

REFINITIV

# DELTA REPORT

## 10-K

WRB PR E - BERKLEY W R CORP  
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	2836
CHANGES	599
DELETIONS	944
ADDITIONS	1293

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-K

(Mark One)



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

For the fiscal year ended December 31, 2022 December 31, 2023

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 Number)

475 Steamboat Road

Greenwich, CT

06830

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (203) 629-3000

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes ☐ No ☒

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 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

☒

Non-accelerated filer

☐

Accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant's common stock held by non-affiliates as of June 30, 2022 June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was \$14,340,165,170. \$12,125,876,386.

Number of shares of common stock, \$.20 par value, outstanding as of February 15, 2023 February 15, 2024: 263,446,321 256,548,669

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, are incorporated herein by reference in Part III.

		Page		Page
<a href="#">SAFE HARBOR STATEMENT</a>	<a href="#">SAFE HARBOR STATEMENT</a>			
	PART I			
ITEM	1. <a href="#">BUSINESS</a>	6		
ITEM	1A. <a href="#">RISK FACTORS</a>	25		
ITEM	1B. <a href="#">UNRESOLVED STAFF COMMENTS</a>	36		
ITEM	2. <a href="#">PROPERTIES</a>	36		
ITEM	3. <a href="#">LEGAL PROCEEDINGS</a>	36		
ITEM	4. <a href="#">MINE SAFETY DISCLOSURES</a>	36		
	PART II			
	PART I			
	PART I			
	PART I			
ITEM	ITEM 5. <a href="#">MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	37		
ITEM	ITEM 6. RESERVED			
ITEM	ITEM 7. <a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	39	1. <a href="#">BUSINESS</a>	7

ITEM	ITEM 7A. <a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	<a href="#">60</a>	ITEM 1A. <a href="#">RISK FACTORS</a>	<a href="#">27</a>
ITEM	ITEM 8. <a href="#">FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	<a href="#">61</a>	ITEM 1B. <a href="#">UNRESOLVED STAFF COMMENTS</a>	<a href="#">39</a>
ITEM	ITEM 9. <a href="#">CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	<a href="#">113</a>	ITEM 1C. <a href="#">CYBERSECURITY</a>	<a href="#">39</a>
ITEM	ITEM 9A. <a href="#">CONTROLS AND PROCEDURES</a>	<a href="#">113</a>	ITEM 2. <a href="#">PROPERTIES</a>	<a href="#">40</a>
ITEM	ITEM 9B. <a href="#">OTHER INFORMATION</a>	<a href="#">115</a>	ITEM 3. <a href="#">LEGAL PROCEEDINGS</a>	<a href="#">40</a>
ITEM	ITEM 9C. <a href="#">DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</a>	<a href="#">115</a>	ITEM 4. <a href="#">MINE SAFETY DISCLOSURES</a>	<a href="#">40</a>
<b>PART III</b>				
<b>PART II</b>				<b>PART II</b>
ITEM			ITEM 5. <a href="#">MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	<a href="#">41</a>
ITEM				
ITEM				
ITEM				
ITEM			7. <a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	<a href="#">43</a>
ITEM			ITEM 7A. <a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	<a href="#">62</a>
ITEM	ITEM 10. <a href="#">DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	<a href="#">116</a>	ITEM 8. <a href="#">FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	<a href="#">63</a>
ITEM	ITEM 11. <a href="#">EXECUTIVE COMPENSATION</a>	<a href="#">116</a>	ITEM 9. <a href="#">CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	<a href="#">113</a>
ITEM	ITEM 12. <a href="#">SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</a>	<a href="#">116</a>	ITEM 9A. <a href="#">CONTROLS AND PROCEDURES</a>	<a href="#">113</a>
ITEM	ITEM 13. <a href="#">CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</a>	<a href="#">116</a>	ITEM 9B. <a href="#">OTHER INFORMATION</a>	<a href="#">115</a>
ITEM	ITEM 14. <a href="#">PRINCIPAL ACCOUNTANT FEES AND SERVICES</a>	<a href="#">116</a>	ITEM 9C. <a href="#">DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</a>	<a href="#">115</a>
<b>PART IV</b>				
<b>PART III</b>				
ITEM	ITEM 15. <a href="#">EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</a>	<a href="#">117</a>		
ITEM	ITEM 16. <a href="#">FORM 10-K SUMMARY</a>	<a href="#">121</a>		
EX-4.1	<a href="#">DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934</a>			
ITEM			10. <a href="#">DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	<a href="#">116</a>
ITEM			ITEM 11. <a href="#">EXECUTIVE COMPENSATION</a>	<a href="#">116</a>
ITEM			ITEM 12. <a href="#">SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</a>	<a href="#">116</a>
ITEM			ITEM 13. <a href="#">CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</a>	<a href="#">116</a>
ITEM			ITEM 14. <a href="#">PRINCIPAL ACCOUNTANT FEES AND SERVICES</a>	<a href="#">116</a>
<b>PART IV</b>				
<b>PART IV</b>				
<b>PART IV</b>				
<b>PART IV</b>				
<b>PART IV</b>				
<b>PART IV</b>				
<b>PART IV</b>				

	PART IV	
	PART IV	
	PART IV	
	PART IV	
	PART IV	
ITEM		
ITEM		
ITEM		15. <a href="#">EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</a> <a href="#">117</a>
ITEM		ITEM 16. <a href="#">FORM 10-K SUMMARY</a> <a href="#">121</a>
EX-10.12		
EX-10.12		
EX-10.12		
EX-21		
EX-21		
EX-21	EX-21	<a href="#">LIST OF COMPANIES AND SUBSIDIARIES</a>
EX-23	EX-23	<a href="#">CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</a>
EX-23		
EX-23		
EX-31.1		
EX-31.1		
EX-31.1	EX-31.1	<a href="#">CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) /15d-14(a)</a>
EX-31.2	EX-31.2	<a href="#">CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) /15d-14(a)</a>
EX-31.2		
EX-31.2		
EX-32.1	EX-32.1	<a href="#">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</a>
EX-32.1		
EX-32.1		
EX-97		
EX-97		
EX-97		
EX-101	EX-101	INSTANCE DOCUMENT
EX-101	EX-101	SCHEMA DOCUMENT
EX-101	EX-101	CALCULATION LINKBASE DOCUMENT
EX-101	EX-101	LABELS LINKBASE DOCUMENT
EX-101	EX-101	PRESENTATION LINKBASE DOCUMENT
EX-101	EX-101	DEFINITION LINKBASE DOCUMENT
EX-101		
EX-101		
EX-101		
EX-101		
EX-101		

EX-101 PRESENTATION LINKBASE DOCUMENT

EX-101 DEFINITION LINKBASE DOCUMENT

SAFE HARBOR STATEMENT  
UNDER THE PRIVATE SECURITIES  
LITIGATION REFORM ACT OF 1995

This is a "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995. This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "potential," "continued," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this report including statements related to our outlook for the industry and for our performance for the year 2023 2024 and beyond, are based upon our 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 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, 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 cyber security-related risks;
- natural and man-made catastrophic losses, including as a result of terrorist activities;
- the ongoing effects of the COVID-19 pandemic; pandemic or other potential 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, interest rates and volatility in the credit and capital markets;
- the impact of conditions in the financial markets and the global economy, and the potential effect of legislative, regulatory, accounting or other initiatives taken in response to it, on our results and financial condition;
- cyber security breaches of our information technology systems and the information technology systems of our vendors and other third parties;
- 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 ("TRIPRA");
- 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 relating 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;**
- the effectiveness of our controls to ensure compliance with guidelines, policies and legal and regulatory standards; and
- other risks detailed in this Form 10-K and from time to time in our other filings with the Securities and Exchange Commission ("SEC").

45

We describe these risks and uncertainties in greater detail in Item 1A, Risk Factors. 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 elsewhere in this Form 10-K and our other SEC filings. Forward-looking statements speak only as of the date on which they are made.

56

## PART I

### ITEM 1. BUSINESS

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 casualty insurance business:

- **Insurance** - Our Insurance **business businesses** underwrite 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** - Our Reinsurance businesses provide facultative and treaty reinsurance in the United States, as well as in the Asia Pacific region, Australia, Continental Europe, South Africa and the United Kingdom. Monoline Excess businesses retain risk solely on an excess basis.

Our two reporting segments are each composed of individual businesses that serve a market defined by geography, products, services or industry served. Each of our businesses is positioned close to its customer base and participates in a niche market requiring specialized knowledge. This strategy of decentralized operations allows each of our businesses to identify and respond quickly and effectively to changing market conditions and specific customer needs, while capitalizing on the benefits of centralized capital, investment and reinsurance management, and corporate actuarial, financial, enterprise risk management and legal staff support.

Our business approach is focused on meeting the needs of our customers, maintaining a high quality balance sheet, and allocating capital to our best opportunities. New businesses are started when opportunities are identified and when the right talent and expertise are found to lead a business. Of our **59 60** businesses, **52 53** have been organized and developed internally and seven have been added through acquisition.

Net premiums written, as reported based on United States generally accepted accounting principles ("GAAP"), for each of our reporting segments for each of the past three years were as follows:

		Year Ended December 31,		
		Year Ended December 31,		
		Year Ended December 31,		
		Year Ended December 31,		
(In thousands)	(In thousands)	2022	2021	2020
Net premiums written:				
Net premiums written:				
Net premiums written:				
Insurance	Insurance	\$ 8,784,146	\$ 7,743,814	\$ 6,347,101
Insurance				
Insurance				
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess	1,219,924	1,119,053	915,336

Reinsurance & Monoline Excess										
Reinsurance & Monoline Excess										
Total										
Total										
Total	Total	\$	10,004,070	\$	8,862,867	\$	7,262,437			
Percentage of net premiums written:	Percentage of net premiums written:									
Percentage of net premiums written:										
Percentage of net premiums written:										
Insurance										
Insurance										
Insurance	Insurance		87.8	%		87.4	%		87.4	%
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess		12.2			12.6			12.6	
Reinsurance & Monoline Excess										
Reinsurance & Monoline Excess										
Total	Total		100.0	%		100.0	%		100.0	%
Total										
Total										

Thirty-two of our insurance company subsidiaries are rated by A.M. Best Company, Inc. ("A.M. Best") and have financial strength ratings of A+ (Superior) (the second highest rating out of 15 possible ratings). A.M. Best's ratings are based upon factors of concern to policyholders, insurance agents and brokers and are not directed toward the protection of investors. A.M. Best states: "A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk." A.M. Best reviews its ratings on a periodic basis, and its ratings of the Company's subsidiaries are therefore subject to change.

Our twenty-three insurance company subsidiaries rated by Standard & Poor's ("S&P") have financial strength ratings of A+ (the **seventh fifth** highest rating out of twenty-seven possible ratings).

Our Moody's financial strength ratings are A1 for Berkley Insurance Company, Berkley Regional Insurance Company and Admiral Insurance Company (the fifth highest rating out of twenty-one possible ratings).

Our twenty-five insurance company subsidiaries rated by Fitch Ratings ("Fitch") have insurer financial strength ratings of AA- (the fourth highest rating out of twenty-seven possible ratings).

67

The following sections describe our reporting segments and their businesses in greater detail. These businesses underwrite on behalf of one or more affiliated insurance companies within the group. The businesses are identified for descriptive purposes only and are not legal entities, but for marketing purposes may sometimes be referred to individually as "a Berkley company" or collectively as "Berkley companies." Unless otherwise indicated, all references in this Form 10-K to "Berkley," "we," "us," "our," the "Company" or similar terms refer to W. R. Berkley Corporation together with its subsidiaries and businesses. W. R. Berkley Corporation is a Delaware corporation formed in 1970.

Insurance

Our **U.S.-based Insurance** businesses **underwrite** predominantly **underwrite commercial and specialty personal lines** insurance business primarily throughout the United States, although many States. Many units offer coverage globally, **focusing while others specialize in specific international markets**. The Insurance businesses focus on the following general areas:

**Excess & Surplus Lines:** A number of our businesses are dedicated to the U.S. excess and surplus lines market. They serve a diverse group of customers that often have complex risk or unique exposures that typically fall outside the underwriting guidelines of the standard insurance market. Lines of business underwritten by our excess and surplus lines businesses include premises operations, **commercial automobile, auto**, property, products liability, general liability and professional liability lines. Products are generally distributed through wholesale agents and brokers.

**Industry Specialty:** Certain other businesses focus on providing specialty coverages to customers within a particular industry that are best served by underwriters and claims professionals with specialized knowledge of that industry. They offer multiple lines of business with policies tailored to address the unique exposures of these industries, often with the flexibility of providing coverages on either an admitted or a non-admitted basis in the U.S., as well as internationally. Each business delivers its products through one or more distribution channels, including retail and wholesale agents, brokers, and managing general agents (MGAs), depending on the customer and the particular risks insured.



*Product Specialty:* Other businesses specialize in providing specific lines of insurance coverage, such as workers' compensation or professional liability, to a wide range of customers. They offer insurance products, analytical tools and risk management services such as loss control and claims management that enable clients to manage their risk appropriately. Business is typically written on an admitted basis, although some businesses may offer non-admitted products in the U.S. and offer products internationally. Independent agents and brokers are the primary means of distribution.

*Regional:* Certain businesses offer standard insurance products and services focused on meeting the specific needs of a geographically differentiated customer base. Key clients are small-to-mid-sized businesses. These regionally focused businesses provide a broad array of commercial insurance products to customers primarily in 45 states and the District of Columbia and have developed expertise in niches that reflect local economies. They are organized geographically in order to provide them with the flexibility to adapt quickly to local market conditions and customer needs.

In addition, through our non-U.S. insurance businesses, we write business in more than 60 countries worldwide, with branches or offices in 43 cities outside the United States, in Asia, Australia, Canada, Continental Europe, Mexico, Scandinavia, South America and the United Kingdom. In each of our operating territories, we have built decentralized structures that allow products and services to be tailored to each regional customer base. Our businesses are managed by teams of professionals with expertise in local markets and knowledge of regional environments.

In addition to providing insurance products, certain businesses also provide a wide variety of fee-based services, including claims, administrative and consulting services.

Businesses comprising the Insurance segment are as follows:

*Acadia Insurance* is a Northeast regional property casualty underwriter offering a broad portfolio of products exclusively through local independent agents in Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont. In addition to its general offerings, Acadia has specialized expertise in insuring regional industries such as construction, service contractors, lumber, and transportation.

*Admiral Insurance* provides excess and surplus lines coverage for commercial risks that generally consist of hard-to-place, specialized risks that involve moderate to high degrees of hazard. In both general liability and professional lines, Admiral has a broad line of products to meet the needs of existing as well as emerging opportunities. The distribution of products is limited solely to wholesale brokers.

*Berkley Accident and Health* underwrites accident and health insurance and reinsurance products in four primary areas: medical stop loss, managed care, special risk and group captive. It has a diversified product and service portfolio serving a range of clients from small employers, health care organizations, and membership groups to Fortune 500 companies.

78

*Berkley Agribusiness* offers insurance for larger commercial risks across the United States involved in the supply, storage, handling, processing and distribution of commodities related to the agriculture and food industries.

*Berkley Alliance Managers* offers tailored insurance coverages and comprehensive risk management solutions designed to enhance profitability and reduce susceptibility to loss in four target markets - Design Professionals, Construction Professionals, Accounting Professionals and miscellaneous non-medical Service Professionals.

*Berkley Aspire* provides excess and surplus lines coverage on a national basis to small to medium-sized insureds with low to moderate insurance risk. Its product lines include general liability, liquor excess liability and some property and inland marine coverage. It serves a limited distribution channel, including select Berkley business agents.

*Berkley Asset Protection* provides specialized insurance coverages for fine arts and jewelry exposures to commercial and individual clients.

*Berkley Canada* underwrites specialty, casualty and surety lines of business on behalf of the Canadian branch of Berkley Insurance Company. It specializes in commercial casualty and professional liability, and offers a broad portfolio of risk products that include commercial general liability, umbrella, professional liability, directors and officers, commercial property and surety, in addition to niche products for specific industries such as technology, life sciences and travel.

*Berkley Construction Solutions* provides excess liability coverage to residential and commercial contractors on a project or practice basis.

*Berkley Custom Insurance* focuses on the excess casualty insurance market and offers umbrella and excess liability coverages to clients from the small/middle market to Fortune 1000 companies in target classes of business including construction, manufacturing, retail/wholesale trade, finance, real estate, public entities and oil & gas.

*Berkley Cyber Risk Solutions* focuses on insurance and risk management products that respond to the changing cyber security vulnerabilities of organizations around the world. It offers specialty commercial cyber insurance coverages on a worldwide basis to clients of all sizes.

*Berkley E&S Solutions* provides general liability excess and surplus lines coverages for mid-market U.S. companies with generally hard-to-place, specialized risks that involve moderate to high degrees of hazard and require tailored terms, primarily utilizing self-insurance retentions. The distribution of products is highly limited to a small number of individually appointed wholesale brokers.

*Berkley Enterprise Risk Solutions* provides custom workers' compensation programs to large motivated employers operating in a broad range of industries. Loss sensitive and/or guaranteed cost programs are offered to employers with exposure predominately in California.

*Berkley Entertainment* underwrites property casualty insurance products, both on an admitted and non-admitted basis, for clients in the entertainment industry and sports-related organizations.

*Berkley Environmental* underwrites casualty and specialty environmental products for environmental customers including contractors, consultants, property owners and facilities operators.

*Berkley Financial Specialists* serves the insurance needs of companies **predominantly** in the financial services **sector and beyond**. Its Berkley Crime division provides crime and fidelity related insurance products for commercial organizations, financial sector businesses and governmental entities on a primary and excess basis. Its Financial Services segment provides management liability and fidelity products to financial institutions, insurance companies and asset management firms.

*Berkley Fire & Marine* offers a broad range of preferred inland marine and related property risks and services to customers throughout the United States. Products are distributed through independent agents and brokers.

*Berkley Healthcare* underwrites customized, comprehensive insurance solutions for the full spectrum of healthcare providers. Through Berkley Healthcare Medical Professional, it offers a wide range of medical professional coverages. Through Berkley Healthcare Financial Lines, it offers a comprehensive suite of financial lines coverages.

*Berkley Human Services* provides property casualty insurance coverages to human services organizations, including nonprofit and for-profit organizations. Its product offerings include traditional primary and excess coverages.

*Berkley Industrial Comp* specializes in writing workers' compensation insurance for diverse high hazard industries in select states. Its products are distributed by a select group of independent retail **agents, agents and wholesale brokers**.

*Berkley Insurance Asia* underwrites specialty commercial insurance coverages to clients in North Asia and Southeast Asia through offices in Hong Kong, Singapore, Labuan and Shanghai.

89

*Berkley Insurance Australia* underwrites general insurance business in Australia, including professional indemnity insurance for companies of all sizes.

*Berkley Latinoamérica* provides property, casualty, **automobile, auto**, surety, group life and workers' compensation products and services in its operating territories of Argentina, Brazil, the Caribbean, Colombia, Mexico and Uruguay.

*Berkley Life Sciences* offers a comprehensive spectrum of property casualty products to the life sciences industry on a global basis, including both primary and excess product liability coverages. It serves pharmaceutical and biotech companies, medical device companies, dietary supplement companies, medical and research related software developers, contract research and manufacturing organizations, research institutions and organizations, and other related businesses.

*Berkley Luxury Group* provides commercial package insurance programs for high-end cooperative, condominium, and quality rental apartment buildings and upscale restaurants in the New York, New Jersey, Chicago and Washington, D.C. metropolitan markets, as well as other select markets.

*Berkley Management Protection* offers a modular suite of management liability products for small and middle market companies through a bespoke and easy to use platform tailored to independent agents. The management liability coverages they provide include directors and officers, employment practices, fiduciary, cyber, crime and miscellaneous professional liability.

*Berkley Mid-Atlantic Group* provides commercial property casualty coverages to a wide variety of businesses in Delaware, the District of Columbia, Maryland, Ohio, Pennsylvania, and Virginia. Focusing on small and middle market accounts, it complements its standard writings with specialized products in areas such as construction.

*Berkley Net Underwriters* focuses on small and medium-sized commercial risks, using a web-based system to allow producers to quote, bind and service workers' compensation insurance products on behalf of Berkley member insurance companies.

*Berkley North Pacific* offers preferred insurance products and services to a broad range of small to medium size commercial entities. It operates through independent agents in Idaho, Montana, Oregon, Utah and Washington.

*Berkley Offshore Underwriting Managers* is a specialist global underwriter of energy and marine risks. Its three divisions provide specialty insurance products in the energy upstream, energy liability and marine sectors.

*Berkley Oil & Gas* provides property casualty products and risk services to the United States energy sector. Its customer base includes risks of all sizes that work in the oil patch, including operators, drillers, geophysical contractors, well-servicing contractors, and manufacturers/distributors of oil field products, as well as those in the renewable energy sector.

*Berkley One* provides a customizable suite of personal lines insurance solutions including home, condo/co-op, auto, **fine art and collectibles**, liability, **collector vehicle** and **collectibles, recreational marine**. Berkley One targets high net worth individuals and families with sophisticated risk management needs.

*Berkley Product Protection* offers a broad product suite, including **Product Liability** **product liability** and **Product Recall** **product recall** and Contamination, to assist clients in the manufacturing, wholesale and import space with their risk management and insurance needs.

*Berkley Professional Liability* specializes in professional liability insurance for publicly-traded and private entities on a worldwide basis. Its liability coverages include directors and officers, errors and omissions, fiduciary, employment practices, and sponsored insurance agents' errors and omissions. Berkley Transactional, a division of Berkley Professional Liability, underwrites a full suite of transactional insurance products, including representations and warranties insurance, and tax opinion insurance.

*Berkley Program Specialists* is a program management **company/business** offering both admitted and non-admitted insurance support on a nationwide basis for commercial casualty and property program administrators with specialized insurance expertise. Its book is built around blocks of homogeneous business **or programs, allowing for efficient processes, effective oversight of existing programs** and **sound implementation of new** programs.

*Berkley Public Entity* specializes in providing excess coverage and services to individual governmental and scholastic entities and intergovernmental risk sharing groups. Products include general liability, automobile auto liability, law enforcement liability, public officials and educator's legal liability, employment practices liability, incidental medical, property and crime.

*Berkley Risk* provides at-risk and alternative risk insurance program management services for a broad range of groups and individuals including public entity pools, professional associations, captives and self-insured clients. As a third party administrator, it manages workers' compensation, liability and property claims nationwide.

9 10

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*Berkley Select* specializes in underwriting professional liability insurance for law firms and accounting firms, as well as other professional firms and their practices. It also offers executive liability products, including directors and officers liability, employment practices and fiduciary liability, to small to middle market privately held and not-for-profit customers. Berkley Select provides these insurance products on both an admitted and surplus lines basis.

*Berkley Small Business Solutions* offers commercial insurance products for small businesses through a modern technology platform that leverages data and analytics. Its initial product offering focuses on preferred risks in the non-fleet transportation market.

*Berkley Southeast* offers a wide array of commercial lines products in six southeastern states: Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee, specializing in small to mid-sized accounts.

*Berkley Specialty Excess* provides excess and surplus lines coverages for hard-to-place risks involved in moderate to high degrees of hazard. It focuses on highly specialized risk exposures within specific industry verticals such as the environmental and energy industries. Its predominate focus is on providing excess insurance; however, in some cases it provides highly specialized environmental primary products tailored to the individual risk. Products are distributed through a minimal number of insurance brokers and agents that specialize in these industry verticals.

*Berkley Surety* provides a full spectrum of surety bonds for construction, environmental and commercial surety accounts in the U.S. and Canada, through an independent agency and broker platform across 2019 field locations.

*Berkley Technology Underwriters* provides a broad range of technology error & omission (TE&O) and first party cyber coverage along with traditional package, umbrella and third-party insurance programs worker's compensation products. TE&O and cyber products provide industry specialization for both domestic and foreign technology, exposures government contracting, telecommunications, digital media, manufacturing and technology industries on both a local and global basis. private equity firms.

*Carolina Casualty* is a national provider of primary commercial insurance products and services to the transportation industry. It underwrites on an admitted basis in all 50 states and the District of Columbia. Its *Berkley Prime Transportation* business provides primary auto liability, auto physical damage and general liability to a broad array of trucking operations.

*Continental Western Group* is a Midwest regional property and casualty insurance operation based in Des Moines, Iowa, providing underwriting and risk management services to a broad array of regional businesses in thirteen Midwest states. In addition to its generalist portfolio, Continental Western offers specialty underwriting solutions for diversified agriculture, construction, light manufacturing, transportation, volunteer fire departments, rural utilities and public entities.

*Gemini Transportation* is a national provider of excess liability insurance for various domestic surface transportation businesses, including the railroad industry as well as the trucking, busing and other industries that use rubber-wheeled vehicles for over-the-road use.

*Intrepid Direct* provides business insurance coverages through a direct distribution model focused on the franchise market, with specialties including the restaurant, garage and fitness industries.

*Key Risk* specializes in writing workers' compensation insurance for diverse industries including healthcare, human services, transportation, temporary staffing, professional employer organizations and contractors requiring coverage under the United States Longshore and Harbor Workers' Compensation Act (USL&H). Its products are distributed by a select group of independent retail agents and wholesale brokers located throughout the United States.

*Nautilus Insurance Group* insures excess and surplus lines risks for small to medium-sized commercial risks with low to moderate susceptibility to loss. It writes commercial excess and surplus lines business nationwide and admitted lines commercial business in a limited number of states. A substantial portion of Nautilus' business is written through its close, long-standing network of general agents, who are chosen on a highly selective basis.

*Preferred Employers Insurance* focuses exclusively on workers' compensation products and services for businesses based in California. It serves thousands of customers covering a broad spectrum of industries throughout the state.

*Union Standard* offers preferred commercial property and casualty insurance products and services to a wide range of small to medium size commercial entities with a focus on the construction, farm/ranch, retail and service industries. It operates through independent agents in Arizona, Arkansas, New Mexico, Oklahoma and Texas.

*Vela Insurance Services* specializes in commercial casualty insurance on an excess and surplus lines basis. Its primary focus is on general liability insurance for construction, manufacturing and general casualty clients as well as products liability and miscellaneous professional liability coverages distributed through wholesale insurance brokers.

11

Verus Specialty Insurance offers general liability, tailored casualty, professional liability, and property garage coverages, for small to mid-sized commercial risks specializing in the excess and surplus lines insurance market market. It primarily serves the construction, manufacturing, garage service and professional sectors through a select group of appointed selective wholesale brokers, broker network.

W R B Europe is comprised of specialist businesses offering a focused range of insurance products to markets in Continental Europe.

W / R / B Underwriting provides a broad range of insurance products to the Lloyd's marketplace, with a concentration in specialist classes of business including property, professional indemnity and financial lines.

10 12

The following table sets forth the percentage of gross premiums written by each Insurance business:

	Year Ended December 31,		
	2022	2021	2020
Acadia Insurance	5.2%	5.5%	6.0%
Admiral Insurance	6.2	5.9	5.6
Berkley Accident and Health	5.1	5.0	5.2
Berkley Agribusiness	0.8	0.8	1.2
Berkley Alliance Managers	2.7	2.8	2.8
Berkley Aspire	0.9	0.7	0.5
Berkley Asset Protection	1.0	0.8	0.8
Berkley Canada	1.2	1.2	1.1
Berkley Construction Solutions	0.4	—	—
Berkley Custom Insurance	3.1	3.2	3.5
Berkley Cyber Risk Solutions	0.9	0.8	0.5
Berkley E&S Solutions	—	—	—
Berkley Enterprise Risk Solutions	—	—	—
Berkley Entertainment	1.8	1.8	2.1
Berkley Environmental	5.6	5.2	5.4
Berkley Financial Specialists	0.6	0.6	0.8
Berkley Fire & Marine	0.7	0.8	0.8
Berkley Healthcare	1.8	1.8	1.7
Berkley Human Services	1.1	1.0	1.0
Berkley Industrial Comp	0.7	0.8	0.8
Berkley Insurance Asia	0.8	0.8	0.7
Berkley Insurance Australia	1.7	1.7	1.4
Berkley Latinoamérica	2.9	2.7	2.8
Berkley Life Sciences	0.5	0.5	0.5
Berkley Luxury Group	0.8	0.9	1.1
Berkley Management Protection	0.1	—	—
Berkley Mid-Atlantic Group	1.0	1.3	1.2
Berkley Net Underwriters	2.2	2.1	2.2
Berkley North Pacific	0.7	0.7	0.7
Berkley Offshore Underwriting Managers	1.4	1.5	1.5
Berkley Oil & Gas	3.5	3.0	3.2
Berkley One	1.8	1.2	0.7
Berkley Product Protection	0.3	0.4	0.4

Berkley Professional Liability	5.8	7.5	4.8
Berkley Program Specialists	1.7	2.0	1.7
Berkley Public Entity	0.6	0.6	0.5
Berkley Risk	0.3	0.2	0.3
Berkley Select	1.8	2.0	2.4
Berkley Small Business Solutions	—	—	—
Berkley Southeast	2.2	2.3	2.3
Berkley Surety	1.1	1.1	1.2
Berkley Technology Underwriters	0.6	0.6	0.7
Carolina Casualty	2.1	1.7	0.9
Continental Western Group	2.4	2.5	2.8
Gemini Transportation	3.1	3.0	3.4
Intrepid Direct	1.2	1.1	0.9
Key Risk	2.2	2.5	2.5
Nautilus Insurance Group	4.7	4.5	4.9
Preferred Employers Insurance	1.2	1.5	1.9
Union Standard	1.5	1.7	2.0
Vela Insurance Services	2.5	2.6	2.6
Verus Specialty Insurance	0.8	0.8	0.7
W R B Europe	1.0	1.1	1.0
W/R/B Underwriting	3.6	4.0	4.3
Other	2.1	1.2	2.0
Total	100.0%	100.0%	100.0%

	Year Ended December 31,		
	2023	2022	2021
Acadia Insurance	5.3%	5.2%	5.5%
Admiral Insurance	7.0	6.2	5.9
Berkley Accident and Health	5.3	5.1	5.0
Berkley Agribusiness	0.8	0.8	0.8
Berkley Alliance Managers	2.3	2.7	2.8
Berkley Aspire	1.2	0.9	0.7
Berkley Asset Protection	0.9	1.0	0.8
Berkley Canada	1.0	1.2	1.2
Berkley Construction Solutions	0.6	0.4	—
Berkley Custom Insurance	2.9	3.1	3.2
Berkley Cyber Risk Solutions	0.8	0.9	0.8
Berkley E&S Solutions	0.1	—	—
Berkley Enterprise Risk Solutions	0.1	—	—
Berkley Entertainment	1.7	1.8	1.8
Berkley Environmental	6.6	5.6	5.2
Berkley Financial Specialists	0.6	0.6	0.6
Berkley Fire & Marine	0.9	0.7	0.8
Berkley Healthcare	1.5	1.8	1.8
Berkley Human Services	1.3	1.1	1.0
Berkley Industrial Comp	0.7	0.7	0.8
Berkley Insurance Asia	0.8	0.8	0.8
Berkley Insurance Australia	1.6	1.7	1.7
Berkley Latinoamérica	3.2	2.9	2.7
Berkley Life Sciences	0.5	0.5	0.5
Berkley Luxury Group	0.7	0.8	0.9
Berkley Management Protection	0.2	0.1	—
Berkley Mid-Atlantic Group	0.9	1.0	1.3
Berkley Net Underwriters	1.9	2.2	2.1

Berkley North Pacific	0.7	0.7	0.7
Berkley Offshore Underwriting Managers	1.5	1.4	1.5
Berkley Oil & Gas	3.0	3.5	3.0
Berkley One	2.6	1.8	1.2
Berkley Product Protection	0.3	0.3	0.4
Berkley Professional Liability	3.8	5.8	7.5
Berkley Program Specialists	0.9	1.7	2.0
Berkley Public Entity	0.7	0.6	0.6
Berkley Risk	0.3	0.3	0.2
Berkley Select	1.8	1.8	2.0
Berkley Small Business Solutions	0.2	—	—
Berkley Southeast	2.3	2.2	2.3
Berkley Specialty Excess	0.2	—	—
Berkley Surety	1.1	1.1	1.1
Berkley Technology Underwriters	0.6	0.6	0.6
Carolina Casualty	2.1	2.1	1.7
Continental Western Group	2.6	2.4	2.5
Gemini Transportation	3.0	3.1	3.0
Intrepid Direct	1.5	1.2	1.1
Key Risk	2.1	2.2	2.5
Nautilus Insurance Group	4.7	4.7	4.5
Preferred Employers Insurance	1.0	1.2	1.5
Union Standard	1.3	1.5	1.7
Vela Insurance Services	2.6	2.5	2.6
Verus Specialty Insurance	1.0	0.8	0.8
W R B Europe	1.1	1.0	1.1
W/R/B Underwriting	3.9	3.6	4.0
Other	1.7	2.1	2.1
Total	100.0%	100.0%	100.0%

11 13

The following table sets forth percentages of gross premiums written, by line, by our Insurance operations:

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		
		Year Ended December 31,		
		Year Ended December 31,		
		2023		
Other liability				
Other liability				
Other liability	Other liability	37.0%	35.6%	36.0%
Short-tail lines (1)	Short-tail lines (1)	23.2	22.2	23.3
Short-tail lines (1)				
Short-tail lines (1)				
Professional liability	Professional liability	15.5	17.3	14.6
Professional liability				
Professional liability				
Auto				
Auto				

Auto				
Workers' compensation	Workers' compensation	11.7	12.4	14.3
Commercial auto		12.6	12.5	11.8
Workers' compensation				
Workers' compensation				
Total	Total	100.0%	100.0%	100.0%
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.

