	526	—	526	—	526
Capital contribution	—	7,638	—	—	7,638	—	7,638
Return of capital	—	(221,100)	—	—	(221,100)	—	(221,100)
Sale of shares of subsidiary to non- controlling interest	—	—	—	—	—	(10,959)	(10,959)
<b>Balance, December 31, 2025</b>	<u>\$ 250</u>	<u>\$ 1,889,995</u>	<u>\$ (150,672)</u>	<u>\$ 558,676</u>	<u>\$ 2,298,249</u>	<u>\$ (135)</u>	<u>\$ 2,298,114</u>

*See the accompanying Notes to the Consolidated Financial Statements.*

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands)

	Years Ended December 31,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income	\$ 858,820	\$ 84,418
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	(3,894)	1,591
Net (gain) loss on sales of businesses	(878,153)	14,837
Equity in income of unconsolidated entities	—	(40,852)
Other operating adjustments, net	9,088	28,897
Net realized gain on investments	(53,482)	(67,198)
Foreign currency loss (gain)	83,839	(23,793)
Changes in assets – (increase) decrease:		
Premiums receivables, net	(145,105)	(136,961)
Reinsurance receivable, net	(45,555)	(112,394)
Prepaid reinsurance premiums	(48,808)	(25,871)
Deferred policy acquisition costs	(90,146)	(28,697)
Other assets	(116,402)	68,748
Due from affiliates, net	(90,789)	30,558
Changes in liabilities – increase (decrease):		
Loss and loss adjustment expense reserves	(86,510)	183,246
Unearned premiums	87,427	37,174
Ceded reinsurance premiums payable	190,897	98,266
Funds held under reinsurance treaties	173,912	(75,720)
Accrued expenses and other liabilities	185,572	48,593
<b>Net cash provided by operating activities</b>	<b>30,711</b>	<b>84,842</b>
<b>Cash flows from investing activities:</b>		
Purchases of:		
Fixed maturity securities, available-for-sale	(2,397,031)	(1,674,256)
Equity securities	(3,144)	—
Other investments	(9,833)	(3,195)
Sales of:		
Fixed maturity securities, available-for-sale	966,045	986,697
Equity securities	89,888	9
Other investments	2,303	12,024
Subsidiaries, net of cash divested	(17,017)	—
Maturities and redemptions of fixed maturity securities, available-for-sale	1,185,410	797,683
Short-term investments, net	(29,446)	(192,948)
Property, equipment and software, net	110	(12,706)
<b>Net cash used in investing activities</b>	<b>(212,715)</b>	<b>(86,692)</b>

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED**  
(In Thousands)

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from financing activities:</b>		
Secured loan agreement borrowings	500,000	—
Secured loan agreement payments	(86)	(110)
Payment of financing costs	(7,500)	—
Contingent consideration payments	(8,175)	(5,902)
Return of capital	(196,500)	—
<b>Net cash provided by (used in) financing activities</b>	<b>287,739</b>	<b>(6,012)</b>
Effect of exchange rate changes on cash	31,324	(14,435)
<b>Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents</b>	<b>137,059</b>	<b>(22,297)</b>
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning year	489,330	511,627
<b>Cash, cash equivalents, restricted cash and restricted cash equivalents, end of year</b>	<b>\$ 626,389</b>	<b>\$ 489,330</b>
<b>Supplemental Cash Flow Information</b>		
Interest paid	\$ 3,893	\$ 3,589
Income tax payments	33,029	28,844

*See the accompanying Notes to the Consolidated Financial Statements.*

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(In Thousands)**

**1. Nature of Operations**

AmTrust International Insurance, Ltd. (the "Company" or "AII") is a class 3B insurance company formed under the laws of Bermuda. The Company is a wholly-owned subsidiary of AmTrust Financial Services, Inc. ("AFSI"), a privately held multinational insurance holding company formed under the laws of Delaware and headquartered in New York, New York. The Company offers specialty property and casualty insurance products, including workers' compensation, businessowners policy, general liability, title, legal expense, medical malpractice, and extended service and warranty coverage.

The Company transacts business primarily through five insurance subsidiaries domiciled in the United Kingdom ("UK"), Europe and the United States ("U.S."). In addition to third-party insurance, the Company also reinsures the underwriting activities of certain companies related through common ownership.

**2. Significant Accounting Policies**

*Basis of Reporting* — The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and are presented in U.S. dollars. The consolidated financial statements include the accounts of the Company, entities over which the Company exercises control including majority and wholly-owned subsidiaries, and variable interest entities consolidated as primary beneficiary. Entities in which the Company has significant influence but does not exercise control and partnership and partnership-like entities in which the Company has more than minor influence over the operating and financial policies are accounted for under the equity method of accounting or at fair value under the fair value option. Intercompany transactions and balances are eliminated upon consolidation.

*Use of Estimates* — 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. Such estimates and assumptions, which include the reserves for loss and loss adjustment expenses, are subject to considerable variability due to the inherent uncertainty in projecting ultimate claim amounts that will be reported and settled over a period of many years. In addition, estimates and assumptions associated with the recognition and amortization of intangible assets and deferred policy acquisition costs, the determination of fair value of invested assets and related impairments, and the determination of goodwill and intangible impairments and valuation of deferred tax assets require a significant degree of judgment. The methods of determining estimates and assumptions are reevaluated on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the consolidated financial statements.

*Premiums* — Insurance premiums are generally recognized as earned on a pro-rata basis over the contract period, other than insurance premiums on specialty risk and extended service and warranty coverages, which are recognized as earned in proportion to the costs expected to be incurred in performing services over the contract period and on title insurance, which are recognized as earned as written on the effective dates of the insurance contracts. Unearned premiums represent the portion of premiums for the insurance coverage that has not yet expired. The Company presents revenues related to extended service and warranty coverage written by non-insurance affiliates as premiums, consistent with the Company's principal business of insurance.

The Company reports premium receivables net of allowance for expected credit losses. The allowance is based on the Company's ongoing review of amounts outstanding, historical collectibility data, including litigation and write-offs, current conditions and reasonable and supportable forecasts, amongst other relevant factors. Historical write-offs provide the basis for the estimation along with the risk characteristics of the receivable and the Company's business strategy. The allowance contemplates the Company's contractual provisions. Credit risk is partially mitigated by the Company's ability to cease coverage of the policy upon default or delinquency of the policyholder. The Company records an allowance for disputes when there is reasonable uncertainty of the collectibility of a disputed amount during the reported period. The Company reports changes in the allowance for credit losses and disputes in Other expense on the Consolidated Statements of Income. Prior to a write-off occurring, the Company increases (or decreases) the allowance for credit loss to reflect the Company's expectation of the credit loss to be incurred. Accordingly, when a write-off occurs, the Company reverses the allowance for the same amount. See Note 16. "Allowance for Credit Losses" for additional information.

*Loss and Loss Adjustment Expense Reserves* — Loss and loss adjustment expense ("Loss and LAE") reserves represent the estimated ultimate costs, net of recoveries, of all reported and unreported losses incurred. The reserves for unpaid Loss and LAE are estimated using individual case-basis valuations and statistical analysis and are not discounted. The estimates are

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**(In Thousands)**

continually reviewed and adjusted as necessary in the period the experience develops or new information becomes available. The changes in estimates of Loss and LAE reserves are recognized on the Consolidated Statements of Income in the period in which estimates change or claims are paid.

*Deferred Policy Acquisition Costs* — Commission costs, employee compensation and payroll-related costs, premium taxes and assessments as well as underwriting and safety inspection costs that vary with and are primarily related to the successful acquisition of new or renewal insurance policies are capitalized and deferred. Deferred policy acquisition costs are amortized to expense ratably as premiums are earned. Deferred policy acquisition costs are reviewed to determine whether they are recoverable from future income. If such costs are deemed to be unrecoverable, they would be expensed and the Company may be required to establish a liability for a premium deficiency reserve. Anticipated investment income is considered in determining whether a premium deficiency relating to short duration contracts exists. Deferred policy acquisition costs are presented net of ceding commissions.

*Reinsurance* — Reinsurance agreements that meet the transfer of risk criteria are accounted for as prospective reinsurance agreements or retroactive reinsurance agreements based on whether the agreement reinsures future or past insured events covered by the underlying insurance contracts. Prospective reinsurance is reinsurance in which a reinsurer agrees to reimburse a ceding entity for losses that may be incurred as a result of future insurable events covered under insurance contracts subject to the reinsurance in exchange for ceded premiums paid to the reinsurer. Retroactive reinsurance is reinsurance in which a reinsurer agrees to reimburse a ceding entity for liabilities incurred as a result of past insurable events covered under insurance contracts subject to the reinsurance in exchange for ceded premiums paid to the reinsurer.

Prospective reinsurance premiums and Loss and LAE ceded to reinsurers are accounted for on a basis consistent with the accounting for the underlying reinsured contracts. Premiums and Loss and LAE ceded to reinsurers are recorded as reductions of Net earned premiums and Loss and LAE, respectively, on the Consolidated Statements of Income.

For retroactive reinsurance agreements, the ceded loss and LAE reserves recorded as reinsurance recoverable in excess of the premium for reinsurance is recorded as a deferred gain on retroactive reinsurance and amortized to earnings using the interest method over the estimated claims settlement period. Any related development on the ceded loss and LAE reserves recoverable under the retroactive reinsurance agreement increases the deferred gain if unfavorable, or decreases the deferred gain if favorable, and a cumulative amortization adjustment based on the change in estimate is recorded to earnings. If the premium for reinsurance exceeds the ceded loss and LAE reserves, or the related favorable development on the ceded loss and LAE reserves entirely offsets the deferred gain on retroactive reinsurance, a loss on retroactive reinsurance is recognized to earnings immediately.

The Company reports its reinsurance recoverables net of an allowance for estimated uncollectible reinsurance in Reinsurance receivable, net on the Consolidated Balance Sheets. The Company establishes an allowance for credit losses expected to be recognized over the life of the reinsurance recoverables.

The Company establishes an estimate of the reinsurance receivable's lifetime expected credit losses utilizing a probability of default and loss given default methodology, whereby the credit ratings of reinsurers and current and forecasted economic conditions are used in determining the probability of default. Prior to applying default factors, the Company reduces the net exposure to credit risk for any collateral for which the right of offset exists, such as funds withheld, assets held in trust and letters of credit, which are part of the reinsurance arrangements, with adjustments to include consideration of credit exposure of the collateral. The allowance is based upon the Company's ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standings and other factors. The Company utilizes external credit ratings published by Moody's Global Ratings, at the balance sheet date when determining the allowance. Where the ratings are not available, the Company assigns a default credit rating. The Company reports changes in the allowance for credit losses and disputes in Other expense on the Consolidated Statements of Income.

*Ceding Commissions on Reinsurance Transactions* — Ceding commissions on reinsurance transactions are commissions received from ceding gross written premiums to third-party reinsurers. The ceding commissions received cover a portion of capitalized direct acquisition costs and, when applicable, a portion of other underwriting expenses. Ceding commissions received from reinsurance transactions that represent recovery of capitalized direct acquisition costs are recorded as a reduction of Deferred policy acquisition costs and are amortized to expense in proportion to ceded earned premiums. When applicable, ceding commissions received from reinsurance transactions that represent the recovery of other underwriting expenses are

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**(In Thousands)**

recognized over the insurance contract period in proportion to ceded earned premiums and classified as a reduction of Underwriting, general and administrative expenses on the Consolidated Statements of Income.

*Investments* — Fixed maturity securities classified as available-for-sale are carried at fair value, net of a valuation allowance for credit losses, with unrealized gains and losses, net of tax, reported as a separate component of Accumulated other comprehensive income (loss) in the Consolidated Balance Sheets. Equity securities are reported at fair value with unrealized gains and losses reported within Net realized gain (loss) on investments on the Consolidated Statements of Income. Realized gains and losses are determined on the specific identification method.

The Company presents credit-related impairments as an allowance for credit losses. The Company evaluates all available-for-sale securities in an unrealized loss position on an individual security basis for expected credit losses, but the evaluation may use assumptions consistent with expectations of credit losses for a group of similar securities. Examples of criteria that the Company collectively evaluates to determine if a credit loss has occurred include the following:

- The extent to which the security's fair value is less than its amortized cost;
- Adverse conditions related to the security, industry, or geographic area, including outlook and watch status as determined by the security's rating agency;
- Credit rating and downgrades in the security's credit rating since acquisition; and
- Failure of the issuer to make scheduled principal or interest payments.

Based on the criteria above, the Company develops its best estimate of expected future cash flows for a security and discounts those cash flows to present value at the effective yield used to record interest income. The allowance is the excess of a security's amortized cost over the present value of expected cash flows or fair value. The allowance cannot exceed the unrealized loss and, therefore, can fluctuate with changes in fair value.

For available-for-sale securities in an unrealized loss position that the Company does not intend to sell or that it is more likely than not that the Company would not be required to sell before an anticipated recovery in value, the Company separates the credit loss component of the impairment from the amount related to all other factors and reports the credit loss in Net realized gain (loss) on investments in the Consolidated Statements of Income. The Company records any impairment related to non-credit factors in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. The allowance is adjusted for any additional credit losses and subsequent recoveries and is limited to the amount the amortized cost basis exceeds its fair value. Upon recognizing a credit-related impairment, the Company does not adjust the cost basis of the security.

For available-for-sale securities where the Company records a credit loss, a determination is made as to the cause of the impairment and whether the Company expects a recovery in the value. The Company applies write-offs against the allowance when the Company concludes the financial asset is uncollectible. For available-for-sale securities where the Company expects a recovery in value, the Company utilizes the constant effective yield method and amortizes the investment to par.

For available-for-sale securities the Company intends to sell or that it is more likely than not that the Company will be required to sell before recovery of value, the Company includes the full amount of the impairment (or difference between the fair value and amortized cost basis of the security) in Net realized gain (loss) on investments on the Consolidated Statements of Income. The new cost basis of the security is the previous amortized cost basis less the impairment recognized and is not adjusted for any subsequent recoveries in fair value.

The Company reports investment income accrued separately from fixed maturities, available-for-sale, and has elected not to measure an allowance for credit losses for investment income accrued as uncollectible balances are generally written off within 45 days after uncollected balances are due.

The Company has the following major types of investments:

- (a) Cash, cash equivalents, restricted cash and restricted cash equivalents — Cash consists of uninvested balances in bank accounts. Cash equivalents consist of investments with original maturities of 90 days or less, primarily money market funds. Cash equivalents are carried at cost. Restricted cash and restricted cash equivalents consist of any cash or investment that is held for a specific purpose and therefore not available to the Company for immediate or general business use.

