

REFINITIV

DELTA REPORT

10-Q

WRB PR H - BERKLEY W R CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1485

■ CHANGES	381
■ DELETIONS	308
■ ADDITIONS	796

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **September 30, 2023** **March 31, 2024**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the Transition Period from _____ to _____.

Commission File Number **1-15202**

W. R. BERKLEY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

22-1867895

(I.R.S. Employer Identification No.)

475 Steamboat Road

(Address of principal executive offices)

Greenwich

Connecticut

06830

(Zip Code)

(203) 629-3000

(Registrant's telephone number, including area code)

None

Former name, former address and former fiscal year, if changed since last report.

Securities registered pursuant to Section 12(b) of the Act:

Title	Trading Symbol	Name
Common Stock, par value \$.20 per share	WRB	New York Stock Exchange
5.700% Subordinated Debentures due 2058	WRB-PE	New York Stock Exchange
5.100% Subordinated Debentures due 2059	WRB-PF	New York Stock Exchange
4.250% Subordinated Debentures due 2060	WRB-PG	New York Stock Exchange
4.125% Subordinated Debentures due 2061	WRB-PH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock, \$.20 par value, outstanding as of **October 30, 2023** April 29, 2024: **257,872,034** **255,662,277**

TABLE OF CONTENTS

Part I — FINANCIAL INFORMATION

- [Item 1. Financial Statements](#)
- [Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)
- [Item 3. Quantitative and Qualitative Disclosure About Market Risk](#)
- [Item 4. Controls and Procedures](#)

PART II — OTHER INFORMATION

- [Item 1. Legal Proceedings](#)
- [Item 1A. Risk Factors](#)
- [Item 2. Unregistered Sales of Equity Securities and Use of Proceeds](#)
- [Item 5. Other Information](#)
- [Item 6. Exhibits](#)

SIGNATURES

[EX-10.1](#)
[EX-31.1](#)
[EX-31.2](#)
[EX-32.1](#)

EX-101 INSTANCE DOCUMENT

EX-101 SCHEMA DOCUMENT

EX-101 CALCULATION LINKBASE DOCUMENT

EX-101 LABELS LINKBASE DOCUMENT

EX-101 PRESENTATION LINKBASE DOCUMENT

EX-101 DEFINITION LINKBASE DOCUMENT

Part I — FINANCIAL INFORMATION

Item 1. Financial Statements

W. R. BERKLEY CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (In thousands, except share data)

	September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)		(Unaudited)	(Audited)

Assets	Assets	Assets	
Investments:	Investments:	Investments:	
Fixed maturity securities (amortized cost of \$20,232,773 and \$18,715,483; allowance for expected credit losses of \$46,412 and \$37,466 at September 30, 2023 and December 31, 2022, respectively)	\$19,035,305	\$17,587,349	
Fixed maturity securities (amortized cost of \$21,775,516 and \$20,915,245; allowance for expected credit losses of \$22,869 and \$36,751 at March 31, 2024 and December 31, 2023, respectively)			
Investment funds	Investment funds	1,600,495	1,608,548
Real estate	Real estate	1,270,545	1,340,622
Equity securities	Equity securities	1,182,061	1,185,894
Arbitrage trading account	Arbitrage trading account	825,049	944,230
Loans receivable (net of allowance for expected credit losses of \$4,009 and \$1,791 at September 30, 2023 and December 31, 2022, respectively)	177,750	193,002	
Loans receivable (net of allowance for expected credit losses of \$2,609 and \$3,004 at March 31, 2024 and December 31, 2023, respectively)			
Total investments	Total investments	24,091,205	22,859,645
Total investments			
Total investments			
Cash and cash equivalents	Cash and cash equivalents	1,646,074	1,449,346
Premiums and fees receivable (net of allowance for expected credit losses of \$33,602 and \$30,660 at September 30, 2023 and December 31, 2022, respectively)	3,104,609	2,779,244	
Due from reinsurers (net of allowance for expected credit losses of \$9,443 and \$8,064 at September 30, 2023 and December 31, 2022, respectively)	3,426,196	3,187,730	
Premiums and fees receivable (net of allowance for expected credit losses of \$35,039 and \$35,110 at March 31, 2024 and December 31, 2023, respectively)			
Due from reinsurers (net of allowance for expected credit losses of \$9,185 and \$8,404 at March 31, 2024 and December 31, 2023, respectively)			

Deferred policy acquisition costs	Deferred policy acquisition costs	854,374	763,486
Prepaid reinsurance premiums	Prepaid reinsurance premiums	756,236	696,468
Trading account receivables from brokers and clearing organizations	Trading account receivables from brokers and clearing organizations	401,982	233,863
Property, furniture and equipment	Property, furniture and equipment	423,279	423,232
Goodwill	Goodwill	174,597	185,509
Accrued investment income	Accrued investment income	201,206	166,784
Current and deferred federal and foreign income taxes	Current and deferred federal and foreign income taxes	291,363	333,774
Other assets	Other assets	740,227	736,022

Other assets

Other assets

Total assets **Total assets** **\$36,111,348** **\$33,815,103**

Liabilities and Equity

Liabilities and Equity

Liabilities and Equity

Liabilities:	Liabilities:	Liabilities:
Reserves for losses and loss expenses	Reserves for losses and loss expenses	\$18,273,310 \$17,011,223
Unearned premiums	Unearned premiums	5,899,738 5,297,654
Due to reinsurers	Due to reinsurers	626,448 523,131
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	7,538 —
Other liabilities	Other liabilities	1,537,449 1,377,740

Other liabilities

Other liabilities

Senior notes and other debt	Senior notes and other debt	1,828,046	1,828,823
Subordinated debentures	Subordinated debentures	1,008,910	1,008,371
Total liabilities	Total liabilities	<u>29,181,439</u>	<u>27,046,942</u>

Equity:

Preferred stock, par value \$0.10 per share:

Preferred stock, par value \$.10 per share:

Authorized 5,000,000 shares; issued and outstanding - none	Authorized 5,000,000 shares; issued and outstanding - none	—	—
Common stock, par value \$0.20 per share:			

Authorized 1,250,000,000 shares; issued and outstanding, net of treasury shares, 258,043,531 and 264,546,100 shares, respectively	105,803	105,803
Common stock, par value \$.20 per share:		Common stock, par value \$.20 per share:
Authorized 1,250,000,000 shares; issued and outstanding, net of treasury shares, 256,548,669 and 256,544,757 shares, respectively		
Additional paid-in capital	Additional paid-in capital	1,008,301 997,534
Retained earnings	Retained earnings	10,800,697 10,161,005
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,322,819) (1,264,581)
Treasury stock, at cost, 270,971,091 and 264,468,528 shares, respectively		(3,676,403) (3,251,429)
Treasury stock, at cost, 272,465,959 and 272,469,871 shares, respectively		
Total stockholders' equity	Total stockholders' equity	6,915,579 6,748,332
Noncontrolling interests	Noncontrolling interests	14,330 19,829
Total equity	Total equity	6,929,909 6,768,161
Total liabilities and equity	Total liabilities and equity	\$36,111,348 \$33,815,103

See accompanying notes to interim consolidated financial statements.

W. R. BERKLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
 (In thousands, except per share data)

	For the Three Months		For the Three Months		For the Nine Months
	Ended March 31,	2024	Ended March 31,	2024	Ended September 30,
	For the Three Months	Ended September 30, 2024	For the Nine Months	Ended September 30,	
	2023	2022	2023	2022	
	2024				
REVENUES					

REVENUES:**REVENUES:**

REVENUES:		REVENUES:			
Net premiums written	Net premiums written	\$2,848,459	\$2,577,274	\$8,234,799	\$7,576,163
Net premiums written					
Net premiums written					
Change in net unearned premiums	Change in net unearned premiums	(206,545)	(135,313)	(548,726)	(527,958)
Net premiums earned	Net premiums earned	2,641,914	2,441,961	7,686,073	7,048,205
Net premiums earned					
Net premiums earned					
Net investment income	Net investment income	270,944	202,816	739,494	547,902
Net investment (losses) gains:					
Net realized and unrealized (losses) gains on investments		(40,855)	(66,282)	50,403	139,664
Net investment income					
Net investment income					
Net investment gains:					
Net investment gains:					
Net investment gains:					
Net realized and unrealized gains on investments					
Net realized and unrealized gains on investments					
Net realized and unrealized gains on investments					
Change in allowance for expected credit losses on investments	Change in allowance for expected credit losses on investments	(1,571)	(1,128)	(11,164)	(12,365)
Net investment (losses) gains		(42,426)	(67,410)	39,239	127,299
Change in allowance for expected credit losses on investments					
Change in allowance for expected credit losses on investments					
Net investment gains					
Net investment gains					
Net investment gains					
Revenues from non-insurance businesses					
Revenues from non-insurance businesses					
Revenues from non-insurance businesses					
Revenues from non-insurance businesses	Revenues from non-insurance businesses	137,116	119,013	375,225	345,210
Insurance service fees	Insurance service fees	22,962	27,940	81,290	82,284

Insurance service fees					
Insurance service fees					
Other income	Other income	128	80	235	1,797
Other income					
Other income					
Total revenues					
Total revenues					
Total revenues	Total revenues	3,030,638	2,724,400	8,921,556	8,152,697
OPERATING COSTS AND EXPENSES:	OPERATING COSTS AND EXPENSES:				
OPERATING COSTS AND EXPENSES:					
OPERATING COSTS AND EXPENSES:					
Losses and loss expenses					
Losses and loss expenses					
Losses and loss expenses	Losses and loss expenses	1,636,193	1,564,578	4,744,602	4,339,646
Other operating costs and expenses	Other operating costs and expenses	808,669	725,537	2,457,925	2,139,256
Other operating costs and expenses					
Other operating costs and expenses					
Expenses from non-insurance businesses					
Expenses from non-insurance businesses					
Expenses from non-insurance businesses	Expenses from non-insurance businesses	133,939	116,240	370,244	334,062
Interest expense	Interest expense	31,888	31,780	95,580	98,473
Interest expense					
Interest expense					
Total operating costs and expenses					
Total operating costs and expenses					
Total operating costs and expenses	Total operating costs and expenses	2,610,689	2,438,135	7,668,351	6,911,437
Income before income taxes	Income before income taxes	419,949	286,265	1,253,205	1,241,260
Income before income taxes					
Income before income taxes					
Income tax expense					
Income tax expense					
Income tax expense	Income tax expense	(86,519)	(55,791)	(268,322)	(238,290)
Net income before noncontrolling interests	Net income before noncontrolling interests	333,430	230,474	984,883	1,002,970
Net income before noncontrolling interests					

Net income before noncontrolling interests					
Net income before noncontrolling interests					
Noncontrolling interests	Noncontrolling interests	156	(1,595)	(863)	(4,131)
Noncontrolling interests					
Noncontrolling interests					
Net income to common stockholders	Net income to common stockholders	\$ 333,586	\$ 228,879	\$ 984,020	\$ 998,839
NET INCOME PER SHARE:	NET INCOME PER SHARE:				
Basic	Basic	\$ 1.24	\$ 0.83	\$ 3.62	\$ 3.61
Diluted	Diluted	\$ 1.23	\$ 0.82	\$ 3.59	\$ 3.57
Diluted	Diluted				

See accompanying notes to interim consolidated financial statements.

W. R. BERKLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
 (In thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
			2023	2022
			2023	2022
Net income before noncontrolling interests	\$ 333,430	\$ 230,474	\$ 984,883	\$ 1,002,970
Other comprehensive loss:				
Change in unrealized currency translation adjustments	(22,781)	(40,516)	(7,387)	(27,637)
Change in unrealized investment losses, net of taxes	(118,365)	(315,664)	(50,850)	(1,076,217)
Other comprehensive loss	(141,146)	(356,180)	(58,237)	(1,103,854)
Comprehensive income (loss)	192,284	(125,706)	926,646	(100,884)
Noncontrolling interests	156	(1,595)	(862)	(4,130)
Comprehensive income (loss) to common stockholders	\$ 192,440	\$ (127,301)	\$ 925,784	\$ (105,014)

	For the Three Months Ended March 31,	
	2024	2023
Net income before noncontrolling interests	\$ 442,035	\$ 295,729
Other comprehensive (loss) income:		
Change in unrealized currency translation adjustments	(27,570)	4,866
Change in unrealized investment (losses) gains, net of taxes	(70,122)	180,799

Other comprehensive (loss) income		(97,692)	185,665
Comprehensive income		344,343	481,394
Noncontrolling interests		436	(1,602)
Comprehensive income to common stockholders		\$ 344,779	\$ 479,792

See accompanying notes to interim consolidated financial statements.

W. R. BERKLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
 (In thousands, except per share data)

		For the Three Months Ended March 31,		For the Three Months Ended March 31,		For the Three Months Ended September 30,		For the Nine Months Ended September 30,			
		2024		2023	2022	2023	2022	2024			
COMMON STOCK:											
COMMON STOCK:											
COMMON STOCK: COMMON STOCK:											
Beginning and end of period		Beginning and end of period		\$ 105,803	\$ 105,803	\$ 105,803	\$ 105,803				
Beginning and end of period											
Beginning and end of period											
ADDITIONAL PAID-IN CAPITAL:											
ADDITIONAL PAID-IN CAPITAL:											
Beginning of period		Beginning of period		\$ 1,020,818	\$ 1,001,093	\$ 997,534	\$ 981,104				
Beginning of period											
Beginning of period											
Restricted stock units issued		Restricted stock units issued		(25,226)	(28,381)	(25,228)	(30,751)				
Restricted stock units issued											
Restricted stock units issued											
Restricted stock units expensed											
Restricted stock units expensed											
Restricted stock units expensed		Restricted stock units expensed		12,709	12,091	35,995	34,450				
End of period		End of period		\$ 1,008,301	\$ 984,803	\$ 1,008,301	\$ 984,803				
End of period											

End of period

RETAINED EARNINGS:	RETAINED EARNINGS:
--------------------	--------------------

RETAINED EARNINGS:

RETAINED EARNINGS:

Beginning of period

Beginning of period

Beginning of period	Beginning of period	\$ 10,624,518	\$ 9,602,948	\$ 10,161,005	\$ 9,015,135
Net income to common stockholders	Net income to common stockholders	333,586	228,879	984,020	998,839
Dividends (\$0.61, \$0.10, \$1.32 and \$0.79 per share, respectively)		(157,407)	(26,590)	(344,328)	(208,737)

Net income to common stockholders

Net income to common stockholders

Dividends (\$0.11 and \$0.60 per share, respectively)

Dividends (\$0.11 and \$0.60 per share, respectively)

Dividends (\$0.11 and \$0.60 per share, respectively)

End of period

End of period

End of period	End of period	\$ 10,800,697	\$ 9,805,237	\$ 10,800,697	\$ 9,805,237
---------------	---------------	---------------	--------------	---------------	--------------

ACCUMULATED OTHER COMPREHENSIVE LOSS:

ACCUMULATED OTHER COMPREHENSIVE LOSS:

Unrealized investment (loss) gain:

ACCUMULATED OTHER

COMPREHENSIVE LOSS:

ACCUMULATED OTHER

COMPREHENSIVE LOSS:

Unrealized investment losses:

Unrealized investment losses:

Unrealized investment losses:

Beginning of period

Beginning of period

Beginning of period	Beginning of period	\$ (825,391)	\$ (669,654)	\$ (892,905)	\$ 90,900
Change in unrealized (losses) gains on securities without an allowance for expected credit losses	Change in unrealized (losses) gains on securities without an allowance for expected credit losses	(108,121)	(311,659)	(47,757)	(1,055,628)
Change in unrealized (losses) gains on securities with an allowance for expected credit losses		(10,244)	(4,005)	(3,094)	(20,590)

Change in unrealized (losses) gains on securities without an allowance for expected credit losses

Change in unrealized (losses) gains on securities without an allowance for expected credit losses					
Change in unrealized gains on securities with an allowance for expected credit losses					
Change in unrealized gains on securities with an allowance for expected credit losses					
Change in unrealized gains on securities with an allowance for expected credit losses					
End of period					
End of period					
End of period	End of period	(943,756)	(985,318)	(943,756)	(985,318)
Currency translation adjustments:	Currency translation adjustments:				
Currency translation adjustments:					
Beginning of period					
Beginning of period					
Beginning of period	Beginning of period	(356,282)	(359,976)	(371,676)	(372,855)
Net change in period	Net change in period	(22,781)	(40,516)	(7,387)	(27,637)
Net change in period					
Net change in period					
End of period					
End of period					
End of period	End of period	(379,063)	(400,492)	(379,063)	(400,492)
Total accumulated other comprehensive loss	Total accumulated other comprehensive loss	\$ (1,322,819)	\$ (1,385,810)	\$ (1,322,819)	\$ (1,385,810)
Total accumulated other comprehensive loss					
Total accumulated other comprehensive loss					
TREASURY STOCK:					
TREASURY STOCK:					
TREASURY STOCK: Beginning of period	TREASURY STOCK: Beginning of period	\$ (3,682,281)	\$ (3,165,729)	\$ (3,251,429)	\$ (3,167,076)
Beginning of period					
Beginning of period					
Stock exercised/vested					
Stock exercised/vested					
Stock exercised/vested	Stock exercised/vested	8,469	8,332	9,461	9,679
Stock repurchased	Stock repurchased	(2,917)	(6,570)	(430,536)	(6,570)
Stock repurchased					
Stock repurchased					
Other					
Other					

Other	Other	326	—	(3,899)	—
End of period	End of period	\$ (3,676,403)	\$ (3,163,967)	\$ (3,676,403)	\$ (3,163,967)
End of period					
End of period					
NONCONTROLLING INTERESTS:					
NONCONTROLLING INTERESTS:					
NONCONTROLLING INTERESTS:	NONCONTROLLING INTERESTS:				
Beginning of period	Beginning of period	\$ 21,167	\$ 22,388	\$ 19,829	\$ 14,719
(Distributions) contributions		(6,681)	(73)	(6,361)	5,061
Beginning of period					
Beginning of period					
Contributions					
Contributions					
Contributions					
Net (loss) income					
Net (loss) income					
Net (loss) income	Net (loss) income	(156)	1,595	863	4,131
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax	—	—	(1)	(1)
Other comprehensive loss, net of tax					
Other comprehensive loss, net of tax					
End of period	End of period	\$ 14,330	\$ 23,910	\$ 14,330	\$ 23,910
End of period					
End of period					

See accompanying notes to interim consolidated financial statements.

W. R. BERKLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
 (In thousands)

CASH FROM OPERATING ACTIVITIES:	For the Three Months Ended March 31,		For the Nine Months Ended September 30,		2023	For the Three Months Ended March 31,	
			2023	2022			
			CASH FROM OPERATING ACTIVITIES:				
Net income to common stockholders	Net income to common stockholders	\$ 984,020	\$ 998,839				
Adjustments to reconcile net income to net cash from operating activities:	Adjustments to reconcile net income to net cash from operating activities:						
Net investment gains	Net investment gains	(39,239)	(127,299)				
Depreciation and amortization		3,294	46,037				

Depreciation and (accretion) amortization			
Noncontrolling interests	Noncontrolling interests	863	4,131
Investment funds	Investment funds	(5,444)	(121,919)
Stock incentive plans	Stock incentive plans	37,796	36,247
Change in:	Change in:		
Arbitrage trading account			
Arbitrage trading account			
Arbitrage trading account	Arbitrage trading account	(41,399)	(39,389)
Premiums and fees receivable	Premiums and fees receivable	(340,056)	(247,782)
Reinsurance accounts	Reinsurance accounts	(194,610)	(187,453)
Deferred policy acquisition costs	Deferred policy acquisition costs	(93,270)	(92,724)
Income taxes	Income taxes	49,722	(111,231)
Reserves for losses and loss expenses	Reserves for losses and loss expenses	1,288,975	1,225,679
Reserves for losses and loss expenses			
Reserves for losses and loss expenses			
Unearned premiums	Unearned premiums	608,300	551,894
Other	Other	(27,790)	(161,727)
Net cash from operating activities	Net cash from operating activities	2,231,162	1,773,303
CASH USED IN INVESTING ACTIVITIES:	CASH USED IN INVESTING ACTIVITIES:	CASH USED IN INVESTING ACTIVITIES:	
Proceeds from sale of fixed maturity securities	Proceeds from sale of fixed maturity securities	877,019	1,638,049
Proceeds from sale of equity securities	Proceeds from sale of equity securities	161,470	20,057
Distributions from (contributions to) investment funds		8,385	(72,925)
Distributions from investment funds			

Proceeds from maturities and prepayments of fixed maturity securities	Proceeds from maturities and prepayments of fixed maturity securities	2,654,140	3,916,331
Purchase of fixed maturity securities	Purchase of fixed maturity securities	(5,091,866)	(7,694,663)
Purchase of equity securities	Purchase of equity securities	(63,815)	(340,158)
Real estate additions		(15,158)	(18,670)
Real estate (purchased) sold			
Change in loans receivable			
Change in loans receivable			
Change in loans receivable	Change in loans receivable	12,796	2,066
Net purchases of property, furniture and equipment	Net purchases of property, furniture and equipment	(42,127)	(35,270)
Change in balances due to security brokers	Change in balances due to security brokers	8,224	177,457
Cash received in connection with business disposition		94,076	906,789
Payment for business purchased net of cash acquired		—	(49,572)
Other			
Other			
Other	Other	320	94
Net cash used in investing activities	Net cash used in investing activities	(1,396,536)	(1,550,415)
CASH USED IN FINANCING ACTIVITIES:	CASH USED IN FINANCING ACTIVITIES:		
Repayment of senior notes and other debt		(1,954)	(426,503)
Net proceeds from issuance of debt		1,100	2,181
Net proceeds (payments) from issuance of debt			
Net proceeds (payments) from issuance of debt			
Net proceeds (payments) from issuance of debt			
Cash dividends to common stockholders	Cash dividends to common stockholders	(186,921)	(182,147)
Purchase of common treasury shares	Purchase of common treasury shares	(430,536)	(6,570)
Other, net	Other, net	(20,545)	(21,808)

Net cash used in financing activities	Net cash used in financing activities	(638,856)	(634,847)
Net impact on cash due to change in foreign exchange rates	Net impact on cash due to change in foreign exchange rates	959	(26,134)
Net change in cash and cash equivalents	Net change in cash and cash equivalents	196,728	(438,093)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	1,449,346	1,568,843
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$1,646,074	\$1,130,750

See accompanying notes to interim consolidated financial statements.

W. R. Berkley Corporation and Subsidiaries

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) General

The unaudited consolidated financial statements, which include the accounts of W. R. Berkley Corporation and its subsidiaries (the "Company"), have been prepared on the basis of U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and notes required by GAAP for annual financial statements. The unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring items, which are necessary to present fairly the Company's financial position and results of operations on a basis consistent with the prior audited consolidated financial statements. Operating results for interim periods are not necessarily indicative of the results that may be expected for the year. All significant intercompany accounts and transactions have been eliminated. Reclassifications have been made in the 2022 financial statements as originally reported to conform to the presentation of the 2023 financial statements. For the for nine months ended September 30, 2022, the Company did not correct the proceeds from sale of fixed maturity securities and purchase of fixed maturity securities lines within the consolidated statements of cash flows for an incremental inter-company elimination as the effects were not material and had no impact on the total amount of investing activities.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the revenues and expenses reflected during the reporting period. For further information related to areas of judgment and estimates and other information necessary to understand the Company's financial position and results of operations, refer to the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Reclassifications have been made in the 2023 financial statements as originally reported to conform to the presentation of the 2024 financial statements. The Company reclassified a program management business from the Insurance segment to the Reinsurance & Monoline Excess segment. The reclassified business is a program management business offering support on a nationwide basis for commercial casualty and property program administrators.

The income tax provision has been computed based on the Company's estimated annual effective tax rate. The effective income tax rate differs from the federal income tax rate of 21% primarily due to the geographical mix of earnings and larger amounts being subject to tax benefits related to equity-based compensation and tax-exempt investment income, at a rate greater than the U.S. statutory rate, which was partially offset by state income taxes, tax benefits related to tax-exempt investment income.

(2) Per Share Data

The Company presents both basic and diluted net income per share ("EPS") amounts. Basic EPS is calculated by dividing net income by the weighted average number of common shares outstanding during the period (including 11,416,856 11,663,450 and 11,592,699 11,416,856 common shares held in a grantor trust as of September 30, 2023 March 31, 2024 and 2022, 2023, respectively). The common shares held in the grantor trust are for delivery upon settlement of vested but mandatorily deferred restricted stock units ("RSUs"). Shares held by the grantor trust do not affect diluted shares outstanding since the shares deliverable under vested RSUs were already included in diluted shares outstanding. Diluted EPS is based upon the weighted average number of basic and common equivalent shares outstanding during the period and is calculated using the treasury stock method for stock incentive plans. Common equivalent shares are excluded from the computation in periods in which they have an anti-dilutive effect.

The weighted average number of common shares used in the computation of basic and diluted earnings per share was as follows:

For the Three Months	For the Three Months
Ended March 31,	Months

		For the Three Months Ended March 31,	Ended March 31, For the Three Months Ended September 30,	For the Nine Months Ended September 30,	
(In thousands)		(In thousands)		(In thousands)	
(In thousands)	(In thousands)	For the Three Months Ended September 30,	For the Nine Months Ended September 30,	(In thousands)	(In thousands)
Basic	Basic	269,191	277,192	271,656	276,928
Basic					
Basic					
Diluted	Diluted	271,439	279,642	274,146	279,644
Diluted					
Diluted					

(3) Recent Accounting Pronouncements and Accounting Policies

Recently adopted accounting pronouncements:

All accounting and reporting standards that became effective in **2023****2024** were either not applicable to the Company or their adoption did not have a material impact on the Company.

Accounting and reporting standards that are not yet effective:

All recently issued but not yet effective accounting and reporting standards are either not applicable to the Company or are not expected to have a material impact on the Company.

(4) Consolidated Statements of Comprehensive (Loss) Income

The following table presents the components of the changes in accumulated other comprehensive (loss) income ("AOCI"):

(In thousands)	Unrealized Investment (Losses) Gains	Currency Translation Adjustments	Accumulated Other Comprehensive (Loss) Income
As of and for the nine months ended September 30, 2023			
Changes in AOCI			
Beginning of period	\$ (892,905)	\$ (371,676)	\$ (1,264,581)
Other comprehensive loss before reclassifications	(103,087)	(7,387)	(110,474)
Amounts reclassified from AOCI	52,237	—	52,237
Other comprehensive loss	(50,850)	(7,387)	(58,237)
Unrealized investment loss related to noncontrolling interest	(1)	—	(1)
End of period	<u>\$ (943,756)</u>	<u>\$ (379,063)</u>	<u>\$ (1,322,819)</u>
Amounts reclassified from AOCI			
Pre-tax	\$ 66,123 (1)	\$ —	\$ 66,123
Tax effect	(13,886) (2)	—	(13,886)
After-tax amounts reclassified	<u>\$ 52,237</u>	<u>\$ —</u>	<u>\$ 52,237</u>
Other comprehensive loss			

Pre-tax	\$ (62,476)	\$ (7,387)	\$ (69,863)
Tax effect	11,626	—	11,626
Other comprehensive loss	\$ (50,850)	\$ (7,387)	\$ (58,237)
As of and for the three months ended September 30, 2023			
Changes in AOCI			
Beginning of period	\$ (825,391)	\$ (356,282)	\$ (1,181,673)
Other comprehensive loss before reclassifications	(133,018)	(22,781)	(155,799)
Amounts reclassified from AOCI	14,653	—	14,653
Other comprehensive loss	(118,365)	(22,781)	(141,146)
Unrealized investment loss related to noncontrolling interest	—	—	—
Ending balance	\$ (943,756)	\$ (379,063)	\$ (1,322,819)
Amounts reclassified from AOCI			
Pre-tax	\$ 18,548 (1)	\$ —	\$ 18,548
Tax effect	(3,895) (2)	—	(3,895)
After-tax amounts reclassified	\$ 14,653	\$ —	\$ 14,653
Other comprehensive loss			
Pre-tax	\$ (150,455)	\$ (22,781)	\$ (173,236)
Tax effect	32,090	—	32,090
Other comprehensive loss	\$ (118,365)	\$ (22,781)	\$ (141,146)

		Unrealized Investment (Losses)				Accumulated Other Comprehensive (Loss) Income
(in thousands)	(in thousands)	Gains		Currency Translation Adjustments		
As of and for the nine months ended September 30, 2022						
(in thousands)						
(in thousands)						
As of and for the three months ended March 31, 2024						
As of and for the three months ended March 31, 2024						
As of and for the three months ended March 31, 2024						
Changes in AOCI	Changes in AOCI					
Changes in AOCI	Changes in AOCI					
Changes in AOCI	Changes in AOCI					
Beginning of period						
Beginning of period						
Beginning of period	Beginning of period	\$ 90,900		\$ (372,855)		\$ (281,955)
Other comprehensive loss before reclassifications	Other comprehensive loss before reclassifications	(1,134,657)		(27,637)		(1,162,294)
Amounts reclassified from AOCI		58,440		—		58,440
Other comprehensive loss		(1,076,217)		(27,637)		(1,103,854)
Unrealized investment loss related to noncontrolling interest		(1)		—		(1)
End of period		\$ (985,318)		\$ (400,492)		\$ (1,385,810)
Amounts reclassified from AOCI						
Pre-tax		\$ 73,975 (1)		\$ —		\$ 73,975
Tax effect		(15,535) (2)		—		(15,535)
After-tax amounts reclassified		\$ 58,440		\$ —		\$ 58,440
Other comprehensive loss						
Pre-tax		\$ (1,365,064)		\$ (27,637)		\$ (1,392,701)
Tax effect		288,847		—		288,847
Other comprehensive loss		\$ (1,076,217)		\$ (27,637)		\$ (1,103,854)
As of and for the three months ended September 30, 2022						

<u>Changes in AOCI</u>						
Beginning of period	\$	(669,654)	\$	(359,976)	\$	(1,029,630)
Other comprehensive loss before reclassifications						
Other comprehensive loss before reclassifications	Other comprehensive loss before reclassifications	(335,034)		(40,516)		(375,550)
Amounts reclassified from AOCI	Amounts reclassified from AOCI	19,370		—		19,370
Amounts reclassified from AOCI						
Amounts reclassified from AOCI						
Other comprehensive loss						
Other comprehensive loss						
Other comprehensive loss	Other comprehensive loss	(315,664)		(40,516)		(356,180)
Unrealized investment loss related to noncontrolling interest	Unrealized investment loss related to noncontrolling interest	—		—		—
Unrealized investment loss related to noncontrolling interest						
Unrealized investment loss related to noncontrolling interest						
End of period						
End of period						
End of period						
Amounts reclassified from AOCI						
Amounts reclassified from AOCI						
Amounts reclassified from AOCI						
Pre-tax						
Pre-tax						
Pre-tax						
Tax effect						
Tax effect						
Tax effect						
After-tax amounts reclassified						
After-tax amounts reclassified						
After-tax amounts reclassified						
Other comprehensive loss						
Other comprehensive loss						
Other comprehensive loss						
Pre-tax						
Pre-tax						
Pre-tax						
Tax effect						
Tax effect						
Tax effect						
Other comprehensive loss						
Other comprehensive loss						
Other comprehensive loss						
As of and for the three months ended March 31, 2023						
As of and for the three months ended March 31, 2023						
As of and for the three months ended March 31, 2023						
Changes in AOCI						

Changes in AOCIChanges in AOCI

Beginning of period

Beginning of period

Beginning of period

Other comprehensive income before
reclassificationsOther comprehensive income before
reclassificationsOther comprehensive income before
reclassifications

Amounts reclassified from AOCI

Amounts reclassified from AOCI

Amounts reclassified from AOCI

Other comprehensive income

Other comprehensive income

Other comprehensive income

Unrealized investment loss related to noncontrolling
interestUnrealized investment loss related to noncontrolling
interestUnrealized investment loss related to noncontrolling
interest

Ending balance

Ending balance

Ending balance	Ending balance	\$ (985,318)	\$ (400,492)	\$ (1,385,810)
----------------	----------------	--------------	--------------	----------------

Amounts reclassified from	Amounts reclassified from
AOCI	AOCI

Amounts reclassified from AOCIAmounts reclassified from AOCI

Pre-tax

Pre-tax

Pre-tax	Pre-tax	\$ 24,519	(1)	\$ —	\$ 24,519
Tax effect	Tax effect	(5,149)	(2)	—	(5,149)

Tax effect

Tax effect

After-tax amounts reclassified	After-tax amounts reclassified	\$ 19,370	\$ —	\$ 19,370
-----------------------------------	-----------------------------------	-----------	------	-----------

Other comprehensive loss

After-tax amounts reclassified

After-tax amounts reclassified

Other comprehensive income	Other comprehensive income			
----------------------------	----------------------------	--	--	--

Other comprehensive income	Other comprehensive income			
----------------------------	----------------------------	--	--	--

Pre-tax

Pre-tax

Pre-tax	Pre-tax	\$ (394,832)	\$ (40,516)	\$ (435,348)
Tax effect	Tax effect	79,168	—	79,168

Other comprehensive loss		\$ (315,664)	\$ (40,516)	\$ (356,180)
--------------------------	--	--------------	-------------	--------------

Tax effect

Tax effect

Other comprehensive income

Other comprehensive income
Other comprehensive income

(1) Net investment (losses) gains in the consolidated statements of income.