#### Reinsurance & Monoline Excess

We provide other insurance companies and self-insureds with assistance in managing their net risk through reinsurance on either a portfolio basis, through treaty reinsurance, or on an individual basis, through facultative reinsurance. Our monoline excess operations solely retain risk on an excess basis.

Businesses comprising the Reinsurance & Monoline Excess segment are as follows:

*Berkley Re America* provides treaty and facultative reinsurance solutions on a variety of product lines through reinsurance brokers to companies whose primary operations are within the United States and Canada.

*Berkley Re Asia Pacific* provides property and casualty reinsurance to the Asia Pacific marketplace. With offices in Brisbane, Sydney, Beijing, Labuan and Singapore, each branch focuses on excess of loss reinsurance, targeting both property and casualty treaty and facultative contracts, through multiple distribution channels.

*Berkley Re Solutions* is a direct casualty facultative reinsurance underwriter serving clients through a nationwide network of regional offices. Its facultative reinsurance products include automatic, semi-automatic and individual risk assumed reinsurance. It also provides its customers with turnkey products such as cyber, employment practices liability insurance ("EPLI"), liquor liability insurance and violent events coverage to help enhance their clients' product offerings, along with underwriting, claims, and actuarial consultation.

*Berkley Re UK* writes international property casualty treaty and property facultative accounts. Its territorial scope includes reinsured clients domiciled in the United Kingdom, Europe, Africa, the Middle East and the Caribbean.

*Lloyd's Syndicate 2791 Participation* represents the Company's minority participation in a Lloyd's syndicate that writes a broad range of mainly short-tail classes of business.

*Midwest Employers Casualty* provides excess workers' compensation insurance products to individual employers, groups and workers' compensation insurance companies across the United States. Its workers' compensation excess of loss products include self-insured excess of loss coverages and large deductible policies. Through its relationship with Berkley Net Underwriters, Midwest Employers Casualty also offers multi-state coverage for group self-insureds. It has developed sophisticated, proprietary analytical tools and risk management services designed to help its insureds lower their total cost of risk.

12 14

The following table sets forth the percentages of gross premiums written by each Reinsurance & Monoline Excess business:

		Year Ended December 31,			Year Ended December 31,
		2022	2021	2020	
Berkley Re America	Berkley Re America	34.6%	31.2%	31.6%	
Berkley Re America					
Berkley Re America					
Berkley Re Asia Pacific					
Berkley Re Asia Pacific					
Berkley Re Asia Pacific	Berkley Re Asia Pacific	15.6	15.4	13.5	
Berkley Re Solutions	Berkley Re Solutions	12.5	13.8	14.4	
Berkley Re Solutions					
Berkley Re Solutions					
Berkley Re UK					

Berkley Re UK				
Berkley Re UK	Berkley Re UK	12.8	13.8	14.7
Lloyd's Syndicate 2791	Lloyd's Syndicate 2791			
Participation	Participation	6.1	6.8	6.0
Lloyd's Syndicate 2791 Participation				
Lloyd's Syndicate 2791 Participation				
Midwest Employers Casualty				
Midwest Employers Casualty				
Midwest Employers Casualty	Midwest Employers Casualty	18.4	19.0	19.8
Total	Total	100.0%	100.0%	100.0%
Total				
Total				

The following table sets forth the percentages of gross premiums written, by line, by our Reinsurance & Monoline Excess operations:

	Year Ended December 31,			Year Ended December 31,
		2022	2021	2020
Casualty	Casualty	61.7%	61.8%	58.1%
Casualty				
Casualty				
Property				
Property				
Property	Property	19.9	19.2	22.1
Monoline Excess	Monoline Excess	18.4	19.0	19.8
Monoline Excess				
Monoline Excess				
Total	Total	100.0%	100.0%	100.0%
Total				
Total				

#### Results by Segment

Summary financial information about our segments is presented on a GAAP basis in the following table:

	Year Ended December 31,			Year Ended December 31,
(In thousands)	(In thousands)	2022	2021	2020
<u>Insurance</u>	<u>Insurance</u>			
<u>Insurance</u>				
<u>Insurance</u>				
Revenue				
Revenue				
Revenue	Revenue	\$ 8,952,493	\$ 7,578,592	\$ 6,478,834
Income before income taxes	Income before income taxes	1,455,658	1,219,798	668,012
Income before income taxes				
Income before income taxes				
<u>Reinsurance &amp; Monoline Excess</u>				
<u>Reinsurance &amp; Monoline Excess</u>				
<u>Reinsurance &amp; Monoline Excess</u>	<u>Reinsurance &amp; Monoline Excess</u>			
<u>Reinsurance &amp; Monoline Excess</u>	<u>Monoline Excess</u>			
Revenue	Revenue	1,386,639	1,203,647	1,009,203



Revenue				
Revenue				
Income before income taxes				
Income before income taxes				
Income before income taxes	Income before income taxes	316,527	270,563	205,587
Other (1)	Other (1)			
Other (1)				
Other (1)				
Revenue				
Revenue				
Revenue	Revenue	827,367	673,227	610,888
Loss before income taxes	Loss before income taxes	(52,504)	(207,456)	(168,797)
Loss before income taxes				
Loss before income taxes				
Total				
Total				
Total	Total			
Revenue	Revenue	\$ 11,166,499	\$ 9,455,466	\$ 8,098,925
Revenue				
Revenue				
Income before income taxes	Income before income taxes	\$ 1,719,681	\$ 1,282,905	\$ 704,802
Income before income taxes				
Income before income taxes				

(1) Represents corporate revenues and expenses, net investment gains and losses, and revenues and expenses from non-insurance businesses that are consolidated for financial reporting purposes.

13 15

The table below represents summary underwriting ratios on a GAAP basis for our segments. Loss ratio is losses and loss expenses incurred expressed as a percentage of net premiums earned. Expense ratio is underwriting expenses expressed as a percentage of net premiums earned. Underwriting expenses do not include expenses related to insurance services or unallocated corporate expenses. Combined ratio is the sum of the loss ratio and the expense ratio. The combined ratio represents a measure of underwriting profitability, excluding investment income. A number in excess of 100 indicates an underwriting loss; a number below 100 indicates an underwriting profit:

		Year Ended December 31,			Year Ended December 31,
		2022	2021	2020	
Insurance	Insurance				
Insurance					
Insurance					
Loss ratio					
Loss ratio					
Loss ratio	Loss ratio	61.3 %	61.1 %	64.9 %	
Expense ratio	Expense ratio	27.9	28.3	30.3	
Expense ratio					

Expense ratio					
Combined ratio					
Combined ratio					
Combined ratio	Combined ratio	89.2	%	89.4	%
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess				
Reinsurance & Monoline Excess					
Reinsurance & Monoline Excess					
Loss ratio					
Loss ratio					
Loss ratio	Loss ratio	61.3	%	61.0	%
Expense ratio	Expense ratio	28.4		29.7	
Expense ratio					
Expense ratio					
Combined ratio					
Combined ratio					
Combined ratio	Combined ratio	89.7	%	90.7	%
Total	Total				
Total					
Total					
Loss ratio					
Loss ratio					
Loss ratio	Loss ratio	61.3	%	61.1	%
Expense ratio	Expense ratio	28.0		28.5	
Expense ratio					
Expense ratio					
Combined ratio	Combined ratio	89.3	%	89.6	%
Combined ratio					
Combined ratio					

#### Investments

Investment results, before income taxes, were as follows:

(In thousands)	(In thousands)	Year Ended December 31,			Year Ended December 31,
		2022	2021	2020	
Average investments, at cost (1)	Average investments, at cost (1)	\$ 24,438,112	\$ 22,234,975	\$ 20,012,182	
Average investments, at cost (1)					
Average investments, at cost (1)					
Net investment income (1)					
Net investment income (1)					
Net investment income (1)	Net investment income (1)	\$ 779,185	\$ 671,618	\$ 583,821	
Percent earned on average investments (1)	Percent earned on average investments (1)	3.2 %	3.0 %	2.9 %	
Percent earned on average investments (1)					
Percent earned on average investments (1)					
Net investment gains	Net investment gains	\$ 202,397	\$ 90,632	\$ 103,000	
Change in unrealized investment gains (2)	Change in unrealized investment gains (2)	\$ (1,248,128)	\$ (254,939)	\$ 164,645	
Net investment gains					

Net investment gains
Change in unrealized investment gains
(losses) (2)
Change in unrealized investment gains
(losses) (2)
Change in unrealized investment gains
(losses) (2)

- (1) Includes investments, cash and cash equivalents, trading accounts receivable (payable) from brokers and clearing organizations, trading account securities sold but not yet purchased and unsettled purchases.
- (2) Represents the change in unrealized investment gains (losses) gains for available for sale securities recognized in stockholders' equity.

For comparison, the following are the coupon returns for the Barclays U.S. Aggregate Bond Index and the dividend returns for the S&P 500® Index:

		Year Ended December 31,				Year Ended December 31,
		2022		2021		2020
Barclays U.S. Aggregate Bond Index	Barclays U.S. Aggregate Bond Index	2.7	%	2.3	%	2.8
Barclays U.S. Aggregate Bond Index	Barclays U.S. Aggregate Bond Index					
S&P 500® Index	S&P 500® Index	1.3		1.8		1.8
S&P 500® Index	S&P 500® Index					
S&P 500® Index	S&P 500® Index					

The percentages of the fixed maturity portfolio categorized by contractual maturity, based on fair value, on the dates indicated, are set forth below. Actual maturities may differ from contractual maturities because certain issuers may have the right to call or prepay certain obligations.

14 16

		Year Ended December 31,				Year Ended December 31,
		2022		2021		2020
1 year or less	1 year or less	8.7%		9.5%		11.4%
1 year or less	1 year or less					
1 year or less	1 year or less					
Over 1 year through 5 years	Over 1 year through 5 years					
Over 1 year through 5 years	Over 1 year through 5 years	47.2		46.1		38.9
Over 5 years through 10 years	Over 5 years through 10 years	23.4		25.2		25.0
Over 5 years through 10 years	Over 5 years through 10 years					
Over 5 years through 10 years	Over 5 years through 10 years					
Over 10 years	Over 10 years	11.2		12.7		17.4
Mortgage-backed securities	Mortgage-backed securities	9.5		6.5		7.3
Mortgage-backed securities	Mortgage-backed securities					
Mortgage-backed securities	Mortgage-backed securities					

Total	Total	100.0%	100.0%	100.0%
Total				
Total				

At both December 31, 2022 each of December 31, 2023 and 2021, 2022, the fixed maturity portfolio, including cash and cash equivalents, had an effective duration of 2.4 years.

#### Loss and Loss Expense Reserves

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 administering 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 others, 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 necessarily 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.

The risk and complexity of estimating loss reserves are greater when economic conditions are uncertain. It is especially difficult to estimate the impact of inflation on loss reserves given the current economic environment and related government actions. Whereas a slowing economy would generally lead to lower inflation or even deflation, increased government spending would generally lead to higher inflation. A change in our assumptions regarding inflation would result in reserve increases or decreases that would be reflected in our earnings in periods in which such 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 the reserves are well tested over time, some of the major assumptions about anticipated loss emergence patterns are subject to unanticipated fluctuation. 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. Although the loss reserves included in the Company's financial statements represent management's best estimates, setting reserves is inherently uncertain and the Company cannot provide assurance that its current reserves will prove adequate in light of subsequent events.

15 17

The Company discounts its liabilities for certain workers' compensation reserves. The amount of workers' compensation reserves that were discounted was \$1,267 million \$1,352 million and \$1,387 million \$1,464 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The aggregate net discount for those reserves, after reflecting the effects of ceded reinsurance, was \$390 million and \$416 million at December 31, 2023 and \$452 million at December 31, 2022 and 2021, 2022, respectively. At December 31, 2022 December 31, 2023, discount rates by year ranged from 0.7% to 6.5%, with a weighted average discount rate of 3.4% 3.5%.

Substantially all discounted workers' compensation reserves (97% of total discounted reserves at December 31, 2022 December 31, 2023) are 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 December 31, 2022 December 31, 2023), 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.

To date, known environmental and asbestos claims have not had a material impact on the Company's operations, because its subsidiaries generally did not insure large industrial companies that are subject to significant environmental or asbestos exposures prior to 1986 when an absolute exclusion was incorporated into standard policy language.

The Company's net reserves for losses and loss expenses relating to environmental and asbestos claims on policies written before adoption of the absolute exclusion was \$17 million and \$20 million at both December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The estimation of these liabilities is subject to significantly greater than

normal variation and uncertainty because it is difficult to make an actuarial estimate of these liabilities due to the absence of a generally accepted actuarial methodology for these exposures and the potential effect of significant unresolved legal matters, including coverage issues, as well as the cost of litigating the legal issues. Additionally, the determination of ultimate damages and the final allocation of such damages to financially responsible parties are highly uncertain.

The table below provides a reconciliation of the beginning of year and end of year property casualty reserves for the indicated years:

(In thousands)	2022	2021	2020
Net reserves at beginning of year	\$ 12,848,362	\$ 11,620,393	\$ 10,697,998
Cumulative effect adjustment resulting from changes in accounting principles (1)	—	—	5,927
Restated net reserves at beginning of period	12,848,362	11,620,393	10,703,925
Net provision for losses and loss expenses:			
Claims occurring during the current year (2)	5,774,713	4,921,191	4,432,937
Increase in estimates for claims occurring in prior years (3)	54,511	863	627
Loss reserve discount amortization	32,526	31,906	35,142
Total	5,861,750	4,953,960	4,468,706
Net payments for claims:			
Current year	1,068,577	887,896	921,054
Prior years	3,279,333	2,777,798	2,677,595
Total	4,347,910	3,665,694	3,598,649
Foreign currency translation	(113,323)	(60,297)	46,411
Net reserves at end of year	14,248,879	12,848,362	11,620,393
Ceded reserves at end of year	2,762,344	2,542,526	2,164,037
Gross reserves at end of year	\$ 17,011,223	\$ 15,390,888	\$ 13,784,430
Net change in premiums and losses occurring in prior years:			
Increase in estimates for claims occurring in prior years (3)	\$ (54,511)	\$ (863)	\$ (627)
Retrospective premium adjustments for claims occurring in prior years (4)	18,106	7,510	16,807
Net premium and reserve development on prior years	\$ (36,405)	\$ 6,647	\$ 16,180

(In thousands)	2023	2022	2021
Net reserves at beginning of year	\$ 14,248,879	\$ 12,848,362	\$ 11,620,393
Net provision for losses and loss expenses:			
Claims occurring during the current year (1)	6,311,780	5,774,713	4,921,191
Increase in estimates for claims occurring in prior years (2)	29,681	54,511	863
Loss reserve discount amortization	30,681	32,526	31,906
Total	6,372,142	5,861,750	4,953,960
Net payments for claims:			
Current year	1,217,078	1,068,577	887,896
Prior years	3,764,532	3,279,333	2,777,798
Total	4,981,610	4,347,910	3,665,694
Foreign currency translation	22,409	(113,323)	(60,297)
Net reserves at end of year	15,661,820	14,248,879	12,848,362
Ceded reserves at end of year	3,077,832	2,762,344	2,542,526
Gross reserves at end of year	\$ 18,739,652	\$ 17,011,223	\$ 15,390,888
Net change in premiums and losses occurring in prior years:			
Increase in estimates for claims occurring in prior years (2)	\$ (29,681)	\$ (54,511)	\$ (863)
Retrospective premium adjustments for claims occurring in prior years (3)	10,782	18,106	7,510
Net premium and reserve development on prior years	\$ (18,899)	\$ (36,405)	\$ 6,647

- (1) The cumulative effect adjustment resulting from changes in accounting principles relates to the allowance for expected credit losses on reinsurance recoverables that commenced on January 1, 2020 due to the adoption of ASU 2016-13.
- (2) Claims occurring during the current year are net of loss reserve discounts of \$35 million \$47 million, \$35 million and \$21 million in 2023, 2022 and \$10 million in 2022, 2021, and 2020, respectively.
- (3) (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 \$13 million in 2023, increased by \$16 million in 2022, and decreased by \$19 million in 2021 and \$21 million in 2020, respectively, 2021.
- (4) (3) For certain retrospectively rated insurance policies and reinsurance agreements, changes in loss and loss expenses for prior years are offset by additional or return premiums.

Also, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 14, 13, Reserves for Losses and Loss Expenses included in our audited consolidated financial statements for further information regarding the changes in estimates for claims occurring in prior years.

A reconciliation between the reserves as of December 31, 2022 December 31, 2023 as reported in the accompanying consolidated GAAP financial statements and those reported on the basis of statutory accounting principles ("SAP") in the Company's U.S. regulatory filings is as follows:

(In thousands)

Net reserves reported in U.S. regulatory filings on a SAP basis	\$ 13,640,489	14,954,598
Reserves for non-U.S. companies	679,246	780,762
Loss reserve discounting (1)	(78,336)	(80,832)
Ceded reserves	2,762,344	3,077,832
Allowance for expected credit losses on due from reinsurers	7,480	7,292
Gross reserves reported in the consolidated GAAP financial statements	\$ 17,011,223	18,739,652

- (1) For statutory purposes, the Company discounts its workers' compensation reinsurance reserves at 2.5% as prescribed or permitted by the Department of Insurance of the State of Delaware. In its GAAP financial statements, the Company discounts excess workers' compensation reserves at the risk-free rate and assumed workers' compensation reserves at the statutory rate.

## Reinsurance

We follow a common industry practice of reinsuring a portion of our exposures and paying to reinsurers a portion of the premiums received on the policies that we write. Reinsurance is purchased principally to reduce net liability on individual risks and to protect against catastrophic losses. Although reinsurance does not legally discharge an insurer from its primary liability for the full amount of the policies, it does make the assuming reinsurer contractually liable to the insurer to the extent of the reinsurance coverage. We monitor the financial condition of our reinsurers and attempt to place our coverages only with substantial, financially sound carriers. As a result, generally the reinsurers who reinsure our casualty insurance must have an A.M. Best rating of "A (Excellent)" or better with at least \$1 billion in policyholder surplus and the reinsurers who cover our property insurance must have an A.M. Best rating of "A- (Excellent)" or better with at least \$1 billion in policyholder surplus.

## Regulation

### U.S. Regulation

Our U.S. insurance subsidiaries are principally regulated by their domiciliary state insurance departments and are subject to varying degrees of regulation and supervision in the other U.S. jurisdictions in which they do business. As of January 1, 2023 January 1, 2024, there are six domiciliary states related to our U.S. insurance subsidiaries.

**Overview.** Our domestic insurance subsidiaries are subject to statutes which delegate regulatory, supervisory and administrative powers to state insurance commissioners. This regulation relates to such matters as the standards of solvency which must be met and maintained; the licensing of insurers and their agents; the nature of and limitations on investments; deposits of securities for the benefit of policyholders; approval of certain policy forms and premium rates; periodic examination of the affairs of insurance companies; annual and other reports required to be filed on the financial condition of insurers or for other purposes; establishment and maintenance of reserves for unearned premiums, loss expenses and losses; and requirements regarding numerous other matters. Our property casualty subsidiaries, other than our excess and surplus lines and reinsurance subsidiaries, must generally file all rates with the insurance department of each state in which they operate. Our excess and

surplus lines and reinsurance subsidiaries generally operate free of rate and form regulation.

**Legislative and Regulatory Activity Related to the COVID-19 Pandemic.** In response to the outbreak of the COVID-19 pandemic in 2020, legislators in several states and in the United States Congress introduced proposals that would have mandated insurance coverage for certain pandemic-related losses, including business interruption losses, under previously-issued policies that were not designed or priced to provide such coverage. Federal lawmakers also discussed the possibility of a public-private partnership, and there appears to have been a broadly held and bipartisan consensus that pandemic risk is generally uninsurable absent some kind of publicly-funded backstop. While these state and federal proposals have not meaningfully progressed, there remains a risk that they might be revived, or that future variants of COVID-19 or concerns about the possibility of a future pandemic might prompt similar legislative and regulatory proposals. See "Risk Factors — Risks Related to Our Industry — The COVID-19 pandemic has materially and adversely affected our results of operations, and is expected to continue and therefore may materially and adversely affect our results of operations, financial position and liquidity."

19

**Holding Company Statutes.** In addition to regulatory supervision of our insurance subsidiaries, we are subject to state statutes governing insurance holding company systems. Under the terms of applicable state statutes, any person or entity desiring to purchase more than a specified percentage (commonly 10%) of our outstanding voting securities would be required to obtain prior regulatory approval of the purchase. Typically, such statutes require that we periodically file information with the appropriate domiciliary state insurance commissioner, including information concerning our capital structure, ownership, financial condition and general business operations.

We must also annually submit to the lead state regulator for our group an "enterprise risk management report" which identifies the activities and circumstances of any affiliated company that might have a material adverse effect on the financial condition of our group or our U.S. licensed insurers.

In addition, all states have adopted changes to the holding company act that authorize U.S. insurance regulators to lead or participate in the group-wide supervision of certain international insurance groups. In November 2019, the International Association of Insurance Supervisors ("IAIS"), an international standard setter, adopted a global framework for the supervision of internationally active insurance groups ("IAIGs"), as discussed below under "International Regulation." This framework includes a risk-based, group-wide global insurance capital standard ("ICS"), which is undergoing a five-year monitoring period that started in January 2020. We have received notice from Delaware, our lead state insurance regulator, that we may be considered an IAIG. In the event that we are deemed to be an IAIG, we would be subject to international oversight coordinated by the Delaware Department of Insurance.

In the United States, the National Association of Insurance Commissioners (the "NAIC") has developed a group capital calculation tool that uses a risk-based capital aggregation methodology for all entities in an insurance holding company system. The goal is to provide U.S. regulators with a method to aggregate the available capital and the minimum capital of each entity in a group in a way that applies to all companies regardless of their structure. In 2020, 2022, Delaware, our lead state regulator, adopted the NAIC adopted amendments to the model holding company act and regulation that implement the group capital calculation by requiring require the ultimate controlling person of an insurer subject to holding company registration to file submit the group capital calculation filing annually with its lead state regulator. The annual filing requirement will become effective once the states have adopted the NAIC holding company amendments. This annual filing requirement became effective in Delaware, our lead state insurance regulator, on February 7, 2022.

All states have adopted the NAIC's Risk Management and Own Risk and Solvency Assessment Model Act (the "ORSA Model Act"), which requires an insurance holding company system's chief risk officer to submit annually to its lead state insurance regulator an Own Risk and Solvency Assessment Summary Report ("ORSA Report"). The ORSA Report is a confidential internal assessment of the material and relevant risks associated with an insurer's current business plan and the sufficiency of capital resources to support those risks. Under the ORSA Model Act, as enacted by the states, we are required to:

- regularly, no less than annually, conduct an ORSA Own Risk and Solvency Assessment to assess the adequacy of our risk management framework, and current and estimated projected future solvency position;
- internally document the process and results of the assessment; and
- provide an ORSA Report annually to the State of Delaware's Insurance Commissioner.

**Cybersecurity Regulations.** New York's cybersecurity regulation applies to financial services institutions authorized by the New York State Department of Financial Services (the "NYDFS"), including our insurance subsidiaries licensed in New York. The regulation requires these entities to assess risks associated with their information systems and establish and maintain a cybersecurity program reasonably designed to protect consumers' private data and the confidentiality, integrity and availability of the licensee's information systems. In November 2022, On November 1, 2023, the NYDFS proposed adopted amendments to New York's cybersecurity regulation, which if adopted, would require additional reporting, governance and oversight measures, and enhanced cybersecurity safeguards to be implemented. The amendments take effect in phases that began in 2023 and continue through 2025.

18

The NAIC has adopted the Insurance Data Security Model Law (the "Cybersecurity Model Law") for consideration by state legislatures, which when adopted by the states, establishes standards for data security, the investigation of cybersecurity events involving the unauthorized access to, or the misuse of, certain nonpublic information, and reporting to insurance commissioners. The Cybersecurity Model Law imposes significant regulatory burdens intended to protect the confidentiality, integrity and availability of information systems. As of December 31, 2022 December 31, 2023, the Cybersecurity Model Law, or a form thereof, had been adopted by several states, including three of our U.S. insurance subsidiaries' domiciliary states. A drafting note in the Cybersecurity Model Law states that a licensee's compliance with New York's cybersecurity regulation is intended to constitute compliance with the Cybersecurity Model Law, but compliance remains a state-by-state issue and we would need to consider requiring consideration of any State differences in implementation and enforcement of the Cybersecurity Model Law as part of our compliance efforts. Additionally, the Federal Trade Commission amended the "Standards for Safeguarding Customer Information Rules (otherwise known as the "Safeguards Rule") in 2021 to require covered financial institutions to implement certain data security measures and practices in their information security programs. Many of the requirements of the amended Safeguards Rule are similar to New York's cybersecurity regulation and the

Cybersecurity Model Law, but there are some differences that may impose increased operational burdens and compliance costs. The amended Safeguards Rule will become effective in June 2023. Law.

20

Certain other states have enacted or are also developing or have developed considering laws and regulations related to privacy and data security. For example, the California Consumer Privacy Act ("CCPA"), which became effective in January 2020, broadly regulates the collection, processing and disclosure of California residents' personal information, imposes limits on the "sale" of personal information and grants California residents certain rights to, among other things, access and delete data about them in certain circumstances. The CCPA also established a private right of action, with potentially significant statutory damages, whereby businesses that fail to implement reasonable security measures to protect against breaches of personal information could be liable to affected California consumers. California subsequently enacted the California Privacy Rights Act ("CPRA"), which came into full effect in January 2023. The CPRA amends 2023 and amended the CCPA by imposing additional limitations and obligations with respect to covered businesses' use and sharing of certain personal data. Compliance with the CCPA/CPRA may increase the cost of providing our products and services in California. Other states have considered – and some An increasing number of U.S. states have adopted, or are considering legislation similar proposals. For instance, Virginia enacted to the CCPA. Additionally, the NAIC is working on a data privacy law new Insurance Consumer Privacy Protections Model Law to reflect the extensive innovations in 2021 that became effective in January 2023. Additionally, Colorado, Connecticut communications and Utah have enacted data privacy laws that will come into effect later in 2023. These laws establish in those states many technology since the adoption of the same data privacy and security requirements as other existing laws, such as the CCPA, prior model laws.

We cannot predict the impact, if any, that any current, proposed or future federal or state cybersecurity laws or regulations will have on our business, financial condition or results of operations.

*Innovation and Technology.* As a result of increased innovation and use of technology in the insurance sector, the NAIC and insurance regulators have been focusing on the use of "big data" techniques, such as artificial intelligence, machine learning and automated decision-making. In December 2023, the NAIC adopted the Model Bulletin on the Use of Artificial Intelligence Systems by Insurers (the "AI Bulletin"). The AI Bulletin may be adopted and issued by state regulators to licensed insurers. In addition to affirming that the use of artificial intelligence must comply with existing state law, the AI Bulletin sets forth regulators' expectations on how insurers will develop, acquire and use artificial intelligence technologies. In 2024, the NAIC plans to form a new task force to create a regulatory framework for the oversight of insurers' use of third-party data and models.

The NAIC and state insurance regulators are also focused on addressing unfair discrimination by insurers in the use of consumer data and technology, and certain states have passed laws or are considering action targeting unfair discrimination practices. For example, in 2021 Colorado enacted a law that prohibits insurers from using external consumer data and information sources ("ECDIS"), as well as algorithms or predictive models that use ECDIS, in a way that unfairly discriminates based on race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity or gender expression. In August 2023, Colorado adopted regulations requiring life insurers to adopt a governance and risk management framework for the use of artificial intelligence, machine learning and other technologies that utilize "external consumer data." It is expected that Colorado will also adopt governance and testing regulations for other lines of insurance, in accordance with the requirements of its 2021 law.

We cannot predict whether states will adopt the AI Bulletin, or what, if any, changes to laws or regulations may be enacted with regard to "big data" or artificial intelligence technologies.

*Risk-Based Capital Requirements.* The NAIC utilizes a Risk-Based Capital ("RBC") formula that is designed to measure the adequacy of an insurer's statutory surplus in relation to the risks inherent in its business. The RBC formula develops a risk adjusted target level of adjusted statutory capital by applying certain factors to various asset, premium and reserve items. The NAIC RBC Model Law provides for four incremental levels of regulatory attention for insurers whose surplus is below the calculated RBC target. These levels of attention range in severity from requiring the insurer to submit a plan for corrective action to actually placing the insurer under regulatory control. The RBC of each of our domestic insurance subsidiaries was above the calculated RBC target level as of December 31, 2022 December 31, 2023.

*Insurance Regulatory Information System.* The NAIC also has developed a set of 13 financial ratios for property and casualty insurers referred to as the Insurance Regulatory Information System ("IRIS"). On the basis of statutory financial statements filed with state insurance regulators, the NAIC annually calculates these IRIS ratios to assist state insurance regulators in monitoring the financial condition of insurance companies. The NAIC has established an acceptable range for each of the IRIS financial ratios.

*Guaranty Funds.* Our U.S. insurance subsidiaries are also subject to assessment by state guaranty funds in states where we transact admitted business when an insurer in a particular jurisdiction has been judicially declared insolvent and the insolvent company's available funds are insufficient to pay policyholders and claimants the amounts to which they are entitled. The protection afforded under a state's guaranty fund to policyholders of the insolvent insurer varies from state to state. Generally, all licensed property casualty insurers are considered to be members of the fund, and assessments are based upon their pro rata share of direct written premiums in that state. The NAIC Post-Assessment Property and Liability Insurance Guaranty Association Model Act, a version of which has been adopted by all states, limits assessments to 2% of an insurer's subject premiums and permits recoupment of assessments through rate setting. Likewise, several states (or underwriting

21

organizations of which our insurance subsidiaries are required to be members) have limited assessment authority with regard to deficits in certain lines of business.