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- (b) Short-term investments — Short term investments are carried at cost, which approximates fair value, and include investments with maturities between 91 days and 1 year from the date of acquisition.
- (c) Fixed maturity securities, available-for-sale — Fixed maturity securities classified as available-for-sale are carried at fair value. For mortgage and asset backed securities, income is recognized using the retrospective adjustment method based on prepayments and the estimated economic life of the securities. The effective yield reflects actual payments to date plus anticipated future payments. Unrealized gains or losses on available-for-sale securities are included in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.
- (d) Equity securities — Equity securities are generally carried at fair value. Gains and losses, both realized and unrealized, are included in Net realized gain (loss) on investments on the Consolidated Statements of Income.
- (e) Other investments — Other investments primarily consists of equity investments in corporate entities accounted for under the equity method, equity investments in limited partnerships, including private equity limited partnerships and real estate partnerships, and investments in term loans. The equity method of accounting is applied for investments in limited partnerships in which its ownership interest of the limited partnership enables the Company to exercise significant influence over the investee and does not result in a controlling financial interest in the investee. The proportionate share of the net income or loss of these unconsolidated investees is recognized in either Net investment income (loss) or Equity in income (loss) of unconsolidated entities on the Consolidated Statements of Income.

Net investment income (loss) consists primarily of interest and dividends less expenses and income (loss) from Other investments. Interest on fixed maturity securities and term loans, adjusted for the amortization of premiums or discount, is recorded as income when earned. Investment expenses are accrued as incurred. Realized gain or loss on investments are computed using the specific costs of securities sold, and, if applicable, include investment impairments.

*Fair Value of Financial Instruments* — The fair value of financial assets and financial liabilities are estimated based on the framework established in ASC 820 *Fair Value Measurement*. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect significant market assumptions. Additionally, valuation of fixed maturity securities is more subjective when markets are less liquid due to lack of market-based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction could occur.

For investments that have quoted market prices in active markets, the quoted market prices are used as fair value and are included in the amounts disclosed in the Level 1 hierarchy. The quoted market prices are received from internationally recognized third-party pricing services ("pricing service"). When quoted market prices are unavailable, a pricing service is utilized to determine an estimate of fair value. This pricing service is primarily used for fixed maturity securities. The fair value estimates provided by the pricing service are reviewed and are generally included in the Level 2 hierarchy. If the fair value estimate provided by the pricing service is determined to not represent fair value or if quoted market prices and an estimate from pricing services are unavailable, an estimate of fair value is produced based on dealer quotations of the bid price for recent activity in positions with the same or similar characteristics to that being valued or through consensus pricing of a pricing service. Depending on the level of observable inputs, the Company will then determine if the estimate is Level 2 or Level 3.

*Fixed Maturity Securities* — A pricing service is utilized to estimate fair value measurements for fixed maturity securities. The pricing service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturity securities other than U.S. treasury securities generally do not trade on a daily basis, the pricing service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing. The pricing service utilized has indicated it will produce an estimate of fair value only if there is verifiable information to produce a valuation. As the fair value estimates of most fixed maturity investments are based on observable market information rather than market quotes, the estimates of fair value other than U.S. Treasury securities are included in Level 2 of the hierarchy. U.S. Treasury securities are included in the amount disclosed in Level 1 as the estimates are based on unadjusted market prices. Level 2 investments include obligations of U.S. government agencies, municipal bonds, corporate debt securities and other asset backed and mortgage-backed securities.

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*Equity Securities* — A pricing service is utilized to estimate the fair value of the majority of equity securities. The pricing service utilizes market quotations for equity securities that have quoted market prices in active markets and their respective quoted prices are provided as fair value and are classified as Level 1. The pricing service also provides fair value estimates for certain equity securities whose fair value is based on observable market information rather than market quotes. The value of these equity securities are classified as Level 2. The Company also holds certain equity securities that are issued by privately held entities or direct equity investments that do not have an active market. The fair value of these securities is estimated primarily based on inputs such as third-party broker quotes, issuers' book value, market multiples, and other inputs. These equity securities are classified as Level 3 due to significant unobservable inputs used in the valuation.

*Service and Fee Revenue* — Service and fee income is recognized either when the performance obligation is satisfied and the right to receive contract consideration is unconditional or pro-rata over the contract service period by allocating estimated contract consideration to the performance obligations which are satisfied as the services are provided and transferred to the customer. The contract consideration amounts received or receivable at inception of the contract service periods are recognized as deferred revenue and reported in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

*Business Combinations* — Business combinations are accounted for under the acquisition method of accounting. The acquisition method of accounting requires assets acquired, liabilities assumed and any non-controlling interest in the acquiree to be recorded at their respective fair values as of the acquisition date and included in the consolidated financial statements. When determining fair values, valuation methods reflecting the three approaches to value: market, income and cost, are considered. The market approach is used to estimate value through the analysis of recent sales of comparable assets or business entities. The income approach is used to estimate value based on the present value of future economic benefits that are expected to be produced by an asset or business entity. The cost approach provides a systematic framework for estimating the value of tangible or intangible assets based on the economic principle of substitution: no prudent investor will purchase an existing asset for more than it will cost to create a comparable asset. The Company selects the most appropriate methods with consideration to the information available, the level of uniqueness, as well as the economics of the particular asset or liability. Insurance and reinsurance contracts are accounted for under the acquisition method as new contracts, which requires the assets and liabilities to be recorded at fair value. The acquired Loss and LAE reserves are measured in accordance with the Company's existing accounting policies for insurance and reinsurance contracts and then discounted based on expected reserve payout patterns using a current risk-free rate of interest. Based on the facts and circumstances around the acquired business, the risk-free interest rate may be adjusted based on different cash flow scenarios that use different payout and ultimate reserve assumptions deemed to be reasonably possible based upon the inherent uncertainties present in determining the amount and timing of payment of such reserves if deemed appropriate and reasonable. The difference between the acquired Loss and LAE reserves and the Company's best estimate of the fair value of such reserves at the acquisition date is recorded as a fair value adjustment, as applicable, and amortized proportionately to the changes in the acquired Loss and LAE reserves over the payout period. Contingent consideration is recorded at fair value based on the terms of the purchase agreement with subsequent changes in fair value recorded through earnings. The determination of fair value may require management to make significant estimates and assumptions. The purchase price is the fair value of the total consideration conveyed to the seller and the excess of the purchase price over the fair value of the acquired net assets, where applicable, is recorded as goodwill. Fair values are assigned to other intangible assets based on valuation techniques including the income and market approaches. Transaction costs associated with the acquisition of a business are expensed as incurred. The results of operations of an acquired business are included in the consolidated financial statements from the date of the acquisition.

*Goodwill and Other Intangible Assets* — Goodwill is tested for impairment on an annual basis or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. A qualitative assessment is performed for impairment testing to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. If it is determined that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, then no goodwill impairment exists. Otherwise, the fair value of each reporting unit is compared to its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for the amount equal to that excess limited to the total amount of goodwill of the reporting unit.

Indefinite-lived intangible assets are tested for impairment on an annual basis and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The classification of an asset as indefinite-lived is reassessed and an impairment loss is recognized for the amount of any excess of the carrying amount over the fair value of the asset.

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Finite-lived intangible assets are amortized over the estimated useful life of the asset. The carrying amounts of finite-lived intangible assets are reviewed on an ongoing basis for indicators of impairment including events or changes in circumstances in which a significant adverse change in the extent, manner or length of time in which an intangible asset is being used or a significant adverse change in legal factors or in the business climate that could affect the value of an intangible asset have occurred. An impairment loss is recognized only if the carrying amount of the finite-lived intangible asset is not recoverable from its undiscounted cash flows for the amount of any excess of the carrying amount over the fair value of the asset.

*Property, Equipment and Software* — Property, equipment and software are recorded at cost. Maintenance and repairs are expensed as incurred. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Building	40 years
Equipment	5 to 7 years
Computer equipment and software	3 to 5 years
Leasehold improvements	Lesser of remaining lease term or 15 years

The Company capitalizes the costs of computer software developed or obtained for internal use that are specifically identifiable, have determinable lives and relate to enhancements in functionality.

*Leases* — The Company enters into lease agreements as a lessee for real estate and equipment used in the ordinary course of business and as a lessor of owned or sublessor of leased commercial office real estate. It is determined whether an arrangement is a lease on the date the contract commences. All current lease agreements are accounted for as operating leases. The Company elected to account for lease components and the associated nonlease components as single components for all real estate leases.

Lease assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Recognized right-of-use ("ROU") assets and lease liabilities are reported within Other assets and Accrued expenses and other liabilities, respectively, on the Consolidated Balance Sheets and measured at the present value of the future lease payments over the lease terms including options to extend or renew the lease term if the Company is reasonably certain of exercising those options. In determining the present value of lease payments, the rate implicit in the lease, if readily determinable, is utilized; otherwise, the incremental borrowing rate is used. The Company elected not to apply the recognition and measurement requirements to leases with terms of one year or less.

Lease expense is recognized on a straight-line basis over the lease term and is included in Underwriting, general and administrative expenses on the Consolidated Statements of Income.

Commercial office and retail space is leased to lessees over lease terms that include non-cancelable lease terms and may include renewal options. The lease contracts commence at the time a lessee takes possession of the leased space. The lease contracts generally require the lessees to reimburse the Company for increases in certain operating costs and real estate taxes above the base year costs attributed to the leased space. The lease income is recognized on a straight-line basis over the lease terms which is reported in Service and fee income on the Consolidated Statements of Income.

*Income Taxes* — The Company's European subsidiaries file income tax returns in their respective local jurisdictions. AFSI files a consolidated United States income tax return that includes the Company's U.S. insurance subsidiary. Additionally, the Company has elected under section 953(d) to be treated as a U.S. taxpayer. As part of the consolidated AFSI income tax return filing, the Company is a party to a federal income tax allocation agreements amongst the includible entities. Under the tax allocation agreements, the Company pays to or receives from its subsidiaries the amount, if any, by which AFSI federal income tax liability was affected by virtue of inclusion of the subsidiary in the consolidated federal return. For tax year 2025, the Company will file a Bermuda income tax return for the first time in October 2026 for its Bermuda Constituent Entity Group as defined under the Bermuda Corporate Income Tax ("CIT") Legislation.

The Company recognizes income taxes receivable and payable for the current year and deferred income taxes that reflect the impact of "temporary differences" between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. Deferred tax assets primarily consist of book versus tax differences for premiums earned, Loss and LAE reserve discounting, policy acquisition costs, and net operating losses. Changes in deferred

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income tax assets and liabilities that are associated with components of other comprehensive income, primarily unrealized investment gains and losses, are recorded directly to Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. Otherwise, changes in deferred income tax assets and liabilities are included as a component of the Provision for (benefit from) income taxes in the Consolidated Statements of Income.

Deferred tax assets are recognized to the extent it is believed that these assets are more likely than not to be realized. In assessing the more likely than not recoverability of deferred tax assets, management considers whether it is more likely than not that future taxable income will be generated during the periods in which those temporary differences become deductible. A valuation allowance is established to reduce the deferred tax assets to the amounts that are more likely than not to be realized.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by taxing authorities. The policy is to prospectively classify accrued interest and penalties in Interest expense and Underwriting, general and administrative expenses, respectively, on the Consolidated Statements of Income related to any unrecognized tax benefits in its income tax provision.

*Foreign Currency* — The functional currency of each foreign operation is generally the currency of the local operating environment, which transact primarily in British Pounds and Euros. Foreign currency transactions are remeasured to the functional currency and the resulting foreign exchange gains and losses are reflected in Foreign currency (gain) loss on the Consolidated Statements of Income. Functional currency amounts from the foreign operations are then translated into U.S. dollars. The change in unrealized foreign currency translation gain or loss during the year, net of tax, is a component of Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. The foreign currency remeasurement and translation items are calculated using current exchange rates for the items reported on the balance sheet and average exchange rates for items recorded in earnings.

***Recent Accounting Pronouncements***

The Company is deemed a nonpublic business entity under GAAP and adopts applicable accounting standards accordingly.

*Recent Accounting Standards, Adopted*

The Company did not have any recent accounting standards adopted or required to be adopted for the year ended December 31, 2025.

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**3. Investments**

*Available-for-Sale Securities*

The amortized cost, allowance for expected credit losses, gross unrealized gains and losses, and estimated fair value of the available-for-sale securities as of December 31, 2025 and 2024 are presented below:

<b>As of December 31, 2025</b>	<b>Amortized Cost</b>	<b>Allowance for Credit Losses</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
U.S. Treasury securities	\$ 21,158	\$ —	\$ 147	\$ (55)	\$ 21,250
Municipal bonds	6,759	—	—	(70)	6,689
Foreign government	794,479	—	3,591	(7,337)	790,733
Corporate bonds:					
Finance	1,099,300	(169)	7,538	(11,637)	1,095,032
Industrial	868,467	(130)	7,939	(19,239)	857,037
Utilities	73,112	—	235	(1,205)	72,142
Commercial mortgage-backed securities	338,703	(39)	3,155	(6,811)	335,008
Residential mortgage-backed securities:					
Agency backed	822,210	—	10,997	(20,643)	812,564
Non-agency backed	221,974	—	4,212	(5,746)	220,440
Collateralized loan / debt obligations	204,964	—	264	(45)	205,183
Asset backed securities	133,139	—	1,390	(1,977)	132,552
<b>Total fixed maturity securities, available-for-sale</b>	<b>\$ 4,584,265</b>	<b>\$ (338)</b>	<b>\$ 39,468</b>	<b>\$ (74,765)</b>	<b>\$ 4,548,630</b>

  

<b>As of December 31, 2024</b>	<b>Amortized Cost</b>	<b>Allowance for Credit Losses</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
U.S. Treasury securities	\$ 22,348	\$ —	\$ 88	\$ (107)	\$ 22,329
Municipal bonds	6,914	—	—	(183)	6,731
Foreign government	704,196	—	825	(17,603)	687,418
Corporate bonds:					
Finance	946,780	(163)	1,271	(40,939)	906,949
Industrial	877,658	(30)	2,496	(43,569)	836,555
Utilities	69,372	—	78	(3,217)	66,233
Commercial mortgage-backed securities	330,711	(9)	2,287	(9,176)	323,813
Residential mortgage-backed securities:					
Agency backed	586,445	—	1,728	(33,360)	554,813
Non-agency backed	253,835	—	2,175	(19,037)	236,973
Collateralized loan / debt obligations	99,057	—	305	(617)	98,745
Asset backed securities	161,456	—	1,436	(2,119)	160,773
<b>Total fixed maturity securities, available-for-sale</b>	<b>\$ 4,058,772</b>	<b>\$ (202)</b>	<b>\$ 12,689</b>	<b>\$ (169,927)</b>	<b>\$ 3,901,332</b>

Proceeds from the sale of investments in available-for-sale securities during the years ended December 31, 2025 and 2024 were approximately \$966,045 and \$986,697, respectively.