(2) Income tax expense in the consolidated statements of income.

(5) Statements of Cash Flows

Interest payments were \$79,336,000 \$28,577,000 and \$115,756,000 \$41,150,000 for the **nine** three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively. **Income** There were no income taxes paid were \$180,000,000 and \$263,971,000 for the **nine** three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively.

(6) Investments in Fixed Maturity Securities

At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, investments in fixed maturity securities were as follows:

(In thousands)	(In thousands)	Allowance for Expected Credit Losses (1)				Gross Unrealized		Fair Value (In thousands)	Carrying Value (In thousands)	Amortized Cost (In thousands)	Allowance for Expected Credit Losses (1)	Gross Unrealized	
		Amortized Cost	Credit Losses (1)	Gains	Losses	Fair Value	Carrying Value					Fair Value	Carrying Value
September 30, 2023													
March 31, 2024													
March 31, 2024													
March 31, 2024													
Held to maturity:	Held to maturity:												
Held to maturity:													
Held to maturity:													
State and municipal													
State and municipal													
State and municipal	State and municipal	\$ 49,847	\$ (48)	\$ 1,825	\$ —	\$ 51,624	\$ 49,799						
Residential mortgage-backed	Residential mortgage-backed	3,029	—	19	—	3,048	3,029						
Total held to maturity	Total held to maturity	52,876	(48)	1,844	—	54,672	52,828						
Available for sale:	Available for sale:												
U.S. government and government agency	U.S. government and government agency	1,546,889	—	2,077	(81,767)	1,467,199	1,467,199						
U.S. government and government agency													
State and municipal:	State and municipal:												
Special revenue													
Special revenue													
Special revenue	Special revenue	1,771,219	—	2,287	(126,585)	1,646,921	1,646,921						
State general obligation	State general obligation	378,650	—	1,247	(23,727)	356,170	356,170						
Pre-refunded	Pre-refunded	103,219	—	202	(827)	102,594	102,594						
Corporate backed	Corporate backed	194,976	(821)	159	(14,341)	179,973	179,973						

Local general obligation	Local general obligation	401,286	—	1,767	(17,713)	385,340	385,340
Total state and municipal	Total state and municipal	2,849,350	(821)	5,662	(183,193)	2,670,998	2,670,998
Mortgage-backed:	Mortgage-backed:						
Residential	Residential	1,660,790	(24)	399	(214,381)	1,446,784	1,446,784
Residential							
Commercial	Commercial	651,966	(2,076)	11	(20,389)	629,512	629,512
Total mortgage-backed	Total mortgage-backed	2,312,756	(2,100)	410	(234,770)	2,076,296	2,076,296
Asset-backed	Asset-backed	4,197,235	(1,502)	750	(109,025)	4,087,458	4,087,458
Corporate:	Corporate:						
Industrial							
Industrial	Industrial	3,567,020	—	5,026	(227,479)	3,344,567	3,344,567
Financial	Financial	2,813,603	(5,406)	1,362	(130,312)	2,679,247	2,679,247
Utilities	Utilities	683,468	(364)	164	(39,991)	643,277	643,277
Other	Other	593,466	—	134	(11,877)	581,723	581,723
Total corporate	Total corporate	7,657,557	(5,770)	6,686	(409,659)	7,248,814	7,248,814
Foreign government	Foreign government	1,616,110	(36,171)	1,361	(149,588)	1,431,712	1,431,712
Total available for sale	Total available for sale	20,179,897	(46,364)	16,946	(1,168,002)	18,982,477	18,982,477
Total investments in fixed maturity securities	Total investments in fixed maturity securities	\$20,232,773	\$ (46,412)	\$18,790	\$ (1,168,002)	\$19,037,149	\$19,035,305

(1) Represents the amount of impairment that has resulted from credit-related factors. The change in the allowance for expected credit losses is recognized in the consolidated statements of income. Amount excludes unrealized losses relating to non-credit factors.

(In thousands)	(In thousands)	Amortized Cost	Allowance for Expected Credit Losses (1)	Gross Unrealized		Fair Value	Carrying Value					
				Gains	Losses							
<u>December 31, 2022</u>												
(In thousands)												
<u>December 31, 2023</u>												
<u>December 31, 2023</u>												
Held to maturity:												
Held to maturity:												
Held to maturity:	Held to maturity:											
State and municipal	State and municipal	\$ 47,802	\$ (114)	\$ 4,239	\$ —	\$ 51,927	\$ 47,688					
State and municipal												
State and municipal												

Residential mortgage-backed							
Residential mortgage-backed							
Residential mortgage-backed	Residential mortgage-backed	3,608	—	38	—	3,646	3,608
Total held to maturity	Total held to maturity	51,410	(114)	4,277	—	55,573	51,296
Total held to maturity							
Total held to maturity							
Available for sale:							
Available for sale:							
Available for sale:	Available for sale:						
U.S. government and government agency	U.S. government and government agency	960,479	—	937	(69,158)	892,258	892,258
U.S. government and government agency							
U.S. government and government agency							
State and municipal:							
State and municipal:							
State and municipal:	State and municipal:						
Special revenue	Special revenue	1,837,309	—	3,662	(119,474)	1,721,497	1,721,497
Special revenue							
Special revenue							
State general obligation							
State general obligation							
State general obligation	State general obligation	387,709	—	2,651	(21,335)	369,025	369,025
Pre-refunded	Pre-refunded	156,106	—	2,741	(7)	158,840	158,840
Pre-refunded							
Pre-refunded							
Corporate backed							
Corporate backed							
Corporate backed	Corporate backed	210,228	—	334	(10,923)	199,639	199,639
Local general obligation	Local general obligation	454,983	—	2,967	(16,853)	441,097	441,097
Local general obligation							
Local general obligation							
Total state and municipal							
Total state and municipal							
Total state and municipal	Total state and municipal	3,046,335	—	12,355	(168,592)	2,890,098	2,890,098
Mortgage-backed:	Mortgage-backed:						
Mortgage-backed:							
Mortgage-backed:							
Residential							
Residential							
Residential	Residential	1,308,019	(18)	395	(171,595)	1,136,801	1,136,801
Commercial	Commercial	547,757	—	215	(19,363)	528,609	528,609
Total mortgage-backed securities		1,855,776	(18)	610	(190,958)	1,665,410	1,665,410
Commercial							
Commercial							
Total mortgage-backed							

Total mortgage-backed							
Total mortgage-backed							
Asset-backed							
Asset-backed	Asset-backed	4,132,365	—	2,730	(152,322)	3,982,773	3,982,773
Corporate:	Corporate:						
Corporate:							
Corporate:							
Industrial							
Industrial	Industrial	3,491,645	(1,704)	4,439	(241,381)	3,252,999	3,252,999
Financial	Financial	2,585,247	(2,997)	5,505	(117,383)	2,470,372	2,470,372
Financial							
Financial							
Utilities							
Utilities							
Utilities	Utilities	586,066	—	1,307	(36,325)	551,048	551,048
Other	Other	441,230	—	—	(11,657)	429,573	429,573
Other							
Other							
Total corporate							
Total corporate							
Total corporate	Total corporate	7,104,188	(4,701)	11,251	(406,746)	6,703,992	6,703,992
Foreign government	Foreign government	1,564,930	(32,633)	4,283	(135,058)	1,401,522	1,401,522
Foreign government							
Foreign government							
Total available for sale							
Total available for sale							
Total available for sale	Total available for sale	18,664,073	(37,352)	32,166	(1,122,834)	17,536,053	17,536,053
Total investments in fixed maturity securities	Total investments in fixed maturity securities	\$ 18,715,483	\$ (37,466)	\$ 36,443	\$ (1,122,834)	\$ 17,591,626	\$ 17,587,349
Total investments in fixed maturity securities							
Total investments in fixed maturity securities							

(1) Represents the amount of impairment that has resulted from credit-related factors. The change in the allowance for expected credit losses is recognized in the consolidated statements of income. Amount excludes unrealized losses relating to non-credit factors.

The following table presents the rollforward of the allowance for expected credit losses for held to maturity securities for the nine months ended September 30, 2023 and 2022:

(In thousands)		2023	2022
Allowance for expected credit losses, beginning of period		\$ 114	\$ 387
Provision for expected credit losses		(66)	(266)
Allowance for expected credit losses, end of period		\$ 48	\$ 121

The following table presents the rollforward of the allowance for expected credit losses for held to maturity securities for the three months ended September 30, 2023 and 2022: 2023:

(In thousands)	2023	2024	2023
(In thousands) 2023 2022 (In thousands)			

Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$ 53	\$ 127
Provision for expected credit losses	Provision for expected credit losses	(5)	(6)

Provision for expected credit losses	Provision for expected credit losses		
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$ 48	\$ 121

The following table presents the rollforward of the allowance for expected credit losses for available for sale securities for the nine months ended September 30, 2023 and 2022:

(In thousands)	2023					2022				
	Foreign Government	Corporate	Mortgage-backed	Asset-backed	State and Municipal	Total	Foreign Government	Corporate	Mortgage-backed	Total
Allowance for expected credit losses, beginning of period	\$ 32,633	\$ 4,701	\$ 18	\$ —	\$ —	\$ 37,352	\$ 22,222	\$ 16	\$ —	\$ 22,238
Expected credit losses on securities for which credit losses were not previously recorded	—	942	1,766	1,444	821	4,973	1,897	1,205	21	3,123
Expected credit losses (gains) on securities for which credit losses were previously recorded	3,538	134	316	58	—	4,046	9,289	(22)	—	9,267
Reduction due to disposals	—	(7)	—	—	—	(7)	(33)	—	—	(33)
Allowance for expected credit losses, end of period	<u>\$ 36,171</u>	<u>\$ 5,770</u>	<u>\$ 2,100</u>	<u>\$ 1,502</u>	<u>\$ 821</u>	<u>\$ 46,364</u>	<u>\$ 33,375</u>	<u>\$ 1,199</u>	<u>\$ 21</u>	<u>\$ 34,595</u>

During the nine months ended September 30, 2023, the Company increased the allowance for expected credit losses for available for sale securities in part due to changes in economic assumptions utilized in its credit loss model, primarily affecting the financial services and real estate sectors, and an increase in unrealized loss related to the foreign government portfolio. During the nine months ended September 30, 2022, the Company increased the allowance for expected credit losses for available for sale securities mainly due to an increase in unrealized losses primarily associated with foreign government securities.

The following table presents the rollforward of the allowance for expected credit losses for available for sale securities for the three months ended **September 30, 2023**, **March 31, 2024** and **2022**:

(In thousands)	2023					2022				
	Foreign Government	Corporate	Mortgage-backed	Asset-backed	State and Municipal	Total	Foreign Government	Corporate	Mortgage-backed	Total
Allowance for expected credit losses, beginning of period	\$ 33,052	\$ 8,867	\$ 885	\$ 1,444	\$ —	\$ 44,248	\$ 33,096	\$ 182	\$ —	\$ 33,278
Expected credit losses on securities for which credit losses were not previously recorded	—	756	905	—	821	2,482	—	1,023	21	1,044

Expected credit losses (gains) on securities for which credit losses were previously recorded	3,119	(3,853)	310	58	—	(366)	279	(6)	—	273
Allowance for expected credit losses, end of period	\$ 36,171	\$ 5,770	\$ 2,100	\$ 1,502	\$ 821	\$ 46,364	\$ 33,375	\$ 1,199	\$ 21	\$ 34,595

(In thousands)	2024						2023			
	Foreign Government		Mortgage-backed		State and Municipal		Foreign Government		Mortgage-backed	
	Government	Corporate	Asset-backed	Municipal	Total	Corporate	Total	Municipal	Asset-backed	Government
Allowance for expected credit losses, beginning of period	\$ 29,603	\$ 5,026	\$ 158	\$ 1,164	\$ 757	\$ 36,708	\$ 32,633	\$ 4,701	\$ 18	\$ 37,352
Expected credit losses on securities for which credit losses were not previously recorded	—	—	562	—	—	562	—	186	—	186
Expected credit (gains) losses on securities for which credit losses were previously recorded	(9,124)	(5,026)	(158)	(67)	(64)	(14,439)	691	(1,087)	5	(391)
Reduction due to disposals	—	—	—	—	—	—	—	(5)	—	(5)
Allowance for expected credit losses, end of period	\$ 20,479	\$ —	\$ 562	\$ 1,097	\$ 693	\$ 22,831	\$ 33,324	\$ 3,795	\$ 23	\$ 37,142

During the three months ended March 31, 2024, the Company decreased the allowance for expected credit losses for available for sale securities utilizing its credit loss assessment process and inputs used in its credit loss model, primarily due to improved pricing associated with foreign government securities and corporate securities. During the three months ended March 31, 2023, the Company decreased the allowance for expected credit losses for available for sale securities utilizing its credit loss assessment process and inputs used in its credit loss model due to a decrease in unrealized losses primarily associated with corporate securities.

The amortized cost and fair value of fixed maturity securities at **September 30, 2023** **March 31, 2024**, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay obligations.

(In thousands)	(In thousands)	Amortized Cost (1)	Fair Value
(In thousands)			
(In thousands)			
Due in one year or less			
Due in one year or less			
Due in one year or less	Due in one year or less	\$ 1,818,820	\$ 1,742,384
Due after one year through five years	Due after one year through five years	9,180,726	8,704,308
Due after one year through five years			
Due after one year through five years			
Due after five years through ten years			
Due after five years through ten years			
Due after five years through ten years	Due after five years through ten years	4,308,202	4,074,956
Due after ten years	Due after ten years	2,609,192	2,436,157
Due after ten years			
Due after ten years			
Mortgage-backed securities			
Mortgage-backed securities			
Mortgage-backed securities	Mortgage-backed securities	2,315,785	2,079,344
Total	Total	\$ 20,232,725	\$ 19,037,149

Total
Total

(1) Amortized cost is reduced by the allowance for expected credit losses of \$48 \$38 thousand related to held to maturity securities.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no investments that exceeded 10% of common stockholders' equity, other than investments in United States government and government agency securities.

(7) Investments in Equity Securities

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, investments in equity securities were as follows:

(In thousands)	(In thousands)	Cost	Gross Unrealized Gains	Fair Losses	Carrying Value	(In thousands)	Cost	Gross Unrealized	Fair Value	Carrying Value
September 30, 2023										
March 31, 2024										
March 31, 2024										
March 31, 2024										
Common stocks	Common stocks	\$ 792,512	\$ 209,979	\$ (41,058)	\$ 961,433	\$ 961,433				
Preferred stocks	Preferred stocks	273,376	2,383	(55,131)	220,628	220,628				
Total	Total	\$ 1,065,888	\$ 212,362	\$ (96,189)	\$ 1,182,061	\$ 1,182,061				
December 31, 2022										
December 31, 2023										
December 31, 2023										
Common stocks	Common stocks	\$ 855,987	\$ 192,165	\$ (65,401)	\$ 982,751	\$ 982,751				
Preferred stocks	Preferred stocks	259,341	1,053	(57,251)	203,143	203,143				
Total	Total	\$ 1,115,328	\$ 193,218	\$ (122,652)	\$ 1,185,894	\$ 1,185,894				

(8) Arbitrage Trading Account

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair and carrying values of the arbitrage trading account were \$825 million \$1,146 million and \$944 million \$938 million, respectively. The primary focus of the trading account is merger arbitrage. Merger arbitrage is the business of investing in the securities of publicly held companies which are the targets in announced tender offers and mergers. Arbitrage investing differs from other types of investing in its focus on transactions and events believed likely to bring about a change in value over a relatively short time period (usually four months or less).

The Company uses put options and call options in order to mitigate the impact of potential changes in market conditions on the merger arbitrage trading account. These options are reported at fair value. As of September 30, 2023 March 31, 2024, the fair value of long option contracts outstanding was \$256 \$117 thousand (notional amount of \$50 million \$162 million) and the fair value of short option contracts was \$6 million \$40 million (notional amount of \$50 million \$162 million). Other than with respect to the use of these trading account securities, the Company does not make use of derivatives.

(9) Net Investment Income

Net investment income consisted of the following:

For the Three Months
Ended September 30,

For the Nine Months
Ended September 30,

(In thousands)	2023	2022	2023	2022
Investment income (loss) earned on:				
Fixed maturity securities, including cash and cash equivalents and loans receivable	\$ 239,727	\$ 146,051	\$ 653,200	\$ 371,724
Arbitrage trading account (1)	17,876	10,694	53,168	24,008
Equity securities	12,714	14,650	41,714	38,303
Investment funds	4,450	36,045	5,444	121,919
Real estate	(1,986)	(2,297)	(7,821)	(1,702)
Gross investment income	272,781	205,143	745,705	554,252
Investment expense	(1,837)	(2,327)	(6,211)	(6,350)
Net investment income	\$ 270,944	\$ 202,816	\$ 739,494	\$ 547,902

(In thousands)	For the Three Months Ended March 31,	
	2024	2023
Investment income (loss) earned on:		
Fixed maturity securities, including cash and cash equivalents and loans receivable	\$ 335,248	\$ 195,642
Arbitrage trading account (1)	18,011	18,256
Equity securities	11,336	13,746
Investment funds	(29,349)	2,180
Real estate	(13,163)	(3,711)
Gross investment income	322,083	226,113
Investment expense	(2,244)	(2,715)
Net investment income	\$ 319,839	\$ 223,398

(1) Net investment income includes earnings from trading account receivables from brokers and clearing organizations.

(10) Investment Funds

The Company evaluates whether it is an investor in a variable interest entity ("VIE"). Such entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support, or the equity investors, as a group, do not have the characteristics of a controlling financial interest (primary beneficiary). The Company determines whether it is the primary beneficiary of an entity subject to consolidation based on a qualitative assessment of the VIE's capital structure, contractual terms, nature of the VIE's operations and purpose, and the Company's relative exposure to the related risks of the VIE on the date it becomes initially involved in the VIE and on an ongoing basis. The Company is not the primary beneficiary in any of its investment funds, and accordingly, carries its interests in investment funds under the equity method of accounting.

The Company's maximum exposure to loss with respect to these investments is limited to the carrying amount reported on the Company's consolidated balance sheet and its unfunded commitments, which were \$353 million \$309 million as of September 30, 2023 March 31, 2024.

Investment funds consisted of the following:

	Income (Loss) from Carrying Value as of Investment Funds			Income (Loss) from Carrying Value as of Investment Funds		
	For the Nine Months			For the Three Months Ended March 31,		
	September 30,	December 31,	Ended September 30,	March 31,	December 31,	March 31,
Carrying Value as of						
(In thousands)	(In thousands)	2023	2022	2023	2022	(In thousands)
Financial services	Financial services	\$ 429,889	\$ 465,683	\$(15,606)	\$ 27,472	
Transportation	Transportation	336,020	336,753	37,894	48,249	

Real Estate	Real Estate	191,445	204,644	(5,062)	42,708
Infrastructure	Infrastructure	124,528	115,428	7,813	1,277
Energy	Energy	115,349	116,432	3,921	1,966
Other funds	Other funds	403,264	369,608	(23,516)	247
Total	Total	<u>\$1,600,495</u>	<u>\$1,608,548</u>	<u>\$ 5,444</u>	<u>\$121,919</u>

The Company's share of the earnings or losses from investment funds is generally reported on a one-quarter lag in order to facilitate the timely completion of the Company's consolidated financial statements.

Financial services investment funds include the minority investment in Lifson Re, a Bermuda reinsurance company. Effective January 1, 2021, Lifson Re participated on a fully collateralized basis in a majority of the Company's reinsurance placements for a 22.5% share of placed amounts. The percentage increased from 22.5% to 30% effective July 1, 2022. This pertains to all traditional reinsurance/retrocessional placements for both property and casualty business where there is more than one open market reinsurer participating. For the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company ceded approximately **\$348** **\$94** million and **\$308** **\$107** million, respectively, of written premiums to Lifson Re.

Other funds include deferred compensation trust assets of **\$31** **\$41** million and **\$30** **\$36** million as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. These assets support other liabilities reflected in the balance sheet of an equal amount for employees who have elected to defer a portion of their compensation. The change in the net asset value of the trust is recorded in other funds within net investment income with an offsetting equal amount within corporate expenses.

(11) Real Estate

Investment in real estate represents directly owned property held for investment, as follows:

	Carrying Value				Carrying Value	
	September		December			
	30,	31,	31,	31,		
	Carrying Value				Carrying Value	
	March 31,				March 31,	
(In	(In				December 31,	
<u>thousands)</u>	<u>thousands)</u>	2023	2022	(<u>in thousands)</u>	2024	
Properties in	Properties in				2023	
operation	operation	\$1,043,419	\$1,114,167			
Properties	Properties					
under	under					
development	development	227,126	226,455			
Total	Total	<u>\$1,270,545</u>	<u>\$1,340,622</u>			

As of **September 30, 2023** **March 31, 2024**, properties in operation included a long-term ground lease in Washington, D.C., an office complex in New York City and the completed portion of a mixed-use project in Washington D.C. Properties in operation are

net of accumulated depreciation and amortization of **\$31,039,000** **\$34,131,000** and **\$33,206,000** **\$32,745,000** as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. Related depreciation expense was **\$6,667,000** **\$1,941,000** and **\$9,934,000** **\$2,281,000** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**

and **2022** **2023**, respectively. Future minimum rental income expected on operating leases relating to properties in operation is **\$8,368,709** in 2023, **\$35,249,642** **\$25,874,266** in 2024, **\$34,435,718** **\$33,742,431** in 2025, **\$32,583,382** **\$31,539,135** in 2026, **\$32,074,240** **\$30,794,160** in 2027, **\$32,823,410** **\$31,352,156** in 2028, **\$26,899,553** in 2029 and **\$505,344,609** **\$413,976,622** thereafter.

The Company recognized impairments on real estate of \$21 million and \$72 million in the three months and nine months ended September 30, 2023, respectively.

During the first quarter of 2022, the Company sold a real estate investment in London (proceeds from the real estate and related entity is presented on the business disposition line within the Consolidated Statements of Cash Flows).

A mixed-use project in Washington, D.C. had been under development in **2023** **2024** and **2022, 2023**, with the completed portion reported in properties in operation as of **September 30, 2023** **March 31, 2024**.

(12) Loans Receivable

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, loans receivable were as follows:

(In thousands)	September December		March 31, 2024	December 31, 2023
	(In thousands) 30, 2023	31, 2022 (In thousands)		
Amortized cost (net of allowance for expected credit losses):	Amortized cost (net of allowance for expected credit losses):			
Real estate loans	Real estate loans			
Real estate loans	Real estate loans	\$ 159,857	\$ 173,616	
Commercial loans	Commercial loans	17,893	19,386	
Total	Total	\$ 177,750	\$ 193,002	
Fair value:	Fair value:			
Fair value:	Fair value:			
Real estate loans	Real estate loans			
Real estate loans	Real estate loans	\$ 156,407	\$ 168,595	
Commercial loans	Commercial loans	17,893	19,386	
Total	Total	\$ 174,300	\$ 187,981	

The real estate loans are secured by commercial and residential real estate primarily located in London the UK and New York. These loans generally earn interest at fixed or stepped interest rates and have maturities through 2026. The commercial loans are with small business owners who have secured the related financing with the assets of the business. Commercial loans primarily earn interest on a fixed basis and have varying maturities generally not exceeding 10 years.

Loans receivable in non-accrual status were none as of both September 30, 2023 and December 31, 2022, respectively.

The following table presents the rollforward of the allowance for expected credit losses for loans receivable for the nine months ended September 30, 2023 and 2022:

(In thousands)	2023			2022		
	Real Estate		Total	Real Estate		Total
	Loans	Commercial Loans		Loans	Commercial Loans	
Allowance for expected credit losses, beginning of period	\$ 1,100	\$ 691	\$ 1,791	\$ 1,362	\$ 356	\$ 1,718
Change in expected credit losses	2,302	(84)	2,218	(200)	474	274
Allowance for expected credit losses, end of period	\$ 3,402	\$ 607	\$ 4,009	\$ 1,162	\$ 830	\$ 1,992

During the nine months ended September 30, 2023, the Company increased the allowance for expected credit losses due to changes in economic assumptions utilized in its credit loss model. During the nine months ended September 30, 2022, the Company increased the allowance primarily due to an increase in the weighted average life of the loans receivable portfolio.

The following table presents the rollforward of the allowance for expected credit losses for loans receivable for the three months ended September 30, 2023 March 31, 2024 and 2022; 2023:

(In thousands)	2024			2023		
	Real Estate Loans	Commercial Loans	Total	Real Estate Loans	Commercial Loans	Total
Allowance for expected credit losses, beginning of period	\$ 2,983	\$ 21	\$ 3,004	\$ 1,100	\$ 691	\$ 1,791
Change in expected credit losses	(396)	1	(395)	(61)	(121)	(182)
Allowance for expected credit losses, end of period	\$ 2,587	\$ 22	\$ 2,609	\$ 1,039	\$ 570	\$ 1,609

(In thousands)	2023			2022		
	Real Estate					
	Loans	Commercial Loans	Total	Real Estate Loans	Commercial Loans	Total
Allowance for expected credit losses, beginning of period	\$ 3,658	\$ 892	\$ 4,550	\$ 1,228	\$ 947	\$ 2,175
Change in expected credit losses	(256)	(285)	(541)	(66)	(117)	(183)
Allowance for expected credit losses, end of period	\$ 3,402	\$ 607	\$ 4,009	\$ 1,162	\$ 830	\$ 1,992

The Company monitors the performance of its loans receivable and assesses the ability of the borrower to pay principal and interest based upon loan structure, underlying property values, cash flow and related financial and operating performance of the property and market conditions.

In evaluating the real estate loans, the Company considers their credit quality indicators, including loan to value ratios, which compare the outstanding loan amount to the estimated value of the property, the borrower's financial condition and performance with respect to loan terms, the position in the capital structure, the overall leverage in the capital structure and other market conditions.

(13) Net Investment (Losses) Gains

Net investment (losses) gains were as follows:

(In thousands)	(In thousands)	2023	2022	2023	2022
Net investment (losses) gains:					
(In thousands)					
(In thousands)					
Net investment gains:					
Net investment gains:					
Net investment gains:					
Fixed maturity securities:					
Fixed maturity securities:					
Gains	Gains	\$ 299	\$ 1,053	\$ 1,357	\$ 3,405
Gains					
Gains					
Losses					
Losses	Losses	(2,700)	(2,309)	(24,470)	(8,752)
Equity securities (1):	Equity securities (1):				
Net realized gains on investment sales (2)		23,631	—	135,763	946
Change in unrealized (losses) gains		(19,059)	(50,384)	45,605	(88,701)
Equity securities (1):					
Equity securities (1):					
Net realized gains on investment sales					
Net realized gains on investment sales					
Net realized gains on investment sales					
Change in unrealized gains					
Change in unrealized gains					
Change in unrealized gains					

Investment funds	Investment funds	(3,329)	(1,717)	(3,417)	(6,241)
Real estate (3) (4)		(24,234)	9,026	(68,944)	295,576
Investment funds					
Investment funds					
Real estate					
Real estate					
Real estate					
Loans receivable	Loans receivable	(1,428)	—	(1,428)	(32)
Other		(14,035)	(21,951)	(34,063)	(56,537)
Net realized and unrealized (losses) gains on investments in earnings before allowance for expected credit losses		(40,855)	(66,282)	50,403	139,664
Loans receivable					
Loans receivable					
Other (2)					
Other (2)					
Other (2)					
Net realized and unrealized gains on investments in earnings before allowance for expected credit losses					
Net realized and unrealized gains on investments in earnings before allowance for expected credit losses					
Net realized and unrealized gains on investments in earnings before allowance for expected credit losses					
Change in allowance for expected credit losses on investments:					
Change in allowance for expected credit losses on investments:					
Change in allowance for expected credit losses on investments:	Change in allowance for expected credit losses on investments:				
Fixed maturity securities	Fixed maturity securities	(2,112)	(1,311)	(8,946)	(12,091)
Fixed maturity securities					
Fixed maturity securities					
Loans receivable					
Loans receivable					
Loans receivable	Loans receivable	541	183	(2,218)	(274)
Change in allowance for expected credit losses on investments	Change in allowance for expected credit losses on investments				
Change in allowance for expected credit losses on investments					
Change in allowance for expected credit losses on investments					
Net investment (losses) gains		(42,426)	(67,410)	39,239	127,299
Income tax benefit (expense)		9,405	14,456	(8,033)	(26,466)
After-tax net investment (losses) gains	\$ (33,021)	\$ (52,954)	\$ 31,206	\$ 100,833	
Change in allowance for expected credit losses on investments					
Change in allowance for expected credit losses on investments					
Net investment gains					
Net investment gains					

Net investment gains									
Income tax expense									
Income tax expense									
Income tax expense									
After-tax net investment gains									
After-tax net investment gains									
After-tax net investment gains									
Change in unrealized investment (losses) gains on available for sale securities:	Change in unrealized investment (losses) gains on available for sale securities:								
Change in unrealized investment (losses) gains on available for sale securities:	Change in unrealized investment (losses) gains on available for sale securities:								
Fixed maturity securities without allowance for expected credit losses	Fixed maturity securities without allowance for expected credit losses	\$	(136,388)	\$	(385,503)	\$	(57,293)	\$	(1,335,413)
Fixed maturity securities without allowance for expected credit losses	Fixed maturity securities without allowance for expected credit losses								
Fixed maturity securities without allowance for expected credit losses	Fixed maturity securities without allowance for expected credit losses								
Fixed maturity securities with allowance for expected credit losses	Fixed maturity securities with allowance for expected credit losses								
Fixed maturity securities with allowance for expected credit losses	Fixed maturity securities with allowance for expected credit losses								
Fixed maturity securities with allowance for expected credit losses	Fixed maturity securities with allowance for expected credit losses								
Fixed maturity securities with allowance for expected credit losses	Fixed maturity securities with allowance for expected credit losses								
Investment funds	Investment funds		(10,244)		(4,005)		(3,094)		(20,590)
Investment funds	Investment funds		(3,217)		(5,031)		(818)		(7,863)
Investment funds	Investment funds								
Investment funds	Investment funds								
Other	Other		(606)		(293)		(1,271)		(1,198)
Total change in unrealized investment losses			(150,455)		(394,832)		(62,476)		(1,365,064)
Income tax benefit			32,090		79,168		11,626		288,847
Other									
Other									
Total change in unrealized investment (losses) gains									
Total change in unrealized investment (losses) gains									
Total change in unrealized investment (losses) gains									
Income tax benefit (expense)									
Income tax benefit (expense)									
Income tax benefit (expense)									
Noncontrolling interests	Noncontrolling interests		—		—		(1)		
After-tax change in unrealized investment losses of available for sale securities		\$	(118,365)	\$	(315,664)	\$	(50,851)	\$	(1,076,218)

Noncontrolling interests
Noncontrolling interests
After-tax change in unrealized investment (losses) gains of available for sale securities
After-tax change in unrealized investment (losses) gains of available for sale securities
After-tax change in unrealized investment (losses) gains of available for sale securities

(1) The net realized gains or losses on investment sales represent the total gains or losses from the purchase dates of the equity securities. The change in unrealized gains (losses) gains consists of two components: (i) the reversal of the gain or loss recognized in previous periods on equity securities sold and (ii) the change in unrealized gain or loss resulting from mark-to-market adjustments on equity securities still held.

(2) In June 2023, the Company completed a sale of the property and casualty insurance services division of Breckenridge IS, Inc. and recognized a pre-tax net Primarily relates to realized gain on investment of \$88 million on the sale (proceeds from the sale is presented on the business disposition line within the Consolidated Statements of Cash Flows).

(3) The Company recognized impairments on real estate of \$21 million and \$72 million in the three months and nine months ended September 30, 2023, respectively.

(4) During March 2022, the Company realized a gain on the sale of a real estate investment in London, U.K. of \$251 million, net of transaction expenses and the foreign currency impact, including losses upon the reversal disposition of the currency translation adjustment fixed maturity securities.