Additionally, state insurance laws and regulations require us to participate in mandatory property-liability "shared market," "pooling" or similar arrangements that provide certain types of insurance coverage to individuals or others who otherwise are unable to purchase coverage voluntarily provided by private insurers. Shared market mechanisms include assigned risk plans and fair access to insurance requirement or "FAIR" plans. In addition, some states require insurers to

19

participate in reinsurance pools for claims that exceed specified amounts. Our participation in these mandatory shared market or pooling mechanisms generally is related to the amount of our direct writings for the type of coverage written by the specific mechanism in the applicable state.

*Dividends.* We receive funds from our insurance company subsidiaries in the form of dividends and management fees for certain management services. Annual dividends in excess of maximum amounts prescribed by state statutes may not be paid without the approval of the insurance commissioner of the state in which an insurance subsidiary is domiciled. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources."

*Trade Practices.* State insurance laws and regulations include numerous provisions governing trade practices and the marketplace activities of insurers, including provisions governing marketing and sales practices, policyholder services, claims management and complaint handling. State regulatory authorities generally enforce these provisions through periodic market conduct examinations.

*Investment Regulation.* Investments by our domestic insurance companies must comply with applicable laws and regulations which prescribe the kind, quality and concentration of investments. In general, these laws and regulations permit investments in federal, state and municipal obligations, corporate bonds, preferred and common equity securities, mortgage loans, real estate and certain other investments, subject to specified limits and certain other qualifications. Investments that do not comply with these limits and qualifications are deducted in our insurance subsidiaries' calculation of their statutory capital and surplus.

*Terrorism Risk Insurance.* The Terrorism Risk Insurance Act of 2002 established a Federal program that provides for a system of shared public and private compensation for insured losses resulting from acts of terrorism. Pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA"), the program was extended until December 31, 2027.

TRIPRA provides a federal backstop to all U.S. based property and casualty insurers for insurance related losses resulting from any act of terrorism on U.S. soil or against certain U.S. air carriers, vessels or foreign missions. TRIPRA is applicable to almost all commercial lines of property and casualty insurance but excludes commercial auto, burglary and theft, surety, professional liability and farm owners' multi-peril insurance. Insurers with direct commercial property and casualty insurance exposure in the United States are required to participate in the program and make available coverage for certified acts of terrorism. TRIPRA's definition of certified acts includes domestic terrorism. Federal participation will be triggered under TRIPRA when the Secretary of Treasury certifies an act of terrorism.

Under the program, the federal government will pay 80% of an insurer's covered losses in excess of the insurer's applicable deductible. The insurer's deductible is calculated as 20% of earned premium for the prior year for covered lines of commercial property and casualty insurance. Based on our 2022 2023 earned premiums, our aggregate deductible under TRIPRA during 2023 2024 will be approximately \$1,310 million \$1,464 million. The federal program will not pay losses for certified acts unless such losses exceed \$200 million industry-wide for any calendar year after 2020. year. TRIPRA limits the federal government's share of losses at \$100 billion for a program year. In addition, an insurer that has satisfied its deductible is not liable for the payment of losses in excess of the \$100 billion cap.

*Excess and Surplus Lines.* The regulation of our U.S. subsidiaries' excess and surplus lines insurance business differs significantly from the regulation of our admitted business. Our surplus lines subsidiaries are subject to the surplus lines regulation and reporting requirements of the jurisdictions in which they are eligible to write surplus lines insurance. Although surplus lines business is generally less regulated than admitted business, principally with respect to rates and policy forms, strict regulations apply to surplus lines placements in the laws of every state and the regulation of surplus lines insurance may undergo changes in the future. Federal or state measures may be introduced to increase the oversight of surplus lines insurance in the future.

*Climate Change and Financial Risks.* The NAIC and state insurance regulators are evaluating continue to evaluate issues related to the topic management of climate risk. The NAIC's goal is In 2022, the NAIC adopted a new standard for insurance companies to address report their climate-related risks through three areas as part of insurance regulation: financial risk analysis; insurance market availability its annual Climate Risk Disclosure Survey, which applies to insurers that meet the reporting threshold of \$100 million in U.S. direct premium and affordability; and consumer education and outreach. In New York, are licensed in one of the NYDFS issued a participating jurisdictions. The NYDFS's 2020 circular letter, in September 2020 that which applies to both New York domestic and foreign authorized insurers, such as our insurance subsidiaries licensed in New York. The circular letter York, states that the NYDFS expects these regulated insurers are expected to integrate

22

financial risks related to climate change into their governance frameworks, risk management processes, business strategies and scenario analysis, and develop their approach to climate-related financial disclosure. For example, an insurer should designate a board member or board committee, as well as a senior management function, to oversee the management of financial risks associated with climate change. The NYDFS also adopted an amendment to the regulation governing enterprise risk management, which applies to our insurance subsidiaries licensed in New York, that requires an insurance group's enterprise risk management function to address certain additional risks, including climate change risk.

In addition, the Federal Insurance Office (the "FIO") is authorized to monitor the U.S. insurance industry under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), as discussed below under "Federal Regulation." Pursuant to this statutory authority, the FIO is assessing how the insurance sector may help mitigate climate-related climate risks and help achieve national climate-related goals.

In June 2023, the FIO released a report urging insurance regulators to adopt climate-related risk-monitoring guidance in order to enhance their regulation and supervision of insurers.

*Diversity and Corporate Governance.* The NAIC and state insurance regulators are evaluating also continue to evaluate issues related to diversity within the insurance industry, such as the diversity of an insurer's board of directors and management. The NAIC is also examining practices in the insurance industry in order to determine how barriers are created that disadvantage or discriminate against people of color or historically underrepresented groups. On March 16, 2021, in March 2021, the NYDFS issued a circular letter stating that it expects the insurers it regulates, such as our insurance subsidiaries licensed in New York, to make diversity of their leadership a business priority and a key element of their corporate governance, governance, and it includes diversity-related questions in its examination process. In addition, the NAIC is examining practices in the insurance industry in order to determine how barriers are created that disadvantage or discriminate against people of color or historically underrepresented groups. NAIC goals include improving access to different types of insurance products in minority communities, addressing issues related to affordability, and providing guidance to regulators on ways to improve insurance access and the understanding of insurance in underserved communities. See "Human Capital Resources" below.

*Federal Regulation.* The federal government and its regulatory agencies generally do not directly regulate the business of insurance, although federal initiatives could have an impact on our business in a variety of ways. The Dodd-Frank Act effected sweeping changes to financial services regulation in the United States, and created two new federal government bodies, the FIO and the Financial Stability Oversight Council (the "FSOC"). The FIO does not have general supervisory or regulatory authority over the business of insurance, although it has preemption authority over state insurance laws that conflict with certain international agreements, as discussed below. The FIO also has authority to represent the United States in international insurance matters and is authorized to monitor the U.S. insurance industry and identify potential regulatory gaps that could contribute to systemic risk. The Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 addresses the roles played by federal regulators at international insurance standard-setting forums, and it directs the Director of the FIO and the Board of Governors of the Federal Reserve to support increased transparency at international standard-setting regulatory forums (e.g., the IAIS). These federal regulations also instruct the FIO and the Federal Reserve to achieve consensus positions with the states through the NAIC prior to taking a position on any insurance proposal by a global insurance regulatory forum.

The Dodd-Frank Act authorizes the Secretary of the Treasury and U.S. Trade Representative to enter into international agreements of mutual recognition regarding the prudential regulation of insurance or reinsurance. The U.S. and the European Union ("EU") signed such a covered agreement (the "EU Covered Agreement") in September 2017. The EU Covered Agreement 2017, which addresses three areas of prudential supervision: reinsurance, group supervision and the exchange of information between the U.S. and EU. Under the EU Covered Agreement, reinsurance collateral requirements no longer apply to qualifying EU reinsurers that sell reinsurance to the U.S. market, and U.S. reinsurers operating in the EU market are no longer subject to "local presence" requirements. The EU Covered Agreement establishes group supervision practices that apply only to U.S. and EU insurance groups operating in both territories. For instance, the EU Covered Agreement states that, provided the U.S. has adopted group supervision including worldwide group governance, solvency, capital and reporting, U.S.-headquartered insurance groups with operations in the EU will be supervised at the worldwide level only by U.S. insurance regulators, thereby precluding EU insurance supervisors from exercising solvency and capital requirements over the worldwide operations of those insurers.

In December 2018, the U.S. Department of the Treasury and the Office of the U.S. Trade Representative entered into a covered agreement with the U.K. (the "U.K. Covered Agreement," and together with the EU Covered Agreement, the "Covered Agreements") in anticipation of the U.K.'s exit from the EU. The U.K. Covered Agreement largely reflects the provisions of the EU Covered Agreement and incorporates the same timeframes within it.

Under the Dodd-Frank Act, the FIO has preemption authority over state insurance laws that conflict with the Covered Agreements as of September 1, 2022, such as state credit for reinsurance laws that result in non-U.S. reinsurers subject to the Covered Agreements being treated less favorably than U.S. reinsurers. The NAIC previously adopted amendments to its Credit for Reinsurance Model Law to satisfy the substantive and timing requirements of the Covered Agreements, which amendments have been enacted by all states. On September 30, 2022 September 30, 2023, the FIO reported that it did not recommend taking any preemption action as a result of inconsistency between the Covered Agreements and state credit for reinsurance laws, although it is still monitoring state measures implementing the NAIC's revisions to the Credit for Reinsurance Model Law. The FIO plans Under the Covered Agreements, reinsurance collateral requirements no longer apply to publish an update to its preemption report during 2023, qualifying EU and U.K. reinsurers. The amended Credit for Reinsurance Model Law also extends the zero reinsurance collateral provisions in the Covered Agreements to qualified reinsurers domiciled in U.S. jurisdictions that are accredited by the NAIC and to non-U.S. jurisdictions that have not entered into a covered agreement with the U.S. but which the NAIC has identified as "reciprocal jurisdictions" pursuant to the NAIC Qualified Jurisdiction Process.

We cannot currently predict the impact of these changes to the law or whether any other covered agreements will be successfully adopted, and cannot currently estimate the impact of these changes to the law and any such adopted covered agreements on our business, financial condition or operating results.

The FIO also can recommend that Dodd-Frank Act authorizes the FSOC to designate an insurer as an entity posing risks to the United States' financial stability in the event of the insurer's material financial distress or failure, i.e., a "systemically important financial institution" or a "non-bank SIFI." An SIFI if the insurer's material financial distress could pose a systemic risk to the financial system or the nature or scale of its activities could pose a threat to U.S. financial stability. The FIO can recommend that an insurer so be designated by as a non-bank SIFI, which would subject the FSOC will be subject company to Federal Reserve supervision and

21

heightened prudential standards. There are currently no such non-bank SIFIs designated by the FSOC. The In November 2023, the FSOC changed its adopted final guidance that establishes a new process for designating certain financial companies as non-bank SIFIs, effective SIFIs. The revised process is based on the consideration of risk factors set forth in January 2020, by adopting a new analytic framework, which describes how the FSOC intends to monitor a broad range of institutions and activities and respond to potential risks to U.S. financial stability. The financial vulnerabilities that most often contribute to this type of risk include leverage, liquidity risk and maturity mismatch, inadequate risk management, concentration and destabilizing activities. Under the new guidance, the FSOC is no longer required to conduct a cost-benefit analysis and an activities-based approach assessment of the likelihood of a non-bank financial company's material financial distress before considering the designation of the company. The revised process could have the effect of simplifying and moving away from the entities-based approach, shortening FSOC's procedures for designating certain financial companies as non-bank SIFIs.

Based upon our current business model and balance sheet, we do not believe that we will be designated by the FSOC as such an institution. Although the potential impact of any future amendments to the Dodd-Frank Act on the U.S. insurance industry is not clear, our business could be affected by changes to the U.S. system of insurance regulation or our designation or the designation of insurers or reinsurers with which we do business as systemically important non-bank SIFIs.

*Legislative and Regulatory Activity Related to the COVID-19 Pandemic or Other Potential Pandemics.* In response to the outbreak of the COVID-19 pandemic in 2020, legislators in several states and in the United States Congress introduced proposals that would have mandated insurance coverage for certain pandemic-related losses, including business interruption losses, or that would have established a federal insurance program for addressing pandemic risk. None of these proposals were enacted. However, there remains some risk that in the event of another pandemic event, whether related to COVID-19 or another contagious disease, Congress could take similar actions. See "Risk Factors — Risks Related to Our Industry — The COVID-19 pandemic materially and adversely affected our results of operations, and, whether as a result of COVID-19's long-term effects, or new or emerging variants, or other potential pandemics, may further materially and adversely affect our results of operations, financial companies, position and liquidity in the future."

#### International Regulation

Our insurance subsidiaries based in the United Kingdom are regulated by the Prudential Regulation Authority ("PRA") and/or the Financial Conduct Authority ("FCA"). The PRA's primary objectives with regard to insurers are to promote the safety and soundness of insurers and to contribute to the securing of an appropriate degree of protection for current and future policyholders. The FCA has three operational objectives: (i) to secure an appropriate degree of protection for consumers, (ii) to protect and enhance the integrity of the United Kingdom's financial system, and (iii) to promote effective competition in the interests of consumers in the financial services markets. The PRA and FCA employ a variety of regulatory tools to achieve their objectives, including periodic auditing and reporting requirements, risk assessment reviews, minimum solvency margins and individual capital assessment requirements, dividend restrictions, in certain cases, approval requirements governing the appointment of key officers, approval requirements governing controlling ownership interests and various other requirements.

Our Lloyd's managing agency is also regulated by Lloyd's, and the Lloyd's syndicate business is subject to Lloyd's supervision. Through Lloyd's, we are licensed to write business in various countries throughout the world by virtue of Lloyd's international licenses. In each such country, we are subject to the laws and insurance regulation of that country. Our insurance subsidiary based in Liechtenstein is regulated by the Financial Market Authority of Liechtenstein ("FMA"), which has regulatory tools analogous to those of the U.K. regulators noted above.

Additionally, U.K. and Liechtenstein laws and regulations also impact us as "controllers" of our European-regulated subsidiaries, whereby we are required to notify the appropriate authorities about significant events relating to such regulated subsidiaries' controllers (i.e. persons or entities which have certain levels of direct or indirect voting power or economic interests in the regulated entities) as well as changes of control, and to submit annual reports regarding their controllers. The PRA/FCA's Senior Managers and Certification Regime and analogous regulation in Liechtenstein further provide regulatory frameworks for standards of fitness and propriety, conduct and accountability for individuals in positions of responsibility at insurers. In addition, certain employees are individually registered at Lloyd's.

24

Our insurance business throughout the EU and EEA is subject to "Solvency II," an insurance regulatory regime governing, among other things, capital adequacy and risk management. Following the U.K.'s withdrawal from the EU, or Brexit, our Lloyd's managing agency (and the U.K. branch of our Liechtenstein subsidiary) are now subject to a separate U.K. prudential regime, which is broadly identical to Solvency II but will diverge from January 1, 2021. However, the two regimes are likely to diverge Solvency II in the near future. The U.K. has undertaken a review recently adopted legislative reforms that amended various parts of Solvency II and of the regulatory regime applicable to U.K. authorized insurers and reinsurers.

Following this review, on November 17, 2022, the U.K.'s HM Treasury published a finalized package of proposed reforms to the U.K.'s prudential regime, which covers a range of areas including the risk margin, matching adjustment requirements and regulatory reporting obligations. These The legislative reforms relating to the risk margin took effect from December 31, 2023, and other areas of reform will be reflected in new U.K. legislation and regulation, come into force throughout 2024.

Similarly, the European Commission has EU's legislative bodies have undertaken its own a review of Solvency II and, on September 22, 2021, II. In September 2021, the European Commission published a package of proposed legislative reforms for amending the existing regulatory framework. The European Council published its agreed position legislative bodies reached a provisional agreement on the European Commission's proposed reforms revised text of Solvency II in June 2022, December 2023. A finalized set of rules will now be prepared, which it is currently negotiating with the European Parliament, although the full extent of the changes EU member states will only be known once the package of legislative reforms is finalized. implement into their domestic legislation.

Solvency II provides for the supervision of group solvency. Under Solvency II, it is possible that the U.S. parent of a European Union subsidiary could be subject to certain Solvency II requirements if the U.S. company is not already subject to regulations deemed "equivalent" to Solvency II. Currently, the U.S. system of insurance regulation relating to group supervision is not deemed "equivalent" to Solvency II by European Union authorities. The PRA will also perform separate, but comparable, supervision of group solvency under the U.K.'s own domestic prudential regime where a U.S. holding company is a parent of a subsidiary U.K. insurer or reinsurer.

The Liechtenstein financial services regulator, the FMA, is the group supervisor for our European-regulated subsidiaries. However, the Covered Agreements prohibit any EU supervisor or the PRA (as applicable) from exercising group-wide supervision at any level above the highest company organized in the country of that supervisor.

We must also comply with the EU General Data Protection Regulation (EU) 2016/679 ("GDPR"), which took effect

22

in May 2018. 2018, including EEA member state legislation implementing the GDPR. The regulation's goal is to impose increased individual rights and protections for all personal data located in or originating from the EU. The Data Protection Act 2018 and the U.K. General Data Protection Regulation, which is the retained EU law version of the GDPR by virtue of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (together, "U.K. GDPR"), regulate data protection for all individuals within the U.K. Both the GDPR and the U.K. GDPR are extraterritorial in that they apply to all businesses in the EU and the U.K. respectively and any business outside the EU and the U.K. that process offers services, or monitors the behavior of individuals, in the EU and/or U.K., and that processes the personal data of individuals in the EU and/or the U.K. Moreover, there are significant fines associated with non-compliance. In particular, we need to monitor our compliance with all relevant member states' laws and regulations, including where permitted derogations from the GDPR and the U.K. GDPR are introduced. The introduction of the GDPR and the U.K. GDPR, and any resultant changes in EU member states' or U.K. national laws and regulations, has increased our compliance obligations and has necessitated the review and implementation of policies and processes relating to our collection and use of data, and has required us to change our business practices regarding these matters.

In addition, we may become subject to or affected by regulatory policies adopted by the IAIS, an international standard setter consisting of supervisors and regulators from more than 200 jurisdictions. The IAIS has been working on several initiatives to consider changes to insurer solvency standards and group supervision of companies in a holding company system in response to the increasing globalization of the insurance sector. In November 2019, the IAIS formally adopted a global framework for the supervision of internationally active insurance groups ("IAIGs"), IAIGs, which is referred to as the Common Framework for the Supervision of Internationally Active Insurance Groups, or "ComFrame." ComFrame is intended to provide a framework of basic standards for IAIGs and a process for supervisors to cooperate in the supervision of IAIGs. Also in November 2019, the IAIS adopted a risk-based group-wide global insurance capital standard ("ICS") that will apply to IAIGs and ultimately form a part of ComFrame. The ICS commenced a five-year monitoring period in January 2020 which is being used for confidential reporting and discussion in supervisory colleges to provide feedback to the IAIS on the ICS's design and performance, but will not trigger any supervisory action. Following this monitoring period, the ICS is expected to be implemented in 2025 as a group-wide prescribed capital requirement for IAIGs and integrated into the rest of ComFrame. The IAIS is also conducting a comparability assessment to determine whether an aggregation method approach to a group capital standard, which forms part of the NAIC's group capital calculation, produces comparable outcomes to the ICS. As noted above under "U.S. Regulation," it is unclear how the development of the ICS will interact with existing capital requirements for insurance companies in the United States and the NAIC's development of the group capital calculation. We have received notice from Delaware, our lead state insurance regulator, that we may be considered an IAIG. In the event that we are deemed to be an IAIG, we would be subject to international oversight coordinated by the Delaware Department of Insurance.

Our international operations are also subject to varying degrees of regulation in Mexico, Australia and Canada and in certain other countries in Europe, South America, and Southeast Asia. Generally, our subsidiaries must satisfy local regulatory

25

requirements. While each country imposes licensing, solvency, auditing and financial reporting requirements, the type and extent of the requirements differ substantially. Key areas where country regulations may differ include: (i) the type of financial reports to be filed; (ii) a requirement to use local intermediaries; (iii) the amount of reinsurance permissible; (iv) the scope of any regulation of policy forms and rates; and (v) the type and frequency of regulatory examinations.

### Competition

The property casualty insurance and reinsurance businesses are highly competitive, with many insurance companies of various sizes, as well as other entities offering risk alternatives such as self-insured retentions or captive programs, transacting business in the United States and internationally. We compete directly with a large number of these companies. Competition in our industry is largely measured by the ability to provide insurance and services at a price and on terms that are reasonable and acceptable to the customer. Our strategy in this highly fragmented industry is to seek specialized areas or geographic regions where our businesses can gain a competitive advantage by responding quickly to changing market conditions. Our businesses establish their own pricing practices based upon a Company-wide philosophy to price products with the intent of making an underwriting profit.

Competition for insurance business within the United States comes from other specialty insurers, regional carriers, large national multi-line companies and reinsurers. Our specialty businesses compete with excess and surplus insurers as well as standard carriers. Our regional businesses compete with mutual and other regional stock companies as well as national carriers. Additionally, direct writers of property casualty insurance compete with our regional businesses by writing insurance through their salaried employees, generally at a lower acquisition cost than through independent agents such as those used by the Company. We compete internationally with native insurance operations both large and small, which in some cases are related to government entities, as well as with branches or local subsidiaries of multinational companies.

Competition for reinsurance business, which is especially strong, comes from domestic and foreign reinsurers, which produce their business either on a direct basis or through the broker market. These competitors include Swiss Re, Munich Re, Berkshire Hathaway, Partner Re and others.

In recent years, various institutional investors have increasingly sought to participate in the property and casualty insurance and reinsurance industries. Well-capitalized new entrants to the property and casualty insurance and reinsurance industries, or existing competitors that receive substantial infusions of capital, provide increasing competition, which may

23

adversely impact our business and profitability. Further, an expanded supply of reinsurance capital may lower costs for insurers that rely on reinsurance and, as a consequence, those insurers may be able to price their products more competitively.

#### **Human Capital Resources**

As of January 15, 2023 January 15, 2024, we employed 8,186 8,329 individuals. Of this number, our subsidiaries employed 8,049 8,194 individuals and the remaining individuals were employed at the parent company.

We believe that our people are our greatest asset and that our corporate culture is the most important intangible driver of long-term value creation for our Company and the highest priority for pursuing long-term risk-adjusted returns and growth in stockholder value.

**Human Capital Management:** The Company fosters a performance culture. We are focused on creating a respectful, rewarding, diverse, and inclusive work environment that allows our employees to build meaningful and productive careers. The success of these human capital management objectives is essential to our strategy, as it is our people who drive our success. We invest in their growth as individuals and professionals through training and engagement, as well as in their well-being through robust health and wellness programs and a commitment to diversity.

The Company provides developmental opportunities for our employees through formal and informal programs that focus on enabling employees to build skills and thought leadership in specific facets of our business. Our leadership programs cultivate the talent of our high-potential, strong-performing employees as we strive to deepen, enhance and diversify the Company's leadership team.

We strive to align employee incentives with the risk and performance frameworks of the Company. The Company's "pay for performance" philosophy connects individual, business and Company results to employee compensation, providing employees with opportunities to share in the Company's overall growth and success. The Company offers employees a comprehensive benefits package, including health and wellness, financial, educational and life management benefits. In addition, we support employees in making an impact in their local communities and globally through environmental and social efforts that are meaningful to them.

26

Our Board of Directors engages with our senior leadership team, including our senior vice president - human resources, on a periodic basis across a range of human capital management issues, including succession planning and development, compensation, benefits, talent recruiting and retention, engagement, diversity and inclusion, and employee feedback.

**Culture:** The Board of Directors has recognized Accountability, People Oriented Strategy, Responsible Financial Practices, Risk-Adjusted Returns and Transparency as the elements of corporate culture necessary for the Company to achieve success. Our culture unifies our employees across our decentralized business model, positions us to serve our diverse clients globally and propels the Company's continuous evolution.

We are committed to fostering a unifying culture and encouraging innovation across our enterprise. Our culture encompasses the beliefs that (i) specialized knowledge and having a customer-centric focus are competitive advantages and (ii) an environment that promotes integrity, embraces the commitment to "always do right," fosters entrepreneurship and innovation, and values making thoughtful decisions for the long-term benefit of our enterprise. While there is no one "Berkley" way, each of our businesses has its own culture that embodies a shared set of values that define our enterprise. Our structure, with more than 55 60 distinct businesses, facilitates the prompt identification of and appropriate action with respect to addressing individual business or cultural issues arising within a business, without affecting the larger enterprise. Furthermore, our businesses are overseen by senior corporate business managers and senior corporate functional managers, including actuarial, claims, underwriting, compliance and finance, providing a governance oversight structure that makes it easier to identify such issues. Because our Board of Directors diligently exercises its risk management oversight through, among other activities, regular interactions with employees beyond corporate senior management, our directors have visibility into and receive timely feedback on cultural issues that may affect our business.

As significant owners of our Company who are required to hold their shares until separation from service, each of our directors and senior executives have a vested interest in cultivating talent and perpetuating a culture that facilitates the execution of our long-term objectives.

## Other Information about the Company's Business

We maintain an interest in evaluating the startup of possible new ventures and the acquisition and startup of complementary businesses and continue to evaluate possible acquisitions and new ventures on an ongoing basis. In addition, our businesses develop new coverages or enter lines of business to meet the needs of insureds.

24

Seasonal weather variations and other events affect the severity and frequency of losses sustained by the insurance and reinsurance businesses. Although the effect on our business of catastrophes such as tornadoes, hurricanes, hailstorms, wildfires, earthquakes and terrorist acts may be mitigated by reinsurance, they nevertheless can have a significant impact on the results of any one or more reporting periods.

We have no customer that accounts for 10 percent or more of our consolidated revenues.

Compliance by W. R. Berkley and its subsidiaries with federal, state and local provisions that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to protection of the environment, has not had a material effect upon our capital expenditures, earnings or competitive position.

The Company's internet address is [www.berkley.com](http://www.berkley.com). The information on our website is not incorporated by reference in this annual report on Form 10-K. The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act and other reports filed by us or with respect to our securities by others are accessible free of charge through this website as soon as reasonably practicable after they have been electronically filed with or furnished to the SEC.

## ITEM 1A. RISK FACTORS

Our businesses face significant risks. If any of the events or circumstances described as risks below occur, our businesses, results of operations and/or financial condition could be materially and adversely affected. In addition to those described below, our businesses may also be adversely affected by risks and uncertainties not currently known to us or that we currently consider immaterial.

### **Risks Relating to Our Industry**

*Our results may fluctuate as a result of many factors, including cyclical changes in the insurance and reinsurance industry.*

27

The results of companies in the property casualty insurance industry historically have been subject to significant fluctuations and uncertainties in demand and pricing, causing cyclical changes in the insurance and reinsurance industry. The demand for insurance is influenced primarily by general economic conditions, while the supply of insurance is often directly related to available capacity or the perceived profitability of the business. We At times, we have faced significant competition in our business as a result of existing insurers seeking to gain or maintain market share as well as new entrants and capital providers. Recently, premium rates have increased for most lines of business, while they have decreased in others, most notably workers' compensation, compensation and certain professional liability lines of business. The adequacy of premium rates is affected mainly by the severity and frequency of claims, which are influenced by many factors, including natural disasters, regulatory measures and court decisions that define and expand the extent of coverage, and the effects of economic and social inflation on the amount of claims payments due for injuries or losses. In addition, investment rates of return impact rate adequacy. These factors can have a significant impact on ultimate profitability because a property casualty insurance policy is priced before its costs are known as premiums usually are determined long before claims are reported. These factors could produce results that would have a negative impact on our results of operations and financial condition.

*We face significant competitive pressures in our businesses, which can pressure premium rates in certain areas and could harm our ability to maintain or increase our profitability and premium volume in some parts of our business.*

We compete with a large number of other companies in our selected lines of business. We compete, and will continue to compete, with major U.S. and non-U.S. insurers and reinsurers, other regional companies, as well as mutual companies, specialty insurance companies, underwriting agencies, diversified financial services companies and insurtech companies. Competitiveness in our businesses is based on many factors, including premium charges, ratings assigned by independent rating agencies, commissions paid to producers, the perceived financial strength of the company, other terms and conditions offered, services provided, ease of doing business, speed of claims payment and reputation and experience in the lines to be written. Periods of insurance industry consolidation may further increase competition in some parts of our business and may cause our insurance subsidiaries to incur greater customer retention and acquisition expenses, affecting the profitability of existing and new business.

Some of our competitors, particularly in the reinsurance business, have greater financial and/or marketing resources than we do. These competitors within the reinsurance market include Swiss Re, Munich Re, Berkshire Hathaway and Partner Re. We expect that perceived financial strength, in particular, will become more important as customers seek high quality reinsurers.

25



Recently, insurance prices have generally increased for most lines of business, excluding workers' compensation, compensation and certain professional liability lines of business. However, loss costs have also increased and the duration and magnitude of the improving pricing environment remains uncertain. Despite rising higher interest rates, current price levels for certain lines of business may remain below the prices required for us to achieve our long-term return objectives. We expect to continue to face strong competition in our business.

In recent years, various types of investors have increasingly sought to participate in the property and casualty insurance and reinsurance industries. Well-capitalized new entrants to the property and casualty insurance and reinsurance industries, or existing competitors that receive substantial infusions of capital or access to third-party capital, provide increasing competition, which may adversely impact our business and profitability. Further, an expanded supply of capital may lower costs for insurers and, as a consequence, those insurers may be able to price their products more competitively. In addition, technology companies or other third parties have created, and may in the future create, technology-enabled business models, processes, platforms or alternate distribution channels that may adversely impact our competitive position in some parts of our business.

This intense competition could cause the supply and/or demand for insurance or reinsurance to change, which affect our ability to price our products at attractive rates and retain existing business or write new products at adequate rates or on terms and conditions acceptable to us. If we are unable to retain existing business or write new business at adequate rates or on terms and conditions acceptable to us, our results of operations could be materially and adversely affected.

***Our actual claims losses may exceed our reserves for claims, which may require us to establish additional reserves.***

Our gross reserves for losses and loss expenses were approximately \$17.0 billion \$18.7 billion as of December 31, 2022 December 31, 2023. Our loss reserves reflect our best estimates of the cost of settling claims and related expenses with respect to insured events that have occurred.

Reserves do not represent an exact calculation of liability. Rather, reserves represent an estimate of what management expects the ultimate settlement and claims administration will cost for claims that have occurred, whether known or unknown. The major assumptions about anticipated loss emergence patterns are subject to unanticipated fluctuation. These estimates, which generally involve actuarial projections, are based on management's assessment of facts and circumstances then known, as

28

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well as estimates of future trends in claims severity and frequency, inflation, judicial theories of liability, reinsurance coverage, legislative changes and other factors, including the actions of third parties, which are beyond our control.

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 and settlement is reached. In periods with increased economic volatility, it becomes more difficult to accurately estimate claim costs. It is especially difficult to estimate the impact of inflation on loss reserves given the current economic environment and related government actions. Both inflation overall and medical cost inflation, which has historically been greater than inflation overall, can have an adverse impact. In addition, although the Company has estimated the potential COVID-19 impact to its contingency and event cancellation, workers' compensation, and other lines of business under a number of possible scenarios, there remains uncertainty around COVID-19's ultimate impact on the Company and its related reserves.

Reserve estimates are continually refined in an ongoing process as experience develops and further claims are reported and settled. Adjustments to reserves are reflected in the results of the periods in which such estimates are changed. Because setting reserves is inherently uncertain, we cannot assure that our current reserves will prove adequate in light of subsequent events. Should we need to increase our reserves, our pre-tax income for the reporting period would decrease by a corresponding amount.