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A summary of available-for-sale securities as of December 31, 2025, by contractual maturity, is shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<b>December 31, 2025</b>	
	<b>Amortized Cost</b>	<b>Fair Value</b>
Due in one year or less	\$ 789,079	\$ 790,139
Due after one through five years	1,446,749	1,436,559
Due after five through ten years	611,916	600,724
Due after ten years	15,531	15,461
Mortgage and asset backed securities	1,720,990	1,705,747
<b>Total fixed maturity securities, available-for-sale</b>	<b>\$ 4,584,265</b>	<b>\$ 4,548,630</b>

During the years ended December 31, 2025 and 2024, there were no credit impairment charges on available-for-sale securities and the Company did not recognize any credit impairment charges on non-credit related amounts in Accumulated other comprehensive income (loss).

The tables below summarize the gross unrealized losses of available-for-sale securities, which are not deemed to have credit losses, by length of time the security has continuously been in an unrealized loss position as of December 31, 2025 and 2024.

	<b>Less Than 12 Months</b>		<b>12 Months or More</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>	<b>Unrealized Losses</b>	<b>Fair Value</b>	<b>Unrealized Losses</b>
<b>As of December 31, 2025</b>						
U.S. Treasury securities	\$ 2,758	\$ (32)	\$ 347	\$ (23)	\$ 3,105	\$ (55)
Municipal bonds	5,949	(17)	667	(53)	6,616	(70)
Foreign government	122,362	(752)	188,719	(6,585)	311,081	(7,337)
Corporate bonds:						
Finance	145,776	(633)	314,822	(11,004)	460,598	(11,637)
Industrial	128,794	(973)	329,131	(18,266)	457,925	(19,239)
Utilities	15,034	(77)	37,122	(1,128)	52,156	(1,205)
Commercial mortgage-backed securities	23,308	(777)	35,179	(6,034)	58,487	(6,811)
Residential mortgage-backed securities:						
Agency backed	107,232	(382)	139,209	(20,261)	246,441	(20,643)
Non-agency backed	15,936	(179)	38,899	(5,567)	54,835	(5,746)
Collateralized loan / debt obligations	95,864	(43)	99	(2)	95,963	(45)
Asset-backed securities	15,243	(673)	15,796	(1,304)	31,039	(1,977)
<b>Total</b>	<b>\$ 678,256</b>	<b>\$ (4,538)</b>	<b>\$1,099,990</b>	<b>\$ (70,227)</b>	<b>\$ 1,778,246</b>	<b>\$ (74,765)</b>

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	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>As of December 31, 2024</b>						
U.S. Treasury securities	\$ 4,917	\$ (39)	\$ 4,810	\$ (68)	\$ 9,727	\$ (107)
Municipal bonds	73	—	6,659	(183)	6,732	(183)
Foreign government	237,894	(3,128)	266,980	(14,475)	504,874	(17,603)
Corporate bonds:						
Finance	153,115	(1,610)	636,125	(39,329)	789,240	(40,939)
Industrial	100,925	(1,998)	575,707	(41,571)	676,632	(43,569)
Utilities	15,011	(162)	46,866	(3,055)	61,877	(3,217)
Commercial mortgage-backed securities	88,838	(837)	61,858	(8,339)	150,696	(9,176)
Residential mortgage-backed securities:						
Agency backed	274,791	(4,436)	144,942	(28,924)	419,733	(33,360)
Non-agency backed	49,410	(816)	82,419	(18,221)	131,829	(19,037)
Collateralized loan / debt obligations	989	(11)	12,007	(606)	12,996	(617)
Asset-backed securities	7,985	(258)	21,340	(1,861)	29,325	(2,119)
<b>Total</b>	<b>\$ 933,948</b>	<b>\$ (13,295)</b>	<b>\$1,859,713</b>	<b>\$ (156,632)</b>	<b>\$ 2,793,661</b>	<b>\$ (169,927)</b>

There were 867 and 1,578 individual available-for-sale securities as of December 31, 2025 and 2024, respectively, that account for the gross unrealized losses, primarily due to market interest rate and credit spread changes since their date of purchase.

The table below presents the roll-forward of the allowance for expected credit losses on available-for-sale securities for the years ended December 31, 2025 and 2024:

	Years Ended December 31,					
	2025			2024		
	Structured	Corporate Bonds	Total	Structured	Corporate Bonds	Total
<b>Balance, beginning of period</b>	\$ 9	\$ 193	\$ 202	\$ 64	\$ 1,543	\$ 1,607
Additions for expected credit losses on securities where no credit losses were previously recognized	31	733	764	62	400	462
Net decreases for expected credit losses on securities where credit losses were previously recognized	(1)	(627)	(628)	(117)	(1,750)	(1,867)
<b>Balance, end of period</b>	<b>\$ 39</b>	<b>\$ 299</b>	<b>\$ 338</b>	<b>\$ 9</b>	<b>\$ 193</b>	<b>\$ 202</b>

Total change in allowance for expected credit losses included in Net realized gain (loss) on investments on the Consolidated Statements of Income was (\$136) and \$1,405 for the years ended December 31, 2025 and 2024, respectively.

**Equity Securities**

The original cost, gross unrealized gains and losses, and estimated fair value of equity securities as of December 31, 2025 and 2024, are presented below:

As of December 31, 2025	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stock	\$ 742,606	\$ 109,521	\$ (2,499)	\$ 849,628
<b>Total equity securities</b>	<b>\$ 742,606</b>	<b>\$ 109,521</b>	<b>\$ (2,499)</b>	<b>\$ 849,628</b>

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As of December 31, 2024	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Common stock	\$ 258,934	\$ 87,079	\$ (8,364)	\$ 337,649
<b>Total equity securities</b>	<b>\$ 258,934</b>	<b>\$ 87,079</b>	<b>\$ (8,364)</b>	<b>\$ 337,649</b>

Proceeds from the sale of investments in equity securities during the years ended December 31, 2025 and 2024 were approximately \$89,888 and \$9, respectively.

The table below presents the portion of gains and losses for the period related to equity securities still held for the years ended December 31, 2025 and 2024:

	Years Ended December 31,	
	2025	2024
Net gains recognized during the period on equity securities	\$ 66,143	\$ 86,872
Less: Net gains (loss) recognized during the period on equity securities sold during the period	45,829	(6)
<b>Net unrealized gains recognized during the reporting period on equity securities still held at the reporting date</b>	<b>\$ 20,314</b>	<b>\$ 86,878</b>

**Net Investment Income**

Net investment income for the years ended December 31, 2025 and 2024 was derived from the following sources:

	Years Ended December 31,	
	2025	2024
Fixed maturity securities, available-for-sale	\$ 140,194	\$ 134,141
Equity securities	880	1,054
Cash and short-term investments	27,376	27,545
Other investments <sup>(1)</sup>	11,575	(4,223)
<b>Gross investment income</b>	<b>180,025</b>	<b>158,517</b>
Investment expenses	(2,811)	(1,051)
<b>Net investment income</b>	<b>\$ 177,214</b>	<b>\$ 157,466</b>

<sup>(1)</sup> Includes recognition of net income (loss) from equity method investees.

**Realized Gains and Losses**

The tables below summarize the gross realized and unrealized investment gains and losses and allowance for credit losses for the years ended December 31, 2025 and 2024.

Year Ended December 31, 2025	Gross Realized Gains	Gross Realized Losses	Net Realized (Losses) Gains
Fixed maturity securities, available-for-sale <sup>(1)</sup>	\$ 18,461	\$ (25,576)	\$ (7,115)
Equity securities:			
Realized gains (losses)	45,829	—	45,829
Change in unrealized gains (losses)	22,147	(1,833)	20,314
Other investments	—	(5,546)	(5,546)
<b>Total</b>	<b>\$ 86,437</b>	<b>\$ (32,955)</b>	<b>\$ 53,482</b>

<sup>(1)</sup> Gross realized losses include (\$136) related to the change in allowance for credit losses.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

<b>Year Ended December 31, 2024</b>	<b>Gross Realized Gains</b>	<b>Gross Realized Losses</b>	<b>Net Realized (Losses) Gains</b>
Fixed maturity securities, available-for-sale <sup>(1)</sup>	\$ 11,311	\$ (16,847)	\$ (5,536)
Equity securities:			
Realized gains (losses)	—	(527)	(527)
Change in unrealized gains (losses) <sup>(2)</sup>	87,613	(214)	87,399
Other investments <sup>(3)</sup>	693	(14,831)	(14,138)
<b>Total</b>	<u>\$ 99,617</u>	<u>\$ (32,419)</u>	<u>\$ 67,198</u>

<sup>(1)</sup> Gross realized losses include \$1,405 related to the change in allowance for credit losses.

<sup>(2)</sup> Gross realized gains include an unrealized gain of \$87,016 due to a fair value remeasurement of an Other investment reclassified to Equity securities.

<sup>(3)</sup> Other investments includes impairment losses of \$13,763.

***Restricted Cash, Cash Equivalents and Investments***

In order to conduct business in certain jurisdictions, the Company is required to maintain letters of credit or assets on deposit to support mandated regulatory requirements and certain third-party agreements. Trust accounts are utilized to collateralize business with reinsurance counterparties. These assets held are primarily in the form of cash, cash equivalents or certain investment-grade securities. The fair values of restricted assets as of December 31, 2025 and 2024 are as follows:

	<b>As of December 31,</b>	
	<b>2025</b>	<b>2024</b>
Restricted cash and cash equivalents	\$ 42,927	\$ 111,132
Restricted investments	556,777	832,152
<b>Total restricted cash, cash equivalents and investments</b>	<u>\$ 599,704</u>	<u>\$ 943,284</u>

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**4. Fair Value of Financial Instruments**

***Fair Value Hierarchy***

The following tables present the level within the fair value hierarchy at which the financial assets and financial liabilities are measured on a recurring basis as of December 31, 2025 and 2024:

<b>As of December 31, 2025</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	\$ 21,250	\$ 21,250	\$ —	\$ —
Municipal bonds	6,689	—	6,689	—
Foreign government	790,733	—	790,733	—
Corporate bonds:				
Finance	1,095,032	—	1,095,032	—
Industrial	857,037	—	857,037	—
Utilities	72,142	—	72,142	—
Commercial mortgage-backed securities	335,008	—	335,008	—
Residential mortgage-backed securities:				
Agency backed	812,564	—	812,564	—
Non-agency backed	220,440	—	220,440	—
Collateralized loans / debt obligations	205,183	—	205,183	—
Asset-backed securities	132,552	—	132,552	—
<b>Total fixed maturity securities, available-for-sale</b>	<b>4,548,630</b>	<b>21,250</b>	<b>4,527,380</b>	<b>—</b>
Equity securities:				
Measured at fair value	849,628	34,671	—	814,957
Short-term investments	482,478	19,836	462,642	—
<b>Total financial assets measured at fair value</b>	<b>\$ 5,880,736</b>	<b>\$ 75,757</b>	<b>\$ 4,990,022</b>	<b>\$ 814,957</b>
<b>Financial Liabilities</b>				
Contingent consideration	\$ 20,411	\$ —	\$ —	\$ 20,411
<b>Total financial liabilities measured at fair value</b>	<b>\$ 20,411</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 20,411</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
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As of December 31, 2024	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Fixed maturity securities, available-for-sale:				
U.S. Treasury securities	\$ 22,329	\$ 22,329	\$ —	\$ —
Municipal bonds	6,731	—	6,731	—
Foreign government	687,418	—	687,418	—
Corporate bonds:				
Finance	906,949	—	906,949	—
Industrial	836,555	—	836,555	—
Utilities	66,233	—	66,233	—
Commercial mortgage-backed securities	323,813	—	323,813	—
Residential mortgage-backed securities:				
Agency backed	554,813	—	554,813	—
Non-agency backed	236,973	—	236,973	—
Collateralized loans / debt obligations	98,745	—	98,745	—
Asset-backed securities	160,773	—	160,773	—
<b>Total fixed maturity securities, available-for-sale</b>	<b>3,901,332</b>	<b>22,329</b>	<b>3,879,003</b>	<b>—</b>
Equity securities	337,649	19,850	—	317,799
Short-term investments	387,272	10,991	376,281	—
<b>Total financial assets measured at fair value</b>	<b>\$ 4,626,253</b>	<b>\$ 53,170</b>	<b>\$ 4,255,284</b>	<b>\$ 317,799</b>

<b>Financial Liabilities</b>				
Contingent consideration	\$ 10,445	\$ —	\$ —	\$ 10,445
<b>Total financial liabilities measured at fair value</b>	<b>\$ 10,445</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 10,445</b>

The following tables provide a summary of changes in fair value of the Level 3 financial assets and liabilities for the years ended December 31, 2025 and 2024. The transfers into and out of Level 3 were due to changes in the availability of market observable inputs. All transfers are reflected in the table at fair value as of the end of the reporting period.

	Balance as of December 31, 2024	Income (Loss)	Other Comprehensive Income (Loss)	Purchases and Issuances	Sales and Settlements	Net Transfers into Level 3	Balance as of December 31, 2025
Equity securities	\$ 317,799	\$ 67,388	\$ —	\$ 511,573	\$ (89,888)	\$ 8,085	\$ 814,957
Contingent consideration, net	(10,445)	(4,695)	(946)	(12,500)	8,175	—	(20,411)
<b>Total</b>	<b>\$ 307,354</b>	<b>\$ 62,693</b>	<b>\$ (946)</b>	<b>\$ 499,073</b>	<b>\$ (81,713)</b>	<b>\$ 8,085</b>	<b>\$ 794,546</b>

	Balance as of December 31, 2023	Income (Loss)	Other Comprehensive Income	Purchases and Issuances	Sales and Settlements	Net Transfers into Level 3	Balance as of December 31, 2024
Equity securities	\$ 8,601	\$ 87,014	\$ —	\$ —	\$ —	\$ 222,184	\$ 317,799
Other investments	2,823	(1,310)	—	—	(1,513)	—	—
Contingent consideration, net	(6,188)	(9,893)	189	(455)	5,902	—	(10,445)
<b>Total</b>	<b>\$ 5,236</b>	<b>\$ 75,811</b>	<b>\$ 189</b>	<b>\$ (455)</b>	<b>\$ 4,389</b>	<b>\$ 222,184</b>	<b>\$ 307,354</b>

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The following methods and assumptions are used in estimating the fair value of financial instruments:

- *Fixed maturity:* As of December 31, 2025, the Level 3 securities consisted primarily of private debt securities managed by a third-party investment manager. The fair values of these securities were measured using valuation techniques including non-binding broker quotes.
- *Equity securities:* As of December 31, 2025, Level 3 consisted of equity securities required to be measured and reported at fair value and equity securities for which the Company has elected the fair value option of accounting. The fair value of these equity securities was measured using third-party valuation firm indications of value that relied upon unobservable inputs.
- *Short-term investments:* The carrying value of short-term investments approximate their respective fair value and are classified as Level 2 in the fair value hierarchy, with the exception of U.S. Treasuries, which are classified as Level 1 in the fair value hierarchy.
- *Contingent consideration:* The fair value of contingent consideration is based on a discounted cash flow methodology and is classified as Level 3 in the fair value hierarchy. The range of discount rates used for the contingent consideration are between 5% and 15%.