(14) Fixed Maturity Securities in an Unrealized Loss Position

The following tables summarize all fixed maturity securities in an unrealized loss position at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 by the length of time those securities have been continuously in an unrealized loss position:

(In thousands)	(In thousands)	Less Than 12 Months		12 Months or Greater		Total		Less Than 12 Months		12 Months or Greater		Total		
		Gross		Gross		Gross		Gross		Gross		Gross		
		Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<u>September 30, 2023</u>														
<u>March 31, 2024</u>														
U.S. government and government agency														
U.S. government and government agency														
U.S. government agency	U.S. government agency	\$ 605,944	\$ 17,390	\$ 592,215	\$ 64,377	\$ 1,198,159	\$ 81,767							
State and municipal	State and municipal	645,642	15,255	1,728,892	167,938	2,374,534	183,193							
Mortgage-backed	Mortgage-backed	688,848	17,058	1,296,384	217,712	1,985,232	234,770							
Asset-backed	Asset-backed	1,025,656	8,774	2,584,224	100,251	3,609,880	109,025							
Corporate	Corporate	2,091,830	46,758	4,695,101	362,901	6,786,931	409,659							
Foreign government	Foreign government	563,657	15,038	779,455	134,550	1,343,112	149,588							
Fixed maturity securities	Fixed maturity securities	\$ 5,621,577	\$ 120,273	\$ 11,676,271	\$ 1,047,729	\$ 17,297,848	\$ 1,168,002							
<u>December 31, 2022</u>														

<u>December 31, 2023</u>								
<u>December 31, 2023</u>								
<u>December 31, 2023</u>								
U.S. government and government agency								
U.S. government and government agency								
U.S. government and government agency								
U.S. government and and government agency	U.S. government and government agency	\$ 285,391	\$ 10,219	\$ 453,520	\$ 58,939	\$ 738,911	\$ 69,158	
State and municipal	State and municipal	1,720,443	89,272	598,797	79,320	2,319,240	168,592	
Mortgage- backed	Mortgage- backed	1,099,549	75,430	473,318	115,528	1,572,867	190,958	
Asset-backed	Asset-backed	1,569,647	48,390	2,176,638	103,932	3,746,285	152,322	
Corporate	Corporate	3,690,856	150,115	2,349,281	256,631	6,040,137	406,746	
Foreign government	Foreign government	477,672	29,815	711,786	105,243	1,189,458	135,058	
Fixed maturity securities	Fixed maturity securities	\$8,843,558	\$ 403,241	\$ 6,763,340	\$ 719,593	\$15,606,898	\$1,122,834	

Substantially all of the securities in an unrealized loss position are rated investment grade, except for the securities in the foreign government classification. A significant amount of the unrealized loss on foreign government securities is the result of changes in currency exchange rates.

A summary of the Company's non-investment grade fixed maturity securities that were in an unrealized loss position at September 30, 2023 March 31, 2024 is presented in the table below:

(\$ in thousands)	(\$ in thousands)	Gross			Number of Securities (\$ in thousands)	Aggregate Fair Value	Gross Unrealized Loss
		Number of Securities	Aggregate Fair Value	Unrealized Loss			
Foreign government	Foreign government	44	\$ 88,668	\$ 91,468			
State and municipal							
Corporate	Corporate	26	35,644	3,523			
State and municipal		5	22,866	6,374			
Mortgage- backed	Mortgage- backed	15	4,328	214			
Asset- backed	Asset- backed	5	244	107			
Total	Total	95	\$ 151,750	\$ 101,686			

For fixed maturity securities that management does not intend to sell or to be required to sell, the portion of the decline in value that is considered to be due to credit factors is recognized in earnings, and the portion of the decline in value that is considered to be due to non-credit factors is recognized in other comprehensive income (loss).

The Company has evaluated its fixed maturity securities in an unrealized loss position and believes the unrealized losses are due primarily to temporary market and sector-related factors rather than to issuer-specific factors. None of these securities are delinquent or in default under financial covenants. Based on its assessment of these issuers, the Company expects them to continue to meet their contractual payment obligations as they become due.

(15) Fair Value Measurements

The Company's fixed maturity available for sale securities, equity securities and its arbitrage trading account securities are carried at fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Quoted prices for similar assets or valuations based on inputs that are observable.

Level 3 - Estimates of fair value based on internal pricing methodologies using unobservable inputs. Unobservable inputs are only used to measure fair value to the extent that observable inputs are not available.

Substantially all of the Company's fixed maturity securities were priced by independent pricing services. The prices provided by the independent pricing services are estimated based on observable market data in active markets utilizing pricing models and processes, which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, sector groupings, matrix pricing and reference data. The pricing services may prioritize inputs differently on any given day for any security based on market conditions, and not all inputs are available for each security evaluation on any given day. The pricing services used by the Company have indicated that they will only produce an estimate of fair value if objectively verifiable information is available. The determination of whether markets are active or inactive is based upon the volume and level of activity for a particular asset class. The Company reviews the prices provided by pricing services for reasonableness and periodically performs independent price tests of a sample of securities to ensure proper valuation.

If prices from independent pricing services are not available for fixed maturity securities, the Company estimates the fair value. For Level 2 securities, the Company utilizes pricing models and processes which may include benchmark yields, sector groupings, matrix pricing, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers and reference data. Where broker quotes are used, the Company generally requests two or more quotes and sets a price within the range of quotes received based on its assessment of the credibility of the quote and its own evaluation of the security. The Company generally does not adjust quotes received from brokers. For securities traded only in private negotiations, the Company determines fair value based primarily on the cost of such securities, which is adjusted to reflect prices of recent placements of securities of the same issuer, financial projections, credit quality and business developments of the issuer and other relevant information.

For Level 3 securities, the Company generally uses a discounted cash flow model to estimate the fair value of fixed maturity securities. The cash flow models are based upon assumptions as to prevailing credit spreads, interest rate and interest rate volatility, time to maturity and subordination levels. Projected cash flows are discounted at rates that are adjusted to reflect illiquidity, where appropriate.

The following tables present the assets and liabilities measured at fair value on a recurring basis as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** by level:

(In thousands)	(In thousands)	Total	Level 1	Level 2	Level 3	(In thousands)	Total	Level 1	Level 2	Level 3
September 30, 2023										
March 31, 2024										
Assets:										
Assets:										
Assets:	Assets:									
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:									
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:									
U.S. government and government agency	U.S. government and government agency									
U.S. government and government agency	U.S. government and government agency									
U.S. government and government agency	U.S. government and government agency	\$ 1,467,199	\$ —	\$ 1,467,199	\$ —					
State and municipal	State and municipal	2,670,998	—	2,670,998	—					
Mortgage-backed	Mortgage-backed	2,076,296	—	2,076,296	—					
Asset-backed	Asset-backed	4,087,458	—	4,087,458	—					
Corporate	Corporate	7,248,814	—	7,248,814	—					
Foreign government	Foreign government	1,431,712	—	1,431,712	—					

Total fixed maturity securities available for sale	Total fixed maturity securities available for sale	18,982,477	—	18,982,477	—
Equity securities:	Equity securities:				
Common stocks	Common stocks	961,433	958,202	1,060	2,171
Common stocks	Common stocks				
Preferred stocks	Preferred stocks	220,628	—	216,930	3,698
Total equity securities	Total equity securities	1,182,061	958,202	217,990	5,869
Arbitrage trading account	Arbitrage trading account	825,049	614,995	206,536	3,518
Total	Total	\$ 20,989,587	\$ 1,573,197	\$ 19,407,003	\$ 9,387
Liabilities:	Liabilities:				
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	\$ 7,538	\$ 7,538	\$ —	\$ —
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased				
<u>December 31, 2022</u>					
<u>December 31, 2023</u>					
<u>December 31, 2023</u>					
Assets:	Assets:				
Assets:	Assets:				
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:				
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:				
U.S. government and government agency	U.S. government and government agency				
U.S. government and government agency	U.S. government and government agency				
U.S. government and government agency	U.S. government and government agency				
State and municipal	State and municipal	2,890,098	—	2,890,098	—

Mortgage-backed	Mortgage-backed	1,665,410	—	1,665,410	—
Asset-backed	Asset-backed	3,982,773	—	3,982,773	—
Corporate	Corporate	6,703,992	—	6,703,992	—
Foreign government	Foreign government	1,401,522	—	1,401,522	—
Total fixed maturity securities available for sale	Total fixed maturity securities available for sale	17,536,053	—	17,536,053	—
Equity securities:	Equity securities:				
Common stocks	Common stocks	982,751	978,991	1,161	2,599
Common stocks	Common stocks				
Preferred stocks	Preferred stocks	203,143	—	191,844	11,299
Total equity securities	Total equity securities	1,185,894	978,991	193,005	13,898
Arbitrage trading account	Arbitrage trading account	944,230	822,192	118,448	3,590
Total	Total	\$19,666,177	\$1,801,183	\$17,847,506	\$17,488
Liabilities:	Liabilities:				
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	\$ —	\$ —	\$ —	\$ —
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased				

The following tables summarize changes in Level 3 assets and liabilities for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and for the year ended **December 31, 2022** **December 31, 2023**:

(In thousands)	(In thousands)	Other				Paydowns				(In thousands)				Gains (Losses) Included In:				
		Comprehensive				/ Transfers				Beginning				Ending				
		Beginning	Earnings	Income	Balance	Impairments	Purchases	Sales	Maturities	In / (Out)	Balance	Beginning	Earnings	Balance	(Losses)	Other	Comprehensive	Income
Nine Months Ended																		
September 30, 2023																		
Three Months Ended																		
March 31, 2024																		
Three Months Ended																		
March 31, 2024																		
Three Months Ended																		
March 31, 2024																		

Three Months Ended

March 31, 2024

Assets:

Assets:

Assets: Assets:

Equity: Equity

securities: securities:

Equity securities:

Equity securities:

Common stocks

Common stocks

Common stocks	Common stocks	\$ 2,599	\$ (428)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,171
Preferred stocks	Preferred stocks	11,299	—	—	(7,601)	—	—	—	3,698
Total	Total	13,898	(428)	—	(7,601)	—	—	—	5,869
Arbitrage trading account	Arbitrage trading account	3,590	(72)	—	—	—	—	—	3,518
Total	Total	\$ 17,488	\$ (500)	\$ —	\$ (7,601)	\$ —	\$ —	\$ —	\$ 9,387

Year Ended

December 31, 2022

Year Ended

December 31, 2023

Year Ended

December 31, 2023

Year Ended

December 31, 2023

Assets:

Assets:

Assets: **Assets:**

Equity securities:

Equity securities:

Common stocks

Common stocks

Common stocks	Common stocks	\$ 9,294	\$ (6,695)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,599
Preferred stocks	Preferred stocks	11,296	3	—	—	925	(925)	—	— 11,299
Total	Total	20,590	(6,692)	—	—	925	(925)	—	— 13,898
Arbitrage trading account	Arbitrage trading account	—	(179)	—	—	4,686	(917)	—	— 3,590
Total	Total	\$ 20,590	\$ (6,871)	\$ —	\$ —	\$ 5,611	\$ (1,842)	\$ —	\$ 17,488

For the **nine** three months ended **September 30, 2023** **March 31, 2024** and for the year ended **December 31, 2022** **December 31, 2023**, there securities within the arbitrage trading account portfolio that no longer had a publicly traded price were **no securities** transferred into or out of Level 3.

(16) Reserves for Loss and Loss Expenses

The Company's reserves for losses and loss expenses are comprised of case reserves and incurred but not reported liabilities ("IBNR"). When a claim is reported, a case reserve is established for the estimated ultimate payment based upon known information about the claim. As more information about the claim becomes available over time, case reserves are adjusted up or down as appropriate. Reserves are also established on an aggregate basis to provide for IBNR liabilities and expected loss reserve development on reported claims.

Loss reserves included in the Company's financial statements represent management's best estimates based upon an actuarially derived point estimate and other considerations. The Company uses a variety of actuarial techniques and methods to derive an actuarial point estimate for each operating unit. These methods include paid loss development, incurred loss development, paid and incurred Bornhuetter-Ferguson methods and frequency and severity methods. In circumstances where one actuarial method is considered more credible than the others, that method is used to set the point estimate. The actuarial point estimate may also be based on a judgmental weighting of estimates produced from each of the methods considered. Industry loss experience is used to supplement the Company's own data in selecting "tail factors" in areas where the Company's own data is limited. The actuarial data is analyzed by line of business, coverage and accident or policy year, as appropriate, for each operating unit.

The establishment of the actuarially derived loss reserve point estimate also includes consideration of qualitative factors that may affect the ultimate losses. These qualitative considerations include, among others, the impact of re-underwriting initiatives, changes in the mix of business, changes in distribution sources and changes in policy terms and conditions.

The key assumptions used to arrive at the best estimate of loss reserves are the expected loss ratios, rate of loss cost inflation, and reported and paid loss emergence patterns. Expected loss ratios represent management's expectation of losses at the time the business is priced and written, before any actual claims experience has emerged. This expectation is a significant determinant of the estimate of loss reserves for recently written business where there is little paid or incurred loss data to consider. Expected loss ratios are generally derived from historical loss ratios adjusted for the impact of rate changes, loss cost trends and known changes in the type of risks underwritten. Expected loss ratios are estimated for each key line of business within each operating unit. Expected loss cost inflation is particularly important for the long-tail lines, such as excess casualty, and claims with a high medical component, such as workers' compensation. Reported and paid loss emergence patterns are used to project current reported or paid loss amounts to their ultimate settlement value. Loss development factors are based on the historical emergence patterns of paid and incurred losses, and are derived from the Company's own experience and industry data. The paid loss emergence pattern is also significant to excess and assumed workers' compensation reserves because those reserves are discounted to their estimated present value based upon such estimated payout patterns.

Loss frequency and severity are measures of loss activity that are considered in determining the key assumptions described in our discussion of loss and loss expense reserves, including expected loss ratios, rate of loss cost inflation and reported and paid loss emergence patterns. Loss frequency is a measure of the number of claims per unit of insured exposure, and loss severity is a measure of the average size of claims. Factors affecting loss frequency include the effectiveness of loss controls and safety programs and changes in economic activity or weather patterns. Factors affecting loss severity include changes in policy limits, retentions, rate of inflation and judicial interpretations.

Another factor affecting estimates of loss frequency and severity is the loss reporting lag, which is the period of time between the occurrence of a loss and the date the loss is reported to the Company. The length of the loss reporting lag affects our ability to accurately predict loss frequency (loss frequencies are more predictable for lines with short reporting lags) as well as the amount of reserves needed for incurred but not reported losses (less IBNR is required for lines with short reporting lags). As a result, loss reserves for lines with short reporting lags are likely to have less variation from initial loss estimates. For lines with short reporting lags, which include commercial automobile, primary workers' compensation, other liability (claims-made) and property business, the key assumption is the loss emergence pattern used to project ultimate loss estimates from known losses paid or reported to date. For lines of business with long reporting lags, which include other liability (occurrence), products liability, excess workers' compensation and liability reinsurance, the key assumption is the expected loss ratio since there is often little paid or incurred loss data to consider. Historically, the Company has experienced less variation from its initial loss estimates for lines of **businesses** **business** with short reporting lags than for lines of business with long reporting lags.

The key assumptions used in calculating the most recent estimate of the loss reserves are reviewed each quarter and adjusted, to the extent necessary, to reflect the latest reported loss data, current trends and other factors observed.

The table below provides a reconciliation of the beginning and ending reserve balances:

		September 30,	
		March 31,	
		March 31,	
(in thousands)	(in thousands)	2023	2022
(in thousands)	(in thousands)		
(in thousands)	(in thousands)		
Net reserves at beginning of period			
Net reserves at beginning of period			
Net reserves at beginning of period	Net reserves at beginning of period	\$ 14,248,879	\$ 12,848,362
Net provision for losses and loss expenses:	Net provision for losses and loss expenses:		
Net provision for losses and loss expenses:			
Net provision for losses and loss expenses:			
Claims occurring during the current year (1)			
Claims occurring during the current year (1)			
Claims occurring during the current year (1)	Claims occurring during the current year (1)	4,694,554	4,260,179
Increase in estimates for claims occurring in prior years (2) (3)	Increase in estimates for claims occurring in prior years (2) (3)	27,186	54,632
Increase in estimates for claims occurring in prior years (2) (3)			
Increase in estimates for claims occurring in prior years (2) (3)			
Loss reserve discount accretion			
Loss reserve discount accretion			

Loss reserve discount accretion	Loss reserve discount accretion	22,862	24,835
Total	Total	4,744,602	4,339,646
Total			
Total			
Net payments for claims:			
Net payments for claims:			
Net payments for claims:	Net payments for claims:		
Current year	Current year	743,416	643,908
Current year			
Current year			
Prior years			
Prior years			
Prior years	Prior years	2,915,979	2,499,319
Total	Total	3,659,395	3,143,227
Total			
Total			
Foreign currency translation			
Foreign currency translation			
Foreign currency translation	Foreign currency translation	(48,162)	(193,755)
Net reserves at end of period	Net reserves at end of period	15,285,924	13,851,026
Net reserves at end of period			
Net reserves at end of period			
Ceded reserves at end of period			
Ceded reserves at end of period			
Ceded reserves at end of period	Ceded reserves at end of period	2,987,386	2,689,097
Gross reserves at end of period	Gross reserves at end of period	\$ 18,273,310	\$ 16,540,123
Gross reserves at end of period			
Gross reserves at end of period			

(1) Claims occurring during the current year are net of loss reserve discounts of \$35 million \$14 million and \$26 million \$11 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

(2) The change in estimates for claims occurring in prior years is net of loss reserve discount. On an undiscounted basis, the estimates for claims occurring in prior years decreased by \$12 million \$10 million and increased by \$20 million \$19 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

(3) For certain retrospectively rated insurance policies and reinsurance agreements, reserve development is offset by additional or return premiums. Adverse Favorable development, net of additional and return premiums, was \$20 million \$1 million and \$37 million adverse development was \$24 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The COVID-19 global pandemic impacted, and may further impact, the Company's loss costs. Accordingly, the ultimate net impact of COVID-19 on the Company's reserves remains uncertain. As of September 30, 2023 March 31, 2024, the Company had recognized losses for COVID-19-related claims activity, net of reinsurance, of approximately \$354 \$386 million, of which \$299 \$328 million relates to the Insurance segment and \$55 \$58 million relates to the Reinsurance & Monoline Excess segment. Such \$354 \$386 million of COVID-19-related losses are considered included \$383 million of reported losses. For losses and \$3 million of IBNR.

During the nine three months ended September 30, 2023 March 31, 2024, favorable prior year development (net of additional and return premiums) of \$1 million included \$9 million for the Company recognized current accident Reinsurance & Monoline Excess segment largely offset by \$8 million of adverse prior year losses development for COVID-19-related claims activity, net of reinsurance, of approximately \$670 thousand, all of which relates to the Insurance segment.

For the Insurance segment, the adverse development during the first quarter of 2024 was driven by commercial auto liability and excess other liability, including umbrella, and was partially offset by favorable development for workers' compensation and professional liability. The adverse commercial auto liability development was concentrated in accident years 2019 through 2023, while the excess other liability, including umbrella, development was focused in accident years 2017 through 2021. A significant portion of the excess other liability, including umbrella, development related to underlying commercial auto exposures. The Company believes that commercial auto-related claims are being particularly impacted by social inflation, which is contributing to an increase in the frequency of large losses beyond expectations. Social inflation can include higher settlement demands from plaintiffs, use of aggressive actions by the plaintiffs' bar such as litigation funding, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The favorable workers' compensation development for the Insurance segment was mainly related to accident years 2018 through 2023, while the favorable professional liability development was mainly in accident years 2021 and 2022. For workers' compensation, favorable reported claim frequency, below expectations, continued to drive the favorable reserve development. For professional liability, the reported loss experience for the 2021 and 2022 accident years was better than expected. These accident years also feature business written at peak pricing levels, which the Company now believes will result in higher profitability than initially anticipated.

For the Reinsurance & Monoline Excess segment, the favorable development was driven mainly by favorable development in excess workers' compensation, partially offset by adverse development in the non-proportional reinsurance assumed liability line of business. The favorable excess workers' compensation development was driven by continued lower claim frequency and reported losses relative to expectations, and to favorable claim settlements spread across many prior accident years. The unfavorable development for non-proportional reinsurance was concentrated mainly in accident years 2017

through 2019 and was associated primarily with our U.S. and U.K. excess general liability reinsurance businesses, including accounts reinsuring construction projects.

During the nine three months ended September 30, 2023 March 31, 2023, adverse prior year development (net of additional and return premiums) of \$20 million \$24 million included \$26 million of adverse development \$12 million for the Insurance segment partially offset by \$6 million of favorable development and \$12 million for the Reinsurance & Monoline Excess segment.

Such adverse development during the nine months ended September 30, 2023 was concentrated in the first quarter, with \$24 million of adverse development (net of additional and return premiums) in the first quarter, partially offset by favorable development of \$4 million in the second and third quarters. This overall adverse development during the first quarter in for both business segments was due primarily attributable to property catastrophe losses related to 2022 events which were still being adjusted and settled. settled during the first quarter of 2023. In particular, losses related to U.S. winter storms which occurred during the month of December were a significant driver of the development, as information gathering and evaluation of many of these losses was were still ongoing into the new year 2023.

For the Insurance segment, in In addition to the property prior year adverse development discussed above, the adverse development during the nine months ended September 30, 2023 included first quarter of 2023, the Insurance segment experienced adverse prior year development on casualty lines for the 2016 through 2019 accident years, which was largely offset by favorable prior year development on casualty lines for the 2020 through 2022 accident years, year. The adverse development on the 2016 through 2019 accident years was concentrated in the general other liability line of business, and to a lesser degree, professional liability, including medical professional, and commercial auto liability, professional. The development, which particularly impacted business attaching excess of primary policy limits, was driven by a larger than expected number of large losses reported. The Company believes social inflation is contributing to an increase in the frequency of large losses for these accident years. Social inflation can include higher settlement demands from plaintiffs, use of tactics such as litigation funding by the plaintiffs' bar, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The favorable prior year development on casualty lines for the 2020 through 2022 accident years in the Insurance segment was concentrated in the professional liability, workers' compensation, and general liability lines of business. Due to uncertainty regarding incurred loss frequency and severity in light of ongoing social inflation and the impacts of the COVID-19 pandemic, the Company set its initial loss ratios for the 2020 through 2022 accident years prudently, and largely maintained these estimates through the end of each respective accident year. The reported loss experience to date for these lines of business for the 2020 through 2022 accident years has been significantly better than was expected, and the Company has begun to react to this favorable emergence as the accident years mature beyond the age of 12 months. However, commercial auto liability experienced adverse prior year development for the 2020 through 2022 accident years, partially offsetting the favorable development discussed above, which was driven by a larger than expected number of large losses reported.

For the Reinsurance & Monoline Excess segment, the favorable development during the nine months ended September 30, 2023 was driven mainly by favorable development in excess workers' compensation, partially offset by adverse development in property (discussed above) and non-proportional reinsurance assumed liability lines of business. The favorable excess workers' compensation development was driven by continued lower claim frequency and reported losses relative to our expectations, and to favorable claim settlements. The favorable development was spread across many prior accident years. The adverse development on reinsurance assumed liability was associated primarily with our U.S. assumed reinsurance business, and related to accounts reinsuring excess and umbrella business and construction projects. The adverse development was concentrated mainly in accident years 2017 through 2020.

During the nine months ended September 30, 2022, adverse prior year development (net of additional and return premiums) of \$37 million included \$33 million for the Insurance segment and \$4 million for the Reinsurance & Monoline Excess segment.

The adverse development for the Insurance segment primarily related to COVID-19 losses at two businesses. These businesses wrote policies providing coverage for event cancellation and film production delay which were heavily impacted by losses directly caused by the COVID-19 pandemic. Most of this COVID-19-related adverse development emerged during the third quarter as a result of settlements of claims at values higher than our expectations.

The adverse development mentioned above includes favorable prior year development for the Insurance segment primarily attributable to the 2020 and 2021 accident years and adverse development on the 2015 through 2019 accident years. The favorable development on the 2020 and 2021 accident years was concentrated in the other liability lines of business, including professional liability, products liability, commercial multi-peril liability and workers' compensation. The Company experienced lower reported claim frequency in these lines of business during 2020 and 2021 relative to historical averages, and continues to experience lower reported incurred losses relative to our expectations for these accident years as they develop during 2022. These trends began in 2020 and we believe were caused by the impacts of the COVID-19 pandemic, including for example, lockdowns, reduced driving/traffic and increased work from home. Due to the ongoing uncertainty regarding the ultimate impacts of the pandemic on accident years 2020 and 2021 incurred losses, the Company has been cautious in reacting to these lower trends in setting and updating its loss ratio estimates for these years. As these accident years have continued to mature, the Company has continued to recognize some of the favorable reported experience in its ultimate loss estimates made during 2022.

The adverse development on the 2015 through 2019 accident years was concentrated in the other liability and professional liability, including medical professional, lines of business, as well as commercial auto liability. The development was driven by a larger than expected number of large losses reported. The Company believes social inflation is

contributing contributed to an increase in the frequency of large losses for these accident years. Social inflation can include higher settlement demands from plaintiffs, use of tactics such as litigation funding by the plaintiffs' bar, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The overall slight adverse favorable prior year development on casualty lines for the Reinsurance & Monoline Excess 2022 accident year in the Insurance segment was driven mainly by adverse development concentrated in the other liability, professional liability, and non-proportional reinsurance assumed property workers' compensation lines of business. Due to uncertainty regarding incurred loss frequency and liability severity in light of ongoing social inflation and the emergence from the COVID-19 pandemic, the Company set its initial loss ratios for the 2022 accident year prudently, and largely maintained these estimates through the end of 2022. The reported loss experience for these lines of business substantially offset by for the 2022 accident year was significantly better than expected, and the Company reacted to this favorable development emergence in excess workers' compensation. The adverse development was spread mainly across accident years 2015 through 2021 and was associated primarily with our U.S. assumed reinsurance business and related to accounts insuring construction projects and professional liability exposures. The favorable excess workers' compensation development was mainly in 2011 and prior accident years, and was driven by a review the first quarter of the Company's claim reporting patterns as well as a number of favorable claim settlements relative to expectations. 2023.

(17) Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments:

(In thousands)	(In thousands)	September 30, 2023		December 31, 2022		(In thousands)	March 31, 2024		December 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value		Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:	Assets:									
Fixed maturity securities	Fixed maturity securities									
Fixed maturity securities	Fixed maturity securities	\$ 19,035,305	\$ 19,037,149	\$ 17,587,349	\$ 17,591,626					
Equity securities	Equity securities	1,182,061	1,182,061	1,185,894	1,185,894					
Arbitrage trading account	Arbitrage trading account	825,049	825,049	944,230	944,230					
Loans receivable	Loans receivable	177,750	174,300	193,002	187,981					
Cash and cash equivalents	Cash and cash equivalents	1,646,074	1,646,074	1,449,346	1,449,346					
Trading account receivables from brokers and clearing organizations	Trading account receivables from brokers and clearing organizations	401,982	401,982	233,863	233,863					
Due from broker	Due from broker	—	—	3,609	3,609					
Liabilities:	Liabilities:									
Due to broker	Due to broker	5,118	5,118	—	—					
Due to broker	Due to broker									
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased									
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased									
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased									
Senior notes and other debt	Senior notes and other debt	1,828,046	1,321,014	1,828,823	1,439,188					

Subordinated debentures	Subordinated debentures	1,008,910	786,798	1,008,371	805,600
-------------------------	-------------------------	-----------	---------	-----------	---------

The estimated fair values of the Company's fixed maturity securities, equity securities and arbitrage trading account securities are based on various valuation techniques that rely on fair value measurements as described in Note 15. The fair value of loans receivable are estimated by using current institutional purchaser yield requirements for loans with similar credit characteristics, which is considered a Level 2 input. The fair value of the senior notes and other debt and the subordinated debentures is based on spreads for similar securities, which is considered a Level 2 input.

(18) Premiums and Reinsurance Related Information

The following is a summary of insurance and reinsurance financial information:

		For the Three Months Ended March 31,	For the Three Months Ended March 31,	For the Three Months Ended September 30,	For the Nine Months Ended September 30,
(In thousands)	(In thousands)				
(In thousands)	(In thousands)	For the Three Months Ended September 30,	For the Nine Months Ended September 30,		
Written premiums:	Written premiums:				
Written premiums:	Written premiums:				
Direct	Direct	\$3,037,932	\$2,775,236	\$8,762,249	\$8,075,311
Assumed	Assumed	315,273	306,702	977,047	918,864
Assumed	Assumed				
Ceded	Ceded	(504,746)	(504,664)	(1,504,497)	(1,418,012)
Ceded	Ceded				
Total net premiums written	Total net premiums written				
Total net premiums written	Total net premiums written				
Total net premiums written	Total net premiums written	\$2,848,459	\$2,577,274	\$8,234,799	\$7,576,163
Earned premiums:	Earned premiums:				
Earned premiums:	Earned premiums:				
Direct					

Direct	Direct	\$2,825,176	\$2,617,680	\$8,217,888	\$7,533,856
Assumed	Assumed	316,134	318,962	913,795	903,882
Assumed					
Ceded	Ceded	(499,396)	(494,681)	(1,445,610)	(1,389,533)
Ceded					
Ceded					
Total net premiums earned					
Total net premiums earned					
Total net premiums earned	Total net premiums earned	\$2,641,914	\$2,441,961	\$7,686,073	\$7,048,205
Ceded losses and loss expenses incurred	Ceded losses and loss expenses incurred	\$ 320,995	\$ 347,439	\$ 970,267	\$ 905,667
Ceded losses and loss expenses incurred					
Ceded commissions earned	Ceded commissions earned	\$ 118,207	\$ 121,721	\$ 354,148	\$ 356,157
Ceded commissions earned					
Ceded commissions earned					

The following table presents the rollforward of the allowance for expected credit losses for premiums and fees receivable for the nine months ended September 30, 2023 and 2022:

(in thousands)	2023	2022
Allowance for expected credit losses, beginning of period	\$ 30,660	\$ 25,218
Change in expected credit losses	2,942	5,360
Allowance for expected credit losses, end of period	<u>\$ 33,602</u>	<u>\$ 30,578</u>

The following table presents the rollforward of the allowance for expected credit losses for premiums and fees receivable for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023:

(in thousands)	(in thousands)	2023	2022	(in thousands)	2024	2023
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$ 32,770	\$ 30,557			
Change in expected credit losses	Change in expected credit losses	832	21			

Change in expected credit losses	
Change in expected credit losses	
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period
	\$ 33,602
	\$ 30,578

The Company reinsurance a portion of its insurance exposures in order to reduce its net liability on individual risks and catastrophe losses. The Company also cedes premiums to state assigned risk plans and captive insurance companies. Estimated amounts due from reinsurers are reported net of an allowance for expected credit losses.

The following table presents the rollforward of the allowance for expected credit losses associated with due from reinsurers for the nine months ended September 30, 2023 and 2022:

(In thousands)	2023	2022
Allowance for expected credit losses, beginning of period	\$ 8,064	\$ 7,713
Change in expected credit losses	1,379	286
Allowance for expected credit losses, end of period	\$ 9,443	\$ 7,999

The following table presents the rollforward of the allowance for expected credit losses associated with due from reinsurers for the three months ended September 30, 2023 March 31, 2024 and 2022 2023:

(In thousands)	(In thousands)	2023	2022
(In thousands)			
(In thousands)			
Allowance for expected credit losses, beginning of period			
Allowance for expected credit losses, beginning of period			
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$ 9,365	\$ 7,744
Change in expected credit losses	Change in expected credit losses	78	255
Change in expected credit losses			
Change in expected credit losses			
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$ 9,443	\$ 7,999
Allowance for expected credit losses, end of period			
Allowance for expected credit losses, end of period			

(19) Restricted Stock Units

Pursuant to its stock incentive plan, the Company may issue restricted stock units ("RSUs") to employees of the Company and its subsidiaries. The RSUs generally vest three to five years from the award date and are subject to other vesting and forfeiture provisions contained in the award agreement. RSUs are expensed pro-ratably over the vesting period. RSU expenses were \$36 million \$13 million and \$34 million \$12 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. A summary of RSUs issued in the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 follows:

(\$ in thousands)	(\$ in thousands)	Units	Fair Value (\$ in thousands)	Units	Fair Value
2024					
2024					
2024					
2023	2023	1,092,130	\$ 68,936		
2022		1,023,871	\$ 67,345		

(20) Litigation and Contingent Liabilities

In the ordinary course of business, the Company is subject to disputes, litigation and arbitration arising from its insurance and reinsurance businesses. These matters are generally related to insurance and reinsurance claims and are considered in the establishment of loss and loss expense reserves. In addition, the Company may also become involved in legal actions which seek extra-contractual damages, punitive damages or penalties, including claims alleging bad faith in handling of insurance claims. The Company expects its ultimate liability with respect to such matters will not be material to its financial condition. However, adverse outcomes on such matters are possible, from time to time, and could be material to the Company's results of operations in any particular financial reporting period.

On December 22, 2023, one of the Company's subsidiaries filed a lawsuit against certain reinsurers to recover in excess of \$90 million in respect of certain losses paid to its policyholders under certain event cancellation and related insurance policies. The Company believes its claims against the reinsurers are meritorious and expects a positive resolution to its lawsuit. While an adverse outcome is possible, the Company believes that the outcome, in any case, will not be material to the Company's financial condition.