We discount our reserves for excess and assumed workers' compensation business because of the long period of time over which losses are paid. Discounting is intended to appropriately match losses and loss expenses to income earned on investment securities supporting liabilities. The expected loss and loss expense payout pattern subject to discounting is derived from our loss payout experience. Changes in the loss and loss expense payout pattern are recorded in the period they are determined. If the actual loss payout pattern is shorter than anticipated, the discount will be reduced and pre-tax income will decrease by a corresponding amount.

***The effects of emerging claim and coverage issues on our business are uncertain.***

As industry practices and economic, legal, judicial, social, technological and other environmental conditions change, unexpected and unintended issues related to claim and coverage may emerge. These issues may adversely affect our business by either extending coverage beyond our underwriting intent or by increasing the number or size of claims. Examples of emerging claims and coverage issues include, but are not limited to:

26

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- judicial expansion of policy coverage and a greater propensity to grant claimants more favorable amounts and the impact of new theories of liability;
  - plaintiffs targeting property and casualty insurers, including us, in purported class action litigation relating to claims-handling and other practices;
  - social inflation trends, including higher and more frequent claims, more favorable judgments and legislated increases;

- medical developments that link health issues to particular causes, resulting in liability claims;
- claims relating to unanticipated consequences of current or new technologies, including cyber security related risks;
- claims relating to potentially changing climate conditions; and
- increased claims due to third party funding of litigation.

In some instances, these emerging issues may not become apparent for some time after we have issued the affected insurance policies. As a result, the full extent of liability under our insurance policies may not be known until many years after the policies are issued.

In addition, the potential passage of new legislation designed to expand the right to sue, to remove limitations on recovery, to extend the statutes of limitations or otherwise to repeal or weaken tort reforms could have an adverse impact on our business.

The effects of these and other unforeseen emerging claim and coverage issues are difficult to predict and could harm our business and materially and adversely affect our results of operations.

***As a property casualty insurer, we face losses from natural and man-made catastrophes.***

Property casualty insurers are subject to claims arising out of catastrophes that may have a significant effect on their results of operations, liquidity and financial condition. Catastrophe losses have had a significant impact on our results. For example, catastrophe losses net of reinsurance recoveries, including COVID-19 related losses, were **\$212 million** **\$195 million in 2023, \$212**

29

**million** in 2022, **and \$202 million in 2021, and \$340 million in 2020, 2021.** Similarly, man-made catastrophes can also have a material impact on our financial results. Depending on market conditions and other factors, we may seek to increase our writing of property casualty insurance, and, accordingly, our exposure to catastrophic events would be increased.

Catastrophes can be caused by various events, including hurricanes, windstorms, earthquakes, tsunamis, hailstorms, explosions, severe winter weather and fires, pandemics, as well as terrorist and other man-made activities, including drilling, mining and other industrial accidents, the bankruptcy of a major company, war or other military actions, social unrest, cyber events or terrorist activities. The incidence and severity of catastrophes are inherently unpredictable, and longer-term natural catastrophe trends may be changing due to climate change causing increased variability and unpredictability. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Some catastrophes are restricted to small geographic areas; however, hurricanes, earthquakes, tsunamis and other disasters may produce significant damage in large, heavily populated areas. Catastrophes can cause losses in a variety of our property and casualty lines, and most of our past catastrophe-related claims have resulted from severe storms. Seasonal weather variations or the impact of climate change may affect the severity and frequency of our losses. Insurance companies are not permitted to reserve for a catastrophe until it has occurred. It is therefore possible that a catastrophic event or multiple catastrophic events could produce significant losses and have a material adverse effect on our results of operations and financial condition.

***The COVID-19 pandemic has previously materially and adversely affected our results of operations, and, whether as a result of COVID-19's long-term effects, or new or emerging variants, or other potential pandemics, may further materially and adversely affect our results of operations, financial position and liquidity in the future.***

The **ongoing** COVID-19 pandemic, including the related impact on the U.S. and global economies, materially and adversely affected our results of operations. The **pandemic and its pandemic's** impact on our business may continue, and potentially even worsen, whether as a result of COVID-19's long-term effects, or new or emerging variants, or even other potential pandemics. We cannot predict the magnitude or duration of such impact, particularly given the uncertainties associated with COVID-19 **including regarding the U.S. and global economies and the recovery from its devastating economic and or other effects, potential pandemics.** The ultimate impact of COVID-19 **or other potential pandemics** on our results of operations, financial position and liquidity is not yet known, but includes the **following: following:**

**Adverse Legislative and Regulatory Action.** Legislative and regulatory initiatives in response to COVID-19 or other similar **future** pandemics may adversely affect us, particularly in our workers' compensation and property coverages businesses. For

27

example, our business may be subject to, certain initiatives, including, but not limited to: legislative and regulatory action that seeks to retroactively mandate coverage for losses that our insurance policies would not otherwise cover and which were not priced to cover; legislative and regulatory action providing for shifting presumptions with respect to the burdens of proof for "essential" workers on workers' compensation coverages and varying definitions of "essential" workers; actions prohibiting us from cancelling insurance policies in accordance with our policy terms or non-renewing policies at their natural expiration; and/or orders to provide premium refunds, grant extended grace periods for premium payments, and provide extended time to pay past due premiums. Any such action would likely increase both our underwriting losses and our expenses and any legal challenges to any such action could take years to resolve.

**Claim Losses Related to COVID-19 May Exceed Reserves.** As of **December 31, 2022** **December 31, 2023,** we recorded approximately **\$341 million** **\$384 million** for COVID-19-related losses. Our reserves do not represent an exact calculation of liability, but represent an estimate of what management expects the ultimate settlement and claims



administration will cost for claims that have occurred, whether known or unknown. Accordingly, given the uncertainties still associated with COVID-19 and its impact, our reserves and the underlying estimated level of claim losses and costs arising from COVID-19 may materially change.

**Claim Losses and Adjustment Expenses May Increase.** As the effects of COVID-19 or future pandemics on industry practices and economic, legal, judicial, social and other environmental conditions occur, unexpected and unintended issues related to claims and coverages may emerge. These issues may adversely affect our business by extending coverage beyond our underwriting intent (including in the area of property coverages where physical damage requirements and communicable disease exclusions are currently being challenged) or by increasing the number and/or size of claims, each of which could adversely impact our results.

**Reinsurance.** We purchase reinsurance in order to transfer part of the risk that we have assumed by writing insurance policies to reinsurance companies in exchange for part of the premium we receive in connection with assuming such risk. Although reinsurance makes the reinsurer contractually liable to us to the extent the risk is transferred to the reinsurer, it does not relieve us of our liability to our policyholders. There may be uncertainty surrounding the availability of reinsurance coverage for COVID-19-related losses related to COVID-19 or any future pandemics as our reinsurers may dispute the applicability of reinsurance to such losses (including the application of reinsurance reinstatements) and, as a result, our reinsurers may refuse to pay reinsurance recoverables related thereto or they may not pay them on a timely basis. On December 22, 2023, one of the

30

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. See, "Item 3. Legal Proceedings." In addition, we may be unable to renew our current reinsurance coverages or obtain appropriate new reinsurance covers with respect to certain exposures under our policies, including COVID-19-related exposures related to COVID-19 or any future pandemics, and therefore our net exposures could increase, or if we are unwilling to bear such increase in net exposure, we may reduce our level of underwriting commitments.

**Premium Volumes May Be Negatively Impacted.** The demand for insurance is significantly influenced by general economic conditions. Consequently, any reduced economic activity relating to COVID-19 or other potential pandemics is likely to decrease demand for our insurance products and services and negatively impact our premium volumes (and, in certain cases, may result in return of premiums due to a decrease in exposures). This may continue for an indefinite period, with the magnitude of the impact impossible to predict. In addition, as we continue to evaluate the effects of COVID-19 on the insurance coverages we currently offer, our appetite for providing certain coverages in various jurisdictions may change, which could further negatively impact our premium volumes. Any such reduction in our premiums would likely cause our expense ratio to rise.

**Investments.** Further disruptions Disruptions in global financial markets due to the continuing impact of COVID-19 or future pandemics could cause us to incur additional unrealized and/or realized investment losses, including impairments in our fixed maturity portfolio and other investments. In addition, the economic uncertainty may result in a decline in interest rates, which may negatively impact our net investment income from future investment activity.

**Operational Disruptions and Costs.** Our operations could be disrupted if key members of our senior management or a significant percentage of our workforce or the workforce of our agents, brokers, suppliers or other third party service providers are unable to continue to work because of illness, government directives or otherwise. In addition, our agents, brokers, suppliers and other third party service providers, which we rely on for key aspects of our operations, are subject to similar risks and uncertainties, which may interfere with their ability to fulfill their respective commitments and responsibilities to us in a timely manner and in accordance with the agreed-upon terms. Any remote working policies we implement may result in disruptions to our business routines, heightened risk to cybersecurity attacks and data security incidents and a greater dependency on internet and telecommunication access and capabilities.

**Changing climate conditions may alter the frequency and increase the severity of catastrophic events and thereby adversely affect our financial condition and results.**

Over the past several In recent years, changing weather patterns and climatic conditions, such as global warming, appear to have contributed to the unpredictability, frequency and severity of natural disasters and created additional uncertainty as to future

28

trends and exposures. There is a growing scientific consensus that global warming and other climate change are altering the frequency, severity and peril characteristics of catastrophic weather events, such as hurricanes, windstorms, floods and other natural disasters. Such changes make it more difficult for us to predict and model catastrophic events, reducing our ability to accurately price our exposure to such events and mitigate our risks. Any increase in the frequency or severity of natural disasters may adversely affect our financial condition and results.

**We, as a primary insurer, may have significant exposure for terrorist acts.**

To the extent an act of terrorism, whether a domestic or foreign act, is certified by the Secretary of Treasury, we may be covered under the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA"), for up to 80% of our covered losses for certain property/casualty lines of insurance. However, any such coverage would be subject to a mandatory deductible based on 20% of earned premium for the prior year for the covered lines of commercial property and casualty insurance. Based on our 2022 2023 earned premiums, our aggregate deductible under TRIPRA during 2023 2024 is approximately \$1,310 million \$1,464 million. In addition, the coverage provided under TRIPRA does not

apply to reinsurance that we write. To the extent that our reinsurers have excluded coverage for certain terrorist acts or have priced this coverage at rates that make purchasing such coverage economically infeasible, we may not have reinsurance protection and could be exposed to potential losses as a result of any acts of terrorism.

***We are exposed to, and may face adverse developments involving, mass tort claims.***

We are exposed to, and may face adverse developments involving, mass tort claims such as those relating to exposure to potentially harmful products or substances. We face potential exposure to mass tort claims, including claims related to exposure to potentially harmful products or substances, such as lead paint, polyfluoroalkyl substances, talc and opioids. Establishing loss reserves for mass tort claims is subject to uncertainties because of many factors, including adverse changes to the tort environment (e.g., increased and more aggressive attorney involvement in insurance claims, increased litigation, expanded theories of liability, higher jury awards, lawsuit abuse and third-party litigation finance, among others); evolving judicial interpretations, including application of various theories of joint and several liabilities; disputes concerning medical causation with respect to certain diseases; geographical concentration of the lawsuits asserting the claims; and the potential for a large rise in the total number of claims without underlying epidemiological developments suggesting an increase in disease rates. Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the current loss

31

reserves. In addition, our estimate of loss reserves may change. These additional liabilities or increases in estimates, or a range of either, could vary significantly from period to period and could materially and adversely affect our results of operations and/or our financial position.

***We are subject to extensive governmental regulation, which increases our costs and could restrict the conduct of our business.***

We are subject to extensive governmental regulation and supervision in both the United States and foreign jurisdictions. Most insurance regulations are designed to protect the interests of policyholders rather than stockholders and other investors. This system of regulation, generally administered in the United States by a department of insurance in each state in which we do business, relates to, among other things:

- standards of solvency, including risk-based capital measurements;
- restrictions on the nature, quality and concentration of investments;
- limitations on the amount of dividends, tax distributions, intercompany loans and other payments that can be made without prior regulatory approval;
- requirements pertaining to certain methods of accounting;
- evaluating enterprise risk to an insurer;
- **privacy, data protection, and cybersecurity;**
- **rate and form regulation** pertaining to certain of our insurance businesses;
- potential assessments for the provision of funds necessary for the settlement of covered claims under certain policies provided by impaired, insolvent or failed insurance companies; and
- involvement in the payment or adjudication of catastrophe or other claims beyond the terms of the policies.

State insurance departments conduct periodic examinations of the affairs of insurance companies and require the filing of annual and other reports relating to the financial condition of insurance companies, holding company issues and other matters. Our Insurance business internationally is also generally subject to a similar regulatory scheme in each of the jurisdictions where we conduct operations outside the United States.

29

Federal financial services modernization legislation and legislative and regulatory initiatives taken or which may be taken in response to conditions in the financial markets, global insurance supervision and other factors may lead to additional federal regulation of the insurance industry in the coming years.

The Dodd-Frank Act effected sweeping changes to financial services regulation in the United States. The Dodd-Frank Act established the **Financial Stability Oversight Council ("FSOC")**, **FSOC**, which is authorized to recommend that certain systemically significant non-bank financial companies, including insurance companies, be regulated by the Board of Governors of the Federal Reserve. The Dodd-Frank Act also established a **Federal Insurance Office ("FIO")** **FIO** which is authorized to study, monitor and report to Congress on the U.S. insurance industry and the significance of global reinsurance to the U.S. insurance market. The FIO also can recommend that the FSOC designate an insurer as an entity posing risks to the United States financial stability in the event of the insurer's material financial distress or failure. Our business could be affected by changes, whether as a result of potential changes to the Dodd-Frank Act, to the U.S. system of insurance regulation or our designation or the designation of insurers or reinsurers with which we do business as systemically significant non-bank financial companies.

The topic of climate risk has come under increased scrutiny by the NAIC and insurance regulators. For instance, in New York, the **NYDFS issued a NYDFS's** circular letter, **in September 2020 that which** applies to **both New York domestic and foreign authorized insurers, such as** our insurance subsidiaries licensed in New York. **The circular letter** **York,** states that **the NYDFS expects these regulated insurers are expected** to integrate financial risks related to climate change into their governance frameworks, risk management

processes, business strategies and scenario analysis, and develop their approach to climate-related financial disclosure. The NYDFS also amended the regulation governing enterprise risk management, which applies to our insurance subsidiaries licensed in New York, that requires an insurance group's enterprise risk management function to address certain additional risks, including climate change risk. In addition, the FIO is assessing how the insurance sector may help mitigate climate-related risks and achieve national climate-related goals, goals, and it released a report in June 2023 urging insurance regulators to adopt climate-related risk monitoring guidance. These measures may subject us to increased oversight at the state and federal level.

State regulation is the primary form of regulation of insurance and reinsurance in the United States, although Congress has considered various proposals regarding federal regulation of insurance, in addition to the changes brought about by the

32

Dodd-Frank Act, such as proposals for the creation of an optional federal charter for insurance companies. We may be subject to potentially increased federal oversight as a financial institution. In addition, the current U.S. administration and the volatile political environment may increase (including, in particular, the upcoming U.S. presidential election in November 2024) increases the chance of other federal legislative and regulatory changes that could affect us in ways we cannot predict.

With respect to international measures, Solvency II, the EU regime concerning the capital adequacy, risk management and regulatory reporting for insurers and reinsurers may affect our insurance businesses. Implementation of Solvency II As described in "International Regulation" above, the EU member states occurred on January 1, 2016, and as the Solvency II regime evolves over time, we may be required to utilize a significant amount of resources to ensure compliance. In particular, the European Commission has undertaken is performing a review of Solvency II and on September 22, 2021, published a package of proposed legislative various regulatory reforms for amending the existing regulatory framework. The European Council published its agreed position on the European Commission's proposed reforms are expected to be introduced during 2024, which EU member states will implement in June 2022, and it is now discussing this proposed legislation with the European Parliament. their domestic regulation. In addition, despite the waiver of the Solvency II group capital requirements we received, Solvency II may have the effect of increasing the capital requirements of our EU domiciled insurers. Additionally, our capital requirements and compliance requirements may be adversely affected if the European Commission does not deem the insurance regulatory regimes of the jurisdictions outside the EU in which we have insurance or reinsurance companies domiciled to be "equivalent" to Solvency II.

Similar considerations apply to our U.K. subsidiaries, which are now subject to a separate U.K. prudential regime, which is broadly identical to Solvency II. However, the two regimes, and their respective requirements, are likely to diverge in the near future diverging due to both the EU's review of Solvency II described above and HM Treasury's publication of a finalized package of the recently adopted reforms to the U.K.'s domestic prudential regime on November 17, 2022 (please see "International Regulation" above for more information). We therefore may be required to utilize additional resources to ensure compliance with the different rules in each regime.

If our compliance with Solvency II, the U.K.'s prudential regime or any other regulatory regime is challenged, we may be subject to monetary or other penalties. In addition, in order to ensure compliance with applicable regulatory requirements or as a result of any investigation, including remediation efforts, we could be required to incur significant expenses and undertake additional work, which in turn may divert resources from our business.

We may be unable to maintain all required licenses and approvals and our business may not fully comply with the wide variety of applicable laws and regulations or the relevant authority's interpretation of the laws and regulations. Also, some regulatory authorities have relatively broad discretion to grant, renew or revoke licenses and approvals. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, the insurance regulatory authorities

30

could preclude or temporarily suspend us from carrying on some or all of our activities or monetarily penalize us. Also, changes in the level of regulation of the insurance industry, whether federal, state or foreign, or changes in laws or regulations themselves or interpretations thereof by regulatory authorities, may further restrict the conduct of our business.

## Risks Relating to Our Business

***Our expanding international operations expose us to increased investment, political, legal/regulatory, and economic risks, including foreign currency and credit risk.***

Our expanding international operations in the United Kingdom, Continental Europe, South America, Canada, Mexico, Scandinavia, the Asia-Pacific region, South Africa and Australia expose us to increased investment, political, legal/regulatory, and economic risks, including foreign currency and credit risk. Changes in the value of the U.S. dollar relative to other currencies have had and could in the future have an adverse effect on our results of operations and financial condition.

Our investments in non-U.S.-denominated assets are subject to fluctuations in non-U.S. securities and currency markets, and those markets can be volatile. Non-U.S. currency fluctuations also affect the value of any dividends paid by our non-U.S. subsidiaries to their parent companies in the U.S.

We face additional risks as a result of our international operations which could have an adverse effect on our results of operations and financial condition including: burdens and costs of compliance with a variety of foreign laws and regulations and the associated risk and costs of non-compliance; exposure to undeveloped or evolving legal systems, which may result in unpredictable or inconsistent application of laws and regulations; exposure to commercial, political, legal or regulatory corruption; political, economic or other instability in countries in which we conduct business, including possible terrorist acts; the imposition of tariffs, trade barriers or other protectionist laws or business practices that favor local competition, increased costs and adverse effects on our business; changes to visa or immigration policies; diminished ability to enforce our contractual rights; potential increased risk of data breaches; differences in cultural environments; sociopolitical instability; social, political or economic instability resulting from climate change; changes in

regulatory requirements, including changes in regulatory treatment of certain products or services; exposure to local economic conditions and its impact on our clients' performance and creditworthiness; and restrictions on the repatriation of non-U.S. investments and earnings.

33

Our U.K. business could be specifically adversely impacted by the imposition of trade barriers between the EU and the U.K. following Brexit, which has already reduced the level of trade between the two markets and the U.K.'s overall trade exports, thereby negatively affecting the attractiveness of the U.K. market.

***We may be unable to attract and retain key personnel and qualified employees.***

We depend on our ability to attract and retain key personnel, including our President and CEO, Executive Chairman, senior executive officers, presidents of our businesses, experienced underwriters and other skilled employees who are knowledgeable about our business. If the quality of our underwriting team and other personnel decreases, we may be unable to maintain our current competitive position in the specialized markets in which we operate, and be unable to expand our operations into new products and markets.

***We cannot guarantee that our reinsurers will pay in a timely fashion, if at all, and, as a result, we could experience losses.***

We purchase reinsurance by transferring part of the risk that we have assumed, known as ceding, to a reinsurance company in exchange for part of the premium we receive in connection with the risk. Although reinsurance makes the reinsurer contractually liable to us to the extent the risk is transferred or ceded to the reinsurer, it does not relieve us, the reinsured, of our liability to our policyholders. Our reinsurers may not pay the reinsurance recoverables that they owe to us or they may not pay such recoverables on a timely basis. This failure to pay or failure to pay on a timely basis may be due to factors such as whether reinsurers, their affiliates or certain indemnitors have the financial capacity and willingness to make payments under the terms of a reinsurance treaty or contract. Accordingly, we bear credit risk with respect to our reinsurers, and if our reinsurers fail to pay us, our financial results would be adversely affected. Underwriting results and investment returns of some of our reinsurers may affect their future ability to pay claims. As of **December 31, 2022** **December 31, 2023**, the amount due from our reinsurers was approximately **\$3,188 million** **\$3,535 million**, including amounts due from state funds and industry pools where it was intended that we would bear no risk. Certain of these amounts are secured by letters of credit or by funds held in trust on our behalf.

***We are subject to credit risk relating to our policyholders, independent agents and brokers.***

In addition to exposure to credit risk related to our reinsurance recoverables and investment portfolio, we are exposed to credit risk in several other areas of our business, including credit risk relating to policyholders, independent agents and brokers. For example our policyholders, independent agents or brokers may not pay a part of or the full amount of premiums owed to us

31

or our brokers or other third party claim administrators may not deliver amounts owed on claims under our insurance and reinsurance contracts for which we have provided funds.

As credit risk is generally a function of the economy, we face a greater credit risk in an economic downturn. While we attempt to manage credit risks through underwriting guidelines, collateral requirements and other oversight mechanisms, our efforts may not be successful. For example, to reduce such credit risk, we require certain third parties to post collateral for some or all of their obligations to us. In cases where we receive pledged securities and the applicable counterparty is unable to honor its obligations, we may be exposed to credit risk on the securities pledged and/or the risk that our access to that collateral may be stayed as a result of bankruptcy. In cases where we receive letters of credit from banks as collateral and one of our counterparties is unable to honor its obligations, we are exposed to the credit risk of the banks that issued the letters of credit.

***We are rated by A.M. Best, Standard & Poor's, Moody's, and Fitch, and a decline in these ratings could affect our standing in the insurance industry and cause our sales and earnings to decrease.***

Ratings have become an increasingly important factor in establishing the competitive position of insurance companies. Certain of our insurance company subsidiaries are rated by A.M. Best, Standard & Poor's, Moody's and Fitch. Our ratings are subject to periodic review, and we cannot assure you that we will be able to retain our current or any future ratings, especially given that rating agencies may change their criteria or increase capital requirements for various rating levels. For instance, Standard & Poor's has recently proposed changes to its rating model which could impact our rating depending on final changes that are implemented.

If our ratings are reduced from their current levels by A.M. Best, Standard & Poor's, Moody's or Fitch, our competitive position in the insurance industry could suffer and it would be more difficult for us to market our products. A ratings downgrade could also adversely limit our access to capital markets, which may increase the cost of debt. A significant downgrade could result in a substantial loss of business as policyholders move to other companies with higher financial strength ratings.

***If market conditions cause reinsurance to be more costly or unavailable, we may be required to bear increased risks or reduce the level of our underwriting commitments.***

34

As part of our overall risk and capacity management strategy, we purchase reinsurance for certain amounts of risk underwritten by our insurance company subsidiaries, especially catastrophe risks and those risks with relatively high policy limits. We also purchase reinsurance on risks underwritten by others which we reinsure. Market conditions beyond our control determine the availability and cost of the reinsurance protection we seek to purchase, which may affect the level of our business and profitability. Our reinsurance contracts are generally subject to annual renewal, and we may be unable to maintain our current reinsurance contracts or to obtain other reinsurance contracts in adequate amounts and at favorable rates. In addition, we may be unable to obtain reinsurance on terms acceptable to us relating to certain lines of business that we intend to begin writing. If we are unable to renew our expiring contracts or to obtain new reinsurance contracts, either our net exposures would increase or, if we are unwilling to bear an increase in net exposures, we would have to reduce the level of our underwriting commitments, especially catastrophe exposed risks.

***Depending on conditions in the financial markets and the general economy, we may be unable to raise debt or equity capital if needed.***

If conditions in the financial markets and the general economy are unfavorable, which may result from disruptions, uncertainty or volatility in the capital and credit markets, we may be unable to access debt or equity capital on acceptable terms if needed, which could have a negative impact on our ability to invest in our insurance company subsidiaries and/or to take advantage of opportunities to expand our business, such as possible acquisitions and the creation of new ventures and possible acquisitions, and inhibit our ability to refinance our existing indebtedness if we desire to do so, on terms acceptable to us.

***We may not find suitable acquisition candidates or new insurance ventures and acquisition candidates and even if we do, we may not successfully invest in such ventures or successfully integrate any such acquired companies or successfully invest in such ventures, companies.***

As part of our present strategy, we continue to evaluate the possible acquisition transactions and the start-up of complementary businesses and acquisition transactions on an ongoing basis, and at any given time we may be engaged in discussions with respect to possible acquisitions new ventures and new ventures, acquisitions. We cannot assure you that we will be able to identify suitable insurance ventures or acquisition targets, or insurance ventures, that such transactions will be financed and completed on acceptable terms or that our future acquisitions start-up ventures or start-up ventures acquisitions will be successful. Our financial results could be adversely affected by acquired businesses not performing as projected, unforeseen liabilities, routine and unanticipated transaction-related charges, diversion of management time and resources to acquisition integration challenges or growth strategies, loss of key employees, challenges in integrating information technology systems of acquired companies with our own, amortization of expenses related to intangibles, charges

32

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for impairment of long-term assets or goodwill and indemnification. The process of investing in new ventures or integrating any companies we do acquire or investing in new ventures may have a material adverse effect on our results of operations and financial condition.

***If we experience difficulties with our information technology, telecommunications or other computer systems become unavailable or unreliable, our ability to conduct our business could be negatively or severely impacted.***

Our business is highly dependent upon our employees' ability to perform necessary business functions in an efficient and uninterrupted fashion. A shut-down of, or inability to access, one or more of our facilities, a power outage or a failure of one or more of our information technology, telecommunications or other computer systems could significantly impair our employees' ability to perform such functions on a timely basis. In the event of a disaster such as a natural catastrophe, terrorist attack or industrial accident, physical or electronic security breaches, such as breaches by computer hackers, the infection of our systems by a malicious computer virus, denial of service attack, or other cybersecurity incident, our systems could be inaccessible for an extended period of time. In addition, because our information technology and telecommunications systems interface with and depend on third-party systems, we could experience service denials or failures of controls if demand for our service exceeds capacity or a third-party system fails or experiences an interruption. If our business continuity plans or system security does not sufficiently address such a business interruption, system failure or service denial, our ability to write and process new and renewal business, provide customer service, pay claims in a timely manner or perform other necessary business functions could be significantly impaired and our business could be harmed.

***Failure to maintain the security of information technology systems and confidential data may expose us to liability.***

Although we have taken steps intended to protect our data and information technology systems and mitigate the risk of harm caused by cybersecurity incidents or breaches, no safeguards are perfect and any failure of these safeguards could cause a substantial disruption of our business operations, which could result in service interruptions, data security compromises, regulatory action, and other similar operational and legal issues, as well as substantial remediation and other costs. Our operations rely on the secure processing, storage and transmission of confidential and other sensitive information, including personal information, in our computer systems and networks. Cybersecurity breaches, including physical or electronic break-ins, computer viruses, malware, attacks by hackers, ransomware attacks, phishing attacks, supply chain attacks, breaches due to employee error or misconduct and other similar breaches can create system disruptions, shutdowns or unauthorized access to, or disclosure of, information maintained in our information technology systems and in the information technology systems of our

35

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vendors and other third parties. We have in the past experienced cybersecurity breaches of our information technology systems as well as the information technology systems of our vendors and other third parties, but, to our knowledge, we have not experienced any material cybersecurity breaches. We expect cybersecurity breaches to continue to occur in the

future and we are constantly managing efforts to infiltrate and compromise our systems and data. Our electronic transmission of personal, confidential and proprietary information to third parties with whom we have business relationships and our outsourcing of certain technology and business process functions to third parties may expose us to enhanced risk related to data security. While we **attempt to develop** **have implemented** secure data transmission capabilities with these third-party vendors and others with whom we do business, **such capabilities may not function as intended and** our vendors and third parties could still suffer data breaches that could result in the exposure of sensitive data and the infiltration of our computer systems. Our failure to effectively protect sensitive personal and/or proprietary information, whether owing to breaches of our own systems or those of our vendors and other third parties, could result in significant monetary and reputational damages, material adverse effects to our financial condition, costly litigation, or other regulatory enforcement actions. These increased risks, and expanding regulatory requirements regarding data security, including required compliance with **applicable privacy and data protection laws** (e.g., the GDPR, CCPA, **CPRA** and **additional other** state-specific privacy statutes and regulations, could expose us to data loss, monetary and reputational damages and significant increases in compliance costs. As a result, our ability to conduct our business could be materially and adversely affected.

***We could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective.***

Our business is highly dependent on our ability to engage on a daily basis in a large number of insurance underwriting, claim processing and investment activities, many of which are highly complex. These activities often are subject to internal guidelines and policies, as well as legal and regulatory standards, including those related to **privacy and data security**, anti-corruption, anti-bribery and global finance and insurance matters. Our continued expansion into new international markets has brought about additional requirements. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system's objectives will be met. If our controls are not effective, it could lead to financial loss, unanticipated risk exposure (including underwriting, credit and investment risk), **regulatory scrutiny**, and/or damage to our reputation.

***We could be adversely affected by changes in U.S. Federal income tax laws.***

Tax legislation commonly referred to as the Tax Cuts and Jobs Act, which was signed into law on December 22, 2017, fundamentally overhauled the U.S. tax system by, among other significant changes, reducing the U.S. corporate income tax rate to 21%. In the context of the taxation of U.S. property/casualty insurance companies such as the Company, the Act also modified the loss reserve discounting rules and the proration rules that apply to reduce reserve deductions to reflect the lower

33

corporate income tax rate. It is possible that other legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse impact on us. New regulations or pronouncements interpreting or clarifying provisions of the Act may be forthcoming. We cannot predict if, when or in what form such regulations or pronouncements may be provided, whether such guidance will have a retroactive effect or their potential impact on us.

***Limitations in risk management and loss limitation methods may adversely impact our business.***

We seek to effectively manage risk and limit our losses in a variety of ways including through effective underwriting, tailoring policy terms, and the use of reinsurance. However, there are certain limitations in these and similar tactics and as a result, loss levels may be higher than modeled or otherwise expected, which could have a material adverse effect on our business.

***Increased scrutiny on social responsibility and the efforts we take to implement related measures, or the failure to take such measures, may adversely impact our business.***

There is increased scrutiny from regulators and investors on the measures companies take to be socially responsible. Although we have made efforts to be responsible in this manner, for example through our commitment to fostering a unifying culture and encouraging innovation across our operating units, these types of pressures may nonetheless present challenges and have an adverse impact on our business. In addition, we may be subject to negative publicity based on a failure or perceived failure to achieve various social responsibility initiatives and goals relating to diversity, equity and inclusion, and commitment to long-term sustainability we may announce from time to time, or based on an actual or perceived increase in related risks as a result of our or our industry's business activities.

#### **Risks Relating to Our Investments**

***A significant amount of our assets is invested in fixed maturity securities and is subject to market fluctuations.***

36

Our investment portfolio consists substantially of fixed maturity securities. As of **December 31, 2022** **December 31, 2023**, our investment in fixed maturity securities was approximately **\$17.6 billion** **\$20.2 billion**, or **72.4%** **75.8%** of our total investment portfolio including cash and cash equivalents. As of that date, our portfolio of fixed maturity securities consisted of the following types of securities: U.S. Government securities **(5.1%)** **(8.4%)**; state and municipal securities **(16.8%)** **(13.3%)**; corporate securities **(38.1%)** **(37.9%)**; asset-backed securities **(22.6%)** **(20.8%)**; mortgage-backed securities **(9.4%)** **(11.3%)** and foreign government **(8.0%)** **(8.3%)**.