### 5. Intangible Assets and Goodwill

The composition of intangible assets is summarized as follows:

December 31, 2025	Gross Balance	Accumulated Amortization	Net	Useful Life
Trademarks	\$ 66	\$ 62	\$ 4	4 years
Distribution relationships	42,476	36,546	5,930	10 to 15 years
<b>Total intangible assets</b>	<b>\$ 42,542</b>	<b>\$ 36,608</b>	<b>\$ 5,934</b>	

  

December 31, 2024	Gross Balance	Accumulated Amortization	Net	Useful Life
Trademarks	\$ 1,252	\$ 268	\$ 984	7 years
Distribution relationships	87,321	50,469	36,852	4 to 18 years
Licenses	9,018	—	9,018	Indefinite
<b>Total intangible assets</b>	<b>\$ 97,591</b>	<b>\$ 50,737</b>	<b>\$ 46,854</b>	

Finite lived intangible assets are generally amortized using the straight-line method. Amortization expense for these finite lived intangible assets for the years ended December 31, 2025 and 2024 was \$6,595 and \$7,672, respectively.

The estimated aggregate amortization expense for each of the next five years is:

2026	\$ 2,375
2027	2,357
2028	251
2029	60
2030	60
Thereafter	831
<b>Total amortization of intangible assets with finite lives</b>	<b>\$ 5,934</b>

Reporting units for goodwill impairment testing are identified in accordance with ASC 350-20-35 *Intangibles - Goodwill and Other*. The Company generally combines reporting units, which are a component of an operating segment, when they have similar economic characteristics, nature of services, types of customer, distribution methods and regulatory environment. For the years ended December 31, 2025 and 2024, the Company had three reporting units that are tested for goodwill impairment. Goodwill is tested for impairment annually as of October 1<sup>st</sup>. As a result of the impairment tests performed as of October 1, 2025 and 2024, the Company recognized \$13,065 of goodwill impairment attributable to legacy subsidiaries that were

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previously dissolved during the year ended December 31, 2025. No goodwill and impairment was recognized during the year ended December 31, 2024.

The changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 are as follows:

	<b>Total</b>
<b>Goodwill as of December 31, 2023</b>	<b>\$ 192,685</b>
Foreign currency translation and other	(2,129)
Goodwill acquired	14,336
Goodwill divested	(27,132)
<b>Goodwill as of December 31, 2024</b>	<b>\$ 177,760</b>
Foreign currency translation and other	7,573
Goodwill acquired <sup>(1)</sup>	2,356
Goodwill divested <sup>(2)</sup>	(145,857)
Goodwill impairment	(13,065)
<b>Goodwill as of December 31, 2025</b>	<b>\$ 28,767</b>

<sup>(1)</sup> See Note 18. "Acquisitions" for additional information.

<sup>(2)</sup> Amount relates to the Sale of ANV MGAs. Refer to Note 17. "Divestitures" for additional information.

**6. Property, Equipment and Software, Net**

Property, equipment and software, net consist of the following:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Land	\$ 507	\$ 721
Building	171,854	171,172
Software	7,215	7,495
Computer equipment	5,605	3,580
Other equipment	23,388	23,158
Leasehold improvements	9,609	7,150
<b>Property, equipment and software, gross</b>	<b>218,178</b>	<b>213,276</b>
Less: Accumulated depreciation and amortization	(60,551)	(57,005)
<b>Property, equipment and software, net</b>	<b>\$ 157,627</b>	<b>\$ 156,271</b>

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 was \$8,715 and \$7,764, respectively.

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**7. Loss and Loss Adjustment Expense Reserves**

The following table provides a reconciliation of the beginning and ending balances for Loss and LAE reserves, reported in the accompanying Consolidated Balance Sheets as of December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Loss and LAE reserves, at beginning of period	\$ 4,563,764	\$ 4,566,555
Less: Reinsurance recoverables at beginning of period	1,487,023	1,567,083
<b>Net Loss and LAE reserves, at beginning of period</b>	<b>3,076,741</b>	<b>2,999,472</b>
Incurring related to:		
Current period	1,542,039	1,550,847
Prior period <sup>(1)</sup>	195	17,237
<b>Total incurred during the period</b>	<b>1,542,234</b>	<b>1,568,084</b>
Paid related to:		
Current period	(511,027)	(535,480)
Prior period	(1,012,836)	(894,536)
<b>Total paid during the period</b>	<b>(1,523,863)</b>	<b>(1,430,016)</b>
Effect of foreign exchange rates	157,161	(60,799)
<b>Net Loss and LAE reserves, at end of period</b>	<b>3,252,273</b>	<b>3,076,741</b>
Plus: Reinsurance recoverables at end of period	1,539,789	1,487,023
<b>Loss and LAE reserves, at end of period</b>	<b>\$ 4,792,062</b>	<b>\$ 4,563,764</b>

<sup>(1)</sup> Amount for the year ended December 31, 2024 reflects favorable development on prior years related to a commutation of General Liability reserves.

The Loss and LAE reserves, gross of related reinsurance recoverables, increased \$228,298 during the year ended December 31, 2025 and decreased \$2,791 during the year ended December 31, 2024, respectively.

The Company had adverse prior period reserve development of \$195 and \$17,237 during the years ended December 31, 2025 and 2024, respectively. Consistent with prior periods, the actuarial process was driven by updated incurred and paid loss data, continued review of actuarial diagnostics, and actuarial analyses based on updated data for the periods.

Driving the adverse activity in the current year was the greater than expected emergence within the General Liability and Auto Liability lines of business within the North American Property & Casualty segment and the Italian Medical Malpractice portfolio within the International segment. The Regional General Liability portfolio, comprised primarily of habitational loss exposures, continued to exceed original severity expectations, partially driven by higher social inflation trends impacting the industry. Additionally, greater than expected loss emergence occurred in the Program and Excess and Surplus construction defect exposed business. In particular, losses on reported claim expectations were impacted by rising costs in goods and services related to homes and commercial construction and repair. The Company reflected adverse development in the Auto Liability/Transportation line given frequency and severity trends that have continued to exceed original expectations and general social inflationary trends. The Italian Medical Malpractice portfolio experienced adverse development in the latest calendar year driven by adverse legal judgments and higher than expected claims severity trends.

Offsetting the adverse activity in the current period was continued favorable emergence on the active Workers' Compensation lines of business due to continued positive macroeconomic trends (e.g., lower frequencies recorded across the industry and benign medical inflationary trends) and the Company's ongoing claims initiatives. These initiatives include, but are not limited to, closer monitoring and review of legal spend and engaging in more cost-effective benefit providers, which have benefited current and prior years. Furthermore, Workers' Compensation reserves on business acquired for years prior to 2015 have continued to perform better than expectation and resulted in favorable development. The Company also recognized favorable development on prior years in Warranty, Legal Expenses, and Mortgage & Credit lines within the International segment due to benign frequency and severity trends. Lastly, the Company recorded favorable activity in Property due to initial conservative reserving based on recent inflationary trends that have emerged less severe than expected. Catastrophe activity is also minimal in the current year.

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For the year ended December 31, 2024, the Company's adverse activity was driven by the International Casualty portfolio, and in particular, Italian Medical Malpractice. Adverse development was reflected in the calendar year to account for prescribed changes to statutory injury compensation tables which may increase the amounts due to claimants with valid claims. The approved tables led to an actuarial reassessment of the total outstanding liabilities. Also, driving the adverse activity were Regional General Liability, Contractors' Liability, and Auto Liability portfolio within North American Property & Casualty segment. The Regional General Liability portfolio, comprised primarily of habitational loss exposures, continued to exceed original severity expectations, partially driven by higher social inflation trends impacting the industry. Additionally, greater than expected loss emergence occurred in the Excess and Surplus General Liability - Contractors' (Construction Defect) exposed business. In particular, losses on reported claim expectations were impacted by rising costs in goods and services related to homes and commercial construction and repair. The Company observed higher than expected severity trends in Auto Liability, primarily Accident Years 2017 and subsequent. Auto Liability related exposures post COVID-19 have been adversely impacted by elevated inflationary trends and rising severities, both in property damages and bodily injury claims resulting in adverse development over prior estimates.

Partially offsetting the adverse activity in the prior period was continued favorable emergence on the active Workers' Compensation lines of business due to continued positive macroeconomic trends (e.g., lower frequencies recorded across the industry and benign medical inflationary trends) and the Company's claims initiatives. Workers' Compensation reserves on business acquired for years prior to 2015 have continued to perform better than expectations and resulted in favorable development. The Company recognized favorable development on prior years resulting from a commutation of General Liability reserves. The Company has also observed favorable activity in the Cyber Liability and Directors and Officers (D&O) lines of business, which are both written on claims-made forms with better than expected loss activity on prior accident years. Lastly, the Company recorded favorable activity in Property due to initial conservative reserving based on recent inflationary trends that have emerged less severe than expected. Catastrophe activity was also minimal in the prior year.

In setting its reserves, the Company utilizes a combination of Company loss development factors and industry-wide loss development factors. In the event that the losses develop more favorably or adversely than the industry, as a whole, the liabilities for unpaid Losses and LAE may decrease or increase. The Company's management believes that its use of both historical experience and industry-wide loss development factors as well as consideration of known changes in the current environment provide a reasonable basis for estimating future losses. In either case, future events beyond the control of management, such as changes in judicial interpretations of law and inflation, may favorably or unfavorably impact the ultimate settlement of the Loss and LAE reserves.

The Company monitors inflation developments and potential impacts on all lines of business. The anticipated effect of inflation is implicitly considered when estimating Loss and LAE reserves through the Company's actuarial assumptions of higher than historical severity trend and selection of ultimate loss and expense above the Company's initial projection for the year. The Company considers anticipated changes in claim costs due to inflation in estimating the ultimate claim costs. Additionally, the Company notes inflation has had a muted impact on the Workers' Compensation line of business as medical trends continue to be lower than longer term historical averages.

Increasing average severities of claims may be caused by several factors that vary with the individual type of policy written and not necessarily economic inflation, which the Company monitors monthly. The Company projects future average severities based on historical trends adjusted for implemented changes in underwriting standards, claims handling and/or operational changes, policy provisions, as well as general economic trends. The Company monitors those anticipated trends based on actual development and makes modifications, if necessary.

The following is information about the incurred and paid claims for the year ended December 31, 2025, net of reinsurance, as well as cumulative claim frequency and the total of incurred-but-not-reported liabilities plus expected development on reported claims included within the net incurred claim amounts. Additionally, incurred and paid claims information is presented for the years ended December 31, 2016 through December 31, 2024 as supplementary information.

The Company's reserves primarily relate to short-duration contracts ("SDC"). Characteristics including type of coverage, geography, and claim development are considered when determining an appropriate level of disaggregation related to SDCs. The following table indicates the level of disaggregation included herein:

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**Reportable Segment and Lines of Business**

North American Property & Casualty ("P&C") - Property & Casualty
International Specialty Risk - Medical Malpractice
International Specialty Risk - Non-Medical Malpractice

The Company determined certain exposures are either insignificant or have development characteristics associated with the exposures that are not representative of the Company's broader exposure or case reserve/ claim settlement philosophies. The excluded exposures generally include loss portfolio transfers of liabilities that have development characteristics unlike the Company's ongoing business (e.g., a loss portfolio transfer of exposures that do not represent the current hazard mix or class severities) and short-tailed exposures with minimal amounts of reserves after 12 months (e.g. property and credit/surety).

The Company records reserves for estimated losses under insurance policies and for loss adjustment expenses related to the investigation and settlement of policy claims. The Company's reserves for Loss and LAE represent the estimated cost of all reported and unreported Loss and LAE incurred and unpaid at any given point in time based on known facts and circumstances. In establishing its reserves, the Company does not use loss discounting, which would involve recognizing the time value of money and offsetting estimates of future payments by future expected investment income. The Company estimates its reserves for Loss and LAE using case-by-case valuations and actuarial analysis. The allocated loss adjustment expenses included in this disclosure are also referred to as defense and cost containment ("DCC") expenses.

The Company utilizes various generally accepted actuarial methods, including paid and incurred loss development factor approaches, expected loss ratio methods and paid and incurred Bornhuetter-Ferguson approaches to estimate its reserves for Loss and LAE. Embedded within these actuarial methods are loss development assumptions selected by either a review of specific loss development history, industry loss development characteristics, or a combination of both depending on the line of business and the maturity of the loss experience to date.

Loss development factors are a key assumption underlying many of the actuarial methods utilized. Loss development factors are the ratio of losses at successive evaluations for a defined group of claims (e.g., accident year, accident quarter, etc.). Loss development factors may be dependent on a number of elements, including frequency and severity of claims, length of time to achieve ultimate settlement of claims, case reserving practices, projected inflation of medical costs and wages (for workers' compensation), insurance policy coverage interpretations, judicial determinations and existing laws and regulations. The predictive ability of loss development factors is dependent on consistent underwriting, claims handling, and predictable legislatively and judicially imposed legal requirements. Broad macroeconomic factors, such as inflation and its sustained divergence from historical levels, may also impact the predictive ability of loss development factors.

The Company generally relies upon the expected loss ratio ("ELR") approach for only the most recent accident periods for which claim experience may be too immature or volatile to rely upon for a projection of ultimate Loss and LAE. The ELR is generally based on the business plan, trended historical results, or recent industry trends, all supplemented by discussions with various stakeholders including underwriting and claims. The ELR, when applied to earned premiums for an accident period, will provide an indication for estimated incurred claims and allocated claim adjustment expenses for the period.

The Bornhuetter-Ferguson method ("BFM") is a weighted blend of the loss development factor method and the ELR method. The BFM splits the ultimate claims into two components: actual reported (or paid) claims to date and expected unreported (or unpaid) claims. As experience matures, more weight is given to actual claims experience while the expected claims component becomes gradually less important.

The Company's actuarial department projects ultimate loss estimates and resulting unpaid claim and allocated claim adjustment expense reserve levels using the methodologies outlined above. The assumptions the Company employs in these methodologies are subject to regular review and update as experience matures. Management establishes the Loss and LAE and DCC reserves by assessing the results of the actuarial techniques as prepared by both the internal and external actuarial resources, followed by a review of specific underwriting, claims handling and other operational considerations. In utilizing its judgment, management makes certain assumptions regarding the Company's business, including, among other things, frequency of claims, severity of claims and claim closure rates. Management's estimation process has been generally consistent over time.

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In order to establish the adjusting and other reserves, the Company reviews its past adjustment expenses in relation to past claims and estimates its future costs based on expected claims activity and duration.

Because the Company determines its reserves based on assumptions that may give significant weight to industry incurred development patterns, the Company's ultimate losses may differ substantially from estimates produced by the above methods.

The information presented below reflects acquired business on a retrospective basis, which include the historical development from acquired businesses both before and after their respective acquisition dates.