(21) Leases

Lessees are required to recognize a right-of-use asset and a lease liability for leases with terms of more than 12 months on the balance sheet. All leases disclosed within this footnote are classified as operating leases. Recognized right-of-use asset and lease liability are reported within other assets and other liabilities, respectively, in the consolidated balance sheet. Lease expense is reported in other operating costs and expenses in the consolidated statement of income and accounted for on a straight-line basis over the lease term.

To determine the discount rate used to calculate present value of future minimum lease payments, the Company uses its incremental borrowing rate during the lease commencement period in line with the respective lease duration. In certain cases, the Company has the option to renew the lease. Lease renewal future payments are included in the present value of the future minimum lease payments when the Company determines it is reasonably certain to renew.

The main leases entered into by the Company are for office space used by the Company's operating units across the world. Additionally, the Company, to a lesser extent, has equipment leases mainly for office equipment. Further information relating to operating lease expense and other operating lease information are as follows:

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	(In thousands)	2023	2022	2023	2022
(In thousands)					
(In thousands)					
Leases:					
Leases:					
Lease cost	Lease cost	\$ 10,122	\$ 11,299	\$ 30,448	\$ 33,649
Lease cost					
Lease cost					
Cash paid for amounts included in the measurement of lease liabilities reported in operating cash flows					
Cash paid for amounts included in the measurement of lease liabilities reported in operating cash flows					
Cash paid for amounts included in the measurement of lease liabilities reported in operating cash flows	Cash paid for amounts included in the measurement of lease liabilities reported in operating cash flows	\$ 11,403	\$ 11,082	\$ 33,247	\$ 33,128
Right-of-use assets obtained in exchange for new lease liabilities	Right-of-use assets obtained in exchange for new lease liabilities	\$ 6,543	\$ 1,527	\$ 14,489	\$ 21,729
Right-of-use assets obtained in exchange for new lease liabilities					
Right-of-use assets obtained in exchange for new lease liabilities					

As of September 30,				As of March 31,			
(\$ in thousands)	(\$ in thousands)	2023	2022	(\$ in thousands)	2024	As of March 31,	
Right-of-use assets	Right-of-use assets	\$ 155,662	\$ 163,940	Right-of-use assets	\$ 191,720	\$ 164,547	
Lease liabilities	Lease liabilities	\$ 188,141	\$ 199,889	Lease liabilities	\$ 233,114	\$ 199,225	
Weighted-average remaining lease term	Weighted-average remaining lease term	6.9 years	7.1 years	Weighted-average remaining lease term	7.6 years	7.1 years	
Weighted-average discount rate	Weighted-average discount rate	4.55	4.50	Weighted-average discount rate	5.44	4.49	

Contractual maturities of the Company's future minimum lease payments are as follows:

(In thousands)	(In thousands)	September 30, 2023
Contractual Maturities:	Contractual Maturities:	
2023	\$	12,171
Contractual Maturities:		
2024		
2024	2024	44,531
2025	2025	36,167
2025		
2025		
2026		
2026	2026	28,933
2027	2027	19,144
2027		
2027		
2028		
2028		
2028		
Thereafter		
Thereafter		
Thereafter	Thereafter	74,394
Total undiscounted future minimum lease payments	Total undiscounted future minimum lease payments	215,340
Total undiscounted future minimum lease payments		
Less: Discount impact		
Less: Discount impact		

Less: Discount impact	Less: Discount impact	27,199
Total lease liability	Total lease liability	\$ 188,141
Total lease liability		
Total lease liability		

(22) Business Segments

The Company's reportable segments include the following two business segments, plus a corporate segment:

- **Insurance** - predominantly commercial insurance business, including excess and surplus lines, admitted lines and specialty personal lines throughout the United States, as well as insurance business in Asia, Australia, Canada, Continental Europe, Mexico, Scandinavia, South America and the United Kingdom.
- **Reinsurance & Monoline Excess** - reinsurance business on a facultative and treaty basis, primarily in the United States, the United Kingdom, Continental Europe, Australia, the Asia-Pacific Region and South Africa, as well as operations that solely retain risk on an excess basis, basis and certain program management business.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Income tax expense and benefits are calculated based upon the Company's overall effective tax rate.

Summary financial information about the Company's reporting segments is presented in the following tables. Income (loss) before income taxes by segment includes allocated investment income. Identifiable assets by segment are those assets used in or allocated to the operation of each segment.

	Revenues				Net Income		Revenues				Pre-Tax Income (Loss)	Net Income (Loss) to Common Stockholders		
	Earned Premiums		Investment		Pre-Tax Income	(Loss) to Common Stockholders	Earned Premiums		Investment					
	(in thousands)	(in thousands)	(1)	Income	Other	Total (2)	(in thousands)	(1)	Income	Other	Total (2)			
Three months ended September 30, 2023														
Three months ended March 31, 2024														
Insurance	Insurance	\$ 2,319,435	\$ 206,792	\$ 9,143	\$ 2,535,370	\$ 415,279	\$ 329,519							
Reinsurance & Monoline														
Excess		322,479	56,259	—	378,738	106,072	83,314							
Corporate, other and eliminations (3)		—	7,893	151,063	158,956	(58,976)	(46,226)							
Net investment losses		—	—	(42,426)	(42,426)	(42,426)	(33,021)							
Total		\$ 2,641,914	\$ 270,944	\$ 117,780	\$ 3,030,638	\$ 419,949	\$ 333,586							
Three months ended September 30, 2022														
Insurance	Insurance	\$ 2,129,014	\$ 134,519	\$ 8,341	\$ 2,271,874	\$ 322,312	\$ 258,521							
Reinsurance & Monoline														
Excess		312,947	55,234	—	368,181	59,561	46,875							
Corporate, other and eliminations (3)		—	13,063	138,692	151,755	(28,198)	(23,563)							
Net investment losses		—	—	(67,410)	(67,410)	(67,410)	(52,954)							
Total		\$ 2,441,961	\$ 202,816	\$ 79,623	\$ 2,724,400	\$ 286,265	\$ 228,879							
Nine months ended September 30, 2023														
Insurance	Insurance	\$ 6,747,704	\$ 560,182	\$ 27,570	\$ 7,335,456	\$ 1,153,742	\$ 903,575							
Reinsurance & Monoline	Reinsurance & Monoline													
Excess	Excess	938,369	148,525	—	1,086,894	313,290	248,279							
Corporate, other and eliminations (3)	Corporate, other and eliminations (3)	—	30,787	429,180	459,967	(253,066)	(199,040)							

Net investment gains	Net investment gains	—	—	39,239	39,239	39,239	31,206
Total	Total	\$ 7,686,073	\$ 739,494	\$ 495,989	\$ 8,921,556	\$ 1,253,205	\$ 984,020
Nine months ended September 30, 2022							
Three months ended March 31, 2023							
Insurance	Insurance	—	—	—	—	—	—
Insurance	Insurance	\$ 6,162,005	\$ 386,297	\$ 25,354	\$ 6,573,656	\$ 1,052,185	\$ 850,207
Reinsurance & Monoline	Reinsurance & Monoline	—	—	—	—	—	—
Excess	Excess	886,200	139,768	—	1,025,968	209,366	167,329
Corporate, other and eliminations	Corporate, other and eliminations	—	—	—	—	—	—
(3)	(3)	—	21,837	403,937	425,774	(147,590)	(119,530)
Net investment gains	Net investment gains	—	—	127,299	127,299	127,299	100,833
Total	Total	\$ 7,048,205	\$ 547,902	\$ 556,590	\$ 8,152,697	\$ 1,241,260	\$ 998,839

(1) Certain amounts included in earned premiums of each segment are related to inter-segment transactions.

(2) Revenues for Insurance from foreign operations for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were **\$298** **\$393** million and **\$252** million, respectively, and for the nine months ended **September 30, 2023** and **2022** were **\$852** million and **\$750** **\$274** million, respectively. Revenues for Reinsurance & Monoline Excess from foreign operations for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were **\$124** **\$111** million and **\$117** million, respectively, and for the nine months ended **September 30, 2023** and **2022** were **\$333** million and **\$307** **\$106** million, respectively.

(3) Corporate, other and eliminations represent corporate revenues and expenses that are not allocated to business segments.

Identifiable Assets													
(In thousands)	(In thousands)	September 30, 2023			December 31, 2022								
(In thousands)													
Insurance													
Insurance	Insurance	\$	28,862,050	\$	27,012,479								
Reinsurance & Monoline	Reinsurance & Monoline												
Excess	Excess		5,194,783		5,195,752								
Reinsurance & Monoline Excess													
Corporate, other and eliminations													
Corporate, other and eliminations	Corporate, other and eliminations		2,054,515		1,606,872								
Corporate, other and eliminations	Corporate, other and eliminations		36,111,348		33,815,103								
Consolidated	Consolidated	\$		\$									
Consolidated	Consolidated												
Consolidated	Consolidated												

Net premiums earned by major line of business are as follows:

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	(In thousands)	2023	2022	2023	2022
(In thousands)					
(In thousands)					
Insurance:					
Insurance:					
Insurance:	Insurance:				
Other liability	Other liability	\$ 918,054	\$ 824,595	\$ 2,668,831	\$ 2,363,349
Other liability					
Other liability					
Short-tail lines (1)	Short-tail lines (1)	490,598	407,211	1,383,654	1,184,191
Commercial automobile		335,572	307,754	965,416	891,729
Short-tail lines (1)					
Short-tail lines (1)					
Auto					
Auto					
Auto					
Workers' compensation					
Workers' compensation					
Workers' compensation	Workers' compensation	300,694	307,323	905,405	892,390
Professional liability	Professional liability	274,517	282,131	824,398	830,346
Professional liability					
Professional liability					
Total Insurance					
Total Insurance					
Total Insurance	Total Insurance	2,319,435	2,129,014	6,747,704	6,162,005
Reinsurance & Monoline Excess:	Reinsurance & Monoline Excess:				
Casualty reinsurance		192,071	193,726	574,660	568,507
Monoline excess (2)		60,363	54,675	177,853	161,181
Property reinsurance		70,045	64,546	185,856	156,512
Reinsurance & Monoline Excess:					
Reinsurance & Monoline Excess:					
Casualty (2)					
Casualty (2)					
Casualty (2)					
Property (2)					
Property (2)					
Property (2)					
Monoline excess (3)					
Monoline excess (3)					
Monoline excess (3)					
Total Reinsurance & Monoline Excess					
Total Reinsurance & Monoline Excess					

Total Reinsurance & Monoline Excess	Total Reinsurance & Monoline Excess	322,479	312,947	938,369	886,200
Total	Total	\$ 2,641,914	\$ 2,441,961	\$ 7,686,073	\$ 7,048,205
Total					
Total					

(1) Short-tail lines include commercial multi-peril (non-liability), inland marine, accident and health, fidelity and surety, boiler and machinery, **high net worth homeowners** and other lines.

(2) **Includes reinsurance casualty and property and certain program management business.**

(3) Monoline excess includes operations that solely retain risk on an excess basis.

SAFE HARBOR STATEMENT

This is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein, including statements related to our outlook for the industry and for our performance for the year **2023 2024** and beyond, are based upon the Company's historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. They are subject to various risks and uncertainties, including but not limited to: the cyclical nature of the property casualty industry; the impact of significant competition, including new entrants to the industry; the long-tail and potentially volatile nature of the insurance and reinsurance business; product demand and pricing; claims development and the process of estimating reserves; investment risks, including those of our portfolio of fixed maturity securities and investments in equity securities, including investments in financial institutions, **foreign governmental bonds**, municipal bonds, mortgage-backed securities, loans receivable, investment funds, including real estate, merger arbitrage, energy related and private equity investments; the effects of emerging claim and coverage issues; the uncertain nature of damage theories and loss amounts, including claims for cybersecurity-related risks; natural and man-made catastrophic losses, including as a result of terrorist activities; the ongoing effects of the COVID-19 pandemic, or other epidemics and pandemics; the impact of climate change, which may alter the frequency and increase the severity of catastrophe events; general economic and market activities, including inflation, changing interest rates, and volatility in the credit and capital markets; the impact of the conditions in the financial markets and the global economy, and the potential effect of legislative, regulatory, accounting or other initiatives taken in response, on our results and financial condition; foreign currency and political risks relating to our international operations; our ability to attract and retain key personnel and qualified employees; continued availability of capital and financing; the success of our new ventures or acquisitions and the availability of other opportunities; the availability of reinsurance; our retention under the Terrorism Risk Insurance Program Reauthorization Act of 2019; the ability or willingness of our reinsurers to pay reinsurance recoverables owed to us; other legislative and regulatory developments, including those related to business practices in the insurance industry; credit risk related to our policyholders, independent agents and brokers; changes in the ratings assigned to us or our insurance company subsidiaries by rating agencies; the availability of dividends from our insurance company subsidiaries; cyber security breaches of our information technology systems and the information technology systems of our vendors and other third parties, or related processes and systems; the effectiveness of our controls to ensure compliance with guidelines, policies and legal and regulatory standards; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

These risks and uncertainties could cause our actual results for the year **2023 2024** and beyond to differ materially from those expressed in any forward-looking statement we make. Any projections of growth in our revenues would not necessarily result in commensurate levels of earnings. Our future financial performance is dependent upon factors discussed in our Annual Report on Form 10-K, elsewhere in this Form 10-Q and our other SEC filings. Forward-looking statements speak only as of the date on which they are made. Except to the extent required by applicable laws, the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

W. R. Berkley Corporation is an insurance holding company that is among the largest commercial lines writers in the United States and operates worldwide in two segments of the property and casualty business: Insurance and Reinsurance & Monoline Excess. Our decentralized structure provides us with the flexibility to respond quickly and efficiently to local or specific market conditions and to pursue specialty business niches. It also allows us to be closer to our customers in order to better understand their individual needs and risk characteristics. While providing our business units with certain operating autonomy, our structure allows us to capitalize on the benefits of economies of scale through centralized capital, investment, reinsurance, enterprise risk management, and actuarial, financial and corporate legal staff support. The Company's primary sources of revenues and earnings are its insurance operations and its investments.

An important part of our strategy is to form new operating units to capitalize on various business opportunities. Over the years, the Company has formed numerous operating units that are focused on important parts of the economy in the U.S., including healthcare, cyber security, energy and agriculture, and on growing international markets, including the Asia-Pacific region, South America and Mexico.

The profitability of the Company's insurance business is affected primarily by the adequacy of premium rates. The ultimate adequacy of premium rates is not known with certainty at the time an insurance policy is issued because premiums are determined before claims are reported. The ultimate adequacy of premium rates is affected mainly by the severity and frequency of claims, which are influenced by many factors, including natural and other disasters, regulatory measures and court decisions that define and change the extent of coverage and the effects of economic inflation on the amount of compensation for injuries or losses. General insurance prices are also influenced by available insurance capacity, i.e., the level of capital employed in the industry, and the industry's willingness to deploy that capital.

The Company's profitability is also affected by its investment income and investment gains. The Company's invested assets are invested principally in fixed maturity securities. The return on fixed maturity securities is affected primarily by general interest rates, as well as the credit quality and duration of the securities.

The Company also invests in equity securities, merger arbitrage securities, investment funds, private equity, loans and real estate-related assets. The Company's investments in investment funds and its other alternative investments have experienced, and the Company expects to continue to experience, greater fluctuations in investment income. The Company's share of the earnings or losses from investment funds is generally reported on a one-quarter lag in order to facilitate the timely completion of the Company's consolidated financial statements.

Commencing with the first quarter of 2024, the Company reclassified a program management business from the Insurance segment to the Reinsurance & Monoline Excess segment. The reclassified business is a program management business offering support on a nationwide basis for commercial casualty and property program administrators. Reclassifications have been made to the Company's 2023 financial information to conform with this presentation.

In June 2023, the Company completed a sale of the property and casualty insurance services division of Breckenridge IS, Inc. and recognized a pre-tax net realized gain on investment of **\$88 million** **\$89 million**.

On March 7, 2022, the Company sold a real estate investment consisting of an office building located in London for £718 million. The Company realized a pre-tax gain of \$317 million in the first quarter of 2022, before transaction expenses and the impact of foreign currency, including the reversal of the currency translation adjustment. The gain was \$251 million after such adjustments.

The ultimate impact of COVID-19 on the economy and the Company's results of operations, financial position and liquidity is not within the Company's control and remains unclear due to, among other factors, its ongoing impact and uncertainty in connection with its claims, reserves and reinsurance recoverables.

Critical Accounting Estimates

The following presents a discussion of accounting policies and estimates relating to reserves for losses and loss expenses, assumed premiums and allowance for expected credit losses on investments. Management believes these policies and estimates are the most critical to its operations and require the most difficult, subjective and complex judgments.

Reserves for Losses and Loss Expenses. To recognize liabilities for unpaid losses, either known or unknown, insurers establish reserves, which is a balance sheet account representing estimates of future amounts needed to pay claims and related expenses with respect to insured events which have occurred. Estimates and assumptions relating to reserves for losses and loss expenses are based on complex and subjective judgments, often including the interplay of specific uncertainties with related accounting and actuarial measurements. Such estimates are also susceptible to change as significant periods of time may

elapse between the occurrence of an insured loss, the report of the loss to the insurer, the ultimate determination of the cost of the loss and the insurer's payment of that loss.

In general, when a claim is reported, claims personnel establish a "case reserve" for the estimated amount of the ultimate payment based upon known information about the claim at that time. The estimate represents an informed judgment based on general reserving practices and reflects the experience and knowledge of the claims personnel regarding the nature and value of the specific type of claim. Reserves are also established on an aggregate basis to provide for losses incurred but not reported ("IBNR") to the insurer, potential inadequacy of case reserves and the estimated expenses of settling claims, including legal and other fees and general expenses of administrating the claims adjustment process. Reserves are established based upon the then current legal interpretation of coverage provided.

In examining reserve adequacy, several factors are considered in estimating the ultimate economic value of losses. These factors include, among other things, historical data, legal developments, changes in social attitudes and economic conditions, including the effects of inflation. The actuarial process relies on the basic assumption that past experience, adjusted judgmentally for the effects of current developments and anticipated trends, is an appropriate basis for predicting future outcomes. Reserve amounts are based on management's informed estimates and judgments using currently available data. As additional experience and other data become available and are reviewed, these estimates and judgments may be revised. This may result in reserve increases or decreases that would be reflected in our results in periods in which such estimates and assumptions are changed.

Reserves do not represent an exact calculation of liability. Rather, reserves represent an estimate of what management expects the ultimate settlement and claim administration will cost. While the methods for establishing reserves are well tested over time, some of the major assumptions about anticipated loss emergence patterns are subject to uncertainty. These estimates, which generally involve actuarial projections, are based on management's assessment of facts and circumstances then known, as well as estimates of trends in claims severity and frequency, judicial theories of liability and other factors, including the actions of third parties which are beyond the Company's control. These variables are affected by external and internal events, such as inflation and economic volatility, judicial and litigation trends, reinsurance coverage, legislative changes and claim handling and reserving practices, which make it more difficult to accurately predict claim costs. The inherent uncertainties of estimating reserves are greater for certain types of liabilities where long periods of time elapse before a definitive determination of liability is made. Because setting reserves is inherently uncertain, the Company cannot provide assurance that its current reserves will prove adequate in light of subsequent events.

Loss reserves included in the Company's financial statements represent management's best estimates based upon an actuarially derived point estimate and other considerations. The Company uses a variety of actuarial techniques and methods to derive an actuarial point estimate for each operating unit. These methods include paid loss development, incurred loss development, paid and incurred Bornhuetter-Ferguson methods and frequency and severity methods. In circumstances where one actuarial method is considered more credible than the others, that method is used to set the point estimate. For example, the paid loss and incurred loss development methods rely on historical paid and incurred loss data. For new lines of business, where there is insufficient history of paid and incurred claims data, or in circumstances where there have been significant changes in claim practices, the paid and incurred loss development methods would be less credible than other actuarial methods. The actuarial point estimate may also be based on a judgmental

weighting of estimates produced from each of the methods considered. Industry loss experience is used to supplement the Company's own data in selecting "tail factors" and in areas where the Company's own data is limited. The actuarial data is analyzed by line of business, coverage and accident or policy year, as appropriate, for each operating unit.

The establishment of the actuarially derived loss reserve point estimate also includes consideration of qualitative factors that may affect the ultimate losses. These qualitative considerations include, among others, the impact of re-underwriting initiatives, changes in the mix of business, changes in distribution sources and changes in policy terms and conditions. Examples of changes in terms and conditions that can have a significant impact on reserve levels are the use of aggregate policy limits, the expansion of coverage exclusions, whether or not defense costs are within policy limits, and changes in deductibles and attachment points.

The key assumptions used to arrive at the best estimate of loss reserves are the expected loss ratios, rate of loss cost inflation, and reported and paid loss emergence patterns. Expected loss ratios represent management's expectation of losses at the time the business is written, before any actual claims experience has emerged. This expectation is a significant determinant of the estimate of loss reserves for recently written business where there is little paid or incurred loss data to consider. Expected loss ratios are generally derived from historical loss ratios adjusted for the impact of rate changes, loss cost trends and known changes in the type of risks underwritten. Expected loss ratios are estimated for each key line of business within each operating unit. Expected loss cost inflation is particularly important for the long-tail lines, such as excess casualty, and claims with a high medical component, such as workers' compensation. Reported and paid loss emergence patterns are used to project current

reported or paid loss amounts to their ultimate settlement value. Loss development factors are based on the historical emergence patterns of paid and incurred losses, and are derived from the Company's own experience and industry data. The paid loss emergence pattern is also significant to excess and assumed workers' compensation reserves because those reserves are

discounted to their estimated present value based upon such estimated payout patterns. Management believes the estimates and assumptions it makes in the reserving process provide the best estimate of the ultimate cost of settling claims and related expenses with respect to insured events which have occurred; however, different assumptions and variables could lead to significantly different reserve estimates.

Loss frequency and severity are measures of loss activity that are considered in determining the key assumptions described in our discussion of loss and loss expense reserves, including expected loss ratios, rate of loss cost inflation and reported and paid loss emergence patterns. Loss frequency is a measure of the number of claims per unit of insured exposure, and loss severity is a measure of the average size of claims. Factors affecting loss frequency include the effectiveness of loss controls and safety programs and changes in economic activity or weather patterns. Factors affecting loss severity include changes in policy limits, retentions, rate of inflation and judicial interpretations.

Another factor affecting estimates of loss frequency and severity is the loss reporting lag, which is the period of time between the occurrence of a loss and the date the loss is reported to the Company. The length of the loss reporting lag affects our ability to accurately predict loss frequency (loss frequencies are more predictable for lines with short reporting lags) as well as the amount of reserves needed for incurred but not reported losses (less IBNR is required for lines with short reporting lags). As a result, loss reserves for lines with short reporting lags are likely to have less variation from initial loss estimates. For lines with short reporting lags, which include commercial automobile, primary workers' compensation, other liability (claims-made) and property business, the key assumption is the loss emergence pattern used to project ultimate loss estimates from known losses paid or reported to date. For lines of business with long reporting lags, which include other liability (occurrence), products liability, excess workers' compensation and liability reinsurance, the key assumption is the expected loss ratio since there is often little paid or incurred loss data to consider. Historically, the Company has experienced less variation from its initial loss estimates for lines of businesses with short reporting lags than for lines of business with long reporting lags.

The key assumptions used in calculating the most recent estimate of the loss reserves are reviewed each quarter and adjusted, to the extent necessary, to reflect the latest reported loss data, current trends and other factors observed. If the actual level of loss frequency and severity are higher or lower than expected, the ultimate losses will be different than management's estimate. The following table reflects the impact of changes (which could be favorable or unfavorable) in frequency and severity, relative to our assumptions, on our loss estimate for claims occurring in 2022, 2023:

(In thousands)	(In thousands)	Frequency (+/-)			(In thousands)	Frequency (+/-)						
		Severity	Severity	1%	5%	10%	Severity	(+/-)	1%	5%	10%	
(+/-)	(+/-)	1%	5%	10%	(+/-)	1%	5%	10%	(+/-)	1%	5%	10%
1%	1%	\$116,072	\$349,370	\$ 640,993								
5%	5%	349,370	591,908	895,081								
10%	10%	640,993	895,081	1,212,690								

Our net reserves for losses and loss expenses of approximately \$15.3 billion \$16.0 billion as of September 30, 2023 March 31, 2024 relate to multiple accident years. Therefore, the impact of changes in frequency or severity for more than one accident year could be higher or lower than the amounts reflected above. The impact of such changes would likely be manifested gradually over the course of many years, as the magnitude of the changes became evident.

Approximately \$3.1 billion \$3.2 billion, or 20%, of the Company's net loss reserves as of September 30, 2023 March 31, 2024 relate to the Reinsurance & Monoline Excess segment. There is a higher degree of uncertainty and greater variability regarding estimates of excess workers' compensation and assumed reinsurance loss reserves, which predominantly comprise these reserves. In the case of excess workers' compensation, our policies generally attach at \$1 million or higher. The claims which reach our layer therefore tend to involve the most serious injuries and many remain open for the lifetime of the claimant, which extends the claim settlement tail. These claims also occur less frequently but tend to be larger than primary claims, which increases claim variability. In the case of assumed reinsurance our loss reserve estimates are based, in part, upon information received from ceding companies. If information received from ceding companies is not timely or correct, the Company's estimate of ultimate losses may not be accurate.

Furthermore, due to delayed reporting of claim information by ceding companies, the claim settlement tail for assumed reinsurance is also extended. Management considers the impact of delayed reporting and the extended tail in its selection of loss development factors for these lines of business.

Information received from ceding companies is used to set initial expected loss ratios, to establish case reserves and to estimate reserves for incurred but not reported losses on assumed reinsurance business. This information, which is generally provided through reinsurance intermediaries, is gathered through the underwriting process and from periodic claim reports and other correspondence with ceding companies. The Company performs underwriting and claim audits of selected ceding

companies to determine the accuracy and completeness of information provided to the Company. The information received from the ceding companies is supplemented by the Company's own loss development experience with similar lines of business as well as industry loss trends and loss development benchmarks.

Following is a summary of the Company's reserves for losses and loss expenses by business segment:

		September (In 30, thousands) 30, 2023	December (In 31, thousands) 31, 2022		March 31, 2024	December 31, 2023
Insurance	Insurance	\$12,205,280	\$11,233,924			
Reinsurance & Monoline	Reinsurance & Monoline					
Excess	Excess	3,080,644	3,014,955			
Net reserves for losses and loss expenses	Net reserves for losses and loss expenses	15,285,924	14,248,879			
Ceded reserves for losses and loss expenses	Ceded reserves for losses and loss expenses	2,987,386	2,762,344			
Gross reserves for losses and loss expenses	Gross reserves for losses and loss expenses	\$18,273,310	\$17,011,223			

Following is a summary of the Company's net reserves for losses and loss expenses by major line of business:

	Reported Case (In thousands)	Incurred But Reserves (In thousands)	Total (In thousands)	Reported Case Reserves	Incurred But Not Reported	Total
September 30, 2023						
March 31, 2024						
Other liability						
Other liability	Other liability	\$ 1,862,458	\$ 4,371,078	\$ 6,233,536		
Workers' compensation (1)	Workers' compensation (1)	1,020,327	819,013	1,839,340		
Professional liability	Professional liability	526,656	1,397,442	1,924,098		
Commercial automobile		694,854	681,336	1,376,190		
Auto						
Short-tail lines (2)	Short-tail lines (2)	388,558	443,558	832,116		

Total Insurance	Total Insurance	4,492,853	7,712,427	12,205,280
Reinsurance & Monoline	Reinsurance & Monoline			
Excess (1) (3)	Excess (1) (3)	1,549,878	1,530,766	3,080,644
Total	Total	\$ 6,042,731	\$ 9,243,193	\$ 15,285,924
December 31, 2022				
December 31, 2023				
December 31, 2023				
December 31, 2023				
Other liability	Other liability			
Other liability	Other liability	\$ 1,808,700	\$ 3,826,444	\$ 5,635,144
Workers' compensation (1)	Workers' compensation (1)	1,023,961	899,215	1,923,176
Professional liability	Professional liability	501,572	1,243,604	1,745,176
Commercial automobile	Commercial automobile	629,149	528,398	1,157,547
Auto				
Short-tail lines (2)	Short-tail lines (2)	403,974	368,907	772,881
Total Insurance	Total Insurance	4,367,356	6,866,568	11,233,924
Reinsurance & Monoline	Reinsurance & Monoline			
Excess (1) (3)	Excess (1) (3)	1,551,687	1,463,268	3,014,955
Total	Total	\$ 5,919,043	\$ 8,329,836	\$ 14,248,879

(1) Reserves for workers' compensation and Reinsurance & Monoline Excess are net of an aggregate net discount of \$390 million \$378 million and \$416 million \$390 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(2) Short-tail lines include commercial multi-peril (non-liability), inland marine, accident and health, fidelity and surety, boiler and machinery, high net worth homeowners and other lines.

(3) Reinsurance & Monoline Excess includes property and casualty reinsurance, as well as operations that solely retain risk on an excess basis, basis and certain program management business.

The Company evaluates reserves for losses and loss adjustment expenses on a quarterly basis. Changes in estimates of prior year losses are reported when such changes are made. The changes in prior year loss reserve estimates are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims and aggregate claim trends.

Certain of the Company's insurance and reinsurance contracts are retrospectively rated, whereby the Company collects more or less premiums based on the level of loss activity. For those contracts, changes in loss and loss adjustment expenses for prior years may be fully or partially offset by additional or return premiums.

Net prior year development (i.e., the sum of prior year reserve changes and prior year earned premiums changes) for the nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows:

(In thousands)	2023	2022
Increase in prior year loss reserves	\$ (27,186)	\$ (54,632)
Increase in prior year earned premiums	7,291	17,953
Net unfavorable prior year development	\$ (19,895)	\$ (36,679)

(In thousands)	2024	2023
Increase in prior year loss reserves	\$ (7,367)	\$ (28,205)
Increase in prior year earned premiums	8,091	4,313
Net favorable (unfavorable) prior year development	\$ 724	\$ (23,892)

The COVID-19 global pandemic impacted, and may further impact, the Company's loss costs. Accordingly, the ultimate net impact of COVID-19 on the Company's reserves remains uncertain. As of **September 30, 2023** **March 31, 2024**, the Company had recognized losses for COVID-19-related claims activity, net of reinsurance, of approximately **\$354** **\$386** million, of which **\$299** **\$328** million relates to the Insurance segment and **\$55** **\$58** million relates to the Reinsurance & Monoline Excess segment. Such **\$354** **\$386** million of COVID-19-related losses are considered included **\$383** million of reported losses. For losses and **\$3** million of IBNR.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, favorable prior year development (net of additional and return premiums) of **\$1** million included **\$9** million for the Company recognized current accident Reinsurance & Monoline Excess segment largely offset by **\$8** million of adverse prior year losses development for COVID-19-related claims activity, net of reinsurance, of approximately **\$670** thousand, all of which relates to the Insurance segment.

For the Insurance segment, the adverse development during the first quarter of 2024 was driven by commercial auto liability and excess other liability, including umbrella, and was partially offset by favorable development for workers' compensation and professional liability. The adverse commercial auto liability development was concentrated in accident years 2019 through 2023, while the excess other liability, including umbrella, development was focused in accident years 2017 through 2021. A significant portion of the excess other liability, including umbrella, development related to underlying commercial auto exposures. The Company believes that commercial auto-related claims are being particularly impacted by social inflation, which is contributing to an increase in the frequency of large losses beyond expectations. Social inflation can include higher settlement demands from plaintiffs, use of aggressive actions by the plaintiffs' bar such as litigation funding, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The favorable workers' compensation development for the Insurance segment was mainly related to accident years 2018 through 2023, while the favorable professional liability development was mainly in accident years 2021 and 2022. For workers' compensation, favorable reported claim frequency, below expectations, continued to drive the favorable reserve development. For professional liability, the reported loss experience for the 2021 and 2022 accident years was better than expected. These accident years also feature business written at peak pricing levels, which the Company now believes will result in higher profitability than initially anticipated.

For the Reinsurance & Monoline Excess segment, the favorable development was driven mainly by favorable development in excess workers' compensation, partially offset by adverse development in the non-proportional reinsurance assumed liability line of business. The favorable excess workers' compensation development was driven by continued lower claim frequency and reported losses relative to expectations, and to favorable claim settlements spread across many prior accident years. The unfavorable development for non-proportional reinsurance was concentrated mainly in accident years 2017 through 2019 and was associated primarily with our U.S. and U.K. excess general liability reinsurance businesses, including accounts reinsuring construction projects.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, adverse prior year development (net of additional and return premiums) of **\$20** million **\$24** million included **\$26** million of adverse development **\$12** million for the Insurance segment partially offset by **\$6** million of favorable development and **\$12** million for the Reinsurance & Monoline Excess segment.