The fair value of these assets and the investment income from these assets fluctuate depending on general economic and market conditions. The fair value of fixed maturity securities generally decreases as interest rates rise. If a significant increase in interest rates were to occur, the fair value of our fixed maturity securities would be negatively impacted, while investment income earned from future investments in **fixed-maturity** **fixed maturity** securities would be higher. Conversely, if interest rates decline, the fair value of our **fixed-maturity** **fixed maturity** securities would be positively impacted, and investment income earned from future investments in fixed maturity securities will be lower. Some fixed



maturity securities, such as mortgage-backed and other asset-backed securities, also carry prepayment risk as a result of interest rate fluctuations. In low interest rate environments, we may not be able to successfully reinvest the proceeds from maturing securities at yields commensurate with our target performance goals.

The value of investments in fixed maturity securities is subject to impairment as a result of deterioration in the credit worthiness of the issuer, default by the issuer (including states and municipalities) in the performance of its obligations in respect of the securities and/or increases in market interest rates. To a large degree, the credit risk we face is a function of the economy; accordingly, we face a greater risk in an economic downturn or recession. During periods of market disruption, it may be difficult to value certain of our securities, particularly if trading becomes less frequent and/or market data becomes less observable. There may be certain asset classes that were in active markets with significant observable data that become illiquid due to the then current financial environment. In such cases, more securities may require additional subjectivity and management judgment.

Although the historical rates of default on state and municipal securities have been relatively low, our state and municipal fixed maturity securities could be subject to a higher risk of default or impairment due to declining municipal tax bases and revenue. Many states and municipalities operate under deficits or projected deficits, the severity and duration of which could have an adverse impact on both the valuation of our state and municipal fixed maturity securities and the issuer's ability to perform its obligations thereunder. Additionally, our investments are subject to losses as a result of a general decrease in commercial and economic activity for an industry sector in which we invest, as well as risks inherent in particular securities.

Although we attempt to manage these risks through the use of investment guidelines and other oversight mechanisms and by diversifying our portfolio and emphasizing preservation of principal, our efforts may not be successful. Impairments, defaults and/or rate increases could reduce our net investment income or realized and net realized unrealized investment gains or result in investment

34

losses. Investment returns are currently, and will likely continue to remain, under pressure due to be, impacted by economic uncertainty, more generally, and the shape of the yield curve. As a result, our exposure to the risks described above could materially and adversely affect our results of operations, liquidity and financial condition.

***We have invested a portion of our assets in equity securities, merger arbitrage securities, investment funds, private equity, loans and real estate related assets, which are subject to significant volatility and may decline in value.***

We invest a portion of our investment portfolio in equity securities, merger arbitrage securities, investment funds, private equity, loans and real estate related assets. At December 31, 2022 December 31, 2023, our investment in these assets was approximately \$5.3 billion \$5.1 billion, or 21.6% 19.1%, of our investment portfolio, including cash and cash equivalents.

Merger and arbitrage trading securities were \$0.9 billion, or 3.9% 3.5% of our investment portfolio, including cash and cash equivalents at December 31, 2022 December 31, 2023. Merger arbitrage involves investing in the securities of publicly held companies that are the targets in announced tender offers and mergers. Merger arbitrage differs from other types of investments 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. Our merger arbitrage positions are exposed to the risk associated with the completion of announced deals, which are subject to regulatory as well as political and other risks.

Real estate related investments, including directly owned, investment funds and loans receivable, were \$1.7 billion, or 7.1% 6.2% of our investment portfolio, including cash and cash equivalents, at December 31, 2022 December 31, 2023. We also invest in real estate, financial services, energy, transportation and other investment funds. The values of these investments are subject to fluctuation based on changes in the economy and interest rates in general and the related asset valuations in particular. In addition, our investments in real estate related assets and other alternative investments are less liquid than our other investments.

These investments are subject to significant volatility as a result of the conditions in the financial and commodity markets and the global economy.

37

#### **Risks Relating to Limitations on Dividends from Subsidiaries and Anti-Takeover Provisions**

***We are an insurance holding company and, therefore, may not be able to receive dividends in needed amounts.***

As an insurance holding company, our principal assets are the shares of capital stock of our insurance company subsidiaries. We have to rely on dividends from our insurance company subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, paying dividends to stockholders and repurchasing our shares and paying corporate expenses. The payment of dividends by our insurance company subsidiaries is subject to regulatory restrictions and competitive pressures on maintaining financial strength ratings and will depend on the surplus and future earnings of these subsidiaries. During 2023, 2024, the maximum amount of dividends that can be paid without regulatory approval is approximately \$1.2 billion. Future regulatory actions could further restrict our insurance subsidiaries' ability to pay us dividends. As a result, in the future we may not be able to receive dividends from these subsidiaries at times and in amounts necessary to meet our obligations, pay dividends or repurchase shares.

***Laws and regulations of the jurisdictions in which we conduct business could delay, deter or prevent an attempt to acquire control of us that stockholders might consider to be desirable, and may restrict a stockholder's ability to purchase our common stock.***

Generally, United States insurance holding company laws require that, before a person can acquire control of an insurance company, prior written approval must be obtained from the insurance regulatory authority in the state in which that insurance company is domiciled. Pursuant to applicable laws and regulations, "control" over an insurer is generally presumed to exist if any person, directly or indirectly, owns, controls, holds the power to vote, or holds proxies representing 10% or more of the voting securities of that insurer or

any parent company of such insurer. Indirect ownership includes ownership of the shares of our common stock. Thus, the insurance regulatory authorities of the states in which our insurance subsidiaries are domiciled are likely to apply these restrictions on acquisition of control to any proposed acquisition of our common stock. Some states require a person seeking to acquire control of an insurer licensed but not domiciled in that state to make a filing prior to completing an acquisition if the acquirer and its affiliates, on the one hand, and the target insurer and its affiliates, on the other hand, have specified market shares in the same lines of insurance in that state. Additionally, many foreign jurisdictions where we conduct business impose similar restrictions and requirements.

These provisions can also lead to the imposition of conditions on an acquisition that could delay or prevent its consummation. These laws may discourage potential acquisition proposals and may delay, deter or prevent a change in control of us through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

35

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***Certain provisions in our organizational documents may have the effect of hindering, delaying or preventing third party takeovers and thus may prevent our stockholders from receiving premium prices for their shares in an unsolicited takeover or make it more difficult for third parties to replace our current management.***

Provisions of our Restated Certificate of Incorporation and By-Laws, as well as state insurance statutes, may hinder, delay or prevent unsolicited acquisitions or changes of our control. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management without the concurrence of our board Board of directors. Directors.

These provisions include:

- our classified board of directors and the ability of our board to increase its size and to appoint directors to fill newly created directorships;
- the requirement that the holders of 80% of our shares must approve mergers and other transactions between us and the holder of 5% or more of our shares, unless the transaction was approved by our board of directors prior to such holder's acquisition of 5% of our shares; and
- the need for advance notice in order to raise business or make nominations at stockholders' meetings.

These provisions may discourage potential acquisition proposals and may delay, deter or prevent a change in control of us through transactions, and in particular unsolicited transactions, that some or all of our stockholders might consider to be desirable.

38

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#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

There are no unresolved written comments that were received from the SEC staff 180 days or more before the end of our fiscal year relating to our periodic or current reports under the Securities Exchange Act of 1934.

#### **ITEM 1C. CYBERSECURITY**

##### **Cybersecurity Strategy and Risk Management Program**

The Company has a documented information security program (the Program) to identify, assess, monitor and manage potential cybersecurity threats and incidents. The Program is designed to protect the confidentiality, integrity and availability of our information systems and assets that store, process, or transmit information. The Program is modeled on the global standard for risk assessment, International Organization for Standardization 27001, and is guided by the six domains of cybersecurity established by the National Institute of Standards and Technology Cybersecurity Framework (i.e., govern, identify, protect, detect, respond, and recovery). The Program seeks to adhere to applicable U.S. and international laws and regulations, including New York State's cybersecurity regulation applicable to financial services institutions authorized by the New York State Department of Financial Services.

The Program's security and risk policies and standards, implemented by either the Company or third party assessors or consultants, include:

- information security management tools, such as firewalls, intrusion prevention and detection systems, anti-malware functionality, and access privilege controls;
- vulnerability management, including penetration and control testing and vulnerability scans of information systems;
- incident monitoring, breach notification and escalation, including disaster recovery and incident response plans and resources;
- risk based assessment of third party service providers; and
- annual cybersecurity awareness training for employees and contractors.



The Company has not identified any cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition, for the period covered by this annual report. For a discussion regarding risks associated with cybersecurity threats, see Risk Factors – Risks Relating to Our Business – “If our information technology, telecommunications or other computer systems become unavailable or unreliable, our ability to conduct our business could be negatively or severely impacted” and “Failure to maintain the security of information technology systems and confidential data may expose us to liability.”

#### Board Oversight, Governance and Risk Management

The entire Board of Directors has oversight of risks from cybersecurity threats and receives periodic updates on such risks from the Company's management, including from the Company's President and CEO and its Vice President, Chief Information Security Officer (CISO).

Our CISO is principally responsible for assessing and managing all aspects of the Program, including the Company's Regional Information Security Officers (RISOs), third-party consultants, development of industry trends and control testing and tracking by risk level. Our CISO meets periodically with senior executives, including the Company's President and Chief Executive Officer, to discuss the Company's cybersecurity strategy, and its monitoring, prevention, detection, mitigation, and remediation of cybersecurity risks. Regular reporting on the Program is also provided to the Company's Enterprise Risk Management Committee, which is comprised of the President and CEO, Senior Vice President – Enterprise Risk Management, Executive Vice President – Investments, Executive Vice President – Chief Financial Officer, Executive Vice President – Secretary, and the Of Counsel and Assistant Secretary. Collectively, the CISO and RISOs, along with their teams, in collaboration with the technology and business owners, implement the Program. Legal, Compliance, and Internal Audit functions also assess the Program's adherence to regulatory requirements and internal controls.

In the event of a potentially material cybersecurity incident, the Company's incident response plans establish escalation protocols for relevant IT leaders and functional leaders within Enterprise Risk Management, Legal, Compliance and Internal Audit to engage management as appropriate.

Our CISO has over 25 years of information security experience and is licensed as a Certified Information Systems Security Professional.

39

## ITEM 2. PROPERTIES

W. R. Berkley and its subsidiaries own or lease office buildings or office space suitable to conduct their operations. At December 31, 2022 December 31, 2023, the Company had aggregate office space of 4,295,165 4,333,225 square feet, of which 1,048,136 1,042,156 were owned and 3,247,029 3,291,069 were leased.

Rental expense for the Company's operations was approximately \$44,256,000, \$43,383,000 and \$44,051,000 for 2023, 2022 and \$44,291,000 for 2022, 2021, and 2020, respectively. Future minimum lease payments, without provision for sublease income, are \$32,282,796 in 2023, \$33,528,105 \$50,222,000 in 2024, \$41,249,000 in 2025 and \$599,371,375 \$166,192,000 thereafter.

## ITEM 3. LEGAL PROCEEDINGS

The Company's subsidiaries are subject to disputes, including litigation and arbitration, arising in the ordinary course of their insurance and reinsurance businesses. The Company's estimates of the costs of settling such matters are reflected in its aggregate reserves for losses and loss expenses, and the Company does not believe that the ultimate outcome of such matters will have a material adverse effect on its financial condition or results of operations.

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.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

36 40

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common stock of the Company is traded on the New York Stock Exchange under the symbol "WRB".

In 2022, 2023, the Board declared regular quarterly cash dividends of \$0.09 \$0.10 per share in the first quarter and \$0.10 \$0.11 per share in each of the remaining three quarters, and as well as special dividends of \$0.50 per share in the second quarter. Subject to availability, the Board currently expects to continue such regular quarterly cash dividends, first, third, and fourth quarters, for a total of \$501 million in aggregate dividends in 2023.

The approximate number of record holders of the common stock on February 15, 2023 February 15, 2024 was 323,327.

37 41

The chart below shows a comparison of 5 year cumulative total return.

Comparison of 5 Year Cumulative Total Return

Assumes initial investment of \$100 on January 1, 2017 January 1, 2018, with dividends reinvested.



As of December 31, 2022 December 31, 2023, the S&P 500® Property and Casualty Insurance Index consists of The Allstate Corporation, Arch Capital Group Ltd. (added Nov. 2022), Chubb Ltd., Limited, Cincinnati Financial Corporation, The Hartford Financial Services Group, Inc., Loews Corporation (CNA), The Progressive Corporation, The Travelers Companies, Inc., and W. R. Berkley Corporation (added Dec. 2019).

		2017	2018	2019	2020	2021	2022								
2018								2018 2019 2020 2021 2022 2023							
W. R. Berkley Corporation	W. R. Berkley Corporation	Cum						W. R. Berkley Corporation	Cum						
		\$	100.00	104.61	150.46	145.72	185.56	240.56	\$	100.00	143.83	139.30	177.37	237.46	238.04
S&P 500 Index - Total Returns	S&P 500 Index - Total Returns	Cum						S&P 500 Index - Total Returns	Cum						
		\$	100.00	95.61	125.70	148.81	191.48	156.69	\$	100.00	131.48	155.64	200.28	163.89	207.05
S&P 500 Property and Casualty Insurance Index	S&P 500 Property and Casualty Insurance Index	Cum						S&P 500 Property and Casualty Insurance Index	Cum						
		\$	100.00	95.31	119.97	127.56	149.90	178.27	\$	100.00	125.87	133.84	157.28	187.04	207.20

Set forth below is a summary of the shares repurchased by the Company during the fourth quarter of 2022 2023 and the remaining number of shares authorized for purchase by the Company during such period.

	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
October 2022	325,596	\$ 69.22	325,596	14,568,100
November 2022	938,494	69.29	938,494	13,629,606
December 2022	—	—	—	13,629,606

	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
October 2023	371,497	\$ 63.75	371,497	14,430,487
November 2023	—	—	—	14,430,487
December 2023	1,189,204	69.75	1,189,204	13,241,283

## ITEM 7. 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 compliance 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 businesses to capitalize on various opportunities. Over the years, the Company has formed numerous businesses 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 or social 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.

On February 25, 2022, the Company announced that its Board of Directors approved a 3-for-2 common stock split which was paid in the form of a stock dividend to holders of record as of March 9, 2022. The additional shares were issued on March 23, 2022. Shares outstanding and per share amounts in this Form 10-K reflect such 3-for-2 common stock split.

On March 7, 2022, in March 2022, the Company sold a real estate investment consisting of an office building located in London for £718 million. The Company realized a pretax 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 COVID-19 pandemic, including in June 2023, the related impact 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 the U.S. and global economies, continued to adversely affect our results investment of operations. At the same time, COVID-19 has led to reduced loss frequency in certain lines of business (which partially returned to pre-pandemic levels as many economies and legal systems have reopened) \$89 million.

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.

39

43

### Critical Accounting Estimates

The following presents a discussion of accounting policies and estimates relating to reserves for losses and loss expenses, assumed reinsurance premiums and other-than-temporary impairments of 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 administering 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 a certain 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, 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 business. 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 business.

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.

40 44

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 business. 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, auto, 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 (+/-)
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Severity (+/-)	Severity (+/-)	1%	5%	10%	Severity (+/-)	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 **\$14.2 billion** **\$15.7 billion** as of **December 31, 2022** **December 31, 2023** 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 **\$3.0 billion** **\$3.1 billion**, or **21%** **20%**, of the Company's net loss reserves as of **December 31, 2022** **December 31, 2023** 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. 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

**41** **45**

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 as of **December 31, 2022** **December 31, 2023** and **2021**; **2022**:

(In thousands)	(In thousands)	2022	2021	(In thousands)	2023	2022
Insurance	Insurance	\$11,233,924	\$10,060,420			
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess	3,014,955	2,787,942			
Net reserves for losses and loss expenses	Net reserves for losses and loss expenses	14,248,879	12,848,362			
Ceded reserves for losses and loss expenses	Ceded reserves for losses and loss expenses	2,762,344	2,542,526			
Gross reserves for losses and loss expenses	Gross reserves for losses and loss expenses	\$17,011,223	\$15,390,888			

Following is a summary of the Company's net reserves for losses and loss expenses by major line of business as of **December 31, 2022** **December 31, 2023** and **2021**; **2022**:

(In thousands)	(In thousands)	Reported Case Reserves	Incurred But Not Reported	Total	(In thousands)	Reported Case Reserves	Incurred But Not Reported	Total
December 31, 2022								

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		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 Excess (1) (3)	Reinsurance & Monoline Excess (1) (3)	1,551,687	1,463,268	3,014,955
Total	Total	\$ 5,919,043	\$ 8,329,836	\$14,248,879
December 31, 2021				
December 31, 2022				
Other liability				
Other liability				
Other liability	Other liability	\$ 1,724,907	\$ 3,319,665	\$ 5,044,572
Workers' compensation (1)	Workers' compensation (1)	1,016,014	903,448	1,919,462
Professional liability	Professional liability	468,680	1,019,344	1,488,024
Commercial automobile		504,821	424,382	929,203
Auto				
Short-tail lines (2)	Short-tail lines (2)	322,917	356,242	679,159
Total Insurance	Total Insurance	4,037,339	6,023,081	10,060,420
Reinsurance & Monoline Excess (1) (3)	Reinsurance & Monoline Excess (1) (3)	1,475,623	1,312,319	2,787,942
Total	Total	\$ 5,512,962	\$ 7,335,400	\$12,848,362

- (1) Reserves for excess and assumed workers' compensation business are net of an aggregate net discount of \$416 million \$390 million and \$452 million \$416 million as of December 31, 2022 December 31, 2023 and 2021, 2022, 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.

42 46

The Company evaluates reserves for losses and loss 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 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 each of the last three years ended December 31, are as follows:

(In thousands)	(In thousands)	2022	2021	2020
(In thousands)				
(In thousands)				
Increase in prior year loss reserves				
Increase in prior year loss reserves				
Increase in prior year loss reserves	Increase in prior year loss reserves	\$ (54,511)	\$ (863)	\$ (627)
Increase in prior year earned premiums	Increase in prior year earned premiums	18,106	7,510	16,807
Increase in prior year earned premiums				
Increase in prior year earned premiums				
Net (unfavorable) favorable prior year development	Net (unfavorable) favorable prior year development	\$ (36,405)	\$ 6,647	\$ 16,180
Net (unfavorable) favorable prior year development				
Net (unfavorable) favorable prior year development				

The COVID-19 global pandemic has impacted, and may further impact, the Company's results through its effect on claim frequency and severity. Loss cost trends have been impacted and may be further impacted by COVID-19-related claims in certain lines of business. Losses incurred from COVID-19-related claims have been offset, to a certain extent, by lower claim frequency in certain lines of our businesses; however, as loss costs. Accordingly, the economy and legal systems have reopened, the benefit of lower claim frequency has partially abated. The ultimate net impact of COVID-19 on the Company's reserves remains uncertain. New variants of the COVID-19 virus continue to create risks with respect to loss costs and the potential for renewed impact of the other effects of COVID-19 associated with economic conditions, inflation, and social distancing and work from home rules.

Most of the COVID-19-related claims reported to the Company to date involve certain short-tailed lines of business, including contingency and event cancellation, business interruption, and film production delay. The Company has also received COVID-19-related claims for longer-tailed casualty lines of business such as workers' compensation and other liability; however, the estimated incurred loss impact for these reported claims are not material at this time. Given the continuing uncertainty regarding the pandemic's pervasiveness, the future impact that the pandemic may have on claim frequency and severity remains uncertain at this time.

The Company has estimated the potential COVID-19 impact to its contingency and event cancellation, workers' compensation, and other lines of business under a number of possible scenarios; however, due to COVID-19's continued evolving impact, there remains uncertainty around the Company's COVID-19 reserves. In addition, should the pandemic continue or worsen as a result of new COVID-19 variants or otherwise, governments in the jurisdictions where we operate may impose restrictions, including lockdowns, as well as renew their efforts to expand policy coverage terms beyond the policy's intended coverage. Accordingly, losses arising from these actions, and the other factors described above, could exceed the Company's reserves established for those related policies.

As of December 31, 2022 December 31, 2023, the Company had recognized losses for COVID-19-related claims activity, net of reinsurance, of approximately \$341 million \$384 million, of which \$290 million \$326 million relates to the Insurance segment and \$51 million \$58 million relates to the Reinsurance & Monoline Excess segment. Such \$341 million \$384 million of COVID-19-related losses included \$337 million \$381 million of reported losses and \$4 million \$3 million of IBNR. For the year ended December 31, 2022 December 31, 2023, the Company recognized current accident year losses for COVID-19-related claims activity, net of reinsurance, of approximately \$5 million \$1 million, all of which \$3 million relates to the Insurance segment and \$2 million relates to the Reinsurance & Monoline Excess segment.

Unfavorable prior year development (net of additional and return premiums) was \$36 \$19 million in 2023.

**Insurance** – Reserves for the Insurance segment developed unfavorably by \$24 million in 2023 (net of additional and return premiums). The unfavorable development for the segment was concentrated in the early part of the year, with reserve development being flat overall during the second half of 2023. A key driver of the unfavorable development early in 2023 was property catastrophe losses related to 2022 events which were still being adjusted and settled during the early part of 2023. In particular, losses related to U.S. winter storms which occurred during the month of December 2022 were a significant contributor to the development, as information gathering and evaluation of many of these claims were still ongoing into the new year.

In addition to the property prior year development discussed above, during 2023 the Insurance segment also experienced adverse prior year development on casualty lines of business for the 2016 through 2019 accident years, which was offset by favorable prior year development on casualty lines of business for the 2020 through 2022 accident years. The unfavorable development on the 2016 through 2019 accident years was concentrated in the general liability and commercial auto liability lines of business. 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 elevated uncertainty regarding incurred loss frequency and severity as a result 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 twelve months. It should also be noted that commercial auto liability experienced adverse prior year development for the 2020 through 2022 accident years, which partially offset the favorable development discussed above; the adverse development was driven by a larger than expected number of large losses reported.

**Reinsurance & Monoline Excess** – Reserves for the Reinsurance & Monoline Excess segment developed favorably by \$5 million in 2023 (net of additional and return premiums). The overall favorable prior year development for the segment was driven mainly by favorable development in excess workers' compensation, substantially offset by unfavorable development in the non-proportional reinsurance assumed liability and excess general liability (including umbrella) lines of business. The favorable excess workers' compensation development was driven by continued lower claim frequency and reported losses

47

relative to our expectations, and to favorable claim settlements. The favorable development was spread across many prior accident years. The unfavorable development for non-proportional reinsurance assumed liability and excess general 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.

**Unfavorable prior year development (net of additional and return premiums) was \$36 million in 2022.**

**Insurance** – Reserves for the Insurance segment developed unfavorably by \$40 million in 2022 (net of additional and return premiums). The unfavorable development in the 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 unfavorable development emerged during the third quarter as a result of settlements of claims at values higher than our expectations. However, the Company believes that as a result of these settlements the remaining level of uncertainty around the ultimate value of its known COVID-19 claims has been significantly reduced.

The unfavorable development mentioned above also includes favorable prior year development for the Insurance segment primarily attributable to the 2020 and 2021 accident years and unfavorable development on the 2015 through 2019 accident years. The favorable development on the 2020 and 2021 accident years was concentrated in certain casualty lines of business including general liability, professional liability, and workers' compensation. The Company experienced lower

43

reported claim frequency in these lines of business during 2020 and 2021 relative to historical averages, and continued to experience lower reported incurred losses relative to its expectations for these accident years as they developed 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 unfavorable development on the 2015 through 2019 accident years was concentrated in the general 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.

**Reinsurance & Monoline Excess** – Reserves for the Reinsurance & Monoline Excess segment developed favorably by \$4 million in 2022 (net of additional and return premiums). The overall favorable development for the segment was driven mainly by favorable development in excess workers compensation, substantially offset by unfavorable development in the professional liability and non-proportional reinsurance assumed liability lines of business. The favorable excess workers' compensation development was spread across most prior accident years, including 2012 and prior 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. The unfavorable professional liability and non-proportional reinsurance assumed liability development was concentrated mainly in accident years 2016 through 2018 and was associated primarily with our U.S. assumed reinsurance business and related to accounts insuring construction projects and professional liability exposures.

**Favorable prior year development (net of additional and return premiums) was \$7 million in 2021.**

**Insurance** – Reserves for the Insurance segment developed favorably by \$20 million in 2021 (net of additional and return premiums). The overall favorable development in 2021 was attributable to favorable development on the 2020 accident year, partially offset by adverse development on the 2016 through 2019 accident years.

The favorable development on the 2020 accident year was largely concentrated in the commercial auto liability and other liability lines of business, including commercial multi-peril liability. During 2020 the Company achieved larger rate increases in these lines of business than were contemplated in its budget and in its initial loss ratio selections. The Company also experienced significantly lower reported claim frequency in these lines in 2020 relative to historical averages, and lower reported incurred losses relative to its expectations. We believe that the lower claim frequency and lower reported incurred losses were caused by the impacts of the COVID-19 pandemic, for example, lockdowns, reduced driving and traffic, work from home, and court closures. However, due to the uncertainty regarding the ultimate impacts of the pandemic on accident year 2020 incurred



losses, the Company elected not to react to these lower reported trends during 2020. As more information became available and the 2020 accident year continued to mature, during 2021 the Company started to recognize favorable accident year 2020 development in response to the continuing favorable reported loss experience relative to its expectations.

48

The adverse development on the 2016 through 2019 accident years is concentrated largely in the other liability line of business, including commercial multi-peril liability, but is also seen to a lesser extent in commercial auto liability. The adverse development for these accident years is driven by a higher than expected number of large losses reported, and particularly impacted the directors and officers liability, lawyers professional liability, and excess and surplus lines casualty classes of business. We also believe that increased social inflation is contributing to the increased number of large losses, for example, higher jury awards on cases which go to trial, and the corresponding higher demands from plaintiffs and higher values required to reach settlement on cases which do not go to trial.

**Reinsurance & Monoline Excess** – Reserves for the Reinsurance & Monoline Excess segment developed unfavorably by \$13 million in 2021. The unfavorable development in the segment was driven by the non-proportional reinsurance assumed liability and other liability lines of business, related primarily to accident years 2017 through 2019, and was partially offset by favorable development in excess workers' compensation business which was spread across many prior accident years. The unfavorable non-proportional reinsurance assumed liability and other liability development was associated with our U.S. and U.K. assumed reinsurance business, and related primarily to accounts insuring construction projects and professional liability exposures.

44

#### **Favorable prior year development (net of additional and return premiums) was \$16 million in 2020.**

**Insurance** - Reserves for the Insurance segment developed favorably by \$24 million in 2020 (net of additional and return premiums). Continuing the pattern seen in recent years, the overall favorable development in 2020 resulted from more significant favorable development on workers' compensation business, which was partially offset by unfavorable development on professional liability, including excess professional liability

For workers' compensation, the favorable development was spread across almost all prior accident years, including prior to 2011, but was most significant in accident years 2016 through 2019. The favorable workers' compensation development reflects a continuation of the benign loss cost trends experienced during recent years, particularly the favorable claim frequency trends (i.e., number of reported claims per unit of exposure). The long term trend of declining workers' compensation frequency can be attributable to improved workplace safety. Loss severity trends were also aided by our continued investment in claims handling initiatives such as medical case management services and vendor savings through usage of preferred provider networks and pharmacy benefit managers. Reported workers' compensation losses in 2020 continued to be below our expectations at most of our businesses, and were below the assumptions underlying our initial loss ratio picks and our previous reserve estimates for most prior accident years.

For professional liability business, unfavorable development was driven mainly by large losses reported in the directors and officers ("D&O"), lawyers professional and excess hospital professional liability lines of business. For these lines of business, we continue to see an increase in the number of large losses reported and a lengthening of the reporting "tail" beyond historical levels. We believe a contributing cause is rising social inflation in the form of, for example, higher jury awards on cases that go to trial, and the corresponding higher demands from plaintiffs and higher values required to reach settlement on cases that do not go to trial. The unfavorable development for professional liability affected mainly accident years 2016 through 2018.

**Reinsurance & Monoline Excess** – Reserves for the Reinsurance & Monoline Excess segment developed unfavorably by \$8 million in 2020. The unfavorable development in the segment was driven by non-proportional assumed liability business written in both the U.S. and U.K., and was partially offset by favorable development on excess workers' compensation business. The unfavorable non-proportional assumed liability development was concentrated in accident years 2014 through 2018, and related primarily to accounts insuring construction projects and professional liability exposures.

**Reserve Discount**. The Company discounts its liabilities for certain workers' compensation reserves. The amount of workers' compensation reserves that were discounted was \$1,267 million \$1,352 million and \$1,387 million \$1,464 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The aggregate net discount for those reserves, after reflecting the effects of ceded reinsurance, was \$390 million and \$416 million at December 31, 2023 and \$452 million at December 31, 2022 and 2021, 2022, respectively. At December 31, 2022 December 31, 2023, discount rates by year ranged from 0.7% to 6.5%, with a weighted average discount rate of 3.4%.

Substantially all discounted workers' compensation reserves (97% of total discounted reserves at December 31, 2022 December 31, 2023) are 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 December 31, 2022 December 31, 2023), including reserves for quota share reinsurance and reserves related to losses regarding occupational lung disease. These reserves are discounted at statutory rates prescribed or 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 \$65 million and \$60 million at both December 31, 2022 December 31, 2023 and 2021. 2022, respectively. 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.

45

**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. Effective January 1, 2020, the The allowance is adjusted for any change in expected credit losses and subsequent recoveries through net investment gains (losses). The

49

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 December 31, 2022 December 31, 2023 is presented in the table below.

(\$ in thousands)	(\$ in thousands)	Number of Securities	Aggregate Fair Value	Unrealized Loss	(\$ in thousands)	Number of Securities	Aggregate Fair Value	Unrealized Loss
Foreign government	Foreign government	36	\$ 119,332	\$ 73,900				
State and municipal								
Corporate	Corporate	10	39,347	4,649				
State and municipal		1	12,247	2,756				
Mortgage-backed securities	Mortgage-backed securities	14	4,464	269				

Asset-backed securities	Asset-backed securities	1	16	10
Total	Total	62	\$ 175,406	\$ 81,584

As of **December 31, 2022** **December 31, 2023**, the Company has recorded an allowance for expected credit losses on fixed maturity securities of \$37 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 **\$3 million and \$2 million** as of **both December 31, 2022** **December 31, 2023** and **2021, 2022, respectively**.

**Fair Value Measurements**. The Company's fixed maturity available for sale securities, equity securities, and its trading account securities are carried at fair value. Fair value is defined as "the price that would be received to sell an asset or

46

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

50

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 **December 31, 2022** **December 31, 2023**:

(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	\$17,025,723	97.1 %			
Independent pricing services						
Independent pricing services				\$	19,589,441	97.3 %
Syndicate manager	Syndicate manager	62,966	0.4			

Directly by the Company based on:	Directly by the Company based on:		
Observable data	Observable data	447,364	2.5
Observable data			
Observable data			
Total	Total	\$17,536,053	100.0 %
Total			
Total		\$	20,124,936 100.0 %

**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 **December 31, 2022** **December 31, 2023**, 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.