The Company presents loss development for International Specialty Risk (Medical Malpractice and Non-Medical Malpractice) operations for all accident years using current exchange rates. Although this approach requires restating all prior accident year information, the changes in exchange rates do not impact incurred and paid loss development trends.

The Company calculates the average annual percentage payout based on the historical information contained within each claims development table. First, the Company converts cumulative paid claims and allocated claim adjustment expenses, net of reinsurance into incremental payment amounts (e.g., 0-12 months, 12-24 months, etc.) for each accident year and then divides each incremental payment amount by the current evaluation of incurred claims and allocated claim adjustment expenses, net of reinsurance in order to determine the historical annual percentage payout for each incremental period for each accident year. The Company averages available observations of annual percentage payout for each incremental period across accident years to determine the historical average annual percentage.

Note that the historical average annual percentage payout may sum to an amount different than 100%. This may be due to the length of the development pattern; for example, very long tailed lines of business may have payout periods that are in excess of the number of years included in the tables below. Furthermore, fluctuation in the annual percentage payout for individual incremental periods due to the uncertainty inherent in the loss settlement process may even cause the sum of the average annual payout percentage to exceed 100%.

***North American Property & Casualty***

The Company's North American Property & Casualty business are cessions from an intercompany reinsurance pooling arrangement with Technology Insurance Company, Inc. ("TIC") which it assumed from U.S. Property & Casualty insurance affiliates (the "Pool Affiliates") and a U.S.-based subsidiary. The North American Property & Casualty segment consists of Retail and Program business written and grown organically since 1998, as well as large acquired portfolios (both renewal rights and existing liabilities from periods pre-acquisition). The Pool Affiliates focus on writing smaller, niche business typically underserved by the broader insurance market which includes exposures related to Workers' Compensation, Auto Liability and General Liability. The Company assumes policies for Workers' Compensation, Auto Liability and General Liability, that are typically written at statutory limits for Workers' Compensation or have limits of \$1,000 for Auto and General Liability when originally written by the Pool Affiliates, reducing the severity of impact of any particular claim to the overall portfolio. See Note 10. "Related Party Transactions" for additional information on the Company's intercompany reinsurance pooling arrangement with TIC.

A combination of favorable macroeconomic conditions over the past decade, as well as substantive claims initiatives implemented have generally led to favorable reserve releases on Workers' Compensation as enumerated below. Conversely, the Pool Affiliates' experience in Auto and General Liability has developed adversely relative to their initial expectations as represented in the tables below and similar to observed industry development. In both the Retail and Programs portfolios, the Pool Affiliates have been increasingly able to leverage their industry experience and scale to improve underwriting results.

The Programs portfolio may continue to experience unique risk factors. Many of the portfolios are new exposures underwritten through new managing general agents onboarded that lack the benefit of much historical data. As such, there is a larger degree of pricing uncertainty in the underlying exposure mix as produced by the managing general agent in a Programs portfolio versus the level of homogenous exposures in the Pool Affiliates' retail book produced by the Pool Affiliates' internal underwriters. There is a time lag necessary to assess the true profitability of the portfolio in relation to the initial rates charged. As this information becomes known, the Pool Affiliates either terminate or renegotiate unprofitable programs, contributing to a go-forward line of portfolio for which the Pool Affiliates can project general experience with a higher degree of confidence.

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The Pool Affiliates also target writing small, niche Workers' Compensation exposures in generally low-hazard occupations across the Retail and Programs portfolio and often bundled with other coverages through package policies. This has been the core strategy for the Pool Affiliates' organic business and re-underwriting goals for acquired businesses. During the year ended December 31, 2025, the core Workers' Compensation line of business experienced overall favorable development, particularly Accident Years 2023 and 2024. The favorable development has been driven by lower frequency of claims and benign severity trends driven by macroeconomic conditions, including relatively contained medical inflation trends that have been muted in relation to the broader consumer price index and ongoing claims initiatives. On a percentage basis, Accident Years 2021 and 2022 show minor strengthening due to higher than anticipated rate decreases earning through the portfolio as many states' bureaus promulgated lower rates in response to the strong pre-COVID-19 underwriting years. Incurred amounts are growing year-over-year, particularly 2022 and subsequent, given the continued growth in the portfolio's exposure as the Company increases its market share.

The Pool Affiliates write Commercial Auto policies on a standalone basis and bundled with other coverage through package policies. For example, the Pool Affiliates may write Commercial Auto with Workers' Compensation, General Liability, or Property Coverage. When pricing a particular risk, the Pool Affiliates focus on overall profitability and may be willing to accept more (or less) pricing adequacy in a certain coverage and less (or more) pricing adequacy on another line. The Pool Affiliates' results have been impacted by adverse trends impacting the broader commercial auto industry, including increasing frequency and severity of claims above expectation. As such, the Pool Affiliates curtailed writing in the Small Commercial Auto segment beginning in 2019 and have since focused on building specialty in the trucking and transportation business, included in the triangles below.

The Company assumes policies that typically have limits of \$1,000, when originally written by the Pool Affiliates, to limit the severity of impact of any particular claim to the overall line of business. However, as the Pool Affiliates grew in both Retail and Specialty Program - Commercial Auto business, the Pool Affiliates underwrote a small number of large, mono-line auto programs at limits higher than the traditional \$1,000 cap. These policies had a disproportionate impact on the adverse loss experience embedded in the triangle.

The Pool Affiliates have either terminated or non-renewed most of the retail mono-line auto policies and focused on achieving rate increases on renewed policies generally sold in concert with other coverages. The Pool Affiliates continue to write a Specialty Programs portfolio which focuses on specific niche exposures. Both company and industry frequency and severity trends have proven greater than initial expectations. However, the Company believes the updated actuarial assumptions better reflect the current economic environment, which has been significantly challenging post COVID-19 due to elevated inflationary trends and rising severities, both in property damages and bodily injury claims. Similar to the industry, recent accident year loss costs were significantly impacted by supply chain limitations and auto part shortages, with the resulting inflationary trends not fully contemplated in the original pricing and reserving. Furthermore, rising bodily injury severities, both in medical and adverse judgments, impacted prior years causing adverse development to be reflected over prior estimates. Lastly, given the social inflationary pressures consistent with industry experience, the Pool Affiliates have higher than historical bodily injury claims versus property damage claims, which has driven higher claims severities and extended the average claim closure date.

The General Liability line of business written through the Retail and Programs policies may contain a mix of exposures from retail operations, contractors, manufacturers, and other premises. The propensity for loss from these exposures is driven by judicial and economic developments that are difficult to forecast. Claims may also be reported as many as three years or more after an occurrence and the Pool Affiliates may not receive the information required to set an accurate reserve in a timely manner.

During the year ended December 31, 2025, the Pool Affiliates experienced adverse development largely between Accident Years 2019 and 2023, most of which was related to development within the Pool Affiliates' Regional General Liability policies and Construction Defect exposed contractors' risks written on both an admitted and non-admitted (Excess and Surplus) basis. Contributing to adverse experience in Accident Years 2023 and prior are broader industry headwinds that continue to put pressure on both prior and current years' results, including social inflation, nuclear verdicts (i.e., those with elevated jury awards versus historical, particularly in jurisdictions where certain Pool Affiliates have a strong presence), and litigation funding, all of which have led to rising bodily injury claims costs. These elements have also combined to lower closure rates across most liability lines, which has given prior years' claims longer to linger open and able to capitalize on adverse market conditions which have led to higher incidence of unfavorable settlements. Cost of goods inflation has driven costs of claims higher, particularly in those related to Construction Defect where historically the Pool Affiliates have had a higher exposure risk than

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present. Accident Year 2024 has shown favorable development given secular reduced frequency trends across most liability lines in concert with a greater mix of claims-made related D&O and Cyber coverages, which are supported by favorable market and rate conditions.

The Pool Affiliates have re-underwritten or terminated many General Liability related programs, Retail exposures, and Excess & Surplus lines that have contributed to the adverse experience. The Company assumes policies that typically have limits of \$1,000, when originally written by Pool Affiliates, limiting the severity of impact of any particular claim to the overall lines of business. However, some Construction Defect related policies earning in Accident Years 2018 and prior offered limits up to \$5,000. The Pool Affiliates' claims and legal teams currently have several claims initiatives underway to aid in reduction of individual claims severities, including legal provider reviews and faster and stronger claims reserving to improve settlement rates.

**Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

For the Year Ended December 31,											December 31, 2025	
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total of Incurred-But Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2016	\$ 831,718	\$ 707,704	\$ 727,747	\$ 762,575	\$ 779,884	\$ 792,085	\$ 806,178	\$ 819,631	\$ 814,655	\$ 818,924	\$ (1,214)	152,666
2017	—	678,243	667,986	684,351	665,079	669,108	683,086	700,162	699,629	716,531	40,139	144,410
2018	—	—	388,408	352,248	319,179	318,687	320,447	361,387	352,311	367,329	46,162	134,747
2019	—	—	—	296,715	288,753	289,784	295,670	304,986	316,534	324,494	24,373	108,671
2020	—	—	—	—	302,265	290,769	285,171	292,537	304,369	307,134	21,927	78,009
2021	—	—	—	—	—	403,392	389,611	397,173	416,612	426,904	45,514	104,022
2022	—	—	—	—	—	—	518,665	485,144	498,339	518,494	89,014	125,084
2023	—	—	—	—	—	—	—	570,613	537,136	541,800	134,598	124,573
2024	—	—	—	—	—	—	—	—	566,085	564,408	209,943	114,298
2025	—	—	—	—	—	—	—	—	—	588,276	375,975	98,909
<b>Incurred claims and allocated claim adjustment expenses, net of reinsurance</b>										<u>\$5,174,294</u>		

**Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

For the Year Ended December 31,										
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
2016	\$ 121,825	\$ 305,915	\$ 459,711	\$ 609,248	\$ 685,992	\$ 745,332	\$ 795,150	\$ 817,624	\$ 821,813	\$ 825,130
2017	—	93,989	248,690	302,206	396,930	475,790	540,102	597,657	628,175	651,363
2018	—	—	48,346	(50,827)	43,984	118,298	175,229	231,397	265,493	289,475
2019	—	—	—	45,451	101,781	153,944	197,276	243,115	265,957	280,560
2020	—	—	—	—	34,571	96,830	150,486	205,828	239,571	262,575
2021	—	—	—	—	—	44,887	135,636	220,356	290,178	338,811
2022	—	—	—	—	—	—	59,858	179,838	270,591	350,592
2023	—	—	—	—	—	—	—	66,580	186,629	293,832
2024	—	—	—	—	—	—	—	—	66,063	205,748
2025	—	—	—	—	—	—	—	—	—	74,508
<b>Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance</b>										<u>\$ 3,572,594</u>
All outstanding liabilities before 2016, net of reinsurance										7,692
<b>Liabilities for claims and claim adjustment expenses, net of reinsurance</b>										<u>\$ 1,609,392</u>

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**Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance**

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Property &amp; Casualty</b>	12.7%	18.1%	16.4%	15.2%	10.6%	7.8%	6.3%	4.1%	4.7%	4.8%

***International Specialty Risk - Medical Malpractice***

In 2010, the Company entered the Medical Malpractice line of business, primarily in Italy. Initial results recorded have developed adversely; however, over time the Company has developed greater market knowledge, underwriting experience, and knowledge of various class and region distinctions, as well as numerous hospital and legal partnerships that allow it to exercise more leverage in the adjudication of claims. Adverse development was reflected in the latest calendar year driven by claim development worse than expected.

The Medical Malpractice business is written on a claims-made coverage and data is recorded on an underwriting year basis. Accident Year in these triangles is, therefore, the result of an allocation that primarily relies on report notice and may result in some abnormalities in data strictly due to allocation algorithms.

**Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

For the Year Ended December 31,											December 31, 2025	
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total of Incurred-But Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2016	\$ 112,857	\$ 123,650	\$ 115,891	\$ 108,983	\$ 100,385	\$ 103,747	\$ 104,820	\$ 107,092	\$ 116,832	\$ 120,159	\$ 6,064	6,039
2017	—	119,966	112,094	108,551	95,734	94,053	94,137	94,806	100,700	105,667	6,619	5,821
2018	—	—	145,252	136,989	101,289	91,663	90,899	93,232	100,738	103,588	8,804	5,526
2019	—	—	—	139,996	117,953	118,626	123,687	120,357	129,277	130,777	8,370	5,084
2020	—	—	—	—	106,672	98,044	100,364	93,000	98,409	98,926	7,506	5,716
2021	—	—	—	—	—	103,549	87,430	86,902	85,947	83,250	7,266	5,380
2022	—	—	—	—	—	—	84,180	82,341	91,592	86,947	1,976	4,748
2023	—	—	—	—	—	—	—	71,645	79,627	82,232	(16,234)	4,616
2024	—	—	—	—	—	—	—	—	75,999	80,018	(25,463)	4,170
2025	—	—	—	—	—	—	—	—	—	102,711	36,376	1,042
<b>Incurred claims and allocated claim adjustment expenses, net of reinsurance</b>										<u>\$ 994,275</u>		

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**Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

**For the Year Ended December 31,**

Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
2016	\$ 717	\$ 9,034	\$ 20,675	\$ 32,661	\$ 43,007	\$ 50,821	\$ 62,263	\$ 73,334	\$ 84,284	\$ 93,358
2017	—	453	3,918	11,844	26,052	36,190	45,383	53,086	61,991	72,865
2018	—	—	289	4,385	11,969	19,895	29,113	38,658	48,840	54,630
2019	—	—	—	372	11,588	23,923	36,962	47,633	61,537	76,651
2020	—	—	—	—	306	7,766	14,003	25,960	34,893	46,500
2021	—	—	—	—	—	1,023	7,678	13,488	20,003	27,657
2022	—	—	—	—	—	—	397	5,154	14,217	24,816
2023	—	—	—	—	—	—	—	569	8,633	16,708
2024	—	—	—	—	—	—	—	—	315	7,931
2025	—	—	—	—	—	—	—	—	—	1,943
<b>Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance</b>										<b>\$ 423,059</b>
All outstanding liabilities before 2016, net of reinsurance										88,651
<b>Liabilities for claims and claim adjustment expenses, net of reinsurance</b>										<b>\$ 659,867</b>

**Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance**

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Medical Malpractice</b>	0.6%	6.8%	8.2%	9.9%	8.5%	9.4%	8.9%	5.3%	11.9%	8.1%

***International Specialty Risk - Non-Medical Malpractice***

International Casualty, Non-Medical Malpractice primarily consists of the Company's Professional Indemnity, Legal Expenses, Structural Defects, and Other Liability exposures. The Company has typically focused on Professional Indemnity coverage for solicitors in the UK and structural defects within the UK, French, and Scandinavian territories.

Professional Indemnity has continued to perform according to or better than expectation for most years, with releases noted in the past twelve months for large accounts where initial pricing was strong with better than expected results.