Such adverse development during the **nine** months ended **September 30, 2023** was concentrated in the first quarter, with **\$24** million of adverse development (net of additional and return premiums) in the first quarter, partially offset by favorable development of **\$4** million in the second and third quarters. This overall adverse development during the first quarter in for both business segments was due primarily attributable to property catastrophe losses related to 2022 events which were still being adjusted and settled, settled during the first quarter of 2023. In particular, losses related to U.S. winter storms which occurred during the month of December were a significant driver of the development, as information gathering and evaluation of many of these losses was still ongoing into the new year. 2023.

For the Insurance segment, in addition to the property prior year adverse development discussed above, the adverse development during the **nine** months ended **September 30, 2023** included first quarter of 2023, the Insurance segment experienced adverse prior year development on casualty lines for the 2016 through 2019 accident years, which was largely offset by favorable prior year development on casualty lines for the 2020 through 2022 accident years. The adverse development on the 2016 through 2019 accident years was concentrated in the general other liability line of business, and to a lesser degree, professional liability, including medical professional, and commercial auto liability. The development, which particularly impacted business attaching excess of primary policy limits, was driven by a larger than expected number of large losses reported. The Company believes social inflation is contributing to an increase in the frequency of large losses for these accident years. Social inflation can include higher settlement demands from plaintiffs, use of tactics such as litigation funding by the plaintiffs' bar, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The favorable prior year development on casualty lines for the 2020 through 2022 accident years in the Insurance segment was concentrated in the other liability, professional liability, and workers' compensation and general liability lines of business. Due to uncertainty regarding incurred loss frequency and severity in light of ongoing social inflation and the impacts of emergence from the COVID-19 pandemic, the Company set its initial loss ratios for the 2020 through 2022 accident years prudently, and largely maintained these estimates

through the end of each respective accident year. 2022. The reported loss experience to date for these lines of business for the 2020 through 2022 accident years has been year was significantly better than was expected, and the Company has begun to react to this favorable emergence as the accident years mature beyond the age of 12 months. However, commercial auto liability experienced adverse prior year development for the 2020 through 2022 accident years, partially offsetting the favorable development discussed above, which was driven by a larger than expected number of large losses reported.

For the Reinsurance & Monoline Excess segment, the favorable development during the **nine** months ended **September 30, 2023** was driven mainly by favorable development in excess workers' compensation, partially offset by adverse development in property (discussed above) and non-proportional reinsurance assumed liability lines of business. The favorable excess workers' compensation development was driven by continued lower claim frequency and reported losses relative to our expectations, and to favorable claim settlements. The favorable development was spread across many prior accident years. The adverse development on reinsurance assumed liability was associated

primarily with our U.S. assumed reinsurance business, and related to accounts reinsuring excess and umbrella business and construction projects. The adverse development was concentrated mainly in accident years 2017 through 2020.

During the nine months ended September 30, 2022, adverse prior year development (net of additional and return premiums) of \$37 million included \$33 million for the Insurance segment and \$4 million for the Reinsurance & Monoline Excess segment.

The adverse development for the Insurance segment primarily related to COVID-19 losses at two businesses. These businesses wrote policies providing coverage for event cancellation and film production delay which were heavily impacted by losses directly caused by the COVID-19 pandemic. Most of this COVID-19-related adverse development emerged during the third quarter as a result of settlements of claims at values higher than our expectations.

The adverse development mentioned above includes favorable prior year development for the Insurance segment primarily attributable to the 2020 and 2021 accident years and adverse development on the 2015 through 2019 accident years. The favorable development on the 2020 and 2021 accident years was concentrated in the other liability lines first quarter of business, including professional liability, products liability, commercial multi-peril liability and workers' compensation. The Company experienced lower reported claim frequency in these lines of business during 2020 and 2021 relative to historical averages, and continues to experience lower reported incurred losses relative to our expectations for these accident years as they develop during 2022. These trends began in 2020 and we believe were caused by the impacts of the COVID-19 pandemic, including for example, lockdowns, reduced driving/traffic and increased work from home. Due to the ongoing uncertainty regarding the ultimate impacts of the pandemic on accident years 2020 and 2021 incurred losses, the Company has been cautious in reacting to these lower trends in setting and updating its loss ratio estimates for these years. As these accident years have continued to mature, the Company has continued to recognize some of the favorable reported experience in its ultimate loss estimates made during 2022.

The adverse development on the 2015 through 2019 accident years was concentrated in the other liability and professional liability, including medical professional, lines of business, as well as commercial auto liability. The development was driven by a larger than expected number of large losses reported. The Company believes social inflation is contributing to an increase in the frequency of large losses for these accident years. Social inflation can include higher settlement demands from plaintiffs, use of tactics such as litigation funding by the plaintiffs' bar, negative public sentiment towards large businesses and corporations, and erosion of tort reforms, among others.

The overall slight adverse development for the Reinsurance & Monoline Excess segment was driven mainly by adverse development in the professional liability and non-proportional reinsurance assumed property and liability lines of business, substantially offset by favorable development in excess workers' compensation. The adverse development was spread mainly across accident years 2015 through 2021 and was associated primarily with our U.S. assumed reinsurance business and related to accounts insuring construction projects and professional liability exposures. The favorable excess workers' compensation development was mainly in 2011 and prior accident years, and was driven by a review of the Company's claim reporting patterns as well as a number of favorable claim settlements relative to expectations. 2023.

Reserve Discount. The Company discounts its liabilities for certain workers' compensation reserves. The amount of workers' compensation reserves that were discounted was \$1,356 million \$1,311 million and \$1,464 million \$1,352 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The aggregate net discount for those reserves, after reflecting the effects of ceded reinsurance, was \$378 million and \$390 million at March 31, 2024 and \$416 million at September 30, 2023 and December 31, 2022 December 31, 2023, respectively. At September 30, 2023 March 31, 2024, discount rates by year ranged from 0.7% to 6.5%, with a weighted average discount rate of 3.4% 3.5%.

Substantially all of the workers' compensation discount (97% of total discounted reserves at September 30, 2023 March 31, 2024) relates to excess workers' compensation reserves. In order to properly match loss expenses with income earned on investment securities supporting the liabilities, reserves for excess workers' compensation business are discounted using risk-free discount rates determined by reference to the U.S. Treasury yield curve. These rates are determined annually based on the weighted average rate for the period. Once established, no adjustments are made to the discount rate for that period, and any increases or decreases in loss reserves in subsequent years are discounted at the same rate, without regard to when any such adjustments are recognized. The expected loss and loss expense payout patterns subject to discounting are derived from the Company's loss payout experience.

The Company also discounts reserves for certain other long-duration workers' compensation reserves (representing approximately 3% of total discounted reserves at September 30, 2023 March 31, 2024), including reserves for quota share reinsurance and reserves related to losses regarding occupational lung disease. These reserves are discounted at statutory rates permitted by the Department of Insurance of the State of Delaware.

Assumed Reinsurance Premiums. The Company estimates the amount of assumed reinsurance premiums that it will receive under treaty reinsurance agreements at the inception of the contracts. These premium estimates are revised as the actual amount of assumed premiums is reported to the Company by the ceding companies. As estimates of assumed premiums are made or revised, the related amount of earned premiums, commissions and incurred losses associated with those premiums are recorded. Estimated assumed premiums receivable were approximately \$58 million \$63 million at September 30, 2023 March 31, 2024 and \$60 million \$65 million at December 31, 2022 December 31, 2023. The assumed premium estimates are based upon terms set forth in reinsurance agreements, information received from ceding companies during the underwriting and negotiation of agreements, reports received from ceding companies and discussions and correspondence with reinsurance intermediaries. The Company also considers its own view of

market conditions, economic trends and experience with similar lines of business. These premium estimates represent management's best estimate of the ultimate amount of premiums to be received under its assumed reinsurance agreements.

Allowance for Expected Credit Losses on Investments.

Fixed Maturity Securities – For fixed maturity securities in an unrealized loss position where the Company intends to sell, or it is more likely than not that it will be required to sell the security before recovery in value, the amortized cost basis is written down to fair value through net investment gains (losses). For fixed maturity securities in an unrealized loss

position where the Company does not intend to sell, or it is more likely than not that it will not be required to sell the security before recovery in value, the Company evaluates whether the decline in fair value has resulted from credit losses or all other factors (non-credit factors). In making this assessment, the Company considers the extent to which fair value is less than amortized cost, changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, an allowance for expected credit losses is recorded for the credit loss through net investment gains (losses), limited by the amount that the fair value is less than the amortized cost basis. The allowance is adjusted for any change in expected credit losses and subsequent recoveries through net investment gains (losses). The impairment related to non-credit factors is recognized in other comprehensive income (loss).

The Company's credit assessment of allowance for expected credit losses uses a third party model for available for sale and held to maturity securities, as well as loans receivable. The allowance for expected credit losses is generally based on the performance of the underlying collateral under various economic and default scenarios that involve subjective judgments and estimates by management. Modeling these securities involves various factors, such as projected default rates, the nature and realizable value of the collateral, if any, the ability of the issuer to make scheduled payments, historical performance and other relevant economic and performance factors. A discounted cash flow analysis is used to ascertain the amount of the allowance for expected credit losses, if any. In general, the model reverts to the rating-level long-term average marginal default rates based on 10 years of historical data, beyond the forecast period. For other inputs, the model in most cases reverts to the baseline long-term assumptions linearly over 5 years beyond the forecast period. The long-term assumptions are based on the historical averages.

The Company classifies its fixed maturity securities by credit rating, primarily based on ratings assigned by credit rating agencies. For purposes of classifying securities with different ratings, the Company uses the average of the credit ratings assigned, unless in limited situations the Company's own analysis indicates an internal rating is more appropriate. Securities that are not rated by a rating agency are evaluated and classified by the Company on a case-by-case basis.

A summary of the Company's non-investment grade fixed maturity securities that were in an unrealized loss position at September 30, 2023 March 31, 2024 is presented in the table below:

		Gross			Number of Securities (\$ in thousands)	Number of Securities (\$ in thousands)	Aggregate Fair Value	Gross Unrealized Loss
(\$ in thousands)	(\$ in thousands)	Number of Securities	Aggregate Fair Value	Unrealized Loss				
Foreign	Foreign							
government	government	44	\$ 88,668	\$ 91,468				
State and municipal								
Corporate	Corporate	26	35,644	3,523				
State and municipal		5	22,866	6,374				
Mortgage-backed	Mortgage-backed	15	4,328	214				
Asset-backed	Asset-backed	5	244	107				
Total	Total	95	\$ 151,750	\$ 101,686				

As of September 30, 2023 March 31, 2024, the Company has recorded an allowance for expected credit losses on fixed maturity securities of \$46 million \$23 million. The Company has evaluated the remaining fixed maturity securities in an unrealized loss position and believes the unrealized losses are due primarily to temporary market and sector-related factors rather than to issuer-specific factors. None of these securities are delinquent or in default under financial covenants. Based on its assessment of these issuers, the Company expects them to continue to meet their contractual payment obligations as they become due.

[Loans Receivable](#) – For loans receivable, the Company estimates an allowance for expected credit losses based on relevant information about past events, including historical loss experience, current conditions and forecasts that affect the expected collectability of the amortized cost of the financial asset. The allowance for expected credit losses is presented as a reduction to amortized cost of the financial asset in the consolidated balance sheet and changes to the estimate for expected credit losses are recognized through net investment gains (losses). Loans receivable are reported net of an allowance for expected credit losses of \$4 million and \$2 million as of September 30, 2023 both March 31, 2024 and December 31, 2022, respectively. December 31, 2023.

Fair Value Measurements. The Company's fixed maturity available for sale securities, equity securities, and its arbitrage trading account securities are carried at fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for similar assets in active markets. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs may only be used to measure fair value to the extent that observable inputs are not available. The fair value of the vast majority of the Company's portfolio is based on observable data (other than quoted prices) and, accordingly, is classified as Level 2.

In classifying particular financial securities in the fair value hierarchy, the Company uses its judgment to determine whether the market for a security is active and whether significant pricing inputs are observable. The Company determines the existence of an active market by assessing whether transactions occur with sufficient frequency and volume to provide reliable pricing information. The Company determines whether inputs are observable based on the use of such information by pricing services and external investment managers, the uninterrupted availability of such inputs, the need to make significant adjustments to such inputs and the volatility of such inputs over time. If the market for a security is determined to be inactive or if significant inputs used to price a security are determined to be unobservable, the security is categorized in Level 3 of the fair value hierarchy.

Because many fixed maturity securities do not trade on a daily basis, the Company utilizes pricing models and processes which may include benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Market inputs used to evaluate securities include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. Quoted prices are often unavailable for recently issued securities that are infrequently traded or securities that are only traded in private transactions. For publicly traded securities for which quoted prices are unavailable, the Company determines fair value based on independent broker quotations and other observable market data. For securities traded only in private negotiations, the Company determines fair value based primarily on the cost of such securities, which is adjusted to reflect prices of recent placements of securities of the same issuer, financial data, projections and business developments of the issuer and other relevant information.

The following is a summary of pricing sources for the Company's fixed maturity securities available for sale as of **September 30, 2023** **March 31, 2024**:

(\$ in thousands)	(\$ in thousands)	Carrying Value	Percent of Total (\$ in thousands)	Carrying Value	Percent of Total
Pricing source:	Pricing source:				
Independent pricing services	Independent pricing services	\$ 18,502,851	97.5 %		
Independent pricing services					
Syndicate manager	Syndicate manager	75,978	0.4		
Directly by the Company based on:	Directly by the Company based on:				
Observable data	Observable data	403,648	2.1		
Observable data					
Total	Total	\$ 18,982,477	100.0 %		
Total					
Total				\$ 20,910,872	100.0 %

Independent pricing services – Substantially all of the Company's fixed maturity securities available for sale were priced by independent pricing services (generally one U.S. pricing service plus additional pricing services with respect to a limited number of foreign securities held by the Company). The prices provided by the independent pricing services are generally based on observable market data in active markets (e.g., broker quotes and prices observed for comparable securities). The determination of whether markets are active or inactive is based upon the volume and level of activity for a particular asset class. The Company reviews the prices provided by pricing services for reasonableness based upon current trading levels for similar securities. If the prices appear unusual to the Company, they are re-examined and the value is either confirmed or revised. In addition, the Company periodically performs independent price tests of a sample of securities to ensure proper valuation and to verify our understanding of how securities are priced. As of **September 30, 2023** **March 31, 2024**, the Company did not make any adjustments to the prices provided by the pricing services. Based upon the Company's review of the methodologies used by the independent pricing services, these securities were classified as Level 2.

Syndicate manager – The Company has a 15% participation in a Lloyd's syndicate, and the Company's share of the securities owned by the syndicate is priced by the syndicate's manager. The majority of the securities are liquid, short duration fixed maturity securities. The Company reviews the syndicate manager's pricing methodology and audited financial statements and holds discussions with the syndicate manager as necessary to confirm its understanding and agreement with security prices.

Based upon the Company's review of the methodologies used by the syndicate manager, these securities were classified as Level 2.

Observable data – If independent pricing is not available, the Company prices the securities directly. Prices are based on observable market data where available, including current trading levels for similar securities and non-binding quotations from brokers. The Company generally requests two or more quotes. If more than one quote is received, the Company sets a price within the range of quotes received based on its assessment of the credibility of the quote and its own evaluation of the security. The Company generally does not adjust quotes obtained from brokers. Since these securities were priced based on observable data, they were classified as Level 2.

Cash flow model – If the above methodologies are not available, the Company prices securities using a discounted cash flow model based upon assumptions as to prevailing credit spreads, interest rates and interest rate volatility, time to maturity and subordination levels. Discount rates are adjusted to reflect illiquidity where appropriate. These securities were classified as Level 3.

Results of Operations for the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

Business Segment Results

Following is a summary of gross and net premiums written, net premiums earned, loss ratios (losses and loss expenses incurred expressed as a percentage of net premiums earned), expense ratios (underwriting expenses expressed as a percentage of net premiums earned) and GAAP combined ratios (sum of loss ratio and expense ratio) for each of our business segments for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023. The GAAP combined ratio represents a measure of underwriting profitability, excluding investment income. A GAAP combined ratio in excess of 100 indicates an underwriting loss; a number below 100 indicates an underwriting profit.

(\$ in thousands)	(\$ in thousands)	2023	2022	(\$ in thousands)	2024	2023
Insurance:	Insurance:					
Gross premiums written						
Gross premiums written						
Gross premiums written	Gross premiums written	\$8,659,128	\$7,976,288			
Net premiums written	Net premiums written	7,246,773	6,637,024			
Net premiums earned	Net premiums earned	6,747,704	6,162,005			
Loss ratio	Loss ratio	62.8 %	61.3 %	Loss ratio	61.8 %	62.6 %
Expense ratio	Expense ratio	28.4 %	27.9 %	Expense ratio	28.4 %	28.6 %
GAAP combined ratio	GAAP combined ratio	91.2 %	89.2 %	GAAP combined ratio	90.2 %	91.2 %
Reinsurance & Monoline Excess:	Reinsurance & Monoline Excess:					
Gross premiums written	Gross premiums written	\$1,080,168	\$1,017,887			
Gross premiums written						
Gross premiums written						
Net premiums written	Net premiums written	988,026	939,139			
Net premiums earned	Net premiums earned	938,369	886,200			
Loss ratio	Loss ratio	53.7 %	63.7 %	Loss ratio	49.8 %	56.4 %
Expense ratio	Expense ratio	28.7 %	28.4 %	Expense ratio	29.8 %	30.2 %
GAAP combined ratio	GAAP combined ratio	82.4 %	92.1 %	GAAP combined ratio	79.6 %	86.6 %
Consolidated:	Consolidated:					
Gross premiums written	Gross premiums written	\$9,739,296	\$8,994,175			
Gross premiums written						
Gross premiums written						
Net premiums written	Net premiums written	8,234,799	7,576,163			
Net premiums earned	Net premiums earned	7,686,073	7,048,205			

Loss ratio	Loss ratio	61.7 %	61.6 %	Loss ratio	60.2 %	61.8 %
Expense ratio	Expense ratio	28.4 %	28.0 %	Expense ratio	28.6 %	28.8 %
GAAP combined ratio	GAAP combined ratio			GAAP combined ratio	88.8 %	90.6 %

Net Income to Common Stockholders. The following table presents the Company's net income to common stockholders and net income per diluted share for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022**: **2023**:

(In thousands, except per share data)	(In thousands, except per share data)	2023	2022	(In thousands, except per share data)	2024	2023
Net income to common stockholders	Net income to common stockholders	\$984,020	\$998,839			
Weighted average diluted shares	Weighted average diluted shares	274,146	279,644			
Net income per diluted share	Net income per diluted share	\$ 3.59	\$ 3.57			

The Company reported net income to common stockholders of **\$984 million** **\$442 million** in **2023** **2024** compared to **\$999 million** **\$294 million** in **2022**, **2023**. The **\$15 million reduction** **\$148 million increase** in net income was primarily due to an after-tax **reduction** **increase** in net investment **gains** income of **\$69 million** **\$74 million** mainly due to the gain on sale of higher interest rates, a **real estate** **larger** fixed maturity securities portfolio and investment in **2022**, income associated with our Argentine inflation-linked securities, partially offset by investment fund losses, an after-tax **decrease** **increase** in underwriting income of **\$58 million** due to growth in premium rates, an after-tax increase in foreign currency gains of **\$66 million** **\$18 million** mainly due to **lower** the strengthening of the U.S. dollar against other currencies in **2023**, **2024**, an after-tax reduction in corporate expenses of **\$3 million**, an after-tax increase in net investment gains of **\$2 million** and an after-tax increase in minority interest of **\$2 million**, partially offset by an increase of **\$27 million** **\$6 million** in tax expense due to a change in the effective tax rate an after-tax increase in corporate expenses of **\$23 million** primarily due to increased compensation-related costs and an after-tax decrease in profits from non-insurance businesses of **\$5 million**, partially offset by an after-tax increase in net investment income of **\$151 million** primarily due to rising interest rates and a larger investment portfolio of fixed maturity securities, an after-tax increase in underwriting income of **\$19 million**, an after-tax reduction in minority interest of **\$3 million** and an after-tax reduction in **interest expense** profit from insurance service businesses of **\$2 million** due to debt repayments in **2022**, **\$3 million**. The number of weighted average diluted shares decreased by **5.5 million** **6.8 million** for **2023** **2024** compared to **2022**, **2023**, mainly reflecting shares repurchased in **2023**.

Premiums. Gross premiums written were **\$9,739 million** **\$3,363 million** in **2023**, **2024**, an increase of **8% 10%** from **\$8,994 million** **\$3,049 million** in **2022**, **2023**. The increase was due to a **\$683 million** **\$295 million** increase in the Insurance segment and a **\$62 million** **\$19 million** increase in the Reinsurance & Monoline

Excess segment. Approximately **80% 81%** of premiums expiring in **2024** were renewed, and **79%** of premiums expiring in **2023** were renewed, and **82%** of premiums expiring in **2022** were renewed.

Average renewal premium rates for insurance and facultative reinsurance increased **7.2% 6.7%** in **2023** **2024** when adjusted for changes in exposures, and increased **8.3% 7.8%** excluding workers' compensation.

A summary of gross premiums written in **2023** **2024** compared with **2022** **2023** by line of business within each business segment follows:

- **Insurance** - gross premiums increased **9% 11%** to **\$8,659 million** **\$2,921 million** in **2023** **2024** from **\$7,976 million** **\$2,626 million** in **2022**, **2023**. Gross premiums increased **\$360 million** (12% **\$134 million** (21%) for short-tail lines, **\$133 million** (13%) for other liability **\$325 million** and **\$54 million** (18%) for short-tail lines, **\$101 million** (10%) for commercial automobile and **\$1 million** (less than 1%) for workers' compensation, **auto**, partially offset by a reduction of **\$104 million** (8% **\$21 million** (6%) for professional liability, **liability** and **\$5 million** (2%) for workers' compensation.
- **Reinsurance & Monoline Excess** - gross premiums increased **6% 4%** to **\$1,080 million** **\$442 million** in **2023** **2024** from **\$1,018 million** **\$423 million** in **2022**, **2023**. Gross premiums increased **\$54 million** (28% **\$27 million** (32%) for property **reinsurance** and **\$22 million** (10% **\$13 million** (11%) for monoline excess, partially offset by a reduction of **\$14 million** (2% **\$21 million** (10%) for **casualty** **reinsurance**, **casualty**.

Net premiums written were **\$8,235 million** **\$2,851 million** in **2023**, **2024**, an increase of **9% 11%** from **\$7,576 million** **\$2,575 million** in **2022**, **2023**. Ceded reinsurance premiums as a percentage of gross written premiums were 15% in **2023** **2024** and 16% in **2022**, **2023**.

Premiums earned increased 9% 11% to \$7,686 million \$2,764 million in 2023 2024 from \$7,048 million \$2,491 million in 2022, 2023. Insurance premiums (including the impact of rate changes) are generally earned evenly over the policy term, and accordingly, recent rate increases will be earned over the upcoming quarters. Premiums earned in 2023 2024 are related to business written during both 2023 2024 and 2022, 2023. Audit premiums were \$271 million \$88 million in 2023 2024 compared with \$219 million \$91 million in 2022 due to an increase in exposures. 2023.

Net Investment Income. Following is a summary of net investment income for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Average Annualized				Average Annualized					
		Amount		Yield		Amount		Yield			
		Amount									
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022	(\$ in thousands)					
Fixed maturity securities, including cash and cash equivalents and loans receivable	Fixed maturity securities, including cash and cash equivalents and loans receivable	Fixed maturity securities, including cash and cash equivalents and loans receivable				Fixed maturity securities, including cash and cash equivalents and loans receivable				Fixed maturity securities, including cash and cash equivalents and loans receivable	
Arbitrage trading account	Arbitrage trading account	53,168	24,008	5.9	2.8					2024	2023
Equity securities	Equity securities	41,714	38,303	5.0	4.9					2024	2023
Investment funds	Investment funds	5,444	121,919	0.5	10.1					2024	2023
Real estate	Real estate	(7,821)	(1,702)	(0.8)	(0.2)					2024	2023
Gross investment income	Gross investment income	745,705	554,252	3.8	3.1					2024	2023
Investment expenses	Investment expenses	(6,211)	(6,350)	—	—					2024	2023
Total	Total	\$739,494	\$547,902	3.8 %	3.0 %	Total				2024	2023
										2024	2023

Net investment income increased 35% 43% to \$739 million \$320 million in 2023 2024 from \$548 million \$223 million in 2022 2023 due primarily to an \$282 million a \$140 million increase in income from fixed maturity securities mainly driven by rising higher interest rates, a larger fixed maturity securities portfolio and our Argentine inflation-linked securities (see below for further discussion), and a larger \$1 million reduction in investment portfolio, a \$29 million increase from the arbitrage trading account (including investment income from trading account receivables from brokers and clearing organizations) and a \$3 million increase from equity securities, expenses, partially offset by a \$117 million \$32 million decrease in income from investment funds primarily due to transportation funds and financial services and real estate funds, and a \$6 million \$10 million decrease in real estate, estate and a \$2 million decrease in equity securities. The Company expects investment income to benefit as it continues to invest maturing securities at the current higher rates. The Company maintained the shortened duration of its fixed maturity security portfolio, with a small increase in average duration from 2.4 to 2.5 years, thereby reducing the potential impact of mark-to-market on the portfolio and positioning the Company to react quickly to changes in the current interest rate environment. We expect investment income to increase as we reinvest our fixed maturity portfolio at the current higher rates. Average invested assets, at cost (including cash and cash equivalents), were \$26.1 billion \$27.9 billion in 2023 2024 up 8.1% 8.7% from \$24.2 billion \$25.7 billion in 2022, 2023.

As of March 31, 2024, the book value of the Company's investments in Argentine bonds was \$295 million, which is comprised of inflation-linked securities of \$173 million and other Argentine bonds of \$122 million (of these other Argentine bonds, \$113 million are U.S. dollar-denominated). Pre-tax net investment income associated with these inflation-linked securities for the quarter ended March 31, 2024 was \$96 million. Such investment income increased as a result of an adjustment to the inflation rate that was made by the Argentine government in late 2023. As certain of our Argentine bonds matured in the first quarter, we do not expect investment income relating to these securities to continue at this level. The proceeds from the Argentine inflation-linked securities that matured in the first quarter of 2024 have been reinvested.

Insurance Service Fees. The Company earns fees from an insurance distribution business (part of which was sold in June 2023), a third-party administrator and as a servicing carrier of workers' compensation assigned risk plans for certain states.

Insurance service fees were \$81 million \$25 million in 2023 2024 and \$82 million \$33 million in 2022, 2023. The decrease in service fees resulted from the sale of the property and casualty insurance services division of Breckenridge IS, Inc.

Net Realized and Unrealized Gains on Investments. The Company buys and sells securities and other investment assets on a regular basis in order to maximize its total return on investments. Decisions to sell securities and other investment assets are based on management's view of the underlying fundamentals of specific investments as well as management's expectations

regarding interest rates, credit spreads, currency values and general economic conditions. Net realized and unrealized gains on investments were **\$50 million** **\$12 million** in **2023** **2024** compared with **\$140 million** **\$23 million** in **2022** **2023**. The gains of **\$50 million** **\$12 million** in **2023** **2024** reflected net realized gains on investments of \$5 million (primarily a pre-tax net realized gain of \$88 million on the sale of the property and casualty insurance services division of Breckenridge IS, Inc., partially offset by the impairment of \$72 million recognized on the real estate investments) and an increase in unrealized gains on equity securities of \$45 million. \$26 million partially offset by net realized losses on investments of \$14 million. The gains of **\$140 million** **\$23 million** in **2022** **2023** reflected net realized gains on investments of \$228 million (primarily a \$251 million net gain from the sale of a real estate investment in London after transaction expenses and the foreign currency impact, including the reversal of the currency translation adjustment) partially offset by an increase in unrealized losses on equity securities of \$89 million. \$43 million partially offset by net realized losses on investments of \$20 million.

Change in Allowance for Expected Credit Losses on Investments. Based on credit factors, the allowance for expected credit losses is increased or decreased depending on the percentage of unrealized loss relative to amortized cost by security, changes in rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. The pre-tax change in allowance for expected credit losses on investments increased decreased by **\$11 million** **\$14 million** (**\$9.11 million** after-tax) and **\$12 million** **\$399 thousand** (**\$10 million** **315 thousand** after-tax) in **2023** **2024** and **2022**, **2023**, respectively, which are both reflected in net investment gains, (losses), primarily due to a change in estimate.

Revenues from Non-Insurance Businesses. Revenues from non-insurance businesses were derived from businesses engaged in the distribution of promotional merchandise, world-wide textile solutions and aviation-related businesses that provide services to aviation markets, including (i) the distribution, manufacturing, repair and overhaul of aircraft parts and components, (ii) the sale of new and used aircraft, and (iii) avionics, fuel, maintenance, storage and charter services. Revenues from non-insurance businesses were **\$375 million** **\$121 million** in **2023** **2024** and **\$345 million** **\$124 million** in **2022**, **2023**. The increase decrease mainly relates to aviation-related business and promotional merchandise, partially offset by an increase in the commercial and residential textile business, which we acquired in 2022, partially offset by the decrease of promotional merchandise and existing textile business.

Losses and Loss Expenses. Losses and loss expenses increased to **\$4,745 million** **\$1,664 million** in **2023** **2024** from **\$4,340 million** **\$1,539 million** in **2022**, **2023**. The consolidated loss ratio was **61.7%** **60.2%** in **2023** **2024** and **61.6%** **61.8%** in **2022**, **2023**. Catastrophe losses, net of reinsurance recoveries, were **\$163 million** (including current accident year losses of approximately \$670 thousand related to COVID-19) **\$31 million** in **2023** **2024** and **\$181 million** (including losses of approximately \$4 million related to COVID-19) **\$48 million** in **2022**. Adverse 2023. Favorable prior year reserve development (net of premium offsets) was **\$20 million** **\$1 million** in **2023** **2024** and **\$37 million** adverse prior year reserve development was **\$24 million** in **2022**, **2023**. The loss ratio excluding catastrophe losses and prior year reserve development increased **0.9** **0.2** points to **59.4%** **59.1%** in **2023** **2024** from **58.5%** **58.9%** in **2022**, **2023**.

A summary of loss ratios in **2023** **2024** compared with **2022** **2023** by business segment follows:

- Insurance** - The loss ratio was **62.8%** **61.8%** in **2023** **2024** and **61.3%** **62.6%** in **2022**, **2023**. Catastrophe losses were **\$139 million** **\$28 million** in **2023** **2024** compared with **\$102 million** **\$45 million** in **2022**, **2023**. Adverse prior year reserve development was **\$26 million** **\$8 million** in **2023**, principally from property catastrophe losses, 2024 and **\$33 million** **\$12 million** in **2022**, **2023**. The loss ratio excluding catastrophe losses and prior year reserve development increased **1.3** **0.3** points to **60.4%** **60.3%** in **2023** **2024** from **59.1%** **60.0%** in **2022**, **2023**.
- Reinsurance & Monoline Excess** - The loss ratio was **53.7%** **49.8%** in **2023** **2024** and **63.7%** **56.4%** in **2022**, **2023**. Catastrophe losses were **\$24 million** **\$3 million** in **2023** compared with **\$79 million** in **2022**, both 2024 and 2023. Favorable prior year reserve development was **\$6 million** **\$9 million** in **2023**, **2024**, and adverse prior year reserve development was **\$4 million** **\$12 million** in **2022**, **2023**. The loss ratio excluding catastrophe losses and prior year reserve development decreased **2.4** **0.9** points to **51.9%** **51.4%** in **2023** **2024** from **54.3%** **52.3%** in **2022**, **2023**.

Other Operating Costs and Expenses. Following is a summary of other operating costs and expenses for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022**, **2023**:

(\$ in thousands)	(\$ in thousands)	2023	2022	(\$ in thousands)	2024	2023
Policy acquisition and insurance operating expenses	Policy acquisition and insurance operating expenses	\$2,183,517	\$1,974,676			
Insurance service expenses	Insurance service expenses	70,336	71,348			
Net foreign currency gains		(1,777)	(85,060)			

Net foreign currency gains (losses)			
Other costs and expenses	Other costs and expenses	205,849	178,292
Other costs and expenses			
Other costs and expenses			
Total	Total	\$2,457,925	\$2,139,256

Policy acquisition and insurance operating expenses are comprised of commissions paid to agents and brokers, premium taxes and other assessments and internal underwriting costs. Policy acquisition and insurance operating expenses increased 11% 10% and net premiums earned increased 9% 11% from 2022, 2023. The expense ratio (underwriting expenses expressed as a percentage of net premiums earned) increased by 0.4 decreased 0.2 points to 28.4% 28.6% in 2023 2024 from 28.0% 28.8% in 2022 2023 mainly due to lower ceding commissions, increased a non-recurring benefit associated with compensation costs and new start-up operating unit expenses. costs.