47

**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.

48 51

## Results of Operations for the Years Ended **December 31, 2022** **December 31, 2023** and **2021** **2022**

### 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 years ended **December 31, 2022** **December 31, 2023** and **2021**, **2022**. 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)	2022	2021	(In thousands)	2023	2022
Insurance	Insurance					
Gross premiums written						
Gross premiums written						

Gross premiums written	Gross premiums written	\$10,583,785	\$ 9,471,667				
Net premiums written	Net premiums written	8,784,146	7,743,814				
Net premiums earned	Net premiums earned	8,369,062	7,077,708				
Loss ratio	Loss ratio	61.3 %	61.1 %	Loss ratio	62.3	%	61.3 %
Expense ratio	Expense ratio	27.9	28.3				
GAAP combined ratio	GAAP combined ratio	89.2	89.4				
<b>Reinsurance &amp; Monoline Excess</b>	<b>Reinsurance &amp; Monoline Excess</b>						
Gross premiums written	Gross premiums written	\$ 1,325,267	\$ 1,228,467				
Gross premiums written							
Gross premiums written							
Net premiums written	Net premiums written	1,219,924	1,119,053				
Net premiums earned	Net premiums earned	1,192,367	1,028,323				
Loss ratio	Loss ratio	61.3 %	61.0 %	Loss ratio	53.8	%	61.3 %
Expense ratio	Expense ratio	28.4	29.7				
GAAP combined ratio	GAAP combined ratio	89.7	90.7				
<b>Consolidated</b>	<b>Consolidated</b>						
Gross premiums written	Gross premiums written	\$11,909,052	\$10,700,134				
Gross premiums written							
Gross premiums written							
Net premiums written	Net premiums written	10,004,070	8,862,867				
Net premiums earned	Net premiums earned	9,561,429	8,106,031				
Loss ratio	Loss ratio	61.3 %	61.1 %	Loss ratio	61.3	%	61.3 %
Expense ratio	Expense ratio	28.0	28.5				
GAAP combined ratio	GAAP combined ratio	89.3	89.6				

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 years ended **December 31, 2022**, **December 31, 2023** and **2021, 2022**.

(In thousands, except per share data)	(In thousands, except per share data)	2022	2021	(In thousands, except per share data)	2023	2022
Net income to common stockholders	Net income to common stockholders	\$1,381,062	\$1,022,490			
Weighted average diluted shares	Weighted average diluted shares	279,461	279,749			
Net income per diluted share	Net income per diluted share	\$ 4.94	\$ 3.66			

The Company reported net income of \$1,381 million in 2022 compared to \$1,022 million in 2021, both 2023 and 2022. The \$359 million increase in 2023 net income was primarily due to an after-tax increase in underwriting income of \$145 million mainly due to the growth in premium rates and exposure as well as reductions in expense ratio driven by net earned premium growth outpacing expense growth, an after-tax increase in net investment gains of \$90 million primarily due to the sale of a real estate investment in London as well as change in market value of equity securities, reflected an after-tax increase in net investment income of \$87 million \$216 million primarily due to rising interest rates and a larger investment portfolio related to fixed maturity securities, an after-tax increase in foreign currency gains underwriting income of \$20 million, \$38 million mainly due to the growth in premium rates, an after-tax reduction in interest expenses of \$14 million \$2 million due to debt repayment and refinancings, an after-tax reduction on debt extinguishment expense of \$9 million for debt redeemed in 2021, 2022, an after-tax increase in profit from insurance service businesses of \$5 million, \$1 million and an after-tax increase of \$5 million \$1 million in minority interest, and offset by an after-tax reduction in net investment gains of \$123 million mainly due to the gain on sale of a reduction real estate investment in 2022, an after-tax increase in foreign currency losses of \$2 million \$65 million mainly due to weakening of the U.S. dollar against other currencies in 2023, an after-tax increase in corporate expenses of \$37 million due to increased compensation-related costs, an increase of \$28 million in tax expense due to a change in the effective tax rate partially offset by an after-tax increase in corporate expenses of \$17 million mainly due to performance-based compensation costs and an after-tax decrease in profits from non-insurance businesses of \$1 million \$5 million. The number of weighted average diluted shares decreased by 0.3 million 6.2 million for 2022 2023 compared to 2021 2022, mainly reflecting shares repurchased in 2021 and 2022, 2023.

**Premiums.** Gross premiums written were \$11,909 million \$12,972 million in 2022, 2023, an increase of 11% 9% from \$10,700 million \$11,909 million in 2021, 2022. The increase was due to the growth in the Insurance segment of \$1,112 million \$977 million and \$97 million \$86 million in the Reinsurance & Monoline

Excess segment. Approximately 81% and 82% of premiums expiring were renewed in both 2023 and 2022, and 2021, respectively.

Average renewal premium rates for insurance and facultative reinsurance increased 7.1% in 2023 and 6.4% in 2022, and 9.1% in 2021, when adjusted for changes in exposures. Average renewal premium rates for insurance and facultative reinsurance excluding workers' compensation increased 8.1% in 2023 and 7.5% in 2022, and 10.4% in 2021, when adjusted for changes in exposures.

A summary of gross premiums written in 2022 2023 compared with 2021 2022 by line of business within each business segment follows:

- Insurance gross premiums increased 12% 9% to \$11,561 million in 2023 from \$10,584 million in 2022 from \$9,472 million in 2021, 2022. Gross premiums increased \$539 million (16% \$516 million (13%) for other liability, \$354 million (17% \$454 million (19%) for short-tail lines, \$143 million (12% \$141 million (11%) for commercial auto \$70 million (6% and \$10 million (1%) for workers' compensation, and \$6 million (0.4% partially offset by a reduction of \$144 million (9%) for professional liability.
- Reinsurance & Monoline Excess gross premiums increased 8% 6% to \$1,411 million in 2023 from \$1,325 million in 2022 from \$1,228 million in 2021, 2022. Gross premiums written increased \$58 million (8%) for casualty lines, \$28 million (12% \$79 million (30%) for property lines and \$11 million (5% \$28 million (12%) for monoline excess, excess, partially offset by a reduction of \$22 million (3%) for casualty lines.

Net premiums written were \$10,004 million \$10,954 million in 2022, 2023, an increase of 13% 10% from \$8,863 million \$10,004 million in 2021, 2022. Ceded reinsurance premiums as a percentage of gross written premiums were 16% in 2022 both 2023 and 17% in 2021, 2022.

Premiums earned increased 18% 9% to \$10,401 million in 2023 from \$9,561 million in 2022 from \$8,106 million in 2021, 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 2022 2023 are related to business written during both 2022 2023 and 2021, 2022. Audit premiums were \$363 million in 2023 compared with \$312 million in 2022 compared with \$195 million in 2021, 2022.

**Net Investment Income.** Following is a summary of net investment income (loss) for the years ended December 31, 2022 December 31, 2023 and 2021: 2022:

		Average Annualized						Average Annualized			
		Amount		Yield				Amount		Yield	
(In thousands)	(In thousands)	2022	2021	2022	2021	(In thousands)	2023	2022	2023	2022	
Fixed maturity securities, including cash and cash equivalents and loans receivable	Fixed maturity securities, including cash and cash equivalents and loans receivable	\$549,281	\$382,001	2.9 %	2.2 %	Fixed maturity securities, including cash and cash equivalents and loans receivable	\$ 929,098	\$ \$549,281	4.4	4.4 %	2.9 %

Arbitrage trading account					
Equity securities					
Investment funds	Investment funds	145,099	220,014	8.9	15.8
Equity securities		52,600	32,020	4.9	5.0
Arbitrage trading account		45,213	37,676	4.0	5.3
Real estate	Real estate	(3,087)	7,703	(0.2)	0.4
Gross investment income	Gross investment income	789,106	679,414	3.2	3.1
Investment expenses	Investment expenses	(9,921)	(7,796)	—	—
Total	Total	\$779,185	\$671,618	3.2 %	3.0 %
Total		\$1,052,835	\$779,185	4.0	4.0 %
				3.2	%

Net investment income increased 16% 35% to \$1,053 million in 2023 from \$779 million in 2022 from \$672 million in 2021 due primarily to an \$167 million a \$380 million increase in income from fixed maturity securities mainly driven by rising higher interest rates and a larger investment portfolio, a \$21 million \$24 million increase from the arbitrage trading account (including investment income from trading account receivables from brokers and clearing organizations), a \$3 million increase from equity securities and a \$7 million increase from the arbitrage trading account, \$3 million reduction in investment expenses, partially offset by a \$75 million \$128 million decrease in income from investment funds primarily due to financial service funds and real estate funds and an \$11 million \$8 million decrease in real estate and a \$2 million increase in investment expenses, estate. Investment funds are reported on a one quarter lag. The average annualized yield for fixed maturity securities was 4.4% in 2023 and 2.9% in 2022 and 2.2% in 2021, 2022. The effective duration of the fixed maturity portfolio was 2.4 years at both December 31, 2022 December 31, 2023 and 2021, 2022. The Company maintained the shortened 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. Average invested assets, at cost (including cash and cash equivalents), were \$26.4 billion in 2023 and \$24.4 billion in 2022 and \$22.2 billion in 2021, 2022.

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 increased to were \$106 million in 2023 and \$111 million in 2022 2022. The decrease in service fees resulted from \$94 million in 2021 due to organic growth within the business, 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 \$48 million in 2023 compared with \$217 million in 2022 compared with \$107 million 2022. In 2023, the gains reflected a change in 2021, unrealized

53

gains on equity securities of \$70 million, partially offset by net realized losses on investments of \$23 million. In 2022, the gains reflected net realized gains on investments of \$218 million (primarily due to a \$251 million net gain from the sale of a real estate investment in London after

50

transaction expenses and the foreign currency impact including reversal of the currency translation adjustment), partially offset by a change in unrealized losses on equity securities of \$1 million. In 2021, the gains reflected net realized gains on investments of \$145 million (primarily due to the sale of certain real estate assets and the disposition of an investment fund), partially offset by an increase in unrealized losses on equity securities of \$38 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. For In 2023, the year ended December 31, 2022 pre-tax change in allowance for expected credit losses on investments increased by \$498 thousand (\$393 thousand after-tax), which is reflected in net investment gains. In 2022, the pre-tax change in allowance for expected credit losses on investments increased by \$15 million (\$12 million after-tax), which is reflected in net investment gains, primarily due to change in estimate. For the year ended December 31, 2021, the pre-tax change in allowance for expected credit losses on investments increased by \$16 million (\$13 million after-tax), which is reflected in net investment gains, primarily related to foreign government securities which did not previously have an allowance.



**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 \$536 million in 2023 and \$510 million in 2022 and \$489 million in 2021. 2022. The increase mainly relates to the aviation-related business recovery from COVID-19 on promotional merchandise and textile business as well as a newly acquired the commercial and residential textile business, which we acquired in 2022, partially offset by a the decrease for the aviation-related of promotional merchandise and existing textile business.

**Losses and Loss Expenses.** Losses and loss expenses increased to \$6,372 million in 2023 from \$5,862 million in 2022 from \$4,954 million in 2021. 2022. The consolidated loss ratio was 61.3% in 2022 both 2023 and 61.1% in 2021. 2022. Catastrophe losses, net of reinsurance recoveries, were \$212 million \$195 million (including current accident year losses of approximately \$1 million related to COVID-19) in 2023 compared with \$212 million (including losses of approximately \$5 million related to COVID-19) in 2022 compared with \$202 million in 2021 (including losses of approximately \$58 million related to COVID-19). 2022. Adverse prior year reserve development (net of premium offsets) was \$19 million in 2023 and \$36 million in 2022 and favorable prior year reserve development was \$7 million in 2021 (refer to Note 14 13 of our consolidated financial statements for more detail). The loss ratio excluding catastrophe losses and prior year reserve development was 59.2% and 58.7% in both 2023 and 2022, and 2021. respectively.

A summary of loss ratios in 2022 2023 compared with 2021 2022 by business segment follows:

- **Insurance** - The loss ratio of was 62.3% in 2023 and 61.3% in 2022 was 0.2 points higher than the loss ratio of 61.1% in 2021. 2022. Catastrophe losses were \$160 million in 2023 compared with \$127 million in 2022 compared with \$150 million in 2021. The Company reflected a best estimate (net of reinsurance) based upon available information for current accident year COVID-19-related losses of approximately \$3 million. 2022. Adverse prior year reserve development was \$24 million in 2023, principally from property catastrophe losses, and \$40 million in 2022, driven by two businesses that wrote policies providing coverage for event cancellation, and film production delay which were heavily impacted by losses directly caused by the COVID-19 pandemic and favorable prior year reserve development was \$20 million in 2021. 2022. The loss ratio excluding catastrophe losses and prior year reserve development was increased 1.0 points to 60.3% in 2023 from 59.3% in both 2022 and 2021. 2022.
- **Reinsurance & Monoline Excess** - The loss ratio of was 53.8% in 2023 and 61.3% in 2022 was 0.3 points higher than the loss ratio of 61.0% in 2021. 2022. Catastrophe losses were \$35 million in 2023 compared with \$85 million in 2022 compared with \$52 million in 2021. The Company reflected a best estimate (net of reinsurance) based upon available information for current accident year COVID-19-related losses of approximately \$2 million. 2022. Favorable prior year reserve development was \$5 million in 2023 and \$4 million in 2022, and adverse prior year reserve development was \$13 million in 2021. 2022. The loss ratio excluding catastrophe losses and prior year reserve development decreased 0.2 3.1 points to 51.4% in 2023 from 54.5% in 2022 from 54.7% in 2021. 2022.

**Other Operating Costs and Expenses.** Following is a summary of other operating costs and expenses:

(In thousands)	2022	2021
Policy acquisition and insurance operating expenses	\$ 2,673,903	\$ 2,306,727
Insurance service expenses	96,419	86,003
Net foreign currency gains	(50,930)	(25,725)
Debt extinguishment costs	—	11,521
Other costs and expenses	242,113	220,744
Total	\$ 2,961,505	\$ 2,599,270

51

(In thousands)	2023	2022
Policy acquisition and insurance operating expenses	\$ 2,954,686	\$ 2,673,903
Insurance service expenses	91,714	96,419
Net foreign currency losses (gains)	31,799	(50,930)
Other costs and expenses	285,737	242,113
Total	\$ 3,363,936	\$ 2,961,505

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 16% from 2021, while 11% and net premiums earned increased 18% over that period. 9% from 2022. The expense ratio (underwriting expenses expressed as a percentage of net premiums earned) was increased by 0.4 points to 28.4% in 2023 from 28.0% in 2022 down from 28.5% in 2021. The improvement is primarily attributable mainly due to higher net premiums earned outpacing lower ceding commissions, increased compensation expense growth. However, to the extent our net premiums earned decrease or travel costs and entertainment expenses increase, our expense ratio would be expected to increase. new start-up operating unit expenses.

Service expenses, which represent the costs associated with the fee-based businesses, was \$92 million in 2023, down from \$96 million in 2022, as a result of the sale of the property and \$86 million in 2021 due to the organic growth within the business. casualty insurance services division of Breckenridge IS, Inc.

54



Net foreign currency ~~gains~~ losses (gains) result from transactions denominated in a currency other than a businesses' functional currency. Net foreign currency losses were \$32 million in 2023 compared to gains was of \$51 million in 2022, and \$26 million in 2021, mainly primarily related to the strengthening of the U.K. sterling and Euro against the U.S. dollar compared to the majority of other currencies.

Debt extinguishment costs of \$12 million in 2021 related to the redemption of \$400 million of subordinated debentures in March and June 2021 that were due in 2056. 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 \$286 million in 2023 from \$242 million in 2022, from \$221 million in 2021, primarily due to the increase in performance-based compensation compensation-related costs in 2022, 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 were \$525 million in 2023 compared to \$493 million in 2022 compared to \$472 million in 2021, 2022. The increase mainly relates to the aviation-related business recovery from COVID-19 on promotional merchandise and textile business as well as a newly acquired the residential and commercial textile business, which we acquired in 2022, partially offset by a the decrease for the aviation-related of promotional merchandise and existing textile business.

Interest Expense. Interest expense was \$127 million in 2023, down from \$130 million in 2022, and \$147 million in 2021. In March 2021, primarily due to the Company issued \$400 million aggregate principal amount of 3.55% senior notes due 2052 and redeemed its \$110 million aggregate principal amount of 5.90% subordinated debentures due 2056. In June 2021, the Company redeemed the \$290 million aggregate principal amount of its 5.75% subordinated debentures due 2056. In September 2021, the Company issued \$350 million aggregate principal amount of 3.15% senior notes due 2061.

In the first quarter of 2022, the Company repaid repayment at maturity of 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 above redemptions during the year ended December 31, 2021 resulted in debt extinguishment costs of \$12 million. Additionally, in the second first quarter of 2021, the Company sold a real estate asset, which resulted in a \$102 million reduction of the Company's non-recourse debt that was supporting the property.

The repayment at maturity and redemption of senior notes and debentures and issuance of additional senior notes and debentures in 2022 and 2021 decreased interest expense in 2022.

Income Taxes. The effective income tax rate was 21.1% in 2023 and 19.5% in 2022 and 19.6% in 2021, 2022. The lower higher effective income tax rate for the year, as compared to 2022, was primarily due to a net reduction in to the Company's valuation allowance against foreign tax credits and foreign net operating losses. The effective income tax rate reflects tax benefits attributable to tax-exempt investment income and equity-based compensation losses in both periods, the earlier period. See Note 17 16 of the Consolidated Financial Statements for a reconciliation of the income tax expense and the amounts computed by applying the Federal income tax rate of 21%.

The Company has not provided U.S. deferred income taxes on the undistributed earnings of approximately \$169 million \$261 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.

On August 16, 2022, the Inflation Reduction Act of 2022 was enacted. Among other things, the legislation introduced a corporate alternative minimum tax on certain corporations. The tax is applicable for taxable years beginning after December 31, 2022 and imposes a 15% minimum tax on a corporation's applicable financial statement income. We While we are continuing not subject to this tax in 2023, we continue to evaluate the overall impact of this tax legislation on our operations and U.S. federal income tax position. In addition, a 1% excise tax on the value of corporate share repurchases (net of issuance) went into effect on January 1, 2023, but was not material for 2023.

Further, the Company is monitoring the impact of the implementation of a global minimum tax rate of 15%, also known as Pillar Two, as introduced by the Organization for Economic Co-operation and Development, which applies in some countries commencing in 2024. Our initial assessment is that the impact will not be significant, as the Company mainly operates in jurisdictions with a statutory tax rate above 15%.

The "Bermuda Corporate Income Tax Act 2023" was passed into law December 27, 2023 in Bermuda. The income tax will be based on a statutory tax rate of 15% on Bermuda businesses, subject to reductions for foreign tax credits, and will be effective for fiscal years beginning on or after January 1, 2025. Although we do not currently believe that this will have a material impact on our income tax position, at we will continue to evaluate this time, tax legislation in 2024.

## Results of Operations for the Years Ended December 31, 2021 December 31, 2022 and 2020 2021

For a comparison of the Company's results of operations for the year ended December 31, 2021 December 31, 2022 to the year ended December 31, 2020 December 31, 2021, see Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022, which was filed with the Securities and Exchange Commission on February 24, 2022 February 24, 2023.

## 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~~ ~~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 effective duration of the investment portfolio and the approximate duration of its liabilities (i.e., policy claims and debt obligations). The effective duration of the investment portfolio was 2.4 years at both ~~December 31, 2022~~ ~~December 31, 2023~~ and ~~2021, respectively, 2022~~. The Company's investment portfolio and investment-related assets as of ~~December 31, 2022~~ ~~December 31, 2023~~ were as follows:

(\$ in thousands)	(\$ in thousands)	Carrying Value	Percent of Total	(\$ in thousands)	Carrying Value	Percent of Total
Fixed maturity securities:	Fixed maturity securities:					
U.S. government and government agencies	U.S. government and government agencies	\$ 892,258	3.7 %			
U.S. government and government agencies	U.S. government and government agencies					
U.S. government and government agencies	U.S. government and government agencies			\$ 1,716,731	6.4	%
State and municipal:	State and municipal:					
Special revenue	Special revenue	1,721,497	7.1			
Special revenue	Special revenue					
Special revenue	Special revenue					
State general obligation	State general obligation					
Local general obligation	Local general obligation	441,097	1.8			
State general obligation	State general obligation	416,713	1.7			
Corporate backed	Corporate backed	199,639	0.8			
Pre-refunded (1)	Pre-refunded (1)	158,840	0.6			
Total state and municipal	Total state and municipal	2,937,786	12.0			
Mortgage-backed securities:	Mortgage-backed securities:					
Agency	Agency					
Agency	Agency	901,332	3.7			
Commercial	Commercial	528,609	2.2			
Residential-Prime	Residential-Prime	235,315	1.0			
Residential-Alt A	Residential-Alt A	3,762	—			
Total mortgage-backed securities	Total mortgage-backed securities	1,669,018	6.9			
Asset-backed securities	Asset-backed securities	3,982,773	16.4			
Corporate:	Corporate:					
Industrial	Industrial					
Industrial	Industrial	3,252,999	13.4			
Financial	Financial	2,470,372	10.2			
Utilities	Utilities	551,048	2.3			
Other	Other	429,573	1.7			

Total corporate	Total corporate	6,703,992	27.6						
Foreign government	Foreign government	1,401,522	5.8						
Total fixed maturity securities	Total fixed maturity securities	17,587,349	72.4						
Equity securities available for sale:	Equity securities available for sale:								
Common stocks	Common stocks	982,751	4.0						
Common stocks									
Common stocks									
Preferred stocks	Preferred stocks	203,143	0.8						
Total equity securities available for sale	Total equity securities available for sale	1,185,894	4.8						
Investment funds	Investment funds	1,608,548	6.6						
Cash and cash equivalents	Cash and cash equivalents	1,449,346	6.0						
Real estate	Real estate	1,340,622	5.5						
Arbitrage trading account	Arbitrage trading account	944,230	3.9						
Loans receivable	Loans receivable	193,002	0.8						
Total investments	Total investments	\$24,308,991	100.0 %						
				Total investments		\$ 26,642,699	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.

**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

54 56

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; however, there is no reason to expect these gains 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 and energy sectors.

**Investment Funds.** At December 31, 2022 December 31, 2023, the carrying value of investment funds was \$1,609 million \$1,622 million, including investments in financial services funds of \$466 million \$433 million, other funds of \$370 million \$397 million (which includes a deferred compensation trust asset of \$30 million \$36 million), transportation funds of \$337 million \$344 million, real estate funds of \$205 million \$202 million, energy infrastructure funds of \$116 million, \$131 million and infrastructure energy funds of \$115 million. Investment funds are primarily reported on a one-quarter lag.

**Real Estate.** Real estate is directly owned property held for investment. At December 31, 2022 December 31, 2023, 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 \$72 million in 2023. 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, net of allowance for expected credit losses, had an amortized cost of \$193 million \$201 million and an aggregate fair value of \$188 million \$198 million at December 31, 2022 December 31, 2023. The amortized cost of loans receivable is net of an allowance for expected credit losses of \$2 million \$3 million as of December 31, 2022 December 31, 2023. Loans receivable include real estate loans of \$174 million \$200 million that are secured by commercial and residential real estate located primarily in London 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 \$19 million \$1 million that are secured by business assets and have fixed interest rates with varying maturities not exceeding 10 years.

55 57

## Liquidity and Capital Resources

**Cash Flow.** Cash flow provided from operating activities increased to \$2,929 million in 2023 from \$2,569 million in 2022, from \$2,184 million in 2021, primarily due to an increase in premium receipts partially offset by increased 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 number of years held for 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 maturity 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 76% 81% invested in cash, cash equivalents and marketable fixed maturity securities as of December 31, 2022 December 31, 2023. 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 December 31, 2022 December 31, 2023, the Company had senior notes, subordinated debentures and other debt outstanding with a carrying value of \$2,837 million and a face amount of \$2,862 million \$2,865 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 \$5 million \$7 million in 2024, \$2 million \$3 million in 2025, \$250 million in 2037, \$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 December 31, 2022 December 31, 2023, there were no borrowings outstanding under the facility.

**Equity.** At December 31, 2022 December 31, 2023, total common stockholders' equity was \$6.7 billion \$7.5 billion, common shares outstanding were 264,546,100 256,544,757 and stockholders' equity per outstanding share was \$25.51. \$29.06. The Company repurchased 1,370,394 8,707,676 and 1,752,619 1,370,394 shares of its common stock in 2022 2023 and 2021, 2022, respectively. The aggregate cost of the repurchases was \$537 million in 2023 and \$94 million in 2022 and \$122 million in 2021. 2022. In 2022, 2023, the Board declared regular quarterly cash dividends of \$0.09 \$0.10 per share in the first quarter and \$0.10 \$0.11 per share in each of the remaining three quarters, as well as special dividends of \$0.50 per share in the second quarter, first, third, and fourth quarters, for a total of \$235 million \$501 million in aggregate dividends in 2022, 2023.

**Total Capital.** Total capitalization (equity, debt and subordinated debentures) was \$9.6 billion \$10.3 billion at December 31, 2022 December 31, 2023. The percentage of the Company's capital attributable to senior notes, subordinated debentures and other debt was 28% and 30% at December 31, 2023 and 33% at December 31, 2022 and 2021, 2022, respectively.

## Federal and Foreign Income Taxes

The Company files a consolidated income tax return in the U.S. and foreign tax returns in each of the countries in which it has overseas operations. At December 31, 2022 December 31, 2023, the Company had a gross deferred tax asset of \$801 million \$777 million (which primarily relates to, unrealized losses on investments, loss and loss expense reserves, and unearned premium reserves) reserves and unrealized losses on investments. The Company also has a \$47 million \$36 million valuation allowance against the gross deferred tax asset and a gross deferred tax liability of \$425 million \$473 million (which primarily relates to deferred policy acquisition costs, and various investment funds) resulting in a net deferred tax asset of \$329 million \$267 million. The realization of this asset is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for future operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization of this asset.

56 58

## Reinsurance

The Company follows customary industry practice of reinsuring a portion of its exposures in exchange for paying reinsurers a part of the premiums received on the policies it writes. Reinsurance is purchased by the Company principally to reduce its net liability on individual risks and to protect against catastrophic losses. Although reinsurance does not legally discharge an insurer from its primary liability for the full amount of the policies, it does make the assuming reinsurer liable to the insurer to the extent of the reinsurance coverage. The Company monitors the financial condition of its reinsurers and attempts to place its coverages only with financially sound carriers. Reinsurance coverage and retentions vary depending on the line of business, location of the risk and nature of loss. The Company's reinsurance purchases include the following:

- Property reinsurance treaties - The Company purchases property reinsurance to reduce its exposure to large individual property losses and catastrophe events. Following is a summary of significant property reinsurance treaties in effect as of **January 1, 2023** **January 1, 2024**:
  - The Company's property per risk reinsurance generally covers losses between \$2.5 million and **\$80 million** **\$85 million**.
  - The Company's catastrophe excess of loss reinsurance program provides protection for **net losses in excess of between \$65 million and \$80 million up to \$500 million for the majority of U.S. business written by its Insurance segment businesses and U.S. and non-U.S. business written by Lloyd's Syndicate, excluding offshore energy; this includes some co-participation in lower layers. energy.** For terrorism, we currently retain the first \$95 million and then fully insure above this to our desired limit of \$400 million. For 2023, 2024, some of our property **cat catastrophe** reinsurance is placed via an industry loss warranty (ILW) **cover covers** and the equivalent W. R. Berkley limit and retention (and resulting net position) are estimated based on our market share and modeled outcome when applying the ILW layering. **The Company's catastrophe reinsurance agreements Retentions by territory and peril range between \$62.1 million and \$83.6 million. Limits purchased are subject to certain limits, exclusions the difference between the corresponding retention and reinstatement premiums, the following amounts:**
    - For terrorism: \$700 million.
    - For Northeast wind exposures: \$600 million.
    - For all other perils and/or territories: \$500 million.
- Casualty reinsurance treaties - The Company purchases casualty reinsurance to reduce its exposure to large individual casualty losses, workers' compensation catastrophe losses and casualty losses involving multiple claimants or insureds for the majority of business written by its U.S. companies. A significant casualty treaty (casualty catastrophe) in effect as of **January 1, 2023** **January 1, 2024** provides **significant** protection for losses between \$10 million and **\$60 million** **\$70 million** from single events with claims involving two or more insurable interests or for systemic events involving multiple insureds and/or policy years. The treaty also covers casualty contingency losses in excess of \$5 million and up to \$100 million. **We have a co-participation on this casualty catastrophe treaty.** For losses involving two or more claimants for primary workers' compensation business, coverage is generally in place for losses between \$10 million and \$500 million. For excess workers' compensation business, such coverage is generally in place for losses between \$25 million and \$500 million. Our workers' compensation catastrophe reinsurance program is a shared cover for both excess and primary workers' compensation business.
- Facultative reinsurance - The Company also purchases facultative reinsurance on certain individual policies or risks that are in excess of treaty reinsurance capacity.
- Other reinsurance - Depending on the business, the Company purchases specific additional reinsurance to supplement the above programs.
- Effective January 1, 2023**, Lifson Re will continue to be a participant on the majority of the Company's reinsurance placements for a 30.0% share of the placed amounts. This pertains to all traditional treaty reinsurance/retrocessional placements for both property and casualty business where there is more than one open market reinsurer participating. Lifson Re **has been is currently** capitalized with \$380 million of equity from a small group of sophisticated global investors with long-term investment horizons, including a minority participation by the Company. Lifson Re will participate on a fully collateralized basis.

The Company places a number of its casualty treaties on a "risk attaching" basis. Under risk attaching treaties, all claims from policies incepting during the period of the reinsurance contract are covered even if they occur after the expiration date of the reinsurance contract. If the Company is unable to renew or replace its existing reinsurance coverage, protection for unexpired policies would remain in place until their expiration. In such case, the Company could revise its underwriting strategy for new business to reflect the absence of reinsurance protection. The casualty catastrophe treaty highlighted above was purchased on a **losses discovered** **"losses discovered"** basis. Property catastrophe and workers' compensation catastrophe reinsurance is generally placed on a "losses occurring basis," whereby only claims occurring during the period are covered. If the Company is unable to renew or replace these reinsurance coverages, unexpired policies would not be protected, though we **frequently** **generally** have the option to purchase run-off coverage in our treaties.

59

Following is a summary of earned premiums and loss and loss expenses ceded to reinsurers for each of the three years ended **December 31, 2022** **December 31, 2023**:

(In thousands)	(In thousands)	Year Ended December 31,			Year Ended December 31,
		2022	2021	2020	
Earned premiums	Earned premiums	\$ 1,883,263	\$ 1,805,341	\$ 1,499,948	
Earned premiums					
Earned premiums					
Losses and loss expenses	Losses and loss expenses	1,269,338	1,236,960	955,630	
Losses and loss expenses					
Losses and loss expenses					

Ceded earned premiums increased **4.3%** **4.0%** in **2022** **2023** to **\$1.883 million** **\$1,959 million**. The ceded losses and loss expenses ratio **decreased 2** **increased 3** points to **70%** in 2023 from 67% in 2022 from 69% in 2021.

2022.

The following table presents the credit quality of amounts due from reinsurers as of December 31, 2022 December 31, 2023.

(In thousands)

Reinsurer	Rating	(1)	Amount
Amounts due in excess of \$20 million:			
Lloyd's of London	A+	\$	347,927 402,210
Partner Re	A+		314,471
Munich Re	AA-		310,985
Berkshire Hathaway	AA+		332,034 307,878
Munich Re	AA-		306,530
Partner Re	A+		275,410
Hannover Re Group	AA-		191,264 231,172
Renaissance Re	A+		217,008
Swiss Re	AA-		189,591 176,377
Renaissance Re	A+		163,973
Everest Re	A+		155,847 145,155
Liberty Mutual	A		96,402 117,556
Axis Capital	A+		81,538 86,680
Fairfax Financial	A		64,300
Korean Re	A		59,884 57,530
Fairfax Financial	A-		55,228
Axa Insurance	AA-		46,058
Arch Capital Group	A+		45,663 54,175
Sompo Holdings Group	A+		36,157 47,520
Axa Insurance	AA-		45,680
TOA RE	A		37,140
Nationwide Group	A+		32,411
Markel Corp Group	A		31,827
Helvetia Holdings Group	A+		30,823 31,429
Markel Corp Chubb Group	AA		24,459
MS & AD Insurance Group	A		30,216 20,144
Validus Holdings Group	A		24,548
TOA Re	A+		22,945
Other reinsurers:			
Rated A- or better			163,198 115,696
Secured (2)			332,502 485,906
All Others			27,299 50,429
Subtotal		\$	3,015,037 3,408,138
Residual market pools (3)			180,757 134,793
Allowance for expected credit losses			(8,064) (8,404)
Total		\$	3,187,730 3,534,527

(1) S&P rating, or if not rated by S&P, A.M. Best rating.