Structural Defects has been the primary driver of adverse experience in the recent prior calendar years, and in particular, those exposures related to fire and safety issues. "Cladding" or external building sheathing, which has proven to be extremely flammable, is the source of both existing loss claims as well as claims to remediate buildings in accordance with building codes. Claims are now reserved more cautiously given this recent experience, and much of this portfolio has now been put into run-off. There have been several improvements made to processes amongst Management, Legal and Claims regarding the fire and safety issue claims, including a dedicated team to work these claims. As such, the development in the Structural Defects portfolio in the current calendar year was relatively benign due to the strengthening of the reserves and improvements made.

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**Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

Accident Year	For the Year Ended December 31,										December 31, 2025	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total of Incurred-But Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2016	\$ 35,077	\$ 37,406	\$ 40,957	\$ 50,986	\$ 58,236	\$ 61,536	\$ 68,815	\$ 65,943	\$ 66,685	\$ 62,852	(1,110)	NP
2017	—	44,788	41,181	54,829	56,739	64,013	76,115	77,816	74,102	72,659	(506)	NP
2018	—	—	47,520	51,186	52,403	49,189	54,945	59,927	62,625	60,057	1,729	NP
2019	—	—	—	44,282	48,487	46,725	49,219	49,767	53,394	51,832	2,883	NP
2020	—	—	—	—	40,288	39,976	40,587	38,123	41,037	42,498	6,691	NP
2021	—	—	—	—	—	44,885	43,747	43,274	44,582	45,210	13,708	NP
2022	—	—	—	—	—	—	45,666	43,334	42,742	40,582	16,449	NP
2023	—	—	—	—	—	—	—	39,464	36,757	33,074	16,729	NP
2024	—	—	—	—	—	—	—	—	29,368	28,504	18,539	NP
2025	—	—	—	—	—	—	—	—	—	27,691	23,431	NP
<b>Incurred claims and allocated claim adjustment expenses, net of reinsurance</b>										<b>\$ 464,959</b>		

NP = Not practicable

**Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance**

Accident Year	For the Year Ended December 31,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
2016	\$ 3,506	\$ 8,616	\$ 17,576	\$ 27,098	\$ 34,448	\$ 39,965	\$ 43,067	\$ 48,639	\$ 52,925	\$ 56,510
2017	—	4,394	10,013	19,366	26,916	34,022	40,028	50,591	55,960	60,209
2018	—	—	5,020	9,199	16,616	24,151	30,473	37,752	44,508	48,899
2019	—	—	—	3,494	9,535	17,664	22,838	27,367	34,835	40,125
2020	—	—	—	—	3,046	5,564	8,691	12,876	21,343	27,416
2021	—	—	—	—	—	2,366	3,962	7,027	13,715	20,707
2022	—	—	—	—	—	—	1,612	3,737	9,489	16,771
2023	—	—	—	—	—	—	—	1,639	4,855	10,278
2024	—	—	—	—	—	—	—	—	1,918	5,616
2025	—	—	—	—	—	—	—	—	—	2,257
<b>Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance</b>										<b>\$ 288,788</b>
All outstanding liabilities before 2016, net of reinsurance										10,956
<b>Liabilities for claims and claim adjustment expenses, net of reinsurance</b>										<b>\$ 187,127</b>

**Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance**

Years	1	2	3	4	5	6	7	8	9	10
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Non-Medical Malpractice</b>	6.3%	7.7%	12.1%	12.3%	11.8%	11.8%	10.0%	6.4%	5.0%	6.4%

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The following table presents a reconciliation of net incurred and paid claims development tables to the liability for claims and claim adjustment expenses for the years ended December 31, 2025 and 2024.

	<b>As of December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net liability for unpaid Losses and LAE:</b>		
<b>Insurance presented in the tables above:</b>		
North American Property & Casualty	\$ 1,609,392	\$ 1,474,092
International Specialty Risk - Medical Malpractice	659,867	592,656
International Specialty Risk - Non-Medical Malpractice	187,127	209,503
<b>Insurance not presented in the tables above:</b>		
Other short-duration lines	597,327	612,708
Reserves related to industry pooling arrangements	75,064	72,478
Unallocated claims adjustment expense	123,496	115,304
<b>Total net liability for unpaid Losses and LAE</b>	<b>3,252,273</b>	<b>3,076,741</b>
<b>Reinsurance recoverable on loss and loss adjustment expenses</b>	<b>1,539,789</b>	<b>1,487,023</b>
<b>Total gross liability for unpaid Loss and LAE</b>	<b>\$ 4,792,062</b>	<b>\$ 4,563,764</b>

The "Other short-duration lines" reserve item above includes reserves for either substantially short-tailed exposures (e.g., Warranty) or other non-core or legacy reserve items that do not reflect the Company's primary underwriting focus or operation.

#### 8. Debt, Net

Debt, net of unamortized financing costs, consisted of Secured loan agreements of \$103,312 and \$96,387 as of December 31, 2025 and 2024, respectively.

Aggregate scheduled maturities of outstanding debt as of December 31, 2025 are:

2026	\$ 121
2027	97,567
2028	130
2029	137
2030	142
Thereafter	5,278
<b>Total scheduled payments</b>	<b>103,375</b>
Unamortized deferred financing costs <sup>(1)</sup>	(63)
<b>Total debt, net</b>	<b>\$ 103,312</b>

<sup>(1)</sup> Amortized to interest expense using the effective yield method over the remaining lives of the underlying debt obligations.

The following is a summary of interest expense, including the amortization of financing costs, related to the outstanding debt and letters of credit for the years ended December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Secured loan agreements	\$ 3,255	\$ 3,529
Other	76	184
<b>Total interest expense</b>	<b>\$ 3,331</b>	<b>\$ 3,713</b>

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***Secured Loan Agreements***

On September 18, 2015, the Company entered into a seven-year mortgage agreement in the aggregate principal amount of \$10,250 to finance the purchase of a building in New York. The mortgage initially bore interest at an annual rate equal to 3.75%, with a maturity date of September 18, 2022. On July 20, 2022, the Company exercised the option to extend the initial maturity date to August 10, 2032. At that time, the Company amended and restated the note into a ten-year mortgage agreement in the aggregate principal amount of \$6,266 with monthly installment payments of principal and interest. The mortgage bears interest at an annual rate equal to 4.13% until August 10, 2027, at which time the onward rate is the greater of (i) 4.13% or (ii) 2.75% above the weekly average yield on five year treasuries. The final payment upon maturity will equal the then outstanding principal balance of the mortgage plus any accrued and unpaid interest.

On January 12, 2017, the Company entered into a ten-year secured loan agreement with Teachers Insurance and Annuity Association of America in the aggregate amount of £72,313 (or \$97,441 at December 31, 2025), to finance the purchase of a commercial office building in London, England. The loan bears interest at an annual rate of 3.45% and matures on January 15, 2027. The loan requires quarterly interest payments for the term of the loan, with the principal and any accrued interest to be paid at maturity.

***Letters of Credit***

The Company utilizes various letters of credit in its operations which were issued through AFSI. As of December 31, 2025, the Company has \$11,473 of letters of credit outstanding issued from AFSI's letter of credit limit of \$337,000. The Company's outstanding balance includes \$1,100 letters of credit issued by JPMorgan Chase Bank, N.A., ("JPM") as Administrative Agent and Issuing Bank, that was obtained through AFSI's credit facility with JPM ("Credit Facility"). The letters of credit contains certain restrictive covenants that are consistent with AFSI's Credit Facility with JPM, customary for facilities of this type (subject to negotiated exceptions and baskets), including restrictions on indebtedness, liens, fundamental changes, acquisitions, restricted payments, related party transactions and dispositions. The Credit Facility also includes financial covenants that require AFSI to maintain a minimum consolidated net worth and specify a maximum consolidated leverage ratio. AFSI was in compliance with all of its covenants as of December 31, 2025.

Fees payable with respect to the letter of credit is charged to the Company by AFSI, being the applicant of the letters of credit, includes an arranger fee 0.125% and a commission fee 1.75%.

**9. Reinsurance**

In the ordinary course of business, the Company assumes and cedes premiums to other insurers through pro-rata and excess of loss reinsurance agreements on a treaty or facultative basis. The Company generally purchases reinsurance to reduce its net liability on individual risks and to protect against catastrophe losses and volatility. The Company structures its reinsurance programs by analyzing its tolerance for risk in each line of business and on an overall consolidated basis, based on a number of factors, including market conditions, pricing, competition and the inherent risks associated with each business type.

Third-party reinsurance agreements do not relieve the Company from direct obligations to beneficiaries. Thus, a credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer fails to meet the obligations assumed under any reinsurance agreement. To reduce its exposure to reinsurance credit risk, the Company evaluates the financial condition of its reinsurers and places its reinsurance with a diverse group of companies and syndicates that it believes to be financially sound. The Company uses certain financial measures to select and retain its reinsurers, such as requiring them to be fully collateralized, maintain minimum surplus of \$500,000 or have a financial strength rating of "A-" or better from A.M. Best Company, Inc. or Standard & Poor's Corporation ("external rating agencies"). The Company carefully monitors the credit quality of its reinsurers and may approve exceptions to these criteria when warranted. The Company holds substantial collateral under related reinsurance agreements in the form of funds withheld, Trusts, and letters of credit.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

The following is a summary of reinsurance financial data reflected in the Consolidated Statements of Income:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net earned premiums:</b>		
Direct	\$ 1,341,578	\$ 1,262,849
Assumed	1,792,427	1,773,295
Ceded	(811,418)	(722,882)
Total Net earned premiums	<u>\$ 2,322,587</u>	<u>\$ 2,313,262</u>
<b>Loss and loss adjustment expenses:</b>		
Direct	\$ 917,625	\$ 897,998
Assumed	1,162,495	1,180,691
Ceded	(537,886)	(510,605)
Total Loss and loss adjustment expenses	<u>\$ 1,542,234</u>	<u>\$ 1,568,084</u>

Reinsurance recoverables include amounts recoverable on both paid and unpaid claims and claim adjustment expenses and were as follows:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Reinsurance recoverables on unpaid claims and claim adjustment expense	\$ 1,539,789	\$ 1,487,023
Reinsurance recoverables on paid claims and claim adjustment expense	399,907	236,648
Reinsurance receivable	<u>\$ 1,939,696</u>	<u>\$ 1,723,671</u>

Of the total reinsurance receivables at December 31, 2025, 71.9% were ceded to reinsurers that were rated by external rating agencies with a rating of A- or better. The remaining 28.1% of reinsurance receivables were comprised of companies not rated by external rating agencies. In cases where the reinsurer is not rated, their recoverables have been collateralized to mitigate credit risk to the Company.

***Reinsurance Agreements with Swiss Re***

Effective July 1, 2025, the Company renewed the 50% quota share agreement with Swiss Re for the Company's international business. The 2025 contract terms are consistent with the 2024 contract. A ceding commission of 14.75% is received on all premiums ceded to the contract net of acquisition costs.

**10. Related Party Transactions**

***Significant Transactions with AmTrust Financial Services, Inc.***

*Reinsurance Agreements and Assets in Trust*

In 2017, the Company reinsured the underwriting activities of certain companies related through common ownership ("the AmTrust Ceding Insurers"), net of unaffiliated inuring reinsurance. Each of the agreements between the AmTrust Ceding Insurers and the Company were commuted, at book value, when the Company, TIC, and the Pool Affiliates entered into an intercompany reinsurance pooling agreement ("Pooling Agreement") effective October 1, 2017.

Under the Pooling Agreement, TIC assumes the Pool Affiliates' respective insurance business obligations and retrocedes to the Company. The quota share agreement has a continuous term with a one year termination notice period and covers all policies issued by TIC. The Company pays a ceding commission equal to its proportionate share of TIC's acquisition cost including a proportionate share of the reinsurance purchased by TIC, which inures to the Company's benefit.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

For the years ended December 31, 2025 and 2024, the Company has reciprocal reinsurer status granted by Delaware's Department of Insurance, and therefore, did not require collateral for its obligations to TIC.

The reinsurance agreement is collateralized by assets in trust accounts and funds withheld for the underwriting years not covered by the Company's reciprocal reinsurer status. At December 31, 2025 and 2024, the net balance due to the Company by TIC under the Pooling Agreement totaled \$26,943 and \$96,836, respectively and is included in Premiums receivable, net in the Consolidated Balance Sheets.

*Due from affiliates, net*

Due from affiliates, net represents receivable balances, net of payables, with companies under common control of AFSI and consisted of the following at December 31, 2025 and 2024:

<b>As of December 31, 2025</b>	<b>Principal</b>	<b>Accrued Interest</b>	<b>Total</b>
Secured promissory notes receivable	\$ 27,976	\$ —	\$ 27,976
Loans receivable from AFSI, net	332,617	2,997	335,614
Other net receivables	27,901	—	27,901
<b>Net balances Due from affiliates</b>	<b>\$ 388,494</b>	<b>\$ 2,997</b>	<b>\$ 391,491</b>

  

<b>As of December 31, 2024</b>	<b>Principal</b>	<b>Accrued Interest</b>	<b>Total</b>
Secured promissory notes receivable	\$ 38,146	\$ 250	\$ 38,396
Loans receivable from AFSI, net	283,719	1,611	285,330
Other net payables	(3,275)	(14,533)	(17,808)
<b>Net balances Due from (to) affiliates</b>	<b>\$ 318,590</b>	<b>\$ (12,672)</b>	<b>\$ 305,918</b>

*Secured Promissory Notes Receivable*

During 2016, a group of six affiliated companies collectively issued a promissory note to the Company in the amount of \$50,000. These companies used proceeds from the note to purchase real estate investment properties. The note is collateralized by the properties acquired and guaranteed by certain other affiliated entities, including AFSI. The note receivable accrues interest of 4.0% per annum, with interest payable to the Company quarterly in arrears. As of December 31, 2025 and 2024, the outstanding principal amount was \$27,976 and \$38,146, respectively. The remaining promissory note matures on December 20, 2031, with all unpaid principal and accrued interest become due. The Company recorded interest income of \$1,144 and \$1,741 for the years ended December 31, 2025 and 2024, respectively.

*Loans Receivable From AFSI, net*

During 2017, the Company entered into an unsecured loan agreement with AFSI, under which the balance due from AFSI at December 31, 2016 was converted into a loan receivable upon the execution of the loan agreement. The loan agreement permitted AFSI to borrow up to an aggregate principal amount of \$300,000 from the Company. The loan was originally scheduled to mature on December 31, 2024, but was amended and restated prior to maturity. The amended and restated loan extended the maturity date to the earlier of December 31, 2029 or the date that the Company requests repayment upon 30 days prior written notice. Under the amended terms, the interest rate resets on the first business day of each calendar year until the maturity date to the mid-term annual Applicable Federal Rate in effect on the last business day of December in the prior calendar year. All unpaid principal and interest are due on the maturity date. AFSI paid interest at annual rates of 4.18% and 2.05% for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the loan balance and related accrued interest totaled \$173,310 and \$89,426, respectively. The Company recorded interest income of \$5,642 and \$833 for the years ended December 31, 2025 and 2024, respectively.