Service expenses, which represent the costs associated with the fee-based businesses, were \$70 million was \$21 million in 2024, down from \$25 million in 2023, as a result of the sale of the property and \$71 million in 2022. casualty insurance services division of Breckenridge IS, Inc.

Net foreign currency gains (losses) result from transactions denominated in a currency other than a company's operating functional currency. Net foreign currency gains were \$2 million \$13 million in 2023 2024 compared to \$85 million losses of \$9 million in 2022, 2023, primarily due to lower the strengthening of the U.S. dollar against other currencies in 2023, 2024.

Other costs and expenses represent general and administrative expenses of the parent company and other expenses not allocated to business segments, including the cost of certain long-term incentive plans and new business ventures. Other costs and expenses increased decreased to \$206 million \$69 million in 2023 2024 from \$178 million \$73 million in 2022, 2023, primarily due to the increase in lower compensation-related costs in 2023. costs.

Expenses from Non-Insurance Businesses. Expenses from non-insurance businesses represent costs associated with businesses engaged in the distribution of promotional merchandise, world-wide textile solutions and aviation-related businesses that include (i) cost of goods sold related to aircraft and products sold and services provided, and (ii) general and administrative expenses. Expenses from non-insurance businesses were \$370 million \$119 million in 2023 2024 compared to \$334 million \$123 million in 2022, 2023. The increase decrease mainly relates to the aviation-related business and the residential and commercial textile business, which we acquired in 2022, promotional merchandise, partially offset by an increase in the decrease of promotional merchandise commercial and existing residential textile business.

Interest Expense. Interest expense was \$96 million \$32 million in 2023 both 2024 and \$98 million in 2022. In the first quarter of 2022, the Company repaid at maturity its \$77 million aggregate principal amount of 8.7% senior notes in January and its \$350 million aggregate principal amount of 4.625% senior notes in March, 2023.

Income Taxes. The effective income tax rate was 21.4% 23.0% and 19.2% 21.4% for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The higher effective income tax rate for the nine three months ended September 30, 2023 March 31, 2024, as compared to the earlier period, was primarily due to the geographical mix of earnings and larger amounts being subject to tax at a net reduction to rate greater than the Company's valuation allowance against foreign tax credits and foreign net operating losses in the earlier period. U.S. statutory rate.

The Company has not provided U.S. deferred income taxes on the undistributed earnings of approximately \$217 million \$335 million of its non-U.S. subsidiaries since these earnings are intended to be permanently reinvested in the non-U.S. subsidiaries. In the future, if such earnings were distributed, the Company projects that the incremental tax, if any, will be immaterial.

Results From 2023, as part of Operations for the Three Months Ended September 30, 2023 Inflation Reduction Act of 2022, a 1% excise tax is imposed on common share repurchase activity, net of common share issuances, and 2022

Business Segment Results

Following is a summary included in the cost of gross and net premiums written, net premiums earned, loss ratios (losses and loss expenses incurred expressed as a percentage of net premiums earned), expense ratios (underwriting expenses expressed as a percentage of net premiums earned) and GAAP combined ratios (sum of loss ratio and expense ratio) for each of our business segments for treasury stock acquired. During the three months ended September 30, 2023 and 2022. The GAAP combined ratio represents a measure March 31, 2024, the Company did not repurchase any shares of underwriting profitability, excluding investment income. A GAAP combined ratio in excess of 100 indicates an underwriting loss; a number below 100 indicates an underwriting profit.

<u>(\$ in thousands)</u>	2023		2022	
Insurance:				
Gross premiums written	\$	2,990,869	\$	2,719,824
Net premiums written		2,508,740		2,237,608
Net premiums earned		2,319,435		2,129,014
Loss ratio		62.6 %		63.2 %
Expense ratio		28.4 %		28.0 %
GAAP combined ratio		91.0 %		91.2 %
Reinsurance & Monoline Excess:				
Gross premiums written	\$	362,336	\$	362,114
Net premiums written		339,719		339,666
Net premiums earned		322,479		312,947
Loss ratio		56.8 %		70.2 %
Expense ratio		27.8 %		28.4 %
GAAP combined ratio		84.6 %		98.6 %
Consolidated:				
Gross premiums written	\$	3,353,205	\$	3,081,938
Net premiums written		2,848,459		2,577,274
Net premiums earned		2,641,914		2,441,961
Loss ratio		61.9 %		64.1 %
Expense ratio		28.3 %		28.0 %
GAAP combined ratio		90.2 %		92.1 %

Net Income to Common Stockholders. The following table presents the Company's net income to its common stockholders and net income per diluted share for the three months ended September 30, 2023 and 2022:

<u>(In thousands, except per share data)</u>	2023		2022	
Net income to common stockholders	\$	333,586	\$	228,879
Weighted average diluted shares		271,439		279,642
Net income per diluted share	\$	1.23	\$	0.82

The Company reported net income to common stockholders of \$334 million in 2023 compared to \$229 million in 2022. The \$105 million increase in net income was primarily due to an after-tax increase in net investment income of \$54 million primarily due to rising interest rates and a larger investment portfolio of fixed maturity securities, an after-tax increase in underwriting income of \$53 million mainly due to the growth in premium rates, an after-tax decrease in net investment losses of \$20 million mainly due to the change in market value on equity securities, and an after-tax reduction in minority interest of \$2 million, partially offset by an after-tax decrease in foreign currency gains of \$15 million mainly due to lower strengthening of the U.S. dollar against other currencies in 2023, an after-tax increase in corporate expenses of \$5 million due to increased compensation-related costs, an increase of \$3 million in tax expense due to a change in the effective tax rate and an after-tax decrease in profits from insurance service income of \$1 million. The number of weighted average diluted shares decreased by 8.2 million for 2023 compared to 2022, mainly reflecting shares repurchased in 2023.

Premiums. Gross premiums written were \$3,353 million in 2023, an increase of 9% from \$3,082 million in 2022. The increase was due to a \$271 million increase in the Insurance segment and a \$222 thousand increase in the Reinsurance & Monoline Excess segment. Approximately 80.5% of premiums expiring in 2023 were renewed, and 81% of premiums expiring in 2022 were renewed.

Average renewal premium rates for insurance and facultative reinsurance increased 7.2% in 2023 when adjusted for changes in exposures, and increased 8.5% excluding workers' compensation.

A summary of gross premiums written in 2023 compared with 2022 by line of business within each business segment follows:

- **Insurance** - gross premiums increased 10% to \$2,991 million in 2023 from \$2,720 million in 2022. Gross premiums increased \$135 million (13%) for other liability, \$122 million (20%) for short-tail lines, and \$58 million (16%) for commercial automobile, and decreased \$40 million (9%) for professional liability and \$4 million (1%) for workers' compensation.
- **Reinsurance & Monoline Excess** - gross premiums remained flat in 2023 with 2022 at \$362 million. Gross premiums increased \$9 million (11%) for property reinsurance and \$9 million (12%) for monoline excess, and decreased \$18 million (9%) for casualty reinsurance.

Net premiums written were \$2,848 million in 2023, an increase of 11% from \$2,577 million in 2022. Ceded reinsurance premiums as a percentage of gross written premiums were 15% in 2023 and 16% in 2022.

Premiums earned increased 8% to \$2,642 million in 2023 from \$2,442 million in 2022. Insurance premiums (including the impact of rate changes) are generally earned evenly over the policy term, and accordingly, recent rate increases will be earned over the upcoming quarters. Premiums earned in 2023 are related to business written during both 2023

and 2022. Audit premiums were \$88 million in 2023 compared with \$77 million in 2022 due to an increase in exposures.

Net Investment Income. Following is a summary of net investment income for the three months ended September 30, 2023 and 2022:

(\$ in thousands)	Amount		Average Annualized Yield	
	2023	2022	2023	2022
Fixed maturity securities, including cash and cash equivalents and loans receivable	\$ 239,727	\$ 146,051	4.5 %	3.0 %
Arbitrage trading account	17,876	10,694	5.9	3.7
Equity securities	12,714	14,650	4.7	5.1
Investment funds	4,450	36,045	1.1	8.5
Real estate	(1,986)	(2,297)	(0.6)	(0.7)
Gross investment income	272,781	205,143	4.1	3.3
Investment expenses	(1,837)	(2,327)	—	—
Total	\$ 270,944	\$ 202,816	4.1 %	3.3 %

Net investment income increased 34% to \$271 million in 2023 from \$203 million in 2022 due primarily to a \$94 million increase in income from fixed maturity securities mainly driven by rising interest rates and a larger investment portfolio, a \$7 million increase from arbitrage trading account (including investment income from trading account receivables from brokers and clearing organizations) and a \$1 million reduction from investment expenses, partially offset by a \$32 million decrease in income from investment funds primarily due to real estate funds and transportation funds and a \$2 million decrease from equity securities. The Company maintained the short duration of its fixed maturity security portfolio, thereby reducing the potential impact of mark-to-market on the portfolio and positioning the Company to react quickly to changes in the current interest rate environment. We expect investment income to increase as we reinvest our fixed maturity portfolio at the current higher rates. Average invested assets, at cost (including cash and cash equivalents), were \$26.7 billion in 2023 and \$24.6 billion in 2022.

Insurance Service Fees. The Company earns fees from an insurance distribution business, a third-party administrator and as a servicing carrier of workers' compensation assigned risk plans for certain states. Insurance service fees were \$23 million in 2023 and \$28 million in 2022. The decrease in service fees resulted from the sale of the property and casualty insurance services division of Breckenridge IS, Inc.

Net Realized and Unrealized Gains (Losses) on Investments. The Company buys and sells securities and other investment assets on a regular basis in order to maximize its total return on investments. Decisions to sell securities and other investment assets are based on management's view of the underlying fundamentals of specific investments as well as management's expectations regarding interest rates, credit spreads, currency values and general economic conditions. Net realized and unrealized losses on investments were \$41 million in 2023 and \$66 million in 2022. The losses of \$41 million in

2023 reflected net realized losses on investments of \$22 million (primarily due to an impairment of \$21 million recognized on a real estate investment) and an increase in unrealized losses on equity securities of \$19 million. The losses of \$66 million in 2022 reflected net realized losses on investments of \$16 million (primarily due to foreign exchange losses on investments) and an increase in unrealized losses on equity securities of \$50 million.

Change in Allowance for Expected Credit Losses on Investments. Based on credit factors, the allowance for expected credit losses is increased or decreased depending on the percentage of unrealized loss relative to amortized cost by security, changes in rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. The pre-tax change in allowance for expected credit losses on investments increased by \$2 million (\$1 million after-tax) and \$1 million (\$0.9 million after-tax) in 2023 and 2022, respectively, which are reflected in net investment gains (losses), primarily due to change in estimate.

Revenues from Non-Insurance Businesses. Revenues from non-insurance businesses were derived from businesses engaged in the distribution of promotional merchandise, world-wide textile solutions and aviation-related businesses that provide services to aviation markets, including (i) the distribution, manufacturing, repair and overhaul of aircraft parts and components, (ii) the sale of new and used aircraft, and (iii) avionics, fuel, maintenance, storage and charter services. Revenues from non-insurance businesses increased to \$137 million in 2023 from \$119 million in 2022 mainly due to the aviation-related businesses.

Losses and Loss Expenses. Losses and loss expenses increased to \$1,636 million in 2023 from \$1,565 million in 2022. The consolidated loss ratio was 61.9% in 2023 and 64.1% in 2022. Catastrophe losses, net of reinsurance recoveries, were \$62 million (including current accident year losses of approximately \$411 thousand related to COVID-19) in 2023 and \$94 million (including losses of approximately \$1 million related to COVID-19) in 2022. Favorable prior year reserve development (net of premium offsets) was \$1 million in 2023 and adverse prior year reserve development was \$39 million in 2022. The loss ratio excluding catastrophe losses and prior year reserve development increased 1.0 point to 59.6% in 2023 from 58.6% in 2022.

A summary of loss ratios in 2023 compared with 2022 by business segment follows:

- **Insurance** - The loss ratio was 62.6% in 2023 and 63.2% in 2022. Catastrophe losses were \$46 million in 2023 compared with \$51 million in 2022. Adverse prior year reserve development was \$1 million in 2023 and \$35 million in 2022. The loss ratio excluding catastrophe losses and prior year reserve development increased 1.5 points to 60.6% in 2023 from 59.1% in 2022.
- **Reinsurance & Monoline Excess** - The loss ratio was 56.8% in 2023 and 70.2% in 2022. Catastrophe losses were \$16 million in 2023 compared with \$43 million in 2022. Favorable prior year reserve development was \$2 million in 2023 and adverse prior year reserve development was \$4 million in 2022. The loss ratio excluding catastrophe

losses and prior year reserve development decreased 2.7 points to 52.6% in 2023 from 55.3% in 2022.

Other Operating Costs and Expenses. Following is a summary of other operating costs and expenses for the three months ended September 30, 2023 and 2022:

(\$ in thousands)	2023	2022
Policy acquisition and insurance operating expenses	\$ 747,007	\$ 685,325
Insurance service expenses	21,225	24,991
Net foreign currency gains	(22,498)	(41,065)
Other costs and expenses	62,935	56,286
Total	\$ 808,669	\$ 725,537

Policy acquisition and insurance operating expenses are comprised of commissions paid to agents and brokers, premium taxes and other assessments and internal underwriting costs. Policy acquisition and insurance operating expenses increased 9% and net premiums earned increased 8% from 2022. The expense ratio (underwriting expenses expressed as a percentage of net premiums earned) increased by 0.3% to 28.3% in 2023 from 28.0% in 2022 mainly due to lower ceding commissions, increased compensation costs and new start-up operating unit expenses.

Service expenses, which represent the costs associated with the fee-based businesses, were \$21 million in 2023, down from \$25 million in 2022, as a result of the sale of the property and casualty insurance services division of Breckenridge IS, Inc.

Net foreign currency gains result from transactions denominated in a currency other than a company's operating functional currency. Net foreign currency gains were \$22 million in 2023 compared to \$41 million in 2022, primarily due to lower strengthening of the U.S. dollar against other currencies in 2023.

Other costs and expenses represent general and administrative expenses of the parent company and other expenses not allocated to business segments, including the cost of certain long-term incentive plans and new business ventures. Other costs and expenses increased to \$63 million in 2023 from \$56 million in 2022, primarily due to the increase in compensation-related costs in 2023.

Expenses from Non-Insurance Businesses. Expenses from non-insurance businesses represent costs associated with businesses engaged in the distribution of promotional merchandise, world-wide textile solutions and aviation-related businesses that include (i) cost of goods sold related to aircraft and products sold and services provided, and (ii) general and administrative expenses. Expenses from non-insurance businesses increased to \$134 million in 2023 from \$116 million in 2022 mainly due to the aviation-related businesses.

Interest Expense. Interest expense was \$32 million in both 2023 and 2022.

Income Taxes. The effective income tax rate was 20.6% and 19.5% for the three months ended September 30, 2023 and 2022, respectively. The effective income tax rate increased for the three months ended September 30, 2023, primarily due to a lower tax benefit related to equity-based compensation, as well as higher foreign and state income taxes.

The Company has not provided U.S. deferred income taxes on the undistributed earnings of approximately \$217 million of its non-U.S. subsidiaries since these earnings are intended to be permanently reinvested in the non-U.S. subsidiaries. In the future, if such earnings were distributed the Company projects that the incremental tax, if any, will be immaterial.

Investments

As part of its investment strategy, the Company establishes a level of cash and highly liquid short-term and intermediate-term securities that, combined with expected cash flow, it believes is adequate to meet its payment obligations. In addition to fixed maturity securities, the Company invests in equity securities, merger arbitrage securities, investment funds, private equity, loans and real estate related assets. The Company's investments in investment funds and its other alternative investments have experienced, and the Company expects to continue to experience, greater fluctuations in investment income.

The Company also attempts to maintain an appropriate relationship between the average duration of the investment portfolio and the approximate duration of its liabilities (i.e., policy claims and debt obligations). The average duration of the fixed maturity portfolio, including cash and cash equivalents, was 2.5 years at March 31, 2024 and 2.4 years at both September 30, 2023 and December 31, 2022 December 31, 2023. The Company's fixed maturity investment portfolio and investment-related assets as of September 30, 2023 March 31, 2024 were as follows:

(\$ in thousands)	(\$ in thousands)	Carrying	Percent	Carrying	Percent
		Value	of Total (\$ in thousands)		
Fixed maturity securities:	Fixed maturity securities:				

U.S. government and government agencies	U.S. government and government agencies	\$ 1,467,199	5.6 %
U.S. government and government agencies			
U.S. government and government agencies		\$ 1,829,552	6.6 %
State and municipal:	State and municipal:		
Special revenue			
Special revenue	Special revenue	1,646,921	6.3
State general obligation	State general obligation	405,969	1.6
Local general obligation	Local general obligation	385,340	1.5
Corporate backed	Corporate backed	179,973	0.7
Pre-refunded (1)	Pre-refunded (1)	102,594	0.3
Total state and municipal	Total state and municipal	2,720,797	10.4
Mortgage-backed:	Mortgage-backed:		
Agency	Agency	1,250,357	4.8
Agency			
Commercial	Commercial	629,512	2.4
Residential-Prime	Residential-Prime	196,519	0.8
Residential-Alt A	Residential-Alt A	2,937	—
Total mortgage-backed	Total mortgage-backed	2,079,325	8.0
Asset-backed	Asset-backed	4,087,458	15.6
Corporate:	Corporate:		
Industrial			
Industrial	Industrial	3,344,567	12.8
Financial	Financial	2,679,247	10.3
Utilities	Utilities	643,277	2.5
Other	Other	581,723	2.2
Total corporate	Total corporate	7,248,814	27.8
Foreign government and foreign government agencies	Foreign government and foreign government agencies	1,431,712	5.5
Total fixed maturity securities	Total fixed maturity securities	19,035,305	72.9
Equity securities:	Equity securities:		

Common stocks	Common stocks	961,433	3.7
Common stocks			
Common stocks			
Preferred stocks	Preferred stocks	220,628	0.8
Total equity securities	Total equity securities	1,182,061	4.5
Cash and cash equivalents (2)		2,035,399	7.8
Investment funds			
Investment funds			
Investment funds	Investment funds	1,600,495	6.1
Real estate	Real estate	1,270,545	4.9
Cash and cash equivalents (2)			
Arbitrage trading account	Arbitrage trading account	825,049	3.1
Loans receivable	Loans receivable	177,750	0.7
Total investments	Total investments	\$26,126,604	100.0 %
		Total investments	
		\$ 27,583,673	100.0
			100.0 %

(1) Pre-refunded securities are securities for which an escrow account has been established to fund the remaining payments of principal and interest through maturity. Such escrow accounts are funded almost exclusively with U.S. Treasury and U.S. government agency securities.

(2) Cash and cash equivalents includes trading accounts receivable from brokers and clearing organizations, trading account securities sold but not yet purchased and unsettled purchases.

Fixed Maturity Securities. The Company's investment policy with respect to fixed maturity securities is generally to purchase instruments with the expectation of holding them to their maturity. However, management of the available for sale portfolio is considered necessary to maintain an approximate matching of assets and liabilities as well as to adjust the portfolio as a result of changes in financial market conditions and tax considerations.

The Company's philosophy related to holding or selling fixed maturity securities is based on its objective of maximizing total return. The key factors that management considers in its investment decisions as to whether to hold or sell fixed maturity securities are its view of the underlying fundamentals of specific securities as well as its expectations regarding interest rates, credit spreads and currency values. In a period in which management expects interest rates to rise, the Company may sell longer duration securities in order to mitigate the impact of an interest rate rise on the fair value of the portfolio. Similarly, in a period in which management expects credit spreads to widen, the Company may sell lower quality securities, and in a period in which management expects certain foreign currencies to decline in value, the Company may sell securities denominated in those foreign currencies. The sale of fixed maturity securities in order to achieve the objective of maximizing total return may result in realized gains or losses; however, there is no reason to expect these gains or losses to continue in future periods.

Equity Securities. Equity securities primarily represent investments in common and preferred stocks in companies with potential growth opportunities in different sectors, mainly in the financial institutions, energy and technology sectors.

Investment Funds. At **September 30, 2023** **March 31, 2024**, the carrying value of investment funds was \$1.6 billion, including investments in financial services funds of **\$430 million** **\$419 million**, other funds of **\$403 million** **\$380 million** (which includes a deferred compensation trust asset of **\$31 million** **\$41 million**), transportation funds of **\$336 million** **\$296 million**, real estate funds of **\$191 million** **\$189 million**, infrastructure funds of **\$125 million** **\$137 million** and energy funds of **\$115 million** **\$134 million**. Investment funds are generally reported on a one-quarter lag.

Real Estate. Real estate is directly owned property held for investment. At **September 30, 2023** **March 31, 2024**, real estate properties in operation included a long-term ground lease in Washington D.C., an office complex in New York City and the completed portion of a mixed-use project in Washington D.C. In addition, part of the previously mentioned mixed-use project in Washington D.C. is under development. The Company expects to fund further development costs for the project with a combination of its own funds and external financing. **The Company recognized impairments on real estate of \$21 million and \$72 million in the three months and nine months ended September 30, 2023, respectively. During the first quarter of 2022, the Company sold an office building in London.**

Arbitrage Trading Account. The arbitrage trading account is comprised of direct investments in arbitrage securities. Merger arbitrage is the business of investing in the securities of publicly held companies that are the targets in announced tender offers and mergers.

Loans Receivable. Loans receivable, which are carried at amortized cost (net of allowance for expected credit losses), had an amortized cost of **\$178 million** **\$229 million** and an aggregate fair value of **\$174 million** **\$229 million** at **September 30, 2023** **March 31, 2024**. The amortized cost of loans receivable is net of an allowance for expected credit losses of **\$4 million** **\$3 million** as of **September 30, 2023** **March 31, 2024**. Loans receivable include real estate loans of **\$160 million** **\$228 million** that are secured by commercial and residential real estate located primarily in **London** the UK and New York. Real estate loans generally earn interest at fixed or stepped interest rates and have maturities through 2026. Loans receivable include commercial loans of **\$18 million** **\$1 million** that are secured by business assets and have fixed interest rates with varying maturities not exceeding 10 years.

Market Risk. The fair value of the Company's investments is subject to risks of fluctuations in credit quality and interest rates. The Company uses various models and stress test scenarios to monitor and manage interest rate risk. The Company attempts to manage its interest rate risk by maintaining an appropriate relationship between the effective duration of the investment portfolio and the approximate duration of its liabilities (i.e., policy claims and debt obligations). The effective duration for the fixed maturity portfolio (including cash and cash equivalents) was 2.5 years at March 31, 2024 and 2.4 years at both September 30, 2023 and December 31, 2022 December 31, 2023.

In addition, the fair value of the Company's international investments is subject to currency risk. The Company attempts to manage its currency risk by matching its foreign currency assets and liabilities where considered appropriate.

Liquidity and Capital Resources

Cash Flow. Cash flow provided from operating activities increased to \$2,231 million \$746 million in the nine three months ended September 30, 2023 March 31, 2024 from \$1,773 million \$445 million in the nine three months ended September 30, 2022 March 31, 2023, primarily due to increased premium receipts partially offset by an increase in and reduced loss and loss expense payments.

The Company's insurance subsidiaries' principal sources of cash are premiums, investment income, service fees and proceeds from sales and maturities of portfolio investments. The principal uses of cash are payments for claims, taxes, operating expenses and dividends. The Company expects its insurance subsidiaries to fund the payment of losses with cash received from premiums, investment income and fees. The Company generally targets an average duration for its investment portfolio that is within 1.5 years of the average duration of its liabilities so that portions of its investment portfolio mature throughout the claim cycle and are available for the payment of claims if necessary. In the event operating cash flow and proceeds from maturities and prepayments of fixed income securities are not sufficient to fund claim payments and other cash requirements, the remainder of the Company's cash and investments is available to pay claims and other obligations as they become due. The Company's investment portfolio is highly liquid, with approximately 80% invested in cash, cash equivalents and marketable fixed maturity securities as of September 30, 2023 March 31, 2024. If the sale of fixed maturity securities were to become necessary, a realized gain or loss equal to the difference between the cost and sales price of securities sold would be recognized.

Debt. At September 30, 2023 March 31, 2024, the Company had senior notes, subordinated debentures and other debt outstanding with a carrying value of \$2,837 million and a face amount of \$2,865 million \$2,861 million. In the first quarter of 2022, the Company repaid at maturity its \$77 million aggregate principal amount of 8.7% senior notes in January and its \$350 million aggregate principal amount of 4.625% senior notes in March. The maturities of the outstanding debt are \$7 million \$6 million in 2024, \$3 million in 2025, \$250 million in 2027, \$350 million in 2044, \$470 million in 2050, \$400 million in 2052, \$185 million in 2058, \$300 million in 2059, \$250 million in 2060, and \$650 million in 2061.

On April 1, 2022, the Company entered into a senior unsecured revolving credit facility that provides for revolving, unsecured borrowings up to an aggregate of \$300 million with a \$50 million sublimit for letters of credit. The Company may increase the amount available under the facility to a maximum of \$500 million subject to obtaining lender commitments for the increase and other customary conditions. Borrowings under the facility may be used for working capital and other general corporate purposes. All borrowings under the facility must be repaid by April 1, 2027, except that letters of credit outstanding on that date may remain outstanding until April 1, 2028 (or such later date approved by all lenders). Our ability to utilize the facility is conditioned on the satisfaction of representations, warranties and covenants that are customary for facilities of this type. As of September 30, 2023 March 31, 2024, there were no borrowings outstanding under the facility.

Equity. At September 30, 2023 March 31, 2024, total common stockholders' equity was \$6.9 billion \$7.8 billion, common shares outstanding were 258,043,531 256,548,669 and stockholders' equity per outstanding share was \$26.80 \$30.34. During the nine three months ended September 30, 2023 March 31, 2024, the Company repurchased 7,146,975 did not repurchase any shares of its common stock for \$430.5 million stock. In the third first quarter of 2023, 2024, the board of directors of the Company declared a regular quarterly cash dividend of \$0.11 per share and a special cash dividend of \$0.50 per share. In the second quarter of 2023, the board of directors of the Company declared a regular quarterly cash dividend of \$0.11 per share. In the first quarter of 2023, the board of directors of the Company declared a regular quarterly cash dividend of \$0.10 per share and a special cash dividend of \$0.50 per share. The number of common shares outstanding excludes shares held in a grantor trust established by the Company for delivery upon settlement of vested but mandatorily deferred RSUs.

Total Capital. Total capitalization (equity, debt and subordinated debentures) was \$9.8 billion \$10.6 billion at September 30, 2023 March 31, 2024. The percentage of the Company's capital attributable to senior notes, subordinated debentures and other debt was 29% 27% at September 30, 2023 March 31, 2024 and 30% 28% at December 31, 2022 December 31, 2023.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Reference is made to the information under "Investments - Market Risk" under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Company's management, including its Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-14 as of the end of the period covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company has in place effective controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Securities Exchange Act of 1934, as amended, and the rules thereunder, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Control over Financial Reporting. During the quarter ended September 30, 2023 March 31, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Please see Note 20 to the notes to the interim consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended **December 31, 2022** December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Set forth below is a summary **The Company did not repurchase any of the its shares repurchased by the Company** during the three months ended **September 30, 2023** **March 31, 2024**, and accordingly the number of shares remaining authorized for purchase by the Company.

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
July 2023	—	\$ —	—	14,850,000
August 2023	48,016	\$ 60.75	48,016	14,801,984
September 2023	—	\$ —	—	14,801,984

Company remains 13,241,283.

Item 5. Other Information

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the quarter ended **September 30, 2023** **March 31, 2024**, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. Exhibits

Number

(10.1) Form of 2024 Performance Unit Award Agreement under the W. R. Berkley Corporation 2019 Long-Term Incentive Plan.

(31.1) Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/ 15d-14(a).

(31.2) Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/ 15d-14(a).

(32.1) Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

W. R. BERKLEY CORPORATION

Date: November 3, 2023

/s/ W. Robert Berkley, Jr.

W. Robert Berkley, Jr.

President and Chief Executive Officer

Date: November 3, 2023

/s/ Richard M. Baio

Richard M. Baio

Executive Vice President -
Chief Financial Officer

5346

2024 Performance Unit Award Agreement

Under the W. R. Berkley Corporation 2019 Long-Term Incentive Plan

This 2024 Performance Unit Award Agreement (this "Agreement"), effective January 1, 2024, represents a grant of Performance Units by W. R. Berkley Corporation, to the Participant named below, pursuant to the provisions of the W. R. Berkley Corporation 2019 Long-Term Incentive Plan (as may be amended from time to time, the "Plan"). The value of the Performance Units will be determined based on the increase in the Company's Book Value Per Share during the Performance Period, as determined below.

Important jurisdiction-specific modifications to this Agreement are contained in Exhibit A hereto and are binding and incorporated herein. If there is any inconsistency between this Agreement and Exhibit A, Exhibit A shall govern.

The Plan, together with this Agreement and Exhibit A, provide a complete description of the terms and conditions governing the Award and the Performance Units, and constitute the entire agreement by and between the parties hereto with respect to the subject matter hereof, superseding all prior agreements, correspondence and understandings and all prior and contemporaneous oral agreements and understandings, among the parties with regard to that subject matter. If there is any inconsistency between the terms of this Agreement and/or of Exhibit A, on the one hand, and the terms of the Plan, on the other hand, the Plan's terms shall completely supersede and replace the conflicting terms of this Agreement and of Exhibit A. All capitalized terms in this Agreement shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

1. General Grant Information. The individual named below has been selected to be a Participant in the Plan and receive a grant of Performance Units, as specified below (collectively, the "Award").

(a) Participant:

(b) Number of Performance Units Granted:

(c) Initial Value of Performance Units: \$0.00

(d) Date of Grant: January 1, 2024

(e) Performance Measure: Increase in Book Value Per Share, as set forth in Section 3 below.

2. Performance Period. The Performance Period commences on January 1, 2024, and ends on December 31, 2028; provided, however, that, in the event that the Participant dies or experiences a Qualifying Termination, the Performance Period for such Participant shall be deemed to end on December 31 of the fiscal year immediately prior to the fiscal year in which such death or Qualifying Termination occurred.

3. Value of a Performance Unit. Each Performance Unit shall have a value determined by multiplying the Increase in Book Value Per Share by three and eight hundred fifty two thousandths (3.852), subject to a maximum value of one hundred dollars (\$100.00) per Performance Unit.

4. Eligibility for Payment of Performance Units. The Participant shall only be eligible for payment of the value of Performance Units granted under this Agreement if (a) the Participant's employment with the Company, or the applicable Subsidiary or Affiliate, continues through the end of the Performance Period; (b) the Participant has complied with the Obligations as set forth in Section 5(d) at all times up to and including the Settlement Date; and (c) the Participant has not committed Misconduct at any time up to and including the Settlement Date. For the avoidance of doubt, if the Participant is no longer eligible for payment pursuant to this Section 4, then the Performance Units granted under this Agreement shall be immediately forfeited without payment of any consideration and the Participant shall have no further rights with respect to such Performance Units.

5. Payout on Performance Units. (a) Except as set forth in Sections 5(b) or 8 below, the aggregate positive value, if any, of the Performance Units, based on the value of the Performance Units on the last day of the Performance Period as determined in accordance with this Agreement and subject to the maximum value set forth in Section 3 hereof, shall be paid to the Participant in cash following the last day of the Performance Period but in no event later than March 31, 2029 (also referred to as the "Settlement Date").

(b) In the event of the death or Qualifying Termination of the Participant, payment of the value, if any, of the Performance Units in accordance with the terms of this Agreement shall extinguish the Company's obligation hereunder, and the Participant shall not be entitled to any further payment or appreciation in the value of the Performance Units. In the event such payment is made due to the Participant's death, such payment shall be made either (1) to the Participant's designated beneficiary(ies) in the Company's "Workday" human resources system (or any successor designation system approved by the Company), or (2) to the Participant's estate if no beneficiary(ies) has been so designated by the Participant. Any payment upon death or any Qualifying Termination shall be made within one hundred eighty (180) calendar days following such death or Qualifying Termination; provided, however, that if such one hundred eighty (180) day period spans two separate taxable years, such payment shall be made in the later taxable year; provided further, however, that any payment hereunder (calculated as of the end of the fiscal year immediately prior to the fiscal year in which such Qualifying Termination occurred) upon a Qualifying Termination shall be delayed until the earlier of (x) June 30, 2029 and (y) such time as the Participant has also undergone a "separation

from service" as defined in Treas. Reg. 1.409A-1(h), at which time such payment shall be made to the Participant according to the schedule set forth in this Section 5(b) as if the Participant had undergone such Qualifying Termination (under the same circumstances), solely for the purpose of the date of payment, on the date of such "separation from service." Notwithstanding anything herein to the contrary, to the extent the Participant is a "specified employee" as defined in Treas. Reg. 1.409A-1(i), any payment to be made upon the Participant's "separation from service" shall be delayed until and made upon the earlier of (i) the six (6) month anniversary of the Participant's "separation from service" and (ii) the Participant's death.