(2) Secured by letters of credit or other forms of collateral.

(3) Many states require licensed insurers that provide workers' compensation insurance to participate in programs that provide workers' compensation to employers that cannot procure coverage from an insurer on a voluntary basis. Insurers can fulfill this residual market obligation by participating in pools where results are shared by the participating companies. The Company acts as a servicing carrier for workers' compensation pools in certain states. As a servicing carrier, the Company writes residual market business directly and then cedes 100% of this business to the respective pool. As a servicing carrier, the Company receives fee income for its services. The Company does not retain underwriting risk, and credit risk is limited as ceded balances are jointly shared by all the pool members.

58 60

## Contractual Obligations

Following is a summary of the Company's contractual obligations as of **December 31, 2022** **December 31, 2023**:

(In thousands)	(In thousands)													
(In thousands)														
(In thousands)														
Estimated Payments By Periods														
Estimated Payments By Periods														
Estimated Payments By Periods	Estimated Payments By Periods	2023	2024	2025	2026	2027	Thereafter	2024	2025	2026	2027	2028	Thereafter	
Gross reserves for losses	Gross reserves for losses	\$4,586,303	\$3,268,257	\$2,461,737	\$1,788,739	\$1,439,989	\$ 3,895,626							
Operating lease obligations	Operating lease obligations	47,024	41,788	32,928	25,973	16,472	68,912							
Purchase obligations	Purchase obligations	148,593	51,602	51,456	53,819	52,821	55,395							
Subordinated debentures	Subordinated debentures	—	—	—	—	—	1,035,000							
Senior notes and other debt	Senior notes and other debt	—	5,300	1,954	—	—	1,820,000							
Interest payments	Interest payments	125,580	125,580	125,580	125,580	125,580	3,154,164							
Other long-term liabilities	Other long-term liabilities	2,489	2,228	2,035	1,859	1,698	20,232							
Total	Total	\$4,909,989	\$3,494,755	\$2,675,690	\$1,995,970	\$1,636,560	\$10,049,329							

The estimated payments for reserves for losses and loss expenses in the above table represent the projected (undiscounted) payments for gross loss and loss expense reserves related to losses incurred as of **December 31, 2022** **December 31, 2023**. The estimated payments in the above table do not consider payments for losses to be incurred in future periods. These amounts include reserves for reported losses and reserves for incurred but not reported losses. Estimated amounts recoverable from reinsurers are not reflected. The estimated payments by year are based on historical loss payment patterns. The actual payments may differ from the estimated amounts due to changes in ultimate loss reserves and in the timing of the settlement of those reserves. In addition, at **December 31, 2022** **December 31, 2023**, the Company had commitments to invest up to **\$402 million** **\$339 million** and **\$146 million** **\$106 million** in certain investment funds and real estate construction projects, respectively. These amounts are not included in the above table.

The Company utilizes letters of credit to back certain reinsurance payments and obligations. Outstanding letters of credit were **\$5 million** **\$29 million** as of **December 31, 2022** **December 31, 2023**. The Company has made certain guarantees to state regulators that the statutory capital of certain subsidiaries will be maintained above certain minimum levels.

## Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (1) made guarantees, (2) a retained or contingent interest in transferred assets, (3) an obligation under derivative instruments classified as equity or (4) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company, or that engages in leasing, hedging or research and development arrangements with the Company. The Company has no arrangements of these types that management believes may have a material current or future effect on our financial condition, liquidity or results of operations.

59 61

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**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 average number of years held for its liabilities (i.e., policy claims and debt obligations). The effective duration for the fixed maturity portfolio (including cash and cash equivalents) was 2.4 years at both December 31, 2022 December 31, 2023 and 2021, 2022.

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.

The following table outlines the groups of fixed maturity securities and their effective duration at December 31, 2022 December 31, 2023:

Effective		Duration			
Effective		Duration			
Duration		Duration			
Duration		Duration			
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	(Years)	Fair Value	(Years)	Fair Value
Mortgage-backed securities	Mortgage-backed securities	4.5	\$ 1,669,056		
Mortgage-backed securities					
Mortgage-backed securities					
State and municipal	State and municipal	3.3	2,942,025		
U.S. government and agencies	U.S. government and agencies	3.1	892,258		
Foreign government					
Corporate	Corporate	2.7	6,703,992		
Foreign government		2.2	1,401,522		
Loans receivable	Loans receivable	1.3	187,981		
Asset-backed securities	Asset-backed securities	0.9	3,982,773		
Cash and cash equivalents	Cash and cash equivalents	0.0	1,449,346		



Total	Total	2.4	\$19,228,953
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Duration is a common measure of the price sensitivity of fixed maturity securities to changes in interest rates. The Company determines the estimated change in fair value of the fixed maturity securities, assuming parallel shifts in the yield curve for treasury securities while keeping spreads between individual securities and treasury securities static. The estimated fair value at specified levels at **December 31, 2022** **December 31, 2023** would be as follows:

(In thousands)	(In thousands)	Estimated Fair Value	Change in Fair Value	(In thousands)	Estimated Fair Value	Change in Fair Value
Change in interest rates:						
300 basis point rise	300 basis point rise	\$17,931,180	\$(1,297,772)			
200 basis point rise	200 basis point rise	18,344,941	(884,011)			
100 basis point rise	100 basis point rise	18,778,053	(450,899)			
Base scenario	Base scenario	19,228,952	—			
100 basis point decline	100 basis point decline	19,692,291	463,339			
200 basis point decline	200 basis point decline	20,161,330	932,378			
300 basis point decline	300 basis point decline	20,632,243	1,403,291			

Arbitrage investing differs from other types of investments in that its focus is 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 believes that this makes arbitrage investments less vulnerable to changes in general stock market conditions. Potential changes in market conditions are also mitigated by the implementation of hedging strategies, including short sales.

Additionally, the arbitrage positions are generally hedged against market declines by purchasing put options, selling call options or entering into swap contracts. The Company's merger arbitrage securities are primarily exposed to the risk of completion of announced deals, which are subject to regulatory as well as transactional and other risks.

60 62

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors  
W. R. Berkley Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of W. R. Berkley Corporation and subsidiaries (the Company) as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023**, and the related notes and financial statement schedules II to VI (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023**, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated **February 24, 2023** **February 23, 2024** expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

##### Reserves for losses and loss expenses

As discussed in Notes 1 and 14 13 to the consolidated financial statements, the Company estimates the reserves for losses and loss expenses (reserves) using a variety of actuarial techniques and methods. The key assumptions used to arrive at the best estimate of recorded reserves are expected loss ratios, rate of loss cost inflation, reported and paid loss emergence patterns, loss frequency and severity, and the loss reporting lag. Such amounts are adjusted for certain qualitative factors. The reserves as of December 31, 2022 December 31, 2023 were \$17.0 billion \$18.7 billion.

We identified the assessment of the estimate of reserves as a critical audit matter because it involved significant measurement uncertainty, which required complex auditor judgement. Specialized actuarial skills and knowledge were required to evaluate the actuarial method or methods and assumptions used. Assumptions included loss development

61 63

factors; the weighting of actuarial methods when more than one was used; the impact of qualitative factors; and whether payments are fixed and reliably determinable for certain reserves subject to discounting.

The following are the primary procedures we performed to address the critical audit matter. We With the assistance of actuarial professionals, when appropriate, we evaluated the design and tested the operating effectiveness of certain internal controls over the Company's reserving process. This included controls over the Company's process to develop the Company's best estimate of reserves based on actuarial methodologies and assumptions employed by the Company's actuaries. We involved actuarial professionals with specialized skills and knowledge, who assisted in:

- examining the Company's actuarial methodologies for compliance with Actuarial Standards of Practice; Practice
- evaluating the Company's ability to discount certain reserves by comparing the expected payout pattern of claims paid to actual claims paid; paid
- evaluating the Company's actuarial point estimate by performing independent actuarial analyses for certain of the larger, more complex businesses; businesses
- evaluating the Company's actuarial point estimate by examining the Company actuaries' process, and key assumptions for certain of the remaining businesses; businesses
- developing an independent range of reserves based on actuarial methodologies and assumptions and comparing to the Company's recorded reserves; reserves
- evaluating the Company's recorded reserves and year-over-year movements of the Company's reserves relative to, and within, the independently developed range of reserves.

ISI KPMG LLP

We have served as the Company's auditor since 1972.

New York, New York

February 24, 2023 23, 2024

62 64

#### W. R. BERKLEY CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

		Year Ended December 31,			Year Ended December 31,			
(In thousands, except per share data)	(In thousands, except per share data)	2022	2021	2020	(In thousands, except per share data)	2023	2022	2021
REVENUES:	REVENUES:							
Net premiums written	Net premiums written	\$10,004,070	\$8,862,867	\$7,262,437				
Net premiums written								
Net premiums written								
Change in net unearned premiums	Change in net unearned premiums	(442,641)	(756,836)	(331,594)				
Net premiums earned	Net premiums earned	9,561,429	8,106,031	6,930,843				
Net investment income	Net investment income	779,185	671,618	583,821				
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	Net realized and unrealized gains on investments	217,311	106,958	73,514				
Change in allowance for expected credit losses on investments	Change in allowance for expected credit losses on investments	(14,914)	(16,326)	29,486				
Net investment gains	Net investment gains	202,397	90,632	103,000				
Revenues from non-insurance businesses	Revenues from non-insurance businesses	509,548	489,151	389,888				
Insurance service fees	Insurance service fees	110,544	93,857	88,777				
Other income	Other income	3,396	4,177	2,596				
Total revenues	Total revenues	11,166,499	9,455,466	8,098,925				
OPERATING COSTS AND EXPENSES:	OPERATING COSTS AND EXPENSES:							
Losses and loss expenses								
Losses and loss expenses								
Losses and loss expenses	Losses and loss expenses	5,861,750	4,953,960	4,468,706				
Other operating costs and expenses	Other operating costs and expenses	2,961,505	2,599,270	2,390,392				
Expenses from non-insurance businesses	Expenses from non-insurance businesses	493,189	472,151	384,488				
Interest expense	Interest expense	130,374	147,180	150,537				

Total operating costs and expenses	Total operating costs and expenses	9,446,818	8,172,561	7,394,123
Income before income taxes	Income before income taxes	1,719,681	1,282,905	704,802
Income tax expense	Income tax expense	(334,727)	(251,890)	(171,817)
Net income before noncontrolling interests	Net income before noncontrolling interests	1,384,954	1,031,015	532,985
Noncontrolling interests	Noncontrolling interests	(3,892)	(8,525)	(2,315)
Net income to common stockholders	Net income to common stockholders	\$ 1,381,062	\$1,022,490	\$ 530,670
<b>NET INCOME PER SHARE:</b>	<b>NET INCOME PER SHARE:</b>			
Basic	Basic	\$ 4.99	\$ 3.69	\$ 1.89
Basic				
Basic				
Diluted	Diluted	\$ 4.94	\$ 3.66	\$ 1.87

See accompanying notes to consolidated financial statements.

63 65

**W. R. BERKLEY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In thousands)	(In thousands)	Year Ended December 31,			(In thousands)	Year Ended December 31,		
		2022	2021	2020		2023	2022	2021
Net income before noncontrolling interests	Net income before noncontrolling interests	\$1,384,954	\$1,031,015	\$532,985				
Other comprehensive (loss) gain::								
Other comprehensive gain (loss):								
Change in unrealized translation adjustments	Change in unrealized translation adjustments	1,179	(20,969)	29,927				
Change in unrealized investment (losses) gains, net of taxes		(983,803)	(198,812)	140,250				
Change in unrealized translation adjustments								
Change in unrealized translation adjustments								

Change in unrealized investment gains (losses), net of taxes				
Other comprehensive (loss) gain	(982,624)	(219,781)	170,177	
Other comprehensive gain (loss)				
Other comprehensive gain (loss)				
Other comprehensive gain (loss)				
Comprehensive income	Comprehensive income	402,330	811,234	703,162
Noncontrolling interests	Noncontrolling interests	(3,890)	(8,523)	(2,313)
Comprehensive income to common stockholders	Comprehensive income to common stockholders	\$ 398,440	\$ 802,711	\$700,849

See accompanying notes to consolidated financial statements.

6466

W. R. BERKLEY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	(In thousands, except share data)	December 31,		(In thousands, except share data)	December 31,	
		2022	2021		2023	2022
Assets	Assets			Assets		
Investments:	Investments:			Investments:		
Fixed maturity securities (amortized cost of \$18,715,483 and \$16,471,304; allowance for expected credit losses of \$37,466 and \$22,625 at December 31, 2022 and 2021)		\$17,587,349	\$16,602,673			
Fixed maturity securities (amortized cost of \$20,915,245 and \$18,715,483; allowance for expected credit losses of \$36,751 and \$37,466 at December 31, 2023 and 2022)						
Investment funds	Investment funds	1,608,548	1,480,612			
Real estate	Real estate	1,340,622	1,852,508			
Arbitrage trading account	Arbitrage trading account	944,230	1,179,606			
Equity securities	Equity securities	1,185,894	941,243			

Loans receivable (net of allowance for expected credit losses of \$1,791 and \$1,718 at December 31, 2022 and 2021)		193,002	115,172
Loans receivable (net of allowance for expected credit losses of \$3,004 and \$1,791 at December 31, 2023 and 2022)			
Total investments	Total investments	22,859,645	22,171,814
Total investments			
Total investments			
Cash and cash equivalents	Cash and cash equivalents	1,449,346	1,568,843
Premiums and fees receivable (net of allowance for expected credit losses of \$30,660 and \$25,218 at December 31, 2022 and 2021)		2,779,244	2,522,972
Due from reinsurers (net of allowance for expected credit losses of \$8,064 and \$7,713 at December 31, 2022 and 2021)		3,187,730	2,923,026
Premiums and fees receivable (net of allowance for expected credit losses of \$35,110 and \$30,660 at December 31, 2023 and 2022)			
Due from reinsurers (net of allowance for expected credit losses of \$8,404 and \$8,064 at December 31, 2023 and 2022)			
Deferred policy acquisition costs	Deferred policy acquisition costs	763,486	676,145
Prepaid reinsurance premiums	Prepaid reinsurance premiums	696,468	676,915
Trading account receivable from brokers and clearing organizations	Trading account receivable from brokers and clearing organizations	233,863	—
Property, furniture and equipment	Property, furniture and equipment	423,232	419,883
Goodwill	Goodwill	185,509	169,652
Accrued investment income	Accrued investment income	166,784	122,938
Current federal and foreign income taxes	Current federal and foreign income taxes	39,123	23,570
Deferred federal and foreign income taxes	Deferred federal and foreign income taxes	340,647	57,425
Other assets	Other assets	736,022	753,231
Total assets	Total assets	\$33,861,099	\$32,086,414

Liabilities and Equity	Liabilities and Equity			Liabilities and Equity
<b>Liabilities:</b>	<b>Liabilities:</b>			<b>Liabilities:</b>
Reserves for losses and loss expenses	Reserves for losses and loss expenses	\$17,011,223	\$15,390,888	
Unearned premiums	Unearned premiums	5,297,654	4,847,160	
Due to reinsurers	Due to reinsurers	523,131	514,980	
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	—	1,169	
Trading account payable to brokers and clearing organizations		—	53,636	
Current federal and foreign income taxes				
Current federal and foreign income taxes				
Current federal and foreign income taxes	Current federal and foreign income taxes	34,350	21,068	
Deferred federal and foreign income taxes	Deferred federal and foreign income taxes	11,646	17,470	
Senior notes and other debt	Senior notes and other debt	1,828,823	2,259,416	
Subordinated debentures	Subordinated debentures	1,008,371	1,007,652	
Other liabilities	Other liabilities	1,377,740	1,305,245	
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>27,092,938</b>	<b>25,418,684</b>	
<b>Equity:</b>	<b>Equity:</b>			<b>Equity:</b>
Preferred stock, par value \$.10 per share:	Preferred stock, par value \$.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 \$.20 per share:	Common stock, par value \$.20 per share:			Common stock, par value \$.20 per share:
Authorized 1,250,000,000 shares and 750,000,000 shares, respectively, issued and outstanding, net of treasury shares, 264,546,100 and 265,170,882 shares, respectively		105,803	105,803	

Authorized 1,250,000,000 shares; issued and outstanding, net of treasury shares, 256,544,757 and 264,546,100 shares, respectively			
Additional paid- in capital	Additional paid- in capital	997,534	981,104
Retained earnings	Retained earnings	10,161,005	9,015,135
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,264,581)	(281,955)
Treasury stock, at cost, 264,468,528 and 263,843,868 shares, respectively		(3,251,429)	(3,167,076)
Treasury stock, at cost, 272,469,871 and 264,468,528 shares, respectively			
Total common stockholders' equity	Total common stockholders' equity	6,748,332	6,653,011
Noncontrolling interests	Noncontrolling interests	19,829	14,719
Total equity	Total equity	6,768,161	6,667,730
Total liabilities and equity	Total liabilities and equity	\$33,861,099	\$32,086,414
See accompanying notes to consolidated financial statements.	See accompanying notes to consolidated financial statements.		
See accompanying notes to consolidated financial statements.			
See accompanying notes to consolidated financial statements.			

65 67

W. R. BERKLEY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except per share data)	(In thousands, except per share data)	Year Ended December 31,			Year Ended December 31,		2021
		2022	2021	2020	2023	2022	
COMMON STOCK:	COMMON STOCK:						



Beginning and end of period	Beginning and end of period	\$ 105,803	\$ 105,803	\$ 105,803			
<b>ADDITIONAL PAID IN CAPITAL:</b>	<b>ADDITIONAL PAID IN CAPITAL:</b>				<b>ADDITIONAL PAID IN CAPITAL:</b>		
Beginning of period	Beginning of period	\$ 981,104	\$ 977,215	\$ 1,020,774			
Restricted stock units issued	Restricted stock units issued	(32,622)	(44,041)	(38,491)			
Restricted stock units expensed	Restricted stock units expensed	49,052	47,930	48,567			
Change in controlling financial interest of a subsidiary		—	—	(53,635)			
End of period							
End of period							
End of period	End of period	\$ 997,534	\$ 981,104	\$ 977,215			
<b>RETAINED EARNINGS:</b>	<b>RETAINED EARNINGS:</b>				<b>RETAINED EARNINGS:</b>		
Beginning of period	Beginning of period	\$ 9,015,135	\$ 8,348,381	\$ 7,932,372			
Cumulative effect adjustment resulting from changes in accounting principles		—	—	(30,514)			
Net income to common stockholders	Net income to common stockholders	1,381,062	1,022,490	530,670			
Dividends (\$0.89, \$1.34, and \$0.31 per share, respectively)		(235,192)	(355,736)	(84,147)			
Net income to common stockholders							
Net income to common stockholders							
Dividends (\$1.93, \$0.89, and \$1.34 per share, respectively)							
End of period	End of period	\$10,161,005	\$ 9,015,135	\$ 8,348,381			
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS:</b>	<b>ACCUMULATED OTHER COMPREHENSIVE LOSS:</b>				<b>ACCUMULATED OTHER COMPREHENSIVE LOSS:</b>		
Unrealized investment (losses) gains:	Unrealized investment (losses) gains:				Unrealized investment (losses) gains:		
Beginning of period	Beginning of period	\$ 90,900	\$ 289,714	\$ 124,514			
Cumulative effect adjustment resulting from changes in accounting principles		—	—	24,952			
Change in unrealized (losses) gains on securities without an allowance for expected credit losses		(955,435)	(208,938)	108,244			
Change in unrealized (losses) gains on securities with an allowance for expected credit losses		(28,370)	10,124	32,004			
Change in unrealized gains (losses) on securities without an allowance for expected credit losses							
Change in unrealized gains (losses) on securities without an allowance for expected credit losses							

Change in unrealized gains (losses) on securities without an allowance for expected credit losses					
Change in unrealized gains (losses) on securities with an allowance for expected credit losses					
End of period	End of period	(892,905)	90,900	289,714	
Currency translation adjustments:	Currency translation adjustments:				Currency translation adjustments:
Beginning of period	Beginning of period	(372,855)	(351,886)	(381,813)	
Net change in period	Net change in period	1,179	(20,969)	29,927	
End of period	End of period	(371,676)	(372,855)	(351,886)	
Total accumulated other comprehensive loss	Total accumulated other comprehensive loss	\$ (1,264,581)	\$ (281,955)	\$ (62,172)	
Total accumulated other comprehensive loss					
Total accumulated other comprehensive loss					
TREASURY STOCK:					
Beginning of period	Beginning of period	\$ (3,167,076)	\$ (3,058,425)	\$ (2,726,711)	
Stock exercised/vested	Stock exercised/vested	9,428	13,264	13,917	
Stock issued		359	511	726	
Stock repurchased	Stock repurchased	(94,140)	(122,426)	(346,357)	
Stock repurchased					
Stock repurchased					
Other					
End of period	End of period	\$ (3,251,429)	\$ (3,167,076)	\$ (3,058,425)	
NONCONTROLLING INTERESTS:					
Beginning of period	Beginning of period	\$ 14,719	\$ 14,995	\$ 43,403	
Contributions (distributions)		1,220	(8,799)	(30,721)	
(Distributions) contributions					
Net income	Net income	3,892	8,525	2,315	
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax	(2)	(2)	(2)	
End of period	End of period	\$ 19,829	\$ 14,719	\$ 14,995	

See accompanying notes to consolidated financial statements.

**W. R. BERKLEY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Year Ended December 31,					Year Ended December 31,		
(In thousands)	(In thousands)	2022	2021	2020	(In thousands)		2023	2022	2021
CASH FROM OPERATING ACTIVITIES:	CASH FROM OPERATING ACTIVITIES:								
Net income to common stockholders	Net income to common stockholders	\$1,381,062	\$ 1,022,490	\$ 530,670					
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	(202,397)	(90,632)	(103,000)					
Depreciation and amortization	Depreciation and (accretion) amortization	55,872	129,682	135,065					
Noncontrolling interests	Noncontrolling interests	3,892	8,525	2,315					
Investment funds	Investment funds	(145,099)	(220,015)	(54,253)					
Stock incentive plans	Stock incentive plans	49,411	46,680	49,658					
Change in:	Change in:				Change in:				
Arbitrage trading account	Arbitrage trading account	(53,291)	(268,649)	(67,943)					
Premiums and fees receivable	Premiums and fees receivable	(268,171)	(364,395)	(173,618)					
Reinsurance accounts	Reinsurance accounts	(266,307)	(433,644)	(313,525)					
Deferred policy acquisition costs	Deferred policy acquisition costs	(88,844)	(121,663)	(38,691)					
Current income taxes	Current income taxes	(3,534)	(43,890)	49,021					
Deferred income taxes	Deferred income taxes	(64,712)	7,630	(34,057)					
Reserves for losses and loss expenses	Reserves for losses and loss expenses	1,684,254	1,635,774	1,176,049					

Unearned premiums	Unearned premiums	466,590	786,627	415,956
Other	Other	19,878	89,467	43,039
Net cash from operating activities	Net cash from operating activities	2,568,604	2,183,987	1,616,686

CASH FLOWS (USED IN)  
FROM INVESTING ACTIVITIES:

CASH FLOWS  
USED IN  
INVESTING  
ACTIVITIES:

CASH FLOWS USED IN INVESTING ACTIVITIES:

Proceeds from sale of fixed maturity securities	Proceeds from sale of fixed maturity securities	797,948	1,842,139	3,832,555
Proceeds from sale of equity securities	Proceeds from sale of equity securities	82,319	126,980	114,763
Distributions from (contributions to) investment funds		24,623	101,050	(3,042)

(Contributions to) distributions from investment funds

Proceeds from maturities and prepayments of fixed maturity securities	Proceeds from maturities and prepayments of fixed maturity securities	4,891,179	6,067,230	3,864,327
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Purchase of fixed maturity securities	Purchase of fixed maturity securities	(8,036,680)	(10,716,748)	(7,551,591)
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Purchase of equity securities	Purchase of equity securities	(340,482)	(464,645)	(253,031)
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Real estate (purchased) sold	Real estate (purchased) sold	(45,920)	166,886	178,934
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Change in loans receivable	Change in loans receivable	(83,212)	(27,421)	1,467
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Change in loans receivable

Change in loans receivable

Net additions to property, furniture and equipment	Net additions to property, furniture and equipment	(52,684)	(66,634)	(38,171)
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Change in balances due from security brokers	Change in balances due from security brokers	14,337	(17,983)	(26,515)
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Cash received in connection with business disposition	Cash received in connection with business disposition	906,789	—	—
Payment for business purchased, net of cash acquired	Payment for business purchased, net of cash acquired	(49,572)	—	—
Net cash (used in) from investing activities	Net cash (used in) from investing activities	(1,891,355)	(2,989,146)	119,696
Net cash used in investing activities	Net cash used in investing activities			
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES:	CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES:			
Net (payments) proceeds from issuance of debt	Net (payments) proceeds from issuance of debt	(3,309)	1,034,107	741,637
Repayment of senior notes and other debt	Repayment of senior notes and other debt			
Repayment of senior notes and other debt	Repayment of senior notes and other debt			
Repayment of senior notes and other debt	Repayment of senior notes and other debt	(426,503)	(504,952)	(652,751)
Cash dividends to common stockholders	Cash dividends to common stockholders	(235,192)	(355,736)	(84,147)
Purchase of common treasury shares	Purchase of common treasury shares	(94,140)	(122,426)	(346,357)
Other, net	Other, net	(12,848)	(45,162)	(56,225)
Net cash (used in) from financing activities	Net cash (used in) from financing activities	(771,992)	5,831	(397,843)
Net impact on cash due to change in foreign exchange rates	Net impact on cash due to change in foreign exchange rates	(24,754)	(4,195)	10,117
Net (decrease) increase in cash and cash equivalents	Net (decrease) increase in cash and cash equivalents	(119,497)	(803,523)	1,348,656
Net decrease in cash and cash equivalents	Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	Cash and cash equivalents at beginning of year	1,568,843	2,372,366	1,023,710

CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES:

Cash and cash equivalents at end of year	Cash and cash equivalents at end of year	\$1,449,346	\$ 1,568,843	\$2,372,366
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See accompanying notes to consolidated financial statements.

67 69

## W. R. BERKLEY CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021

### (1) Summary of Significant Accounting Policies

#### (A) Principles of consolidation and basis of presentation

The 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"). All significant intercompany transactions and balances have been eliminated. Reclassifications have been made in the 2021 2022 and 2020 2021 financial statements as originally reported to conform to the presentation of the 2022 2023 financial statements. Shares outstanding and per share amounts have been adjusted to reflect For the 3-for-2 common stock split effected on March 23, 2022. In the fourth quarter of 2022, year ended December 31, 2021, the Company adjusted 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 which resulted in no impact on the total amount of investing activities. For the years ended December 31, 2021 and 2020, the Company did not correct these line items 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. The most significant items on our balance sheet that involve a greater degree of accounting estimates that are subject to change in the future are the valuation of investments, allowance for expected credit losses on investments, reserves for losses and loss expenses and premium estimates. Actual results could differ from those estimates.

#### (B) Revenue recognition

Insurance premiums are recognized as written at the inception of the policy. Reinsurance premiums are estimated based upon information received from ceding companies, and subsequent differences from such estimates are recorded in the period they are determined. Insurance and reinsurance premiums are primarily earned on a pro rata basis over the policy term. Fees for services are earned over the period that the services are provided. Premiums and fees receivable are reported net of an allowance for expected credit losses, with the allowance being estimated based on current and future expected conditions, historical loss data and specific identification of collectability concerns where applicable. Changes in the allowance are reported within other operating costs and expenses.

Audit premiums are recognized when they are reliably determinable. The change in accruals for earned but unbilled audit premiums increased (decreased) net premiums written and premiums earned by \$25 million \$19 million, \$25 million and \$10 million in 2023, 2022 and \$(27) million in 2022, 2021, and 2020, respectively.

Revenues from non-insurance businesses are derived from businesses engaged in the distribution of promotional merchandise, world-wide textile solutions, and aircraft services provided to the general, commercial and military aviation markets. These aircraft services include (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. Revenue is recognized upon the shipment of products and parts, the delivery of aircraft, the delivery of fuel, and over the completion period of services.

Insurance service fee revenue represents servicing fees for program administration and claims management services provided by the Company, including workers' compensation assigned risk plans, as well as insurance brokerage and risk management services. Fees for program administration, claims management and risk management services are primarily recognized ratably over the related contract period for which the underlying services are rendered. Commissions for insurance brokerage are generally recognized when the underlying insurance policy is effective.

#### (C) Cash and cash equivalents

Cash equivalents consist of funds invested in money market accounts and investments with an effective maturity of three months or less when purchased.

#### (D) Investments

Fixed maturity securities classified as available for sale are carried at estimated fair value, with unrealized gains and losses, net of applicable income taxes, excluded from earnings and reported as a component of comprehensive income and a separate component of stockholders' equity. Fixed maturity securities that the Company has the positive intent and ability to

68

held to maturity are classified as held to maturity and reported at amortized cost. Investment income from fixed maturity securities is recognized based on the constant effective yield method. Premiums and discounts on mortgage-backed securities are adjusted for the effects of actual and anticipated prepayments on a retrospective basis.

70

Equity securities with readily determinable fair values are measured at fair value, with changes in the fair value recognized in net income within net realized and unrealized gains on investments.

Fixed maturity securities that the Company purchased with the intent to sell in the near-term are classified as trading account securities and are reported at estimated fair value. Realized and unrealized gains and losses from trading activity are reported as net investment income and are recorded at the trade date. Short sales and short call options are presented as trading securities sold but not yet purchased. Unsettled trades and the net margin balances held by the clearing broker are presented as a trading account receivable from brokers and clearing organizations.

Investment funds are carried under the equity method of accounting. The Company's share of the earnings or losses of investment funds is primarily reported on a one-quarter lag in order to facilitate the timely completion of the Company's consolidated financial statements.

Loans receivable primarily represent commercial and real estate mortgage loans and bank loans and are carried at amortized cost. The accrual of interest on loans receivable is discontinued if the loan is 90 days past due based on the contractual terms of the loan unless the loan is adequately secured and in process of collection. In general, loans are placed on non-accrual status or charged off at an earlier date if collection of principal or interest is considered doubtful. Interest on these loans is accounted for on a cash basis until qualifying for return to accrual status. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

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." Fair value of investments is determined based on a fair value hierarchy that prioritizes the use of observable inputs over the use of unobservable inputs and requires the use of observable inputs when available. (See Note 13 12 of the Notes to Consolidated Financial Statements.)

Realized gains or losses represent the difference between the cost of securities sold and the proceeds realized upon sale and are recorded at the trade date. The Company uses primarily the first-in, first-out method to determine the cost of securities sold.

For available for sale 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. For available for sale 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, 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. The impairment related to non-credit factors is recognized in comprehensive income (loss).

For financial assets carried at amortized cost, which includes held to maturity securities and 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.

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-

69

term long-term assumptions linearly over 5 years beyond the forecast period. The long-term assumptions are based on the historical averages.