On February 26, 2018, the Company entered into an unsecured loan agreement in the aggregate principal amount of \$76,000 with AFSI. The loan matures on February 26, 2028 or the date the lender requests payment with 30 days prior written notice. On October 26, 2022, the loan agreement was amended to bear interest equal to mid-term annual Applicable Federal

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**(In Thousands, Except for Shares Data)**

Rate of 3.28%. As of December 31, 2025 and 2024, the loan balance and related accrued interest totaled \$74,959. The Company recorded interest income of \$2,472 and \$2,479 for the years ended December 31, 2025 and 2024, respectively.

On February 27, 2018, in conjunction with the sale of a subsidiary, the Company entered into an unsecured loan agreement with AFSI in the aggregate principal amount of \$53,114. The loan matures on December 31, 2028. On June 30, 2021, the loan agreement was amended to increase the principal owed by \$9,084. On October 1, 2022, the loan agreement was amended to bear interest equal to mid-term annual Applicable Federal Rate of 3.28%. During the years ended December 31, 2025 and 2024, the loan balance and related accrued interest totaled \$62,720. The Company recorded interest income of \$2,068 and \$2,074, for the years ended December 31, 2025 and 2024, respectively.

Other balances included in Due from affiliates, net in the Consolidated Balance Sheets are in relation to operating transactions yet to be settled and are unsecured, interest free, and due on demand.

***Kestrel Group, Ltd. Combination Transaction and Sale of a Managing General Agent***

The Company has various reinsurance agreements with Kestrel Group, Ltd. ("Kestrel"), a publicly traded specialty program group (NASDAQ: KG) formed on May 27, 2025 upon the combination of the businesses of Maiden Holdings, Ltd. ("Maiden"), a publicly held Bermuda insurance holding company, and Kestrel Group, LLC, a managing general agent ("MGA") created to service program managers, other MGAs, reinsurers, and reinsurance brokers. As previously disclosed, Maiden was a related party since it was originally formed by Michael Karfunkel, George Karfunkel and Barry Zyskind, principal stockholders, and, respectively, the former AFSI chairman of the board of directors, a AFSI director, and the current AFSI Chairman and Chief Executive Officer of AFSI. Until the combination transaction and as discussed below, AFSI held a 30% equity interest in Kestrel Group, LLC and, Barry Zyskind owned or controlled approximately 4.4% of the issued and outstanding capital stock of Maiden and served as the non-executive chairman of Maiden's board of directors. As a result of the combination transaction, Mr. Zyskind no longer serves as a member of Maiden's board of directors and is not a member of Kestrel's board of directors.

On December 29, 2024, AFSI entered into an agreement to sell its 30% equity interest in Kestrel Group, LLC to Maiden and an option for Kestrel to acquire certain AFSI insurance subsidiaries in exchange for \$11,471 of cash consideration, 776,470 shares of Kestrel common stock (representing 7.8% of Kestrel's outstanding common shares), and contingent consideration to be settled in additional shares of Kestrel common stock over a three-year period following the closing date, subject to certain earnout provisions. As a result of the combination transaction and sale, which closed on May 27, 2025, the Company no longer considers Kestrel a related party.

***Equity Method Investments***

The Company considers entities in which it invests that are accounted for under the equity method of accounting to be related parties. As of December 31, 2025 and 2024, equity method investments of \$32,134 and \$45,774, respectively, are reflected in Other investments on the Consolidated Balance Sheets. The Company also retains an 81% equity interest in ANV Group Holdings Ltd. ("ANV") which has been recorded at a fair value of \$511,579 and included in Equity securities on the Consolidated Balance Sheet as of December 31, 2025. See Note 17. "Divestitures" for additional information.

***ANV Group Holdings Ltd.***

On December 4, 2025, AFSI entered into a Transition Services Agreement ("TSA") with ANV for an initial period of up to 24 months. Pursuant to the TSA, AFSI provides certain operational transition services, which ANV may elect to extend for up to one year beyond the initial period. ANV may terminate any transition service upon a 30-day prior written notice to AFSI. In addition, the Company remains the underwriter of certain existing books of business offered through the ANV MGAs pursuant to a ten-year capacity agreement. See Note 17. "Divestitures" for additional information.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

**11. Income Taxes**

The provision for income taxes consists of the following for the years ended December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Current expense:</b>		
Federal	\$ 43,413	\$ 14,671
Foreign	47,526	35,847
<b>Total current tax expense</b>	<b>90,939</b>	<b>50,518</b>
<b>Deferred (benefit) expense:</b>		
Federal	(22,183)	52,886
Foreign	11,767	(8,599)
<b>Total deferred tax (benefit) expense</b>	<b>(10,416)</b>	<b>44,287</b>
<b>Total income tax expense</b>	<b>\$ 80,523</b>	<b>\$ 94,805</b>

The following table is a reconciliation of the statutory income tax expense to the effective tax rate for the years ended December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Income before income taxes and equity in earnings of unconsolidated entities	\$ 939,343	\$ 138,371
Tax at federal statutory rate (21%)	\$ 197,262	\$ 29,058
<b>Tax effects resulting from:</b>		
Bermuda CIT	—	(2,070)
UK Substantial Shareholder Exemption	(250,275)	—
Permanent adjustments	45,793	47,081
Foreign rate differential	101,753	8,251
Adjustments to prior year taxes	(7,415)	21,740
Valuation allowance <sup>(1)</sup>	5,617	2,070
Tax credits	(12,212)	(11,477)
Other, net	—	152
<b>Total income tax expense</b>	<b>\$ 80,523</b>	<b>\$ 94,805</b>
Effective tax rate	<b>8.6%</b>	<b>68.5%</b>

<sup>(1)</sup> Valuation allowance for the years ended December 31, 2025 and 2024 includes a DTA valuation allowance of \$5,617 and \$2,100, respectively, for Bermuda CIT.

During the year ended December 31, 2025, the Company sold the ANV MGAs, which qualified for the UK substantial shareholder exemption ("SSE") Refer to Note 17. "Divestitures" for additional information. The SSE is a corporate tax relief that exempts UK companies from paying corporate tax on capital gains when selling shares in another company, under certain conditions. Accordingly, the Company's UK subsidiary did not pay any local UK tax on the gain on sale for this transaction.

In addition, the Company utilized \$1,004,723 of tax qualified deficits ("QD") against foreign income inclusions, mostly attributable to the gain on sale of ANV MGAs. These QDs were generated in prior years by foreign qualified insurance activity and reduced foreign income inclusions within permanent adjustments in the current year.

A QD represents a deficit in an eligible qualified subsidiary's earnings and profits ("E&P") for U.S. federal income tax purposes, generally arising when cumulative tax deductions and losses exceed taxable income.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

Under current U.S. tax law, a QD may be utilized to offset certain categories of a controlled foreign corporation's ("CFC") positive E&P, including qualified income for purposes of calculating global intangible low-taxed income. Specifically, to the extent a CFC has a QD in a taxable year, such deficit may reduce the aggregate qualified insurance income of other CFCs within the same U.S. shareholder group, subject to applicable ordering rules and limitations.

Generally, a QD does not result in a realizable deferred tax asset and a benefit from a QD is realized in the period it offsets E&P of other CFCs within the same inclusion year. Accordingly, the utilization of QDs is dependent on the generation of sufficient positive E&P within the Company's foreign subsidiaries. QDs do not expire and may be carried forward indefinitely.

The Company evaluates its ability to utilize available QDs on an annual basis as part of its provision for income taxes. To the extent QDs are able to offset current or future foreign income inclusions, the Company will reflect its impact in its effective tax rate.

The current income tax receivable of \$41,440 and \$48,242 at December 31, 2025 and 2024, respectively, was included in Other assets in the Consolidated Balance Sheet.

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities as of December 31, 2025 and 2024 are shown below:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Deferred tax assets:</b>		
Net operating loss carryforward	\$ 319,672	\$ 294,127
Unearned premiums	43,135	43,789
Loss and LAE reserves	71,387	64,553
ROU lease liability	5,656	5,666
Investments	17,592	52,893
Intangible assets	1,408	1,646
Other	29,259	2,614
<b>Total gross deferred tax assets</b>	<b>488,109</b>	<b>465,288</b>
Valuation allowance	(315,648)	(305,244)
<b>Total deferred tax assets</b>	<b>172,461</b>	<b>160,044</b>
<b>Deferred tax liabilities:</b>		
Deferred acquisition costs	(55,127)	(34,016)
ROU asset	(5,653)	(5,604)
Investments	(33,183)	(20,496)
Other	(3,628)	(12,449)
<b>Total deferred tax liabilities</b>	<b>(97,591)</b>	<b>(72,565)</b>
<b>Deferred tax assets, net</b>	<b>\$ 74,870</b>	<b>\$ 87,479</b>

Net deferred tax assets are included in Other assets in the Consolidated Balance Sheets. The likelihood of realizing deferred tax assets is reviewed periodically. Any adjustments required to the valuation allowance are made in the period during which developments requiring an adjustment become known.

As of December 31, 2025, the Company's valuation allowance of \$315,648 is comprised primarily of \$312,762 for deferred tax assets related to foreign Net Operating Losses ("NOLs") and \$2,886 for deferred tax assets within Accumulated other comprehensive income (loss) ("AOCI"). As of December 31, 2024, the Company's valuation allowance of \$305,244 was comprised primarily of \$287,105 for deferred tax assets related to foreign NOLs and \$18,139 for deferred tax assets within AOCI. The valuation allowance increased for the year ended December 31, 2025 primarily due to Bermuda CIT legislation. Based upon a review of the Company's future anticipated taxable income, and also including all other available evidence, both positive and negative, the Company's management concluded that it is more likely than not that the net deferred tax assets will be realized.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

The Company has foreign NOLs of \$1,569,998, of which the majority have no expiration.

Earnings of certain foreign subsidiaries have been indefinitely reinvested in foreign operations. Therefore, no provision has been made for any U.S. taxes or foreign withholding taxes that may be applicable upon any repatriation or disposition. The determination of any unrecognized deferred tax liability for temporary differences related to investments in certain foreign subsidiaries is not practicable. As of December 31, 2025 and 2024, the financial reporting basis in excess of the tax basis for which no deferred taxes have been recognized was approximately \$293,172 and \$297,329, respectively.

The Company's major taxing jurisdictions include the U.S., the UK, Ireland and Italy. The years subject to potential audit vary depending on the tax jurisdiction. The Company was selected for audit in the U.S. for tax years 2017, 2018 and 2019. The audit began in 2020 and is still ongoing.

Listed below are the tax years that remain subject to examination by major tax jurisdictions:

	<b>Open Tax Years</b>
United States	2017-2019 and 2021-2024
United Kingdom	2024
Ireland	2021 - 2024
Italy	2019 - 2024

As permitted by ASC 740-10 *Income Taxes*, interest and penalties, if any, are recognized related to unrecognized tax benefits. No significant changes to the unrecognized tax benefits in total are anticipated in the next 12 months.

The following table is a reconciliation of the total amounts of gross unrecognized tax benefits for the years ended December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Gross unrecognized tax benefits at January 1</b>	\$ —	\$ 1,251
Decreases in tax positions for prior years	—	(1,251)
<b>Gross unrecognized tax benefits at December 31</b>	<b>\$ —</b>	<b>\$ —</b>

On April 29, 2024, the Company received a Notice of Proposed Adjustment ("NOPA") from the IRS for the 2017-2019 tax years under examination, primarily related to certain transfer pricing adjustments for a legacy intercompany brokerage agreement that was terminated on January 1, 2019. The NOPA proposed an increase to the Company's U.S. taxable income that could result in an additional provision for income taxes. The Company disagrees with the NOPA, filed a protest on February 15, 2025 and plans to appeal. No additional provision for income taxes was required.

On December 27, 2023, legislation implementing a CIT in Bermuda was enacted. The Bermuda income tax rules are intended to align as closely as possible to the global anti-base erosion rules established by the Organization for Economic Co-operation and Development ("OECD") to support consistent and predictable tax outcomes. Key provisions of the CIT include, but are not limited to, certain Bermuda tax resident entities and Bermuda permanent establishments that are constituent entities of a multinational group with consolidated annual revenue of at least €750 million in at least two of the four preceding fiscal years, subject to certain exemptions. The legislation is effective for fiscal years beginning on or after January 1, 2025 and has a 15% statutory income tax rate. Bermuda CIT legislation did not have a material effect on the Company's financial position, results of operations or cash flows.

Pillar Two established by the OECD, introduces a new global minimum tax of 15% for multinational enterprises, in every jurisdiction in which they operate. Pillar Two rules are intended to be effective January 1, 2024, and January 1, 2025, for different aspects of the directive. While the U.S. has not yet adopted the Pillar Two rules, various other governments around the world have or are enacting legislation. As currently designed, Pillar Two will ultimately apply to the Company's worldwide operations. The Company has completed a Pillar Two analysis and it was determined to have no material impact to its operations.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act ("OBBBA") was signed into law. The Company has analyzed the OBBBA and determined it did not have a material impact on the Company.

**12. Stockholder's Equity**

***Additional Paid-In Capital***

During the year ended December 31, 2025, AFSI contributed the following additional paid-in capital (1) equity interest of \$3,175 in AMT Title Services TX, Inc., as a result of the merger with a Company's subsidiary AMT Commercial Title Services of Texas LLC, which was the surviving entity; (2) an additional \$4,463 contribution from the purchase of Redwood Pine Insurance Services, LLC ("Redwood Pine") by a subsidiary of the Company from AFSI, prior to its subsequent sale to an unrelated third party investor. See Note 17. "Divestitures" and Note 18. "Acquisitions" for additional information.

During the year ended December 31, 2025, the Company returned capital of \$221,100 to AFSI which includes \$24,600 for the contribution of intangible assets related to cyber insurance underwriting and related operations and cash of \$196,500. The return of capital was recorded as a reduction of Additional paid-in capital.