(c) Once a payment is made pursuant to Section 5(a) or (b) above or Section 8 below, the Company shall have no further obligation to make any payment hereunder.

(d) (1) If at any time up to or including the last day of the Relevant Period, the Participant breaches one or more of Participant's Obligations, or agrees to enter into, or has entered into, an agreement (written, oral or otherwise) to breach one or more of Participant's Obligations, or engages in Misconduct, then the Participant (a) shall immediately forfeit all of the Performance Units that have been granted to the Participant

under this Agreement but have not been paid to him/her, and the Participant shall have no further rights with respect to such Performance Units; and (b) shall forfeit and repay to the Company, upon its demand (or, if not repaid to the Company, then the Company shall recapture from Participant), an amount equal to the total amount that has already been paid to the Participant in respect of Performance Units granted under this Agreement.

(2) The determination whether the Participant has breached one or more of the Obligations or has engaged in Misconduct shall be made by the Committee in its sole and absolute discretion. Notwithstanding its determination that the Participant has breached one or more of the Obligations or has engaged in Misconduct, the Committee has sole and absolute discretion to determine whether and to what extent to demand forfeiture, repayment or recapture. The Committee's exercise or nonexercise of such discretion with respect to any particular event or occurrence by or with respect to the Participant or any other recipient of Performance Units under the Plan shall not in any way reduce or eliminate the authority of the Committee to (i) determine that any event or occurrence by or with respect to the Participant constitutes breaching one or more of the Obligations or engaging in Misconduct, or (ii) determine the related date of breach of the Obligations or of Misconduct.

(3) The Participant acknowledges and agrees that the terms set forth herein with respect to breaching one or more of the Obligations, in view of the nature of the business in which the Company is engaged, are narrowly tailored in scope (as to both the temporal and geographical limits) and reasonable and necessary in order to protect the legitimate business interests of the Company, including trade secrets, Confidential Information and relationships. The Participant acknowledges further that breaching one or more of the Obligations or engaging in Misconduct would result in irreparable injuries to the Company and would cause loss in an amount that cannot be readily quantified. The Participant further acknowledges that any amounts forfeited, repaid or recaptured hereunder do not, and are not

intended to, constitute actual or liquidated damages; rather, they are a forfeiture, repayment or recapture of the financial benefit provided by the Company in exchange for Participant's promise to comply with the terms and conditions set forth herein. In the absence of Participant's promise to comply with the terms and conditions set forth herein, the Company would not have granted the Performance Units to Participant. Participant acknowledges it would be contrary to the interests of the Company for Participant to retain the amounts required to be forfeited, repaid to or recaptured by the Company pursuant to this Section 5, if Participant has (x) breached or agreed to breach one or more of the Obligations or (y) engaged in Misconduct. Participant acknowledges that if it breached or agreed to breach one or more of the Obligations or engaged in Misconduct it would result in corporate waste if the Participant did not forfeit and repay (and the Company did not seek recapture of) the benefits conferred hereunder. Any action or inaction by the Company with respect to enforcing the forfeiture, repayment or recapture provisions set forth herein shall not reduce, eliminate or in any way affect the Company's right to enforce the forfeiture, repayment or recapture provisions in any other agreement with Participant or with other participants. This Agreement is in addition to and shall not supersede or preclude the Company from enforcing the terms of any separate agreement to which Participant is bound containing covenants and/or obligations on post-employment activities or its other rights under applicable law.

(4) The Participant hereby agrees to notify the Company in writing at its principal executive office via certified mail or overnight courier (to the attention of the Senior Vice President – Human Resources of W. R. Berkley Corporation) and contemporaneously with a copy (which copy shall not itself constitute notice) via email to legalnotices@wrberkley.com within ten (10) days of commencing any employment or other service provider relationship with any company or business during the Relevant Period, specifying in reasonable detail (i) the name of such company or business and the nature of such company or business, including the lines of business in which such company or business is engaged or plans to engage during the Relevant Period, and (ii) the Participant's position or title and the specific types of services to be provided or planned to be provided by the Participant in such position or title during the Relevant Period. Should the Participant's planned services, position, or employer change during the Relevant Period, the Participant shall provide additional notice to the Company in the same fashion within ten (10) days of the change. The Participant hereby acknowledges that this notice requirement is reasonable and necessary for the Committee to evaluate the Participant's compliance with the provisions of this Section 5. Furthermore, if the Participant fails to so notify the Company, the Participant may be required (at the Committee's sole and absolute discretion) to repay to the Company (or, if not repaid to the Company, then recaptured from the Participant) the amounts described in this Section 5(d) as if the Participant had breached an Obligation during the Relevant Period.

(e) The Participant's employment for purposes of Section 4(a) will not be considered to continue if his or her employment with the Company or, as applicable, its Subsidiary or Affiliate has been terminated (regardless of the reason for such termination).

regardless whether the termination was at Participant's or Participant's employer's prompting, and regardless whether the termination is found to be invalid or in breach of applicable employment law or of the terms of the Participant's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Committee in its sole and absolute discretion, (i) the Participant's eligibility for payment of the Performance Units granted hereunder, if any, will terminate as of such date and will not be extended by any notice period arising under law or contract, and (ii) the Participant's period of employment would not include any contractual notice period (except for such period of time, as determined in the Committee's sole and absolute discretion, that the Participant is actively providing substantial services as required by the Participant's employer during any notice period) or any period of "garden leave" or similar period arising under applicable employment laws or the terms of Participant's employment agreement, if any.

6. Nontransferability. The Performance Units granted hereunder may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, except as otherwise expressly provided for in this Agreement and/or the Plan.

7. Administration. This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee in its sole and absolute discretion may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement in its sole and absolute discretion, all of which shall be final and binding upon the Participant, including without limitation any determination concerning a breach of an Obligation or an instance of Misconduct.

8. Change in Control. In the event of a Change in Control, unless otherwise specifically prohibited under applicable law or by the rules and regulations of any governmental agencies or national securities exchanges:

(a) With respect to each outstanding Performance Unit that is assumed or substituted in connection with a Change in Control, in the event that the Participant's employment with the Company or, as applicable, its Subsidiary or Affiliate, is terminated (i) by the Company or such Subsidiary or Affiliate without Cause or (ii) by the Participant for Good Reason, in each case during the eighteen (18) month period following such Change in Control, the value of all Performance Units shall be determined and fixed as of the end of the fiscal year immediately preceding the fiscal year in which such termination occurs, and such value shall be paid to the Participant in accordance with, and subject to, the provisions of Sections 4 and 5 hereof. Following such termination, Performance Units shall not accrue any additional value for the fiscal year in which such termination occurs or for any subsequent fiscal years.

(b) With respect to each outstanding Performance Unit that is not assumed or substituted in connection with a Change in Control, immediately upon the occurrence of the Change in Control, which shall be deemed the end of the Performance Period, the value of all

Performance Units shall be determined and fixed as of the end of the fiscal year immediately preceding the fiscal year in which such Change in Control occurs, and such value shall be paid to the Participant within ninety (90) calendar days following the date of such Change in Control; provided,

however, that if such ninety (90) day period spans two separate taxable years, such payment shall be made in the later taxable year. Following such Change in Control, Performance Units shall not accrue any additional value for the fiscal year in which such Change in Control occurs or for any subsequent fiscal years.

(c) For purposes of this Section 8, a Performance Unit shall be considered assumed or substituted for if, following the Change in Control, the Performance Unit is assumed or substituted for with one of comparable value and remains subject to the same terms and conditions that were applicable to the Performance Units immediately prior to the Change in Control.

(d) For purposes of this Section 8, an event shall only constitute a Change in Control if the event constituting a Change in Control also constitutes "a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company" within the meaning of Section 409A(a)(2)(A)(v) of the Code and the regulations promulgated thereunder.

9. Miscellaneous.

(a) This Agreement shall not confer upon the Participant any right to continuation of employment or engagement by the Company or any of its Subsidiaries or Affiliates, nor shall this Agreement interfere in any way with the Company's or any Subsidiary's or Affiliate's right to terminate the Participant's employment or engagement at any time. Participant agrees that he or she has entered into this Agreement voluntarily and that the Participant has not been induced to participate in the distribution of Performance Units by the Company by expectation of appointment, employment, continued appointment or continued employment or other service relationship of the Participant with the Company or one of its Affiliates or Subsidiaries. Participant recognizes and acknowledges that (i) (x) the Performance Units do not constitute wages or otherwise comprise any part of the pay or benefits as compensation for Participant's work and (y) Participant's employment with the Company or the applicable Subsidiary or Affiliate is not conditioned on Participant accepting this Award; rather, the Award is a separate supplemental discretionary benefit being made available to Participant in exchange for Participant's compliance with the terms and conditions set forth herein; and (ii) this Agreement is not a covenant not to compete and that Participant is free to pursue any employment opportunities he/she may desire, in accordance with the terms of Section 4 above.

(b) The Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any material way adversely affect the Participant's rights under this Agreement.

(c) The Company or, as applicable, the Subsidiary or Affiliate whose employment of the Participant gives rise the Participant's participation in the Plan, shall have the authority to deduct or withhold from any payment hereunder or from any other source of the Participant's compensation, or may require the Participant to remit to the Company or such Subsidiary or Affiliate, before payment hereunder, an amount sufficient to satisfy federal, state, and local taxes (including Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising out of this Agreement.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) This Agreement concerns the provision of Performance Units that provide an economic interest at the time of grant in a Delaware corporation (W. R. Berkley Corporation) to further the long-term interests of the Delaware corporation. It is intended to apply in the same fashion to all participants who are receiving such an interest in the same Delaware corporation pursuant to the same form of performance unit agreement. Moreover, the Plan is governed by the laws of the State of Delaware without regard to the principles of conflicts of laws thereof. To the extent not preempted by federal law, this Agreement shall be governed by, interpreted and construed in accordance with, the laws of the State of Delaware, regardless of its conflicts of laws principles. The jurisdiction and venue for any dispute arising under, or any action brought to enforce or otherwise relating to, this Agreement will be exclusively in the courts of the State of Delaware, including the federal courts located in Delaware in the event federal jurisdiction exists. Participant hereby irrevocably consents to the exclusive personal jurisdiction and venue of the federal and state courts of the State of Delaware for the resolution of any disputes arising out of, or relating to, this Agreement and irrevocably waives any claim or argument that the courts of the State of Delaware are an inconvenient or improper forum. In any action arising under or relating to this Agreement, the court (including, as applicable, any court specified in Exhibit A) shall not have the authority to, and shall not, conduct a *de novo* review of any determination made by

the Committee or the Company but is instead authorized to determine solely whether the determination was the result of fraud or bad faith under Delaware law.

(f) All obligations of the Company under the Plan and this Agreement with respect to the Performance Units shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(g) The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be invalid, void or unenforceable in any jurisdiction, then (i) the court shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of the invalid, void, or unenforceable provision, and shall modify the Agreement so that the scope of the provision is reduced only to the minimum extent necessary to cause the modified provision

to be valid, legal and enforceable, and (ii) such substitution or modification shall not affect the remainder of the provisions or their enforceability, including in jurisdictions other than the one of the court making the substitution or modification, or as to other participants in the Plan or other agreements under the Plan.

(h) By accepting this Award or any other benefit under the Plan, the Participant and each person claiming under or through the Participant shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee.

(i) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTICIPANT, EVERY PERSON CLAIMING UNDER OR THROUGH THE PARTICIPANT, AND THE COMPANY HEREBY WAIVE AND RELEASE ANY CLAIM UNDER FEDERAL, STATE OR LOCAL LAW THEY HAVE OR MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THE PLAN OR THIS AGREEMENT OR ANY ACTIONS TAKEN OR DETERMINATIONS MADE UNDER THE PLAN OR THIS AGREEMENT.

(j) Except as required in Section 5(d)(4), every notice required pursuant to this Agreement shall be in writing and shall be delivered via certified mail or overnight courier to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices by the Participant to the Company shall be mailed or delivered as herein provided to the Company at its principal executive office to the attention of the Senior Vice President – Human Resources of W. R. Berkley Corporation (and contemporaneously with a copy (which copy shall not itself constitute notice) via email to legalnotices@wrberkley.com), and all notices by the Company to the Participant may be given to the Participant personally or may be mailed or delivered as provided herein to Participant at the Participant's last known address, as reflected in the Company's records.

(k) Definitions.

(i) **"Affiliate"** shall mean an "Affiliate" of the Company as such term is defined in Rule 12b-2 of the General Rules and Regulations of the Securities and Exchange Act of 1934, as amended from time to time, and any successor act thereto.

(ii) **"Agreement"** has the meaning set forth in the Recitals.

(iii) **"Award"** has the meaning set forth in Section 1 above.

(iv) **"Beginning Book Value Per Share"** means \$32.37.

(v) “**Book Value Per Share**” as of the end of any fiscal year shall be equal to the quotient of X divided by Z, where X is equal to the sum of A, B, C, D and E minus the sum of F, G and H, and Z is equal to the sum of W plus Y: $[(A+B+C+D+E)-(F+G+H)] \div (W+Y)$. For purposes of this calculation,

(A) shall be equal to the Company’s total common stockholders’ equity as of the end of such fiscal year, as determined in accordance with generally accepted accounting principles and reported in the Company’s audited financial statements,

(B) shall be equal to the cumulative after-tax expense of the Company from January 1, 2024 through the end of such fiscal year arising from all the grants made under the Plan,

(C) shall be equal to the cumulative cash dividends on the Company’s common stock declared from January 1, 2024 through the end of such fiscal year,

(D) shall be equal to the cumulative cost of the Company’s common stock repurchased by the Company from January 1, 2024 through the end of such fiscal year,

(E) shall represent imputed interest on the cost of the Company’s common stock repurchased by the Company and the amount of special dividends (any dividend other than the regular quarterly cash dividend) paid by the Company during the Performance Period. Such interest shall be imputed on such repurchases and special dividends from the first day of the quarter following such repurchases and special dividends to the end of the Performance Period. The imputed interest rate shall be equal to the average annual increase in Book Value Per Share for the Performance Period, before consideration of this subsection E,

(F) shall be equal to the Company’s accumulated other comprehensive income as of the end of such fiscal year,

(G) shall be equal to the cumulative unrealized gains and losses, net of tax, on equity securities (other than securities of consolidated subsidiaries or securities accounted for on the equity method) reported in retained earnings at the end of such fiscal year as a result of Accounting Standards Update 2016-01,

(H) shall be equal to the cumulative allowance for credit losses, net of tax, on applicable assets reported in retained earnings at the end of such fiscal year as a result of Accounting Standards Update 2016-13,

(W) shall be equal to the number of shares of the Company’s common stock issued and outstanding, net of treasury shares, as of the end of such fiscal year, and

(Y) shall be the cumulative number of shares of the Company’s common stock repurchased by the Company from January 1, 2024 through the end of such fiscal year.

Book Value Per Share shall be calculated without taking into account any forward or reverse split of the Company’s common stock or any stock dividend declared on the Company’s common stock and there shall be no adjustment to the number of Performance Units granted hereunder in either event. Notwithstanding anything herein to the contrary the formula to determine Book Value Per Share may be further modified to take into account any factor set forth in Section 7.2 of the Plan.

(vi) **“Cause”** means “Cause” as defined in any active employment agreement between the Participant and the Company or any Subsidiary or Affiliate, as applicable, or, in the absence of any such definition, means the occurrence of any one of the following events, in each case as determined in the Committee’s sole and absolute discretion: (A) fraud, personal dishonesty, embezzlement or acts of gross negligence or gross misconduct on the part of the Participant in the course of his or her employment or services, (B) the Participant’s engagement in conduct that is materially injurious to the Company, a Subsidiary or an Affiliate, (C) the Participant’s conviction by a court of competent jurisdiction of, or pleading “guilty” or “no contest” to, (x) a felony or (y) any other criminal charge (other than minor traffic violations) which could reasonably be expected to have a material adverse impact on the Company’s or a Subsidiary’s or an Affiliate’s reputation or business; (D) public or consistent drunkenness by the Participant or his or her illegal use of narcotics which is, or could reasonably be expected to become, materially injurious to the reputation or business of the Company, a Subsidiary or an Affiliate or which impairs, or could reasonably be expected to impair, the performance of the Participant’s duties to the Company, a Subsidiary or an Affiliate; (E) willful failure by the Participant to follow the lawful directions of a superior officer; or (F) the Participant’s continued and material failure to fulfill his or her employment obligations to the Company or any Subsidiary or Affiliate.

(vii) **“Client”** means any insured, agent, broker, producer or other intermediary to or through whom the Company or any Subsidiaries or Affiliates provides insurance or reinsurance or related services.

(viii) **“Committee”** means the Compensation Committee of the Board of Directors of the Company, or any other committee designated by such Board to administer the Plan. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors of the Company.

(ix) **“Company”** means W. R. Berkley Corporation, a Delaware corporation, and any successor thereto as provided in Section 14 of the Plan.

(x) **“Confidential Information”** means an item of information or a compilation of information, in any form (tangible or intangible), related to the business of the Company or of a Subsidiary or Affiliate that the Company or such Subsidiary or Affiliate has not made known to the general public or authorized disclosure to the general public, and that is not generally known to the public through proper means, including but not limited to:

10

- (A) underwriting premiums or quotes, pricing models and formulas, projections, income and receipts, claims records and levels, renewals, proprietary policy wording and terms, underwriting guidelines, reinsurance terms and conditions, profit commissions, agreements, and terms of any agency/broker relationships;
- (B) operating unit or other business performance records, loss ratios, projections and forecasts;
- (C) price-sensitive information and business strategies including acquisition and divestiture plans;
- (D) technical information, including computer programs, reports, interpretations, forecasts, corporate and business plans and accounts, business methods, models, analyses, financial details, projections and targets;
- (E) remuneration and confidential personnel details concerning other employees or contractors of the Company or any Subsidiary or Affiliate;
- (F) planned products, planned services, marketing surveys, research reports, market share and pricing statistics, budgets, and planned and actual fee levels;
- (G) computer passwords, the contents of any databases, tables, internal templates, know-how, and training documents or materials;
- (H) commissions, commission charges, pricing policies and all information about research and development and clients’ needs and agreements; and
- (I) the Company’s, and its Subsidiaries’ and Affiliates’, Clients’ or Prospective Clients’ names and contact information, non-public information about the nature of such Clients’ or Prospective Clients’ business operations, such Clients’ or Prospective Clients’ requirements for services supplied by or through the Company or its Subsidiaries and Affiliates, and all confidential aspects of such Clients’ or Prospective Clients’ relationships

with the Company and its Subsidiaries and Affiliates, including the terms of any agreements with the Company and its Subsidiaries and its Affiliates.

Participant acknowledges that in the course of performing services for the Company and/or its Subsidiaries and Affiliates, the Participant has had and will have access to Confidential Information. For the avoidance of doubt, Confidential Information does not include information about unlawful acts in the workplace (such as harassment or discrimination) that Participant is permitted to disclose pursuant to applicable law, provided that Participant has a good faith and reasonable belief at the time of such disclosure that such act is unlawful.

(xi) **"Covered Business Partner"** means any person, concern or entity (including, without limitation, any Client) as to which Participant, or persons supervised by Participant, had business-related contact or received, learned or had regular access to Confidential Information during the most recent two years of Participant's employment with the Company or its Subsidiaries or Affiliates or such shorter period of time as employed (the "**Look Back Period**").

11

(xii) **"Disability"** means the inability of the Participant to continue to perform services for the Company or any Subsidiary or Affiliate, as applicable, on account of his or her total and permanent disability as determined by the Company, but subject to review by the Committee in its sole and absolute discretion.

(xiii) **"Ending Book Value Per Share"** means the highest Book Value Per Share determined as of the end of each fiscal year in the Performance Period.

(xiv) **"Good Reason"** means "Good Reason" as defined in any active employment agreement between the Participant and the Company or any Subsidiary or Affiliate, as applicable, or, in the absence of any such definition, means the occurrence of any one of the following events (unless the Participant agrees in writing that such event shall not constitute Good Reason), in each case as determined in the Committee's sole and absolute discretion: (A) a material reduction in the Participant's duties or responsibilities from those in effect immediately prior to a Change in Control; (B) a material reduction in the Participant's base salary below the levels in effect immediately prior to a Change in Control; or (C) relocation of the Participant's primary place of employment to a location more than fifty (50) miles from its location, and further from the Participant's primary residence, immediately prior to a Change in Control; provided, however, that with respect to any Good Reason termination, the Participant gives the Company, or the Subsidiary or Affiliate by which the Participant is employed, not less than thirty (30) days' written notice (within sixty (60) days of the occurrence of the event constituting Good Reason) of the Participant's intention to terminate the Participant's employment for Good Reason, and states in detail in such notice the particular act or acts, or failure or failures to act, that constitute(s) the grounds on which the proposed termination for Good Reason is based, and such termination shall be effective at the expiration of such thirty (30) day notice period only if during such period the Company has not fully cured such act or acts or failure or failures to act that otherwise would constitute Good Reason. Further, any provision in this definition to the contrary notwithstanding, in order to constitute a termination for Good Reason, such termination must occur within six (6) months of the initial existence of the applicable condition.

(xv) **"Increase in Book Value Per Share"** means the amount, if any, by which the Ending Book Value Per Share exceeds Beginning Book Value Per Share for the Performance Period.

(xvi) **"Look Back Period"** has the meaning set forth in Section 9(k)(xi) above.

(xvii) **"Misconduct"** means the Participant's engagement, during the Relevant Period, in an act which would, in the sole and absolute discretion of the Committee, constitute fraud that could be punishable as a crime, or embezzlement against either the Company, any Subsidiary or any Affiliate.

(xviii) **"Obligations"** means to not, either directly or indirectly, whether as an employee, consultant, independent contractor, partner, joint venturer or otherwise, during the Relevant Period: (A) for a Participant employed by, or was previously employed by, the Company,

12

engage in or direct any business activities which are competitive with any business activities conducted, managed or supported by the Company, in or directed into any geographical area (x) where the Participant had responsibilities on behalf of the Company, or about which the Participant received or had regular access to Confidential Information and (y) in which the Company conducts, manages or supports business activities during all of or part of the Relevant Period; (B) for a Participant employed by, or was previously employed by, Affiliates or Subsidiaries of the Company, engage in or direct any business activities which are competitive with any business activities conducted, managed or supported by such Affiliate or Subsidiary, in or directed into any geographical area (x) where the Participant had responsibilities on behalf of the Affiliate or Subsidiary, or about which the Participant received or had regular access to Confidential Information and (y) in which the Affiliate or Subsidiary conducts, manages or supports business activities during all of or part of the Relevant Period; (C) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or any Subsidiary or Affiliate, solicit or induce, or in any manner attempt to solicit or induce, any person to terminate such person's employment with the Company, Subsidiary or Affiliate (provided that Participant worked with or supervised such person or Participant learned Confidential Information about such person); (D) divert, or in any manner attempts or assists others to divert, any Covered Business Partner from doing business with the Company or any Subsidiary or Affiliate, or attempt to induce any Covered Business Partner to cease being a Client of the Company, Subsidiary or Affiliate; (E) solicit, or in any manner attempts or assists others to solicit, a Covered Business Partner to do business with a competitor or prospective competitor of the Company or any Subsidiary or Affiliate; or (F) disclose, misappropriate, make use of, or attempt or assist others to make use of or misappropriate, property or Confidential Information of the Company or any Subsidiary or Affiliate, other than in the course of the performance of services to and for the benefit of, or at the direction of, the Company, Subsidiary or Affiliate.

(xix) **“Performance Period”** has the meaning set forth in Section 2 above.

(xx) **“Performance Unit”** means each unit of the Award granted to a Participant, as described in this Agreement and the Plan.

(xxi) **“Plan”** has the meaning set forth in the Recitals.

(xxii) **“Prospective Client”** means any person, concern or entity (including, without limitation, any potential insured, agent, broker, producer or other intermediary) with whom or which the Committee determines in its sole and absolute discretion that Participant knew or should have known that the Company or any of its Subsidiaries or Affiliates has been in negotiations during the Look Back Period to provide insurance or reinsurance or related services.

(xxiii) **“Qualifying Termination”** means the termination of the Participant's employment with the Company and all Subsidiaries and Affiliates prior to the end of the Performance Period as a result of: (i) Disability or Retirement; (ii) an action by the Company or a

13

Subsidiary or Affiliate, as applicable, for any reason other than Cause; or, (iii) following a Change in Control, an action by the Participant for Good Reason.

(xxiv) **“Relevant Period”** means the period beginning on the date of Participant's commencement of employment with the Company or the applicable Affiliate or Subsidiary and ending on the second anniversary of the Settlement Date.

(xxv) **“Retirement”** means the Participant's retirement from service with the Company and all Subsidiaries and Affiliates with either (1) the consent of the Executive Chairman of the Board, President or Chief Executive Officer of the Company or (2) the written consent of the Committee.

(xxvi) **“Settlement Date”** means the date on which the value of the Performance Units is actually paid to the Participant.

(xxvii) "Subsidiary" means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

10. Counterparts and Signatures. This Agreement may be signed in counterparts, each of which shall be an original, and all of which shall be construed together as a single instrument. This Agreement may be signed with electronic or facsimile signatures, and the instrument or a counterpart of the instrument so signed shall be an original with the same validity and effect as one with a physical signature.

11. Protected Conduct. Nothing in this Agreement (a) with respect to an event that Participant reasonably and in good faith believes at the time of reporting is a violation of law, prohibits the Participant from reporting such event in confidence to the relevant law-enforcement agency (such as the Securities and Exchange Commission or Department of Labor) or requires notice to or approval from the Company before doing so, (b) prohibits the Participant from cooperating in an investigation conducted by such a government agency, or (c) prohibits Participant from discussing or disclosing information about unlawful acts in the workplace as permitted under applicable law which Participant reasonably and in good faith believes at the time of disclosure to be unlawful. Further Participant is hereby advised that under the Defend Trade Secrets Act of 2016 (DTSA), no individual will be held criminally or civilly liable under federal, state or local trade secret law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (ii) is made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Also, the DTSA further provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. To the extent that the Participant is

14

covered by Section 7 of the National Labor Relations Act (NLRA) because the Participant is not in a supervisor or management role, nothing in this Agreement shall be construed to prohibit the Participant from using information the Participant acquires regarding the wages, benefits, or other terms and conditions of employment at the Company or its Subsidiary or Affiliate for any purpose protected under the NLRA.

[Signatures to appear on following page]

15

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective as of January 1, 2024.

W. R. Berkley Corporation

By: _____ Name: _____
Title: _____

EXHIBIT A

JURISDICTION SPECIFIC MODIFICATIONS

As used in this Exhibit A, the term "Company" includes W. R. Berkley Corporation and all of its Subsidiaries and Affiliates.

The inclusion of state law references in this Exhibit A does not mean that this Agreement constitutes a non-competition agreement. The following provisions are applicable to the extent that a court of competent jurisdiction determines that the Obligations in this Agreement constitute a non-competition agreement or are otherwise prohibited by law.

I. States of the United States of America

A. **All States.** The Participant is advised to consult with an attorney prior to accepting the Award under this Agreement. The Obligations set forth in this Agreement are consideration for the benefits granted to the Participant hereunder and are designed, among other things, to protect the Company's trade secrets. Participant has been provided a minimum of 14 days to review this Agreement before accepting its terms and conditions. This Agreement does not apply to the extent that Participant is not compensated in an amount exceeding any applicable minimum wage threshold established by the state in which Participant primarily resides and works or as otherwise provided by law.

B. **California.** For so long as the Participant is employed in California: (i) no provision or requirement of this Agreement will be applied, construed or interpreted in a manner contrary to the express public policy of the State of California; (ii) the Obligations in Sections 9(k)(xviii)(A) and (B) shall not apply after termination of Participant's employment with the Company or any of its Affiliates; (iii) Sections 9(k)(xviii)(D) and (E) shall be limited to situations where the Participant is aided in his or her conduct by the Participant's use or disclosure of trade secrets (as defined by applicable law); (iv) Section 9(i) shall not apply; and (v) the word "Delaware" shall be replaced with "California" in the fourth, fifth and sixth sentences of Section 9(e).

C. **Colorado.** For so long as Participant primarily resides and works in Colorado and is subject to the laws of Colorado, (i) the Obligations in Sections 9(k)(xviii)(A) and (B) shall only apply post-employment to protect the Company's and its Affiliates' trade secrets and if Participant's annualized earnings from the Company or its Affiliates at the time Participant executes this Agreement and at the time Sections 9(k)(xviii)(A) or (B) are enforced exceed the greater of \$101,250.00 per year or the threshold amount for highly compensated workers adjusted by the Colorado Division of Labor Standards and Statistics; (ii) the Obligations in Sections 9(k)(xviii)(D) and (E) shall only apply post-employment to protect the Company's and its Affiliates' trade secrets and if Participant's annualized earnings from the Company or its Affiliates at the time Participant executes this Agreement and at the time Sections 9(k)(xviii)(D) or (E) are enforced exceed the greater of \$60,750.00 per year or the threshold amount for highly compensated workers adjusted by the Colorado Division of Labor Standards and Statistics; and (iii) the definition of "Confidential Information" in Section 9(k)(x) shall exclude information that arises from Participant's general training, knowledge, skill, or experience, whether gained on the job or otherwise.

compensated workers adjusted by the Colorado Division of Labor Standards and Statistics; and (iii) the definition of "Confidential Information" in Section 9(k)(x) shall exclude information that arises from Participant's general training, knowledge, skill, or experience, whether gained on the job or otherwise.

D. Illinois. For so long as Participant primarily resides and works in Illinois and is subject to the laws of Illinois: (i) the Obligations in Sections 9(k)(xviii)(A) and (B) shall only apply post-employment if Participant's annualized earnings from the Company or its Affiliates at the time Participant executes this Agreement exceed (a) \$75,000.00 or (b) if Participant executes this Agreement after January 1, 2027, \$80,000.00 per year; (ii) if Participant's employment is terminated or furloughed as the result of business circumstances or governmental orders related to the COVID-19 pandemic or under circumstances that are similar to the COVID-19 pandemic, the Obligations in Sections 9(k)(xviii)(A) and (B) shall not apply unless the Company or its Affiliates compensates Participant equivalent to Participant's base salary at the time of termination for the period of enforcement less compensation earned through subsequent employment during the period of enforcement. Participant agrees that this Performance Unit grant is independent consideration for the Obligations.

E. Massachusetts. For so long as Massachusetts General Laws Part I Title XXI Chapter 149 Section 24 L applies to the obligations of Participant under this Agreement: (i) the Obligations in Sections 9(k)(xviii)(A), (B), (D) and (E) will only apply within any geographical area (x) where Participant had responsibilities on behalf of the Company or its Affiliates (as appropriate) or about which Participant received Confidential Information during the Look Back Period and (y) in which the Company or its Affiliates (as appropriate) is engaged in business; (ii) Sections 9(k)(xviii)(A) and (B) are further limited to situations where Participant is performing services that are the same as or similar in function or purpose to the services Participant performed for the Company or its Affiliates (as appropriate) during the Look Back Period and are not enforceable if the Participant has been terminated without Cause or laid off; (iii) the fifth and sixth sentences of Section 9(e) are amended to replace "Delaware" with "Massachusetts"; and (iv) this Agreement is amended to add the following new Section 12:

SECTION 12. The Company and Participant agree that the grant of Performance Units to Participant is fair and reasonable consideration for the obligations of Participant in this Agreement. The Company and Participant agree that the grant of Performance Units is consideration for the Participant's compliance with the Obligations under Section 5(d) and Sections 9(k)(xviii)(A) and (B) (as applicable) of this Agreement (as such Obligations are modified by Exhibit A hereto) during the duration of such Obligations. For the avoidance of doubt, Participant has the right to consult with an attorney prior to accepting this Award. Participant acknowledges that Participant has been given at least ten business days to accept this Award.

F. North Dakota. For so long as the Participant resides in and is subject to the laws of North Dakota: (i) no provision or requirement of this Agreement shall be construed or interpreted in a manner contrary to the express public policy of the State of North Dakota; (ii) the

Obligations in Sections 9(k)(xviii)(A) and (B) shall not apply after termination of Participant's employment with the Company or any of its Affiliates; (iii) Sections 9(k)(xviii)(D) and (E) shall be limited to situations where the Participant is aided in his or her conduct by the Participant's use or disclosure of trade secrets (as defined by applicable law); and (iv) the last sentence of Section 5(d)(4) shall not apply and the remainder of Section 5(d)(4) shall apply.

G. Oklahoma. For so long as the Participant resides in and is subject to the laws of Oklahoma: (i) the Obligations in Sections 9(k)(xviii)(A) and (B) shall not apply after termination of Participant's employment with the Company or any of its Affiliates, and (ii) "Covered Business Partner" means any individual, company, or business entity (including, without limitation, any Client) with which the Company or its Affiliates has transacted business within the Look Back Period and with which the Participant, or persons supervised by the Participant, had material business-related contact or about which the Participant had access to Confidential Information during the Look Back Period.