71

The Company reports accrued investment income separately from fixed maturity securities, and has elected not to measure an allowance for expected credit losses for accrued investment income. Accrued investment income is written off through net investment income at the time the issuer of the bond defaults or is expected to default on payments.

Real estate held for investment purposes is initially recorded at the purchase price, which is generally fair value, and is subsequently reported at cost less accumulated depreciation. Real estate taxes, interest and other costs incurred during development and construction are capitalized. Buildings are depreciated on a straight-line basis over the estimated useful lives of the building. Minimum rental income is recognized on a straight-line basis over the lease term. Income and expenses from real estate are reported as net investment income. The carrying value of real estate is reviewed for impairment and an impairment loss is recognized if the estimated undiscounted cash flows from the use and disposition of the property are less than the carrying value of the property.

*(E) 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 weighted average number of common shares outstanding during the year (including 11,416,856 11,663,450 common shares held in a grantor trust). 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 year 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.

*(F) Deferred policy acquisition costs*

Acquisition costs associated with the successful acquisition of new and renewed insurance and reinsurance contracts are deferred and amortized ratably over the terms of the related contracts. Ceding commissions received on reinsurance contracts are netted against acquisition costs and are recognized ratably over the life of the contract. Deferred policy acquisition costs are presented net of unearned ceding commissions. Deferred policy acquisition costs are comprised primarily of commissions, as well as employment-related underwriting costs and premium taxes. Deferred policy acquisition costs are reviewed to determine if they are recoverable from future income and, if not, are charged to expense. The recoverability of deferred policy acquisition costs is evaluated separately by each of our operating companies, units. Future investment income is taken into account in measuring the recoverability of deferred policy acquisition costs.

*(G) Reserves for losses and loss expenses*

Reserves for losses and loss expenses are an accumulation of amounts determined on the basis of (1) evaluation of claims for business written directly by the Company; (2) estimates received from other companies for reinsurance assumed by the Company; and (3) estimates for losses incurred but not reported (based on Company and industry experience). These estimates are periodically reviewed and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments are reflected in the statements of income in the period in which they are determined. The Company discounts its reserves for excess and assumed workers' compensation claims using a risk-free or statutory rate. (See Note 14 13 of Notes to Consolidated Financial Statements.)

*(H) Reinsurance ceded*

The unearned portion of premiums ceded to reinsurers is reported as prepaid reinsurance premiums and earned ratably over the policy term. The estimated amounts of reinsurance recoverable on unpaid losses are reported as due from reinsurers. To the extent any reinsurer does not meet its obligations under reinsurance agreements, the Company must discharge its liability. Amounts due from reinsurers are reflected net of funds held where the right of offset is present. The Company has provided an allowance for expected credit losses for estimated uncollectible reinsurance. The allowance is estimated based on the composition of the recoverable balance, considering reinsurer credit ratings, collateral received from financial institutions and funds withheld arrangements, length of collection periods, probability of default methodology, and specific identification of collectability concerns. Changes in the allowance are reported within losses and loss expenses.

70

*(I) Deposit accounting*

Contracts that do not meet the risk transfer requirements of GAAP are accounted for using the deposit accounting method. Under this method, an asset or liability is recognized at the inception of the contract based on consideration paid or received. The amount of the deposit asset or liability is adjusted at subsequent reporting dates using the interest method with a

72



corresponding credit or charge to interest income or expense. Deposit liabilities for assumed reinsurance contracts were \$31 million and \$33 million at December 31, 2023 and \$35 million at December 31, 2022 and 2021, 2022, respectively.

*(J) Federal and foreign income taxes*

The Company files a consolidated income tax return in the U.S. and foreign tax returns in countries where it has overseas operations. The Company's method of accounting for income taxes is the asset and liability method. Under this method, deferred tax assets and liabilities are measured using tax rates currently in effect or expected to apply in the years in which those temporary differences are expected to reverse. Interest and penalties, if any, are reported as income tax expense. The Company believes there are no uncertain tax positions that would require disclosure under GAAP. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that all or a portion of the deferred tax assets will not be realized.

*(K) Foreign currency*

Gains and losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are reported on the statements of income as other operating costs and expenses. Unrealized gains or losses resulting from translating the results of non-U.S. dollar denominated operations are reported in accumulated other comprehensive income. Revenues and expenses denominated in currencies other than U.S. dollars are generally translated at the weighted average exchange rate during the year. Assets and liabilities are translated at the rate of exchange in effect at the balance sheet date.

*(L) Property, furniture and equipment*

Property, furniture and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the estimated useful lives of the respective assets. Depreciation expense was \$52 million \$51 million, \$52 million and \$53 million \$52 million for 2023, 2022 2021 and 2020, 2021, respectively.

*(M) Comprehensive income*

Comprehensive income encompasses all changes in stockholders' equity (except those arising from transactions with stockholders) and includes net income, net unrealized holding gains or losses on available for sale securities and unrealized foreign currency translation adjustments.

*(N) Goodwill and other intangible assets*

Goodwill and other intangible assets are tested for impairment on an annual basis and at interim periods where circumstances require. The Company's impairment test as of December 31, 2022 December 31, 2023 indicated that there were no material impairment losses related to goodwill and other intangible assets. Intangible assets of \$102 million \$119 million and \$85 million \$102 million are included in other assets as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

*(O) Restricted stock units*

The costs resulting from all share-based payment transactions with employees are recognized in the consolidated financial statements using a fair-value-based measurement method. Compensation cost is recognized for financial reporting purposes over the period in which the employee is required to provide service in exchange for the award (generally the vesting period).

*(P) Statements of cash flows*

Interest payments were \$138 million \$114 million, \$138 million and \$141 million in 2023, 2022 and \$155 million in 2022, 2021, and 2020, respectively. Income taxes paid were \$295 million \$332 million, \$295 million and \$244 million in 2023, 2022 and \$103 million in 2022, 2021, and 2020, respectively. Other non-cash items include unrealized investment gains and losses. (See Note 11 10 of Notes to Consolidated Financial Statements.)

71

*(Q) Recent accounting pronouncements*

*Recently adopted accounting pronouncements:*

All accounting and reporting standards that became effective in 2022 2023 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:*

73

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.

## (2) Acquisitions

In March 2022, the Company acquired an 80.0% ownership interest for \$51.1 million in a company engaged in residential and commercial textiles. The fair value of the assets acquired and liabilities assumed have been estimated based on a third party valuation.

The following table summarizes the estimated fair value of net assets acquired and liabilities assumed for the business combination completed in 2022:

(In thousands)	2022
Cash and cash equivalents	\$ 1,564
Real estate, furniture and equipment	6,000
Intangible assets	25,600
Goodwill	15,857
Other assets	20,349
Total assets acquired	69,370
Other liabilities assumed	(12,420)
Noncontrolling interest	(5,814)
Net assets acquired	\$ 51,136

72

## (3) Consolidated Statements of Comprehensive Income (Loss) Income

The following tables present the components of the changes in accumulated other comprehensive income (loss) income (AOCI) as of and for the years ended December 31, 2022, December 31, 2023 and 2021: 2022:

(In thousands)	(In thousands)	Unrealized Investment (Losses) Gains	Currency Translation Adjustments	Accumulated Other Comprehensive Loss
December 31, 2022				
(In thousands)				
(In thousands)				
December 31, 2023				
December 31, 2023				
December 31, 2023		Unrealized Investment Gains (Losses)	Currency Translation Adjustments	Accumulated Other Comprehensive Income (Loss)
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) income before reclassifications		(1,054,838)	1,179	(1,053,659)
Other comprehensive income before reclassifications				

Other comprehensive income before reclassifications				
Other comprehensive income before reclassifications				
Amounts reclassified from AOCI	Amounts reclassified from AOCI	71,035	—	71,035
Other comprehensive (loss) income				
		(983,803)	1,179	(982,624)
Other comprehensive income				
Unrealized investment loss related to noncontrolling interest	Unrealized investment loss related to noncontrolling interest	(2)	—	(2)
Ending balance	Ending balance	\$ (892,905)	\$ (371,676)	\$ (1,264,581)
Amounts reclassified from AOCI	Amounts reclassified from AOCI			
Pre-tax	Pre-tax	\$ 89,918 (1)	\$ —	\$ 89,918
Pre-tax				
Pre-tax				
Tax effect	Tax effect	(18,883) (2)	—	(18,883)
After-tax amounts reclassified	After-tax amounts reclassified	\$ 71,035	\$ —	\$ 71,035
Other comprehensive (loss) income				
Other comprehensive income				
Pre-tax				
Pre-tax				
Pre-tax	Pre-tax	\$(1,248,128)	\$ 1,179	\$(1,246,949)
Tax effect	Tax effect	264,325	—	264,325
Other comprehensive (loss) income				
		\$ (983,803)	\$ 1,179	\$ (982,624)
Other comprehensive income				

(In thousands)	(In thousands)			
		Unrealized Investment Gains (Losses)	Currency Translation Adjustments	Accumulated Other Comprehensive Loss
December 31, 2021				
(In thousands)				
(In thousands)				
December 31, 2022				
December 31, 2022				

December 31, 2022		Unrealized Investment (Losses)		Currency Translation	Accumulated Other Comprehensive Income (Loss)
		Gains		Adjustments	
<u>Changes in AOCI</u>	<u>Changes in AOCI</u>				
Beginning of period	Beginning of period	\$ 289,714	\$ (351,886)	\$	(62,172)
Other comprehensive loss before reclassifications		(222,359)	(20,969)		(243,328)
Beginning of period					
Beginning of period					
Other comprehensive (loss) income before reclassifications					
Amounts reclassified from AOCI	Amounts reclassified from AOCI	23,547	—		23,547
Other comprehensive loss		(198,812)	(20,969)		(219,781)
Other comprehensive (loss) income					
Other comprehensive (loss) income					
Other comprehensive (loss) income					
Unrealized investment loss related to non-controlling interest	Unrealized investment loss related to non-controlling interest	(2)	—		(2)
Ending balance	Ending balance	\$ 90,900	\$ (372,855)	\$	(281,955)
<u>Amounts reclassified from AOCI</u>	<u>Amounts reclassified from AOCI</u>				
Pre-tax	Pre-tax	\$ 29,806 (1)	\$ —	\$	29,806
Pre-tax					
Pre-tax					
Tax effect	Tax effect	(6,259) (2)	—		(6,259)
After-tax amounts reclassified	After-tax amounts reclassified	\$ 23,547	\$ —	\$	23,547
Other comprehensive loss					
Other comprehensive (loss) income					
Pre-tax					
Pre-tax					
Pre-tax	Pre-tax	\$ (254,939)	\$ (20,969)	\$	(275,908)
Tax effect	Tax effect	56,127	—		56,127
Other comprehensive loss		\$ (198,812)	\$ (20,969)	\$	(219,781)
Other comprehensive (loss) income					

- (1) Net investment gains in the consolidated statements of income.  
(2) Income tax expense in the consolidated statements of income.

73 74

**(4) (3) Investments in Fixed Maturity Securities**

At **December 31, 2022** **December 31, 2023** and **2021, 2022**, investments in fixed maturity securities were as follows:

(In thousands)	(In thousands)	Amortized Cost	Allowance for Expected Credit Losses (1)	Gross Unrealized		Fair Value	Carrying Value
				Gains	Losses		
<b>December 31, 2022</b>							
(In thousands)							
	Gains						
	Gains						
<b>December 31, 2023</b>							
<b>December 31, 2023</b>							
<b>December 31, 2023</b>							
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 securities:	Mortgage-backed securities:						
Mortgage-backed securities:							
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
Commercial							
Commercial							
Total mortgage-backed securities							
Total mortgage-backed securities							
Total mortgage-backed securities	Total mortgage-backed securities	1,855,776	(18)	610	(190,958)	1,665,410	1,665,410
Asset-backed securities	Asset-backed securities	4,132,365	—	2,730	(152,322)	3,982,773	3,982,773
Asset-backed securities							
Asset-backed securities							
Corporate:							
Corporate:							
Corporate:	Corporate:						
Industrial	Industrial	3,491,645	(1,704)	4,439	(241,381)	3,252,999	3,252,999
Industrial							
Industrial							
Financial							
Financial							
Financial	Financial	2,585,247	(2,997)	5,505	(117,383)	2,470,372	2,470,372
Utilities	Utilities	586,066	—	1,307	(36,325)	551,048	551,048
Utilities							
Utilities							
Other							
Other							
Other	Other	441,230	—	—	(11,657)	429,573	429,573
Total corporate	Total corporate	7,104,188	(4,701)	11,251	(406,746)	6,703,992	6,703,992
Total corporate							
Total corporate							
Foreign government							
Foreign government							
Foreign government	Foreign government	1,564,930	(32,633)	4,283	(135,058)	1,401,522	1,401,522
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 available for sale							

Total available for sale													
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													

74 75

		Allowance for Expected  Gross Unrealized							Amortized	Allowance for Expected Credit	Gross Unrealized	Fair	Carrying	
(In thousands)	(In thousands)	Amortized Cost	Credit Losses (1)			Fair Value	Carrying Value	(In thousands)	Cost	Credit Losses (1)	Gains	Value	Value	Losses
December 31, 2021														
December 31, 2022														
Held to maturity:	Held to maturity:													
Held to maturity:														
Held to maturity:														
State and municipal														
State and municipal														
State and municipal	State and municipal	\$ 69,539	\$ (387)	\$ 10,813	\$ —	\$ 79,965	\$ 69,152							
Residential mortgage-backed	Residential mortgage-backed	4,829	—	632	—	5,461	4,829							
Total held to maturity	Total held to maturity	74,368	(387)	11,445	—	85,426	73,981							
Total held to maturity														
Total held to maturity														
Available for sale:	Available for sale:													
U.S. government and government agency	U.S. government and government agency	851,128	—	8,509	(4,294)	855,343	855,343							
U.S. government and government agency														
U.S. government and government agency														
State and municipal:	State and municipal:													
Special revenue														
Special revenue														
Special revenue	Special revenue	2,016,382	—	62,961	(5,706)	2,073,637	2,073,637							
State general obligation	State general obligation	388,110	—	23,152	(1,015)	410,247	410,247							
Pre-refunded	Pre-refunded	202,633	—	14,891	(574)	216,950	216,950							
Corporate backed	Corporate backed	166,943	—	7,191	(1,532)	172,602	172,602							
Local general obligation	Local general obligation	401,974	—	29,455	(732)	430,697	430,697							
Total state and municipal	Total state and municipal	3,176,042	—	137,650	(9,559)	3,304,133	3,304,133							
Mortgage-backed securities:	Mortgage-backed securities:													
Residential	Residential	940,744	—	9,896	(11,321)	939,319	939,319							
Residential														

Residential							
Commercial	Commercial	125,709	—	3,388	(341)	128,756	128,756
Total mortgage-backed securities	Total mortgage-backed securities	1,066,453	—	13,284	(11,662)	1,068,075	1,068,075
Asset-backed securities	Asset-backed securities	4,504,950	—	4,409	(18,794)	4,490,565	4,490,565
Corporate:	Corporate:						
Industrial							
Industrial	Industrial	3,231,520	(16)	62,751	(21,092)	3,273,163	3,273,163
Financial	Financial	1,739,282	—	30,709	(6,591)	1,763,400	1,763,400
Utilities	Utilities	396,242	—	13,262	(3,202)	406,302	406,302
Other	Other	154,210	—	125	(1,525)	152,810	152,810
Total corporate	Total corporate	5,521,254	(16)	106,847	(32,410)	5,595,675	5,595,675
Foreign government	Foreign government	1,277,109	(22,222)	7,508	(47,494)	1,214,901	1,214,901
Total available for sale	Total available for sale	16,396,936	(22,238)	278,207	(124,213)	16,528,692	16,528,692
Total investments in fixed maturity securities	Total investments in fixed maturity securities	\$16,471,304	\$ (22,625)	\$289,652	\$(124,213)	\$16,614,118	\$16,602,673

(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 years ended **December 31, 2022** **December 31, 2023** and **2021**; **2022**:

State and Municipal							
State and Municipal						State and Municipal	
(In thousands)	(In thousands)	2022	2021	(In thousands)	2023	2022	
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$387	\$798				
Change in allowance for expected credit losses	Change in allowance for expected credit losses	(273)	(411)				
Change in allowance for expected credit losses							
Change in allowance for expected credit losses							
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$114	\$387				

The following table presents the rollforward of the allowance for expected credit losses for available for sale securities for the years ended **December 31, 2022** **December 31, 2023** and **2021**; **2022**:

75 76



2022										2021									
2023										2023									
(In thousands)	(In thousands)	Foreign Government	Corporate	Mortgage-Backed	Total	Foreign Government	Corporate	Total		(In thousands)	Foreign Government	Corporate	Mortgage-Backed	Asset-backed	State and Municipal	Total	Foreign Government	Corporate	Mc E
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$ 22,222	\$ 16	\$ —	\$ 22,238	\$ 1,264	\$ 518	\$ 1,782											
Expected credit losses on securities for which credit losses were not previously recorded	Expected credit losses on securities for which credit losses were not previously recorded	1,910	2,648	21	4,579	19,072	16	19,088											
Expected credit losses (gains) on securities for which credit losses were previously recorded	Expected credit losses (gains) on securities for which credit losses were previously recorded	8,534	2,042	(3)	10,573	2,438	(513)	1,925											
Expected credit losses on securities for which credit losses were not previously recorded	Expected credit losses on securities for which credit losses were not previously recorded																		
Expected credit losses on securities for which credit losses were not previously recorded	Expected credit losses on securities for which credit losses were not previously recorded																		
Expected credit (gains) losses on securities for which credit losses were previously recorded	Expected credit (gains) losses on securities for which credit losses were previously recorded																		
Reduction due to disposals	Reduction due to disposals	(33)	(5)	—	(38)	(552)	(5)	(557)											
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$ 32,633	\$ 4,701	\$ 18	\$ 37,352	\$ 22,222	\$ 16	\$ 22,238											

During the year ended **December 31, 2022** December 31, 2023, the Company **increased** 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 **an increase** a reduction in unrealized losses primarily associated with foreign government

securities. During the year ended **December 31, 2021** **December 31, 2022**, the Company increased the allowance for expected credit losses primarily for available for sale securities due to an increase in unrealized losses primarily associated with foreign government securities that had no reserve in prior periods. securities.

The amortized cost and fair value of fixed maturity securities at **December 31, 2022** **December 31, 2023**, 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		(In thousands)	Amortized		Fair Value
		Cost (1)	Fair Value		Cost (1)	Fair Value	
Due in one year or less	Due in one year or less	\$ 1,570,480	\$ 1,527,090				
Due after one year through five years	Due after one year through five years	8,746,271	8,299,945				
Due after five years through ten years	Due after five years through ten years	4,395,236	4,119,772				
Due after ten years	Due after ten years	2,143,998	1,975,763				
Mortgage-backed securities	Mortgage-backed securities	1,859,384	1,669,056				
Total	Total	\$18,715,369	\$17,591,626				

(1) Amortized cost is reduced by the allowance for expected credit losses of **\$114** **\$43** thousand related to held to maturity securities.

At **December 31, 2022** **December 31, 2023** and **2021, 2022**, there were no investments, other than investments in United States government and government agency securities, which exceeded 10% of common stockholders' equity. At **December 31, 2022** **December 31, 2023**, investments with a carrying value of **\$1,910 million** **\$2,162 million** were on deposit in custodial or trust accounts, of which **\$1,218 million** **\$1,180 million** was on deposit with insurance regulators, **\$656 million** **\$921 million** was on deposit in support of the Company's underwriting activities at Lloyd's, **\$31 million** **\$32 million** was on deposit as security for reinsurance clients and **\$5 million** **\$29 million** was on deposit as security for letters of credit issued in support of the Company's reinsurance operations.

76 77

**(5) (4) Investments in Equity Securities**

At **December 31, 2022** **December 31, 2023** and **2021, 2022**, investments in equity securities were as follows:

(In thousands)	(In thousands)	Cost	Gross Unrealized		Fair Value	Carrying Value	(In thousands)	Cost	Gross Unrealized	Fair Value	Carrying Value
			Gains	Losses							
December 31, 2023	December 31, 2023										
December 31, 2023	December 31, 2023										
Common stocks	Common stocks										
Preferred stocks	Preferred stocks										
Total	Total										
December 31, 2022	December 31, 2022										
December 31, 2022	December 31, 2022										
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
<b>December 31, 2021</b>						
Common stocks		\$ 619,896	\$ 92,401	\$ (16,894)	\$ 695,403	\$ 695,403
Preferred stocks		250,149	7,874	(12,183)	245,840	245,840
Total		\$ 870,045	\$100,275	\$ (29,077)	\$ 941,243	\$ 941,243

#### (6) (5) Arbitrage Trading Account

At December 31, 2022 December 31, 2023 and 2021, 2022, the fair value and carrying value of the arbitrage trading account were \$944 million \$938 million and \$1,180 million \$944 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 December 31, 2022 December 31, 2023, the fair value of long option contracts outstanding was \$185 thousand (notional amount of \$75 million) and the fair value of short option contracts outstanding was \$0.1 thousand \$9 million (notional amount of \$10 thousand) \$75 million). Other than with respect to the use of these trading account securities, the Company does not make use of derivatives.

#### (7) (6) Net Investment Income

Net investment income consists of the following:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Investment income (loss)	Investment income (loss)							
earned on:	earned on:				Investment income (loss) earned on:			
Fixed maturity securities, including cash and cash equivalents and loans receivable	Fixed maturity securities, including cash and cash equivalents and loans receivable	\$549,281	\$382,001	\$426,563				
Arbitrage trading account (1)								
Equity securities								
Investment funds	Investment funds	145,099	220,014	54,253				
Arbitrage trading account		45,213	37,676	77,931				
Real estate	Real estate	(3,087)	7,703	24,027				
Equity securities		52,600	32,020	10,172				
Gross investment income	Gross investment income	789,106	679,414	592,946				
Investment expense	Investment expense	(9,921)	(7,796)	(9,125)				
Net investment income	Net investment income	\$779,185	\$671,618	\$583,821				

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

## (8) (7) 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 investments 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 of \$402 million \$339 million as of December 31, 2022 December 31, 2023.

Investment funds consist of the following:

Carrying Value as of December 31,							Income (Loss) From Investment Funds For the Year Ended					
Carrying Value as of December 31,							Carrying Value as of December 31, Income (Loss) From Investment Funds For the Year Ended					
(In thousands)	(In thousands)	2022	2021	2022	2021	2020	(In thousands)	2023	2022	2023	2022	2021
Financial services	Financial services	\$ 465,683	\$ 431,818	\$ 34,030	\$ 98,893	\$34,763						
Transportation	Transportation	336,753	336,688	53,180	42,424	(616)						
Real estate	Real estate	204,644	273,690	48,723	29,484	7,543						
Energy	Energy	116,432	150,224	1,425	22,118	(11,039)						
Infrastructure	Infrastructure	115,428	12,314	4,603	1,372	1,672						
Other funds	Other funds	369,608	275,878	3,138	25,723	21,930						
Total	Total	\$1,608,548	\$1,480,612	\$145,099	\$220,014	\$54,253						

The Company's share of the earnings or losses of investment funds is primarily 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 Company's 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 30.0% 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 years ended December 31, 2022 December 31, 2023 and 2021, 2022, the Company ceded approximately \$399 \$437 million and \$245 \$399 million, respectively, of written premiums to Lifson Re.

Other funds include deferred compensation trust assets of \$36 million and \$30 million in 2023 and \$34 million in 2022, and 2021, 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.

## (9) (8) Real Estate

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

As of December 31,						
As of December 31,				As of December 31,		
(In thousands)	(In thousands)	2022	2021	(In thousands)	2023	2022
Properties in operation	Properties in operation	\$ 1,114,167	\$ 1,626,826			
Properties under development	Properties under development	226,455	225,682			
Total	Total	\$ 1,340,622	\$ 1,852,508			

In 2022, 2023, 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 \$33,206,000 \$32,745,000 and \$57,391,000 \$33,206,000 as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Related

78 79

depreciation expense was \$12,269,000 \$8,935,000 and \$19,688,000 \$12,269,000 for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Future minimum rental income expected on operating leases relating to properties in operation is \$32,282,796 in 2023, \$33,528,105 \$35,757,855 in 2024, \$31,015,149 \$35,614,848 in 2025, \$29,250,535 \$33,617,000 in 2026, \$28,334,384 \$32,748,310 in 2027, \$33,186,534 in 2028 and \$510,771,307 \$503,569,887 thereafter.

The Company recognized impairments on real estate of \$72 million in 2023.

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 2022 2023 and 2021, 2022, with the completed portion as noted above reported in properties in operation as of December 31, 2022 December 31, 2023.

#### (10) (9) Loans Receivable

At December 31, 2022 December 31, 2023 and 2021, 2022, loans receivable were as follows:

As of December 31,				
As of December 31,			As of December 31,	
(In thousands)	(In thousands)	2022	2021	(In thousands)
Amortized cost (net of allowance for expected credit losses):	Amortized cost (net of allowance for expected credit losses):			2023
				2022
Real estate loans	Real estate loans			
Real estate loans	Real estate loans	\$173,616	\$ 89,431	
Commercial loans	Commercial loans	19,386	25,741	
Total	Total	\$193,002	\$115,172	
Fair value:	Fair value:			
Fair value:	Fair value:			
Real estate loans	Real estate loans			
Real estate loans	Real estate loans	\$168,595	\$ 90,793	
Commercial loans	Commercial loans	19,386	25,741	
Total	Total	\$187,981	\$116,534	

The real estate loans are secured by commercial and residential real estate primarily located in London 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.

In 2023, the Company recognized an \$18.8 million impairment on commercial loans.

Loans receivable in non-accrual status was none and \$0.2 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

The following table presents the rollforward of the allowance for expected credit losses for loans receivable for the years ended December 31, 2022 December 31, 2023 and 2021, 2022:

2022	2021
2023	2022

(In thousands)	(In thousands)	Real Estate Loans	Commercial Loans	Total	Real Estate Loans	Commercial Loans	Total	(In thousands)	Real Estate Loans	Commercial Loans	Total	Real Estate Loans	Commercial Loans	Total
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$ 1,362	\$ 356	\$ 1,718	\$ 1,683	\$ 3,754	\$ 5,437							
Reduction due to write-offs														
Change in allowance for expected credit losses	Change in allowance for expected credit losses	(262)	335	73	(321)	(3,398)	(3,719)							
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$ 1,100	\$ 691	\$ 1,791	\$ 1,362	\$ 356	\$ 1,718							

During the year ended December 31, 2023, the Company increased the allowance for expected credit losses due to changes in economic assumptions utilized in its credit loss model.

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.

7980

#### (11) (10) Net Investment Gains

Net investment gains were as follows:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Net investment gains:	Net investment gains:				Net investment gains:			
Fixed maturity securities:	Fixed maturity securities:				Fixed maturity securities:			
Gains	Gains	\$ 4,224	\$ 18,981	\$ 27,819				
Losses	Losses	(11,654)	(6,975)	(56,096)				
Equity securities (1):	Equity securities (1):							
Net realized (losses) gains on investment sales		(12,879)	16,365	32,647				
Change in unrealized losses		(632)	(38,455)	(25,868)				
Net realized gains (losses) on investment sales (2)								

Net realized gains (losses) on investment sales (2)				
Net realized gains (losses) on investment sales (2)				
Change in unrealized gains (losses)				
Investment funds	Investment funds	12,407	44,778	31,481
Real estate (2)		293,525	94,911	101,554
Real estate (3)				
(4)				
Loans receivable	Loans receivable	(32)	(881)	—
Other	Other	(67,648)	(21,766)	(38,023)
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	217,311	106,958	73,514
Change in allowance for expected credit losses on investments:	Change in allowance for expected credit losses on investments:			
Fixed maturity securities				
Fixed maturity securities				
Fixed maturity securities	Fixed maturity securities	(14,841)	(20,045)	33,134
Loans receivable	Loans receivable	(73)	3,719	(3,648)
Change in allowance for expected credit losses on investments	Change in allowance for expected credit losses on investments	(14,914)	(16,326)	29,486
Net investment gains	Net investment gains	202,397	90,632	103,000
Income tax expense	Income tax expense	(42,670)	(17,710)	(21,630)
After-tax net investment gains	After-tax net investment gains	\$159,727	\$72,922	\$81,370
Change in unrealized investment (losses) gains:				
Change in unrealized investment gains (losses):				
Change in unrealized investment gains (losses):				

Fixed maturity securities without allowance for expected credit losses	Fixed maturity securities without allowance for expected credit losses	\$(1,216,292)	\$(262,221)	\$134,129
Fixed maturity securities with allowance for expected credit losses	Fixed maturity securities with allowance for expected credit losses	(28,370)	10,124	32,004
Investment funds	Investment funds	(2,019)	(1,270)	2,280

## Investment funds

Other	Other	(1,447)	(1,572)	(3,768)
Total change in unrealized investment (losses) gains		(1,248,128)	(254,939)	164,645
Income tax benefit (expense)		264,325	56,127	(24,395)
Total change in unrealized investment gains (losses)				
Income tax benefit				
Noncontrolling interests	Noncontrolling interests	(2)	(2)	(2)
After-tax change in unrealized investment (losses) gains		\$ (983,805)	\$ (198,814)	\$140,248
After-tax change in unrealized investment gains (losses)				

(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) 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 realized gain on investment of \$89 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 \$72 million in 2023.

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

80 81

## (12) (11) Fixed Maturity Securities in an Unrealized Loss Position



The following tables summarize all fixed maturity securities in an unrealized loss position at **December 31, 2022**, **December 31, 2023** and **2021 2022** by the length of time those securities have been continuously in an unrealized loss position.

(In thousands)	(In thousands)							(In thousands)	Less Than 12 Months		12 Months or Greater		Total		Total	Gross Unrealized Losses	
		Less Than 12 Months		12 Months or Greater		Total											
		Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses										
December 31, 2023	December 31, 2023	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	December 31, 2023	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	
U.S. government and government agency	U.S. government and government agency																
State and municipal	State and municipal																
Mortgage-backed securities	Mortgage-backed securities																
Asset-backed securities	Asset-backed securities																
Corporate	Corporate																
Foreign government	Foreign government																
Fixed maturity securities	Fixed maturity securities																
December 31, 2022																	
December 31, 2022																	
December 31, 2022	December 31, 2022																
U.S. government 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 securities	Mortgage-backed securities	1,099,549	75,430	473,318	115,528	1,572,867	190,958										
Asset-backed securities	Asset-backed securities	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										
December 31, 2021																	
U.S. government and government agency	U.S. government and government agency	\$ 487,712	\$ 4,026	\$ 17,021	\$ 268	\$ 504,733	\$ 4,294										
State and municipal	State and municipal	502,333	7,403	29,547	2,156	531,880	9,559										

Mortgage-backed securities	558,751	6,900	106,130	4,762	664,881	11,662
Asset-backed securities	3,832,944	18,503	75,385	291	3,908,329	18,794
Corporate	2,582,860	29,322	51,095	3,088	2,633,955	32,410
Foreign government	758,975	15,793	82,057	31,701	841,032	47,494
Fixed maturity securities	\$8,723,575	\$ 81,947	\$ 361,235	\$ 42,266	\$ 9,084,810	\$ 124,213

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.

**Fixed Maturity Securities** — A summary of the Company's non-investment grade fixed maturity securities that were in an unrealized loss position at **December 31, 2022** **December 31, 2023** is presented in the table below:

(\$ in thousands)	(\$ in thousands)	Number of Securities	Aggregate Fair Value	Gross Unrealized Loss	(\$ in thousands)	Number of Securities	Aggregate Fair Value	Gross Unrealized Loss
Foreign government	Foreign government	36	\$ 119,332	\$ 73,900				
State and municipal								
Corporate	Corporate	10	39,347	4,649				
State and municipal		1	12,247	2,756				
Mortgage-backed securities								
Mortgage-