***Accumulated Other Comprehensive Loss***

The following table summarizes Accumulated other comprehensive income (loss) for the years ended December 31, 2025 and 2024:

	<b>Foreign Currency Translation</b>	<b>Unrealized (Losses) Gains on Investments</b>	<b>Pension Liability</b>	<b>Accumulated Other Comprehensive (Loss) Income</b>
<b>Balance, December 31, 2023</b>	\$ (159,998)	\$ (165,001)	\$ (12,351)	\$ (337,350)
Other comprehensive (loss) income before reclassification	(52,166)	46,673	227	(5,266)
Amounts reclassified from accumulated other comprehensive loss	—	5,536	—	5,536
Income tax expense	—	(11,295)	(63)	(11,358)
Net current-period other comprehensive (loss) income	(52,166)	40,914	164	(11,088)
<b>Balance, December 31, 2024</b>	<u>\$ (212,164)</u>	<u>\$ (124,087)</u>	<u>\$ (12,187)</u>	<u>\$ (348,438)</u>
Other comprehensive income before reclassification	102,831	117,956	705	221,492
Amounts reclassified from accumulated other comprehensive loss	(3,605)	7,115	—	3,510
Income tax expense	—	(27,057)	(179)	(27,236)
Net current-period other comprehensive income	99,226	98,014	526	197,766
<b>Balance, December 31, 2025</b>	<u>\$ (112,938)</u>	<u>\$ (26,073)</u>	<u>\$ (11,661)</u>	<u>\$ (150,672)</u>

During the years ended December 31, 2025 and 2024, amounts reclassified from Accumulated other comprehensive income (loss) into net income were included in Net realized gain (loss) on investments, Net gain on sale of businesses, and Foreign currency loss on the Consolidated Statements of Income.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
(In Thousands)

**13. Commitments and Contingencies**

***Litigation***

The Company's insurance subsidiaries are named as defendants in various legal actions arising principally from claims made under insurance policies and contracts. Those actions are considered in estimating the Loss and LAE reserves. The Company is also a party in various commercial and employment disputes, including claims both by and against the Company. Management believes the resolution of these actions will not have a material adverse effect on the financial position or results of operations.

In view of the inherent difficulty of assessing the potential outcome of legal proceedings, governmental, regulatory and legislative investigations and inquiries, claims and litigation and similar matters and contingencies, the Company generally cannot predict what the eventual outcome of the pending matters will be or the timing of any resolution of such matters. Unless specified below, the Company cannot reasonably estimate a potential range of loss, if any, with respect to the matters disclosed below due to, among other factors, the complexity of the matters involved and, in many instances, the relatively early stage of the proceedings. The Company also is not able to predict at this time the impact, if any, that any such matters might have on how its business is conducted, on its competitive position or on its financial position, results of operations or cash flows. As the process to resolve any pending matters progresses, management will continue to review the latest information available and assess its ability to predict the outcome of such matters and the effects, if any, on the operations and financial condition and to accrue for and disclose such matters as and when required.

As of December 31, 2025, the Company is not involved presently in any material litigation nor, to the Company's knowledge, is any material litigation threatened against the Company or its properties.

***Employment Agreements***

The Company has employment agreements with 10 of its key executives and employees. The agreements terminate on varying dates through 2027, contain annual minimum levels of compensation, and contain bonuses based on the Company achieving certain financial targets. The annual future minimum compensation payments in the aggregate through 2027 are as follows:

2026	\$	2,664
2027		932
<b>Future minimum compensation payments</b>	<b>\$</b>	<b><u>3,596</u></b>

***Funding Commitments***

As of December 31, 2025, the Company had commitments of \$27,100 to further fund its Other investments.

***ANV Commitments***

The Company has contingent commitments through March 1, 2029 to purchase up to \$35,915 of ANV preferred shares pursuant to certain conditions under the Shareholders Agreement. Additionally, the Company remains the underwriter of certain existing books of business offered through the ANV MGAs pursuant to a ten-year capacity agreement. See Note 17. "Divestitures" for additional information.

***Escrow Deposits***

As a service to its customers, the Company administers escrow deposits representing earnest money received under real estate contracts, escrowed funds received under escrow agreements and other funds pending the closing of real estate transactions. Cash held by the Company for these purposes was approximately \$45,528 as of December 31, 2025. This amount is not considered an asset of the Company and, therefore, is excluded from the Consolidated Balance Sheet; however, the Company remains contingently liable for the disposition of these deposits.

**AMTRUST INTERNATIONAL INSURANCE, LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**(In Thousands)**

**14. Statutory Financial Data, Risk Based Capital and Dividend Restrictions**

The Company's U.S. insurance subsidiary files financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Statutory Accounting Principles ("SAP") prescribed or permitted by domestic insurance regulatory authorities. The differences between statutory financial statements and financial statements prepared in accordance with GAAP vary between jurisdictions. The principal differences relate to (1) acquisition costs incurred in connection with acquiring new business that are charged to expense under SAP but under GAAP are deferred and amortized as the related premiums are earned; (2) limitations on net deferred tax assets created by the tax effects of temporary differences; (3) unpaid losses and LAE, and unearned premium reserves that are presented gross of reinsurance with a corresponding asset recorded; (4) fixed maturity portfolios that are carried at fair value instead of amortized cost and changes in fair value are reflected directly in unassigned surplus, net of related deferred taxes; and (5) certain assets designated as "non-admitted assets" that are charged against surplus under SAP.

The payment of dividends or distributions to the Company from its foreign and U.S. insurance subsidiaries are restricted by the insurance laws and regulations in the jurisdictions in which they are domiciled. Ordinary dividends or distributions, for which no regulatory approval is generally required, are limited to amounts determined by a formula, which varies by jurisdiction. Certain jurisdictions may impose limits if the entity is in breach of local minimum capital, solvency or liquidity requirements or the payment would cause a breach of those requirements. In addition to these limitations, the Company also takes into consideration expected earnings, business growth and capitalization of the subsidiaries, and liquidity requirements of the individual operating companies, prior to payment of dividends or distributions from subsidiaries. For calendar year 2025, the estimated amount of dividends or distributions available to be paid, without prior regulatory approval, total approximately \$218,135. During the year ended December 31, 2025, the Company recorded a net capital reduction of \$213,462. See Note 12. "Stockholder's Equity" for additional information.

***Bermuda***

The Company is required to annually file a Capital and Solvency Return and must abide by the requirement that available statutory capital and surplus be equal to or exceed the value of both its Minimum Margin of Solvency and the Enhanced Capital Requirement ("ECR"). As of December 31, 2024, the available statutory capital and surplus was equal to or exceeded the value of its Minimum Margin of Solvency and the ECR. The 2025 Capital and Solvency Return will be filed with the Bermuda Monetary Authority on or before April 30, 2026 and the ECR based on the Economic Balance Sheet will not be available until this filing is complete.

***Europe***

The Company's European entities prepare financial statements in accordance with local regulatory requirements. These statutory accounting practices differ from U.S. GAAP primarily by charging policy acquisition costs to expense as incurred and establishing Loss and LAE reserves using different actuarial assumptions, as well as valuing investments and certain assets and accounting for deferred taxes on a different basis.

A capital adequacy and risk management regulation called "Solvency II", implemented by the European Commission, applies to the Company's businesses across the European Union. From December 31, 2024, firms in the United Kingdom are for the first time subject to new "Solvency UK" regulation set out by the Prudential Regulation Authority, which represents a divergence from the Solvency II regulation implemented by the European Commission. Solvency II and Solvency UK impose requirements with respect to capital structure, technical provisions, solvency calculations, governance, disclosure and risk management.

All of the Company's international insurance subsidiaries have capital levels that exceed their respective regulatory minimum requirements, and none have utilized prescribed or permitted practices that vary materially from the practices prescribed by the regulatory bodies for the years ended December 31, 2025 and 2024, respectively. The declaration of dividends for the European entities is restricted to profits available for distribution as a matter of respective jurisdictional law and in certain entities requires consent of local regulators. The European dividends included in the total above represent the estimated maximum potential dividend available based on the most recent solvency returns submitted to local regulators. Any final dividends would still be subject to regulatory approval.

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(In Thousands)

**United States**

Property and casualty insurance companies in the U.S. are subject to certain Risk-Based Capital ("RBC") requirements that establish the minimum amount of statutory capital and surplus that must be maintained by each company, as specified by the NAIC. The minimal capital requirements are determined by using a formula that focuses on the material risks to which the insurance company is exposed and are designed to ensure that obligations to shareholders can be fulfilled. As of December 31, 2025 and 2024, the statutory capital and surplus of Company's insurance subsidiary domiciled in the United States exceeded the RBC requirements.

**15. Leases**

**Lessee**

The table below presents operating lease ROU assets and lease liabilities as of December 31, 2025 and 2024:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Operating lease ROU assets	\$ 29,538	\$ 25,143
Operating lease liabilities	30,501	25,476
Weighted – average remaining lease term	29 years	33 years
Weighted – average discount rate	5.3 %	5.1 %

The table below presents the contractual maturities of the operating lease liabilities as of December 31, 2025:

2026	\$ 5,511
2027	5,532
2028	4,180
2029	2,973
2030	2,844
2031 and thereafter	51,917
<b>Total undiscounted future minimum lease payments</b>	<b>72,957</b>
Less: Discount	(42,456)
<b>Total operating lease liabilities</b>	<b>\$ 30,501</b>

The table below presents the components of lease expense and other operating lease information for the years ended December 31, 2025 and 2024:

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating lease cost	\$ 6,381	\$ 5,395
Short-term lease cost	2,790	2,946
Sublease income	(529)	(813)
<b>Total lease costs included in Underwriting, general and administrative expenses</b>	<b>\$ 8,642</b>	<b>\$ 7,528</b>
<b>Cash payments included in the measurement of lease liabilities reported in operating cash flows</b>	<b>\$ 5,420</b>	<b>\$ 5,641</b>
<b>ROU assets obtained in exchange for new lease liabilities</b>	<b>10,915</b>	<b>3,143</b>

There were no material changes to lease transactions between related parties during the years ended December 31, 2025 and 2024, respectively.

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(In Thousands)

**Lessor**

Operating lease income related to lease payments was \$3,090 and \$4,351 for the years ended December 31, 2025 and 2024, respectively.

Future minimum rents to be received over the next five years and thereafter for operating leases in effect at December 31, 2025 are as follows:

2026	\$ 5,271
2027	5,602
2028	5,533
2029	5,336
2030	3,605
2031 and thereafter	15,403
<b>Total</b>	<b>\$ 40,750</b>

**16. Allowance for Credit Losses**

**Premiums Receivable, net**

The following table presents a roll-forward of the allowance for expected credit losses related to Premiums receivable, net for the years ended December 31, 2025 and 2024:

	Years Ended December 31,	
	2025	2024
<b>Balance, beginning of period</b>	\$ 12,760	\$ 11,274
Current period provision for expected credit losses	6,166	24,797
Write-offs of uncollectible premiums receivable	(7,564)	(23,311)
<b>Balance, end of period</b>	<b>\$ 11,362</b>	<b>\$ 12,760</b>

**Reinsurance Receivable, net**

The following table presents a roll-forward of the allowance for expected credit losses related to Reinsurance receivable, net for the years ended December 31, 2025 and 2024:

	Years Ended December 31,	
	2025	2024
<b>Balance, beginning of period</b>	\$ 149	\$ —
Current period provision for expected credit losses	489	149
<b>Balance, end of period</b>	<b>\$ 638</b>	<b>\$ 149</b>

**17. Divestitures**

**Sale of ANV MGAs**

On September 12, 2025, AFSI entered into an Equity Purchase Agreement (the "Agreement") to partner with an unrelated third party (the "Investor"), to form a new independent company called ANV Group Holdings Ltd. ("ANV") (a UK private limited company) to acquire certain MGAs and fee businesses from AFSI and the Company domiciled in the U.S., United Kingdom ("UK") and Continental Europe (the "ANV MGAs").

Prior to closing, the Company contributed 100% of its equity interest in the ANV MGAs to ANV. The equity interest was capitalized by shares of common stock made up of Class A shares (18%), Class B shares (81%), and non-voting Class C shares

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(1%). Holders of both Class A and Class B shares have certain substantive participating rights over significant financial and operating decisions. ANV entered into a credit agreement with the Investor for a \$500,000 term loan and a \$75,000 revolving credit facility with a term of 7 years, bearing an interest rate of Secured Overnight Financing Rate ("SOFR") plus 4.75% per annum. Subsequently, ANV distributed cash proceeds of \$472,500 assumed from the debt financing to the Company.

On December 4, 2025, the Company completed the sale of its ANV Class A shares and Class C shares to the Investor for \$120,000 in cash. As a result of the sale of Class A shares, the Company no longer meets the control criteria to consolidate ANV's results within its consolidated financial statements. The Company has elected to report its retained equity interest in ANV Class B shares in Equity securities, at a fair value of \$511,579 on the Consolidated Balance Sheet. The Company recognized a gain of \$885,843, which is included in Net gain on sales of businesses in the Consolidated Statements of Income. In addition, the Company has recorded its commitments to purchase ANV preferred shares in Accrued expenses and other liabilities, at a fair value of \$12,500 on the Consolidated Balance Sheet.

The Company remains the underwriter of certain existing books of business offered through the ANV MGAs pursuant to a ten-year capacity agreement. Additionally, the Company provides other specified services under the TSA for an initial period of up to 24 months. ANV may elect to extend the TSA for up to one year beyond the initial period and may terminate any transition service upon a 30-day prior written notice to the Company.

***Sale of Therium Group Holdings Limited***

Effective November 27, 2025, the Company sold its equity interest in Therium Group Holdings Limited ("TGHL") through a share buyback by TGHL for nominal consideration that was executed in accordance with Jersey Law. As a result, the TGHL shareholders' agreement was terminated, certain historical claims were waived, and the Company's loan arrangement with TGHL was amended to provide for limited recourse repayment from future cash proceeds from the successful outcome of certain litigation assets receivable. In addition, the Company recorded a pre-tax loss of \$8,204 reported in Net (gain) loss on sales of businesses in the Consolidated Statements of Income.

***Sale of First Nationwide Title Agency business***

Effective October 1, 2024, the Company entered into an agreement to sell certain First Nationwide Title Agency ("FNTA") business assets and the FNTA trade name in exchange for cash consideration of \$12,500. The Company recorded a pre-tax loss of \$14,837 reported in Net (gain) loss on sales of businesses in the Consolidated Statements of Income.

**18. Acquisitions**

***Acquisition***

On May 8, 2025, AMT Title Services TX, Inc. ("ATS"), a wholly owned subsidiary of AFSI, entered into a merger agreement with AMT Commercial Title Services of Texas LLC ("ACTS"), a wholly owned subsidiary of the Company. Under the agreement, ATS merged with and into ACTS, with ACTS as the surviving legal entity as a result of the merger, AFSI contributed \$3,175 of its equity interest to the Company and the Company assumed goodwill of \$2,356. The surviving entity changed its legal name to AMT Title Services of Texas, LLC. The Certificate of Merger was issued by the Secretary of State of Texas with an effective date of June 1, 2025.

Effective October 1, 2025, the Company entered into an agreement to purchase all membership interests of Redwood Pine from AFSI. As part of the transaction, the Company assumed Redwood Pine's obligations under its existing renewal rights agreement in exchange for a \$9,000 loan and \$4,463 capital contribution from AFSI. Redwood Pine was subsequently sold as part of the sale of ANV MGAs. See Note 17. "Divestitures" for additional information.

**19. Subsequent Events**

The Company has evaluated subsequent events through April 27, 2026 and determined there have been no events that have occurred that would require adjustments to the disclosures in the consolidated financial statements.