H. Puerto Rico. For so long as Participant primarily resides and works in the Commonwealth of Puerto Rico ("Puerto Rico") and is subject to the laws of Puerto Rico: (i) the Obligations in Sections 9(k)(xviii)(A) and (B) shall only apply up to one year following such termination of employment with the Company in any geographical area within Puerto Rico where Participant had responsibilities on behalf of the Company or its Affiliates or where Participant received Confidential Information during the one-year period prior to the termination of employment with the Company or its Affiliates; (ii) Sections 9(k)(xviii)(A) and (B) are further limited to situations where Participant is performing services that are the same as or similar in function or purpose to the services Participant performed for the Company or its Affiliates (as appropriate), or that call for the application of the same or similar specialized knowledge or skills as those utilized by Participant in the services Participant provided to the Company or its Affiliates (as appropriate), during the one-year period prior to the termination of Participant's employment with the Company or its Affiliates; (iii) Section 9(k)(xi) is amended to

read as follows: "Covered Business Partner" shall mean any person, concern or entity (including, without limitation, any Client) with respect to whom Participant did business on behalf of the Company or any of its Affiliates, who were personally served by Participant, or as to which Participant received or learned of Confidential Information, in each case during the most recent two years of Participant's employment with the Company or any of its Affiliates, or such shorter period of time as employed (the "Look Back Period"); and (iv) this Agreement is amended to add the following new Section 12:

"**SECTION 12.** The Company and Participant agree that the grant of the Performance Units to Participant is fair and reasonable consideration for the Participant's compliance with the Obligations under Section 5(d) and Section 9(k)(xviii) of this Agreement (as such Obligations are modified by Exhibit A hereto). Participant acknowledges that Participant has been advised that Participant has the right to consult with an attorney prior to accepting this Award."

19

I. Virginia. For so long as Participant primarily resides and works in Virginia and is subject to the laws of Virginia: (i) the Obligations in Sections 9(k)(xviii)(A) and (B) shall only apply post-employment if Participant's average weekly earnings from the Company or its Affiliates over the 52 weeks immediately preceding the date of termination of Participant's employment exceeds the average weekly wage of the Commonwealth of Virginia as determined by the Virginia Employment Commission (\$1,343 in 2023); and (ii) the Obligations in Sections 9(k)(xviii)(D) and (E) shall not apply post-employment if Participant does not initiate contact with or solicit a Covered Business Partner.

J. Washington. For so long as Participant primarily resides and works in Washington and is subject to the laws of Washington: (a) the Obligations in Sections 9(k)(xviii)(A) and (B) shall only apply post-employment if Participant's annualized earnings from the Company or its Affiliates at the time Participant executes this Agreement exceed \$116,593.14 per year (adjusted annually in accordance with Section 5 of Washington HP 1450); (b) the Obligations in Sections 9(k)(xviii)(A) and (B) shall not be enforced against Participant if Participant is terminated from employment without cause or if Participant is laid off unless the Company or its Affiliates pays the Participant during the two year period following Participant's termination an amount equal to the Participant's base salary at the time of termination less any compensation earned by Participant during such two year period; and (c) the fourth, fifth and sixth sentences of Section 9(e) shall not apply. Participant further understands that for the limited purposes of the application of Sections 9(k)(xviii)(A) and (B), "cause" to terminate Participant's employment exists if Participant has (i) committed, admitted committing, or plead guilty to a felony or crime involving moral turpitude, fraud, theft, misappropriation, or dishonesty, (ii) violated a material term of this Agreement or Company or its Affiliates policy, (iii) engaged in insubordination, or failed or refused to perform assigned duties of Participant's position despite reasonable opportunity to perform, (iv) failed to exercise reasonable care and diligence in the exercise of Participant's duties for the Company or its Affiliates, or (iv) engaged in conduct or omissions that Participant knew, or should have known (with the exercise of reasonable care), would cause, or be likely to cause, harm to the Company or its Affiliates or its reputation in the business community. Participant agrees that this grant of Performance Units is independent consideration for Participant's compliance with the Obligations.

20

II. Countries Other than the United States of America

A. Argentina. For an Argentinian resident, for so long as the Participant resides in Argentina and is subject to the laws of Argentina:

(i) Section 9(e) shall be deleted in its entirety and replaced with the following:

“(e) This Agreement shall be construed and interpreted in accordance with the laws of Argentina. The Participant hereby irrevocably consents to the exclusive personal jurisdiction of the Argentine courts for the resolution of any disputes arising out of, or relating, to this Agreement.”

(ii) This Agreement shall not be effective unless the Participant physically signs an original Agreement.

B. Australia. For an Australian resident, for so long as the Participant resides in Australia and is subject to the laws of Australia:

(i) Section 9(e) shall be deleted in its entirety and replaced with the following:

“(e) This Agreement shall be construed and interpreted in accordance with the laws of the State of New South Wales in Australia. The Participant hereby irrevocably consents to the personal jurisdiction of the federal and state courts of the State of New South Wales in Australia for the resolution of any disputes arising out of, or relating to, this Agreement.”

(ii) The provisions in “Addendum for Australia, Canada, Hong Kong and Singapore” set forth below shall be applicable.

C. Canada. For a Canadian resident, for so long as the Participant resides in Canada and is subject to the laws of Canada:

The provisions in “Addendum for Australia, Canada, Hong Kong and Singapore” set forth below shall be applicable.

D. Colombia. For a Colombian resident, for so long as the Participant resides in Colombia and is subject to the laws of Colombia:

The Participant agrees that the Performance Units rights derived from this Agreement are not consideration for the services rendered by the Participant in Colombia. For this Agreement to be effective, the Participant must enter into a local agreement, governed by Colombian laws, with the Participant's current employer in which the Participant agrees to the statement in the prior sentence.

E. Hong Kong. For a Hong Kong resident, for so long as the Participant resides in Hong Kong and is subject to the laws of Hong Kong:

(i) Section 6 shall be deleted in its entirety and replaced with the following:

SECTION 6. Non-Transferability. (a) Subject to Section 6(b) below and except as specifically consented to by the Committee, the Participant may not sell, transfer, pledge, or otherwise encumber or dispose of the Performance Units other than by will, the laws of descent and distribution, or as otherwise provided for in the Plan.

(b) Notwithstanding any other provisions of this Agreement, if the Participant resides in, or received this offer in Hong Kong, the Participant shall have no rights or entitlement to sell, transfer or otherwise dispose of the Performance Units, except if such sale, transfer or disposal is permitted pursuant to the Plan and specifically consented to by the Committee.

(ii) This Agreement is amended to add the following Section 12 at the end thereof:

“SECTION 12. The contents of this Agreement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Agreement, you should obtain independent professional advice.”

(iii) The provisions in “Addendum for Australia, Canada, Hong Kong and Singapore” set forth below shall be applicable.

F. Japan. For a Japanese resident, for so long as Participant resides in Japan and is subject to the laws of Japan:

(i) In Section 9(e) the sentence “For so long as Participant primarily resides and works in Japan and is subject to the laws of Japan no provision or requirement of this Agreement will be construed or interpreted in a manner contrary to the public policy and mandatory provisions of Japanese

law." shall be added at the end.

G. Norway. For a Norwegian resident, for so long as Participant resides in Norway and is subject to the laws of Norway:

- (i) In Section 5(d), the words "or Solicitation" shall be added, in each instance after the word "Obligation(s);"
- (ii) In Section 5(d)(1), in the first sentence, solely with respect to Solicitation, the phrase "Relevant Period" shall be replaced with "the first anniversary of the Settlement Date";

- (iii) In Section 9(k)(xviii), subsections (D) and (E) shall be deleted and subsection (F) shall be renumbered as subsection (D); and

- (iv) In Section 9(k), the following new subsection (xxviii) shall be added:

"(xxiv) **"Solicitation".** For purposes of this Agreement, the Participant has engaged in "Solicitation" if the Participant from the date hereof through the first anniversary of the Settlement Date, directly or indirectly (i) diverts, or attempts to divert, any person, concern or entity from doing business with the Company or its Affiliates or attempts to induce any such person, concern or entity to cease being a customer of the Company or its Affiliates, (ii) solicits the business of the Company or its Affiliates or (iii) influences customers, suppliers and/or other business associates/contract parties of the Company or its Affiliates to limit or terminate their relationship with the Company or its Affiliates. With respect to customers, the preceding sentence only applies to customers which the Participant has had contact with and/or responsibility for during the last 12 months prior to the time of the written statement as mentioned below.

- (v) In Section 5, a new subsection (f) shall be added:

(f) The Company may, upon the request from the Participant and in connection with termination, summary dismissal or other cessation of employment, decide whether and to what extent the Participant's obligation to refrain from Solicitation shall be invoked. With respect to customers, the procedure in connection with such a decision shall comply with the mandatory provisions of Chapter 14A in the Norwegian Working Environment Act, including the specification of which customers are covered by the Participant's obligation to refrain from Solicitation in a written statement."

H. Singapore. For a Singaporean resident, for so long as the Participant resides in Singapore and is subject to the laws of the Republic of Singapore:

- (i) In first sentence of Section 5(d)(1), the phrase "that, in the Committee's sole and absolute discretion, reflects the seriousness of the breach of the Obligation(s) and/or Misconduct; the maximum amount that the Company may demand from the Participant is" shall be added after the words "an amount";
- (ii) In Section 5(d)(3), in the third sentence, the words "do not, and are not intended to, constitute actual or liquidated damages" shall be deleted and replaced with "are reasonable."
- (iii) Section 9(e) shall be deleted in its entirety and replaced with the following:

"(e) This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware. The Participant hereby irrevocably consents to the personal jurisdiction of the courts of the Republic of Singapore for the resolution of any disputes arising out of, or relating to, this Agreement."

(iv) The provisions in "Addendum for Australia, Canada, Hong Kong and Singapore" set forth below shall be applicable.

I. Sweden. For a Swedish resident, for so long as Participant resides in Sweden and is subject to the laws of Sweden:

(i) A new Section 3(f) shall be included stating "The Participant is entitled to request a written reply as to whether the Company intends to enforce the Obligations in relation to certain specified new employment or business planned by the Participant. The Company shall provide the reply within fourteen (14) days of receiving the request."

J. United Kingdom. For a United Kingdom resident, for so long as the Participant resides in the United Kingdom and is subject to the laws of England and Wales or if the Participant is employed under an employment contract which is governed by English law at the time of grant of the Performance Units: (i) in Section 4(b) the phrase "the Obligations set forth in Section 5(d)" shall be deleted and replaced with "the Obligations set forth in Exhibit A II. Countries other than the United States of America: United Kingdom" and (ii) the following terms and provisions shall amend and supersede the applicable terms and provisions of Sections 5(d)(1), (2), and (3); Section 9(e); Section 9(k)(vii); Section 9(k)(x); Section 9(k)(xviii); Section 9(k)(xxii); and Section 9(k)(xxiv) of this Agreement as follows:

1. TERMINATION OF EMPLOYMENT

With effect from the earlier of the date of termination of the Participant's employment or the date that the Participant gives or receives notice of termination of the Participant's employment for any reason, any unsettled Performance Units shall lapse and be forfeited (except as set out in Section 5(b) of this Agreement and subject to the forfeiture provisions in paragraph 3 below) and the Participant shall have no further rights with respect to any such unsettled Performance Units.

2. PARTICIPANT OBLIGATIONS

2.1 The Participant covenants with the Company and the Group that the following acts constitute a breach of Participant's Obligations unless authorized by the Company:

2.1.1. during the Relevant Period directly or indirectly being employed, engaged or retained by or otherwise concerned or interested in any Competing Business. For this purpose, the Participant is directly or indirectly employed, engaged or retained by or concerned or interested in a Competing Business if:

24

- (a) the Participant carries it on as principal or agent; or
- (b) the Participant is a partner, director, employee, secondee, consultant or agent in, of or to any person who carries on the Competing Business;
- (c) the Participant has any direct or indirect financial interest (as shareholder, creditor or otherwise) in any person who carries on the Competing Business; and/or
- (d) the Participant is a partner, director, employee, secondee, consultant or agent in, of or to any person who has a direct or indirect financial interest (as shareholder, creditor or otherwise) in any person who carries on the Competing Business,
disregarding any financial interest the Participant may have in securities which are listed or dealt in on a recognised investment exchange if the Participant is interested in securities which amount to less than 3% of the issued securities of that class and which, in all circumstances, carry less than 3% of the voting rights (if any) attaching to the issued securities of that class;

2.1.2 during the Relevant Period and whether directly or indirectly, either alone or with or on behalf of any person, firm, company or entity and whether on his or her own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever, having any business dealings with any Client or Prospective Client in relation to or for the benefit of a Competing Business;

2.1.3 during the Relevant Period and whether directly or indirectly, either alone or with or on behalf of any person, firm, company or entity and whether on his or her own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever, canvassing or soliciting business or custom from or seek to entice away any Client or Prospective Client from the Company or any Group Company in relation to or for the benefit of a Competing Business;

2.1.4 during the Relevant Period, directly or indirectly, soliciting or endeavouring to solicit the employment or engagement of any Key Employee (whether or not such person would thereby breach their contract of employment or engagement);

2.1.5 at any time after the Termination Date representing himself as being in any way connected with (other than as a former employee) or interested in the business of the Company or any Group Company or using any registered names, domain names or trading names the same as or that could reasonably be expected to be confused with any such names used by the Company or any Group Company.

2.1.6 before or after the Termination Date, and except in the proper performance of his or her duties of employment by the Company or any Group Company, directly or indirectly using for his or her own purposes or those of a third party or disclosing to any third party any Confidential Information. The Participant will use his or her best endeavours to prevent any unauthorised use or disclosure of Confidential Information. The obligations contained in this clause 2.1.6 will not apply to any disclosures required by law or to any

25

information or documents which after the Termination Date are in the public domain other than by way of unauthorised disclosure.

2.2 The Participant gives the covenants above to the Company as trustee for itself (and any company forming part of the Group).

2.3 Each Obligation contained in this clause 2 is an entirely separate and independent Obligation, despite the fact that they may be contained in the same phrase, and if any part is found to be unenforceable the remainder will remain valid and enforceable.

2.4 While the Obligation in this clause 2 are considered by the parties to be fair and reasonable in the circumstances, it is agreed that if any such Obligation restriction should be held to be void or ineffective for any reason but would be treated as valid and effective if some part of parts for the Obligation were deleted, the Obligation in question will apply with such deletion as may be necessary to make it valid and effective.

2.5 If, during the Participant's employment or any period during which these Obligations apply, any person, firm, company or entity offers the Participant any employment, engagement, arrangement or contract which might or would cause him or her to breach any of the Obligations, he or she will notify that person, firm, company or entity of the terms of these Obligations.

2.6 The length of time concerning any Relevant Period concerning the Participant's activities after the Termination Date imposed pursuant to clauses 2.1.1 to 2.1.4 shall be reduced pro rata by any period of garden leave served by the Participant pursuant to his or her service agreement with the Company or any Group Company.

2.7 If the Compensation Committee determines in its sole and absolute discretion that Participant has breached any of the covenants contained in clauses 2.1.1 to 2.1.6, then any unsettled Performance Units will lapse with immediate effect and the Compensation Committee may exercise its discretion to direct the Participant to return (or, if not repaid, then the Company shall recapture) all amounts paid to the Participant in respect of the Performance Units within the Relevant Period to the Company within 14 days of being notified by the Company of its discovery of the breach.

2.8 In this clause, the following definitions shall apply:

“Client”	means any person, firm, company or other business entity whom or which during the Relevant Business Period: (a) to whom the Company or any Group Company provided insurance or reinsurance; or (b) was an insurance intermediary which introduced such insurance or reinsurance business to the Company or any Group Company, and in each case with whom or which during the Relevant Business Period: i) the Participant (or any person reporting to the Participant) had Material Dealings in relation to Relevant Business; or ii) about whom or which the Participant has had Confidential Information during the course of his or her employment.
“Competing Business”	means any business which at any time is in or which intends to be in competition with any Relevant Business.

“Confidential Information”	means any and all information which is of a confidential nature or which the Company reasonably regards as being confidential or a trade secret concerning the business, business performance or prospective business, financial information or arrangements, plans or internal affairs of the Company, any Group Company or any of their respective Clients or Prospective Clients including without prejudice to the generality of the foregoing all information, records and materials relating to:
	<ul style="list-style-type: none"> (1) underwriting premiums or quotes, pricing models and formulas, projections, income and receipts, claims records and levels, renewals, proprietary policy wording and terms, underwriting guidelines, reinsurance terms and conditions, profit commissions, agreements, and terms of any agency/broker relationships; (2) syndicate or other business performance records, loss ratios, projections and forecasts; (3) price sensitive information and business strategies including acquisition and divestiture plans; (4) Technical information, including computer programs, reports, interpretations, forecasts, corporate and business plans and accounts, business methods, models, analyses, financial details, projections and targets; (5) remuneration and personnel details concerning other Company (or Group Company) employees or contractors; (6) planned products, planned services, marketing surveys, internal templates, training materials, research reports, market share and pricing statistics, budgets, and planned and actual fee levels; (7) computer passwords, the contents of any databases, tables, know how documents or materials; (8) commissions, commission charges, pricing policies and all information about research and development and clients' needs and agreements; and (9) the Company's or any Group Company's Clients' or Prospective Clients' names and contact information, nonpublic information about the nature of their business operations, their requirements for services supplied by or through the Company or any Group Company and all confidential aspects of their relationship with the Company or any Group Company including the terms of any agreements with the Company or any Group Company.
“directly or indirectly”	means (without prejudice to the generality of the expression) either alone or jointly with or on behalf of any other person and whether on his or her own account or in partnership with another or others or as the holder of any interest in or as officer, employee or agent of or consultant to any other person.
“Group”	means the Company, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time; and “Group Company” means any company within the Group.

“Key Employee”	means any director or officer of the Company or any Group Company and/or any employee (other than administrative or clerical personnel) of the Company or any Group Company, in each case who, at any time during the Relevant Business Period: <ul style="list-style-type: none"> i) was employed by the Company or any Group Company; and ii) with whom the Participant has had Material Dealings or exercised control or had management responsibility for; and/or iii) has had access to or has obtained Confidential Information during the Relevant Business Period.
“Material Dealings”	means receiving orders, instructions or enquiries from, contracting or making preparations to contract with, making sales or presenting to or with, tendering for business from, having responsibility with or for, having personal knowledge of or otherwise having significant other contact.
“Obligation”	means any of the activities, individually or in the aggregate, described in subsection 2.1 above.

“Prospective Client”	means any person, firm, company or other business entity who was at any time during the Relevant Business Period: (a) in negotiations with the Company or any Group Company for the provision of insurance or reinsurance; or (b) an insurance intermediary who may introduce such insurance or reinsurance business to the Company or any Group Company, and in each case with whom or which during the Relevant Business Period: i) the Participant (or any person reporting to the Participant) had Material Dealings in relation to Relevant Business; or ii) about whom or which the Participant has had Confidential Information during the course of Participant's employment. Provided that this definition shall not apply to any such person, firm, company or other business entity which has withdrawn from or discontinued such negotiations or discussions, having stated its intention to do so (other than through any unlawful activity by the Participant).
“Relevant Business”	means any class or classes of insurance or reinsurance business which was underwritten in the twelve months immediately prior to the Termination Date by the Company or any Group Company and with which the Participant was directly or indirectly materially concerned or involved or had personal knowledge in the course of Participant's duties during the Relevant Business Period.
“Relevant Business Period”	means (1) during employment, the twelve month period immediately prior to the action or activity that may be in breach of clauses 2.1.1 to 2.1.4 and (2) after termination of employment, the twelve month period immediately prior to the Termination Date. This defined term shall replace the term “Look Back Period” in the body of this Agreement
“Relevant Period”	means the period beginning on the date of Participant's commencement of employment with the Company or any Group Company and ending two years following the Settlement Date.
“Termination Date”	means the date on which the Participant's employment or engagement with the Company terminates for any reason.

3. CLAWBACK

3.1 If at any time under the terms of this Agreement the Committee becomes aware of any material wrongdoing, negligence or misconduct on the part of the Participant that would

30

have entitled the Company to terminate the Participant's employment with or without notice for Cause, the Compensation Committee shall have the sole and absolute discretion to find breach and (x) if such material wrongdoing, negligence or misconduct occurred prior to the Settlement Date, all Performance Units will lapse with immediate effect or (y) if such material wrongdoing, negligence or misconduct occurred on or after the Settlement Date or occurred prior to the Settlement Date but was not discovered until after the Settlement Date, the Compensation Committee shall have the sole and absolute discretion, to recover from the Participant up to 100% of the amount paid on the Settlement Date to the Participant in respect of the Performance Units (which have been settled within the 2 years prior to such determination by the Committee) to the Company within 14 days of being notified in writing by the Company of its discovery of the material wrongdoing, negligence or misconduct.

3.2 Clause 3.1 is without prejudice to the Company's other remedies under any other agreements with Participant or any other clawback policy that the Company may adopt from time to time as required by applicable laws or the applicable listing rules of any securities exchange or its remedies under other applicable law.

3.3 The Committee may review any Performance Units granted to the Participant under the terms of this Agreement, in light of:

- a. there being a significant deterioration in the financial health of the Company, the Group or the business area or team in which the Participant worked;
- b. the Participant having caused harm to the reputation of the Company or the Group;
- c. the Participant having deliberately misled the Company in relation to the financial performance of the Company, the Group or the business area or team in which he or she worked; and/or
- d. the Participant's actions having amounted to gross misconduct, incompetence or negligence.

Following a review, the Committee may, in its sole discretion, (x) if prior to the Settlement Date, determine that up to 100% of any unsettled Performance Units granted under this Agreement will lapse with immediate effect or, (y) if on or after the Settlement Date, the Company will be entitled in its absolute discretion to recover from the Participant up to 100% of the amount paid to the Participant in respect of the Performance Units granted under this Agreement (which have been settled within the 2 years prior to such determination by the Committee).

3.4 The Participant agrees that any sums owed to the Company or any Group Company under this Agreement including any adjustment, forfeiture or repayment may be deducted from

31

any sums due to the Participant from the Company or any Group Company. For the avoidance of doubt, this is without prejudice to any right the Company or the Group may have at any time to recover any sums from the Participant and the Participant agrees that such sums are recoverable by the Company or any Group Company as a debt.

3.5 In this Clause 3, "Cause" means:

- a. any serious negligence or gross misconduct by the Participant in connection with or affecting the business or affairs of the Company or any member of the Group;
- b. the Participant being convicted of any arrestable offence other than an offence under road traffic legislation in the UK; or
- c. the Participant being convicted of an offence under any statutory enactment or regulation relating to insider dealing or market abuse.

4. CHOICE OF LAW

4.1 Any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

5. ARBITRATION

5.1 If at any time any dispute or question shall arise between the parties arising out of or in connection with this Agreement or its or their validity, construction or performance then the same shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be three.

The seat, or legal place, of arbitration shall be London, England.

The language to be used in the arbitral proceedings shall be English.

The governing law of the contract shall be the substantive law of England and Wales.

K. Addendum for Australia, Canada, Hong Kong and Singapore. For residents of Australia, Canada, Hong Kong or Singapore, for so long as Participant resides in his or her respective country and is subject to the laws of such country, Sections 9(k)(vii), 9(k)(x), 9(k)(xviii), 9(k)(xxii) and 9(k)(xxiv) shall be deleted and the remaining subsections in Section 9(k) shall be renumbered accordingly.

In Section 5 a new subsection (f) shall be added as follows

(f) The Participant covenants with the Company and the Group that it shall be a breach of Participant's Obligations if the Participant, save with the prior written consent of the Committee (in its absolute discretion):

- A. during the Relevant Period, directly or indirectly, is employed, engaged or retained by or otherwise concerned or interested in any Competing Business. For this purpose, the Participant is directly or indirectly employed, engaged or retained by or concerned or interested in a Competing Business if:
 - (i) the Participant carries it on as principal or agent; or
 - (ii) the Participant is a partner, director, employee, secondee, consultant or agent in, of or to any person who carries on the Competing Business;
 - (iii) the Participant has any direct or indirect financial interest (as shareholder, creditor or otherwise) in any person who carries on the Competing Business; and/or
 - (iv) the Participant is a partner, director, employee, secondee, consultant or agent in, of or to any person who has a direct or indirect financial interest (as shareholder, creditor or otherwise) in any person who carries on the Competing Business,
disregarding any financial interest the Participant may have in securities which are listed or dealt in on a recognised investment exchange if the Participant is interested in securities which amount to less than 3% of the issued securities of that class and which, in all circumstances, carry less than 3% of the voting rights (if any) attaching to the issued securities of that class;
- B. during the Relevant Period and whether directly or indirectly, either alone or with or on behalf of any person, firm, company or entity and whether on his or her own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever, having any business dealings with any Client or Prospective Client in relation to or for the benefit of a Competing Business;
- C. during the Relevant Period and whether directly or indirectly, either alone or with or on behalf of any person, firm, company or entity and whether on his or her own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever, canvassing or soliciting business or custom from or seeking to entice away any Client or Prospective Client from the Company or any Group Company in relation to or for the benefit of a Competing Business;
- D. during the Relevant Period, directly or indirectly, soliciting or endeavouring to solicit the employment or engagement of any Key Employee (whether or not such person would thereby breach their contract of employment or engagement);
- E. at any time after the Termination Date representing himself or herself as being in any way connected with (other than as a former employee) or interested in the business of the Company or any Group Company or use any registered names, domain names or trading

names the same as or that could reasonably be expected to be confused with any such names used by the Company or any Group Company.

F. before or after the Termination Date and except in the proper performance of his or her duties of employment for the Company or Group Company directly or indirectly using for his or her own purposes or those of a third party or disclosing to any third party any Confidential Information. The Participant will use his or her best endeavours to prevent any unauthorised use or disclosure of Confidential Information. The obligations contained in this subsection F will not apply to any disclosures required by law or to any information or documents which after the Termination Date are in the public domain other than by way of unauthorised disclosure.

The Participant gives the covenants above to the Company as trustee for itself (and any company forming part of the Group).

Each Obligation contained in this Section 5(f) is an entirely separate and independent Obligation, despite the fact that they may be contained in the same phrase, and if any part is found to be unenforceable the remainder will remain valid and enforceable.

While the Obligations in this Section 5(f) are considered by the parties to be fair and reasonable in the circumstances, it is agreed that if any such Obligation should be held to be void or ineffective for any reason but would be treated as valid and effective if some part or parts of the Obligation were deleted, the Obligation in question will apply with such deletion as may be necessary to make it valid and effective.

The Length of period of any Relevant Period concerning the Participant's activities after the Termination Date imposed pursuant to sub-section A to D of Section 5(f) shall be reduced pro rata by any period of garden leave served by the Participant pursuant to his or her service agreement with the Company or any Group Company.

The determination as to whether the Participant has breached an Obligation shall be made by the Committee in its sole and absolute discretion. The Committee has sole and absolute discretion to determine whether, notwithstanding its determination that Participant has breached an Obligation, repayment (or, if not repaid, then recapture) or forfeiture as provided herein shall not occur. The Committee's exercise or nonexercise of its discretion with respect to any particular event or occurrence by or with respect to the Participant or any other recipient of restricted stock units shall not in any way reduce or eliminate the authority of the Committee to (i) determine that any event or occurrence by or with respect to the Participant constitutes breaching an Obligation or (ii) determine the related date of breach of an Obligation.

In this Agreement, the following definitions shall apply:

“Client”	means any person, firm, company or other business entity whom or which during the Relevant Business Period: (a) to whom the Company or any Group Company provided insurance or reinsurance; or (b) was an insurance intermediary which introduced such insurance or reinsurance business to the Company or any Group Company, and in each case with whom or which during the Relevant Business Period: i) the Participant (or any person reporting to the Participant) had Material Dealings in relation to Relevant Business; or ii) about whom or which the Participant has had Confidential Information during the course of his or her employment.
“Competing Business”	means any business which at any time is in or which intends to be in competition with any Relevant Business.

“Confidential Information”	<p>means any and all information which is of a confidential nature or which the Company reasonably regards as being confidential or a trade secret concerning the business, business performance or prospective business, financial information or arrangements, plans or internal affairs of the Company, any Group Company or any of their respective Clients or Prospective Clients including without prejudice to the generality of the foregoing all information, records and materials relating to:</p> <ul style="list-style-type: none"> (1) underwriting premiums or quotes, pricing models and formulas, projections, income and receipts, claims records and levels, renewals, proprietary policy wording and terms, underwriting guidelines, reinsurance terms and conditions, and profit commissions, agreements, and terms of any agency/broker relationships; (2) syndicate or other business performance records, loss ratios, projections and forecasts; (3) price sensitive information and business strategies including acquisition and divestiture plans; (4) technical information, including computer programs, reports, interpretations, forecasts, corporate and business plans and accounts, business methods, models, analyses, financial details, projections and targets; (5) remuneration and personnel details concerning other Company or Group Company employees or contractors; (6) planned products, planned services, marketing surveys, internal templates, training materials, research reports, market share and pricing statistics, budgets, and planned and actual fee levels; (7) computer passwords, the contents of any databases, tables, know how documents or materials; (8) commissions, commission charges, pricing policies and all information about research and development and clients' needs and agreements; and (9) the Company's or any Group Company's Clients' or Prospective Clients' names and contact information, nonpublic information about the nature of their business operations, their requirements for services supplied by or through the Company or any Group Company and all confidential aspects of their relationship with the Company or any Group Company including the terms of any agreements with the Company or any Group Company.
“directly or indirectly”	<p>means (without prejudice to the generality of the expression) either alone or jointly with or on behalf of any other person and whether on his or her own account or in partnership with another or others or as the holder of any interest in or as officer, employee or agent of or consultant to any other person.</p>

“Group”	means the Company, its subsidiaries or holding companies from time to time and any subsidiary of any holding company from time to time; and “Group Company” means any company within the Group.
“Key Employee”	means any director or officer of the Company or any Group Company and/or any employee (other than administrative or clerical personnel) of the Company or any Group Company, in each case who, at any time during the Relevant Business Period: <ul style="list-style-type: none"> i) was employed by the Company or any Group Company; and ii) with whom the Participant has had Material Dealings or exercised control or had management responsibility for; and/or iii) has had access to or has obtained Confidential Information during the Relevant Business Period.
“Material Dealings”	means receiving orders, instructions or enquiries from, contracting or making preparations to contract with, making sales or presenting to or with, tendering for business from, having responsibility with or for, having personal knowledge of or otherwise having significant other contact.
“Obligation”	means any of the activities, individually or in the aggregate, described in sub-sections A through F of Section 5(f).

“Prospective Client”	means any person, firm, company or other business entity who was at any time during the Relevant Business Period: (a) in negotiations with the Company or any Group Company for the provision of insurance or reinsurance; or (b) an insurance intermediary who may introduce such insurance or reinsurance business to the Company or any Group Company, and in each case with whom or which during the Relevant Business Period: i) the Participant (or any person reporting to the Participant) had Material Dealings in relation to Relevant Business; or ii) about whom or which the Participant has had Confidential Information during the course of Participant's employment. Provided that this definition shall not apply to any such person, firm, company or other business entity which has withdrawn from or discontinued such negotiations or discussions, having stated its intention to do so (other than through any unlawful activity by the Participant).
“Relevant Business”	means any class or classes of insurance or reinsurance business which was underwritten in the twelve months immediately prior to the Termination Date by the Company or any Group Company and with which the Participant was directly or indirectly materially concerned or involved or had personal knowledge in the course of Participant's duties during the Relevant Period.
“Relevant Business Period”	means (1) during employment, the twelve month period immediately prior to the action or activity that may be in breach of clauses A to D of Section 5(f) and (2) after termination of employment, the twelve month period immediately prior to the Termination Date. The term “Look Back Period” in the main Agreement shall be replaced with the defined term “Relevant Business Period”.
“Termination Date”	means the date on which the Participant's employment or engagement with the Company terminates for any reason.

CERTIFICATIONS

I, W. Robert Berkley, Jr., President and Chief Executive Officer of W. R. Berkley Corporation (the “registrant”), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 3, 2024

/s/ W. Robert Berkley, Jr.

W. Robert Berkley, Jr.
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Richard M. Baio, Senior Vice President - Chief Financial Officer and Treasurer of W. R. Berkley Corporation (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 3, 2024

/s/ Richard M. Baio

Richard M. Baio
Executive Vice President,
Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of W. R. Berkley Corporation (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, W. Robert Berkley, Jr., President and Chief Executive Officer of the Company, and Richard M. Baio, Senior Vice President - Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ W. Robert Berkley, Jr.

W. Robert Berkley, Jr.

President and Chief Executive Officer

/s/ Richard M. Baio

Richard M. Baio

Executive Vice President,
Chief Financial Officer and Treasurer

November **May 3, 2023** **2024**

A signed original of this written statement required by Section 906 has been provided to W. R. Berkley Corporation (the "Company") and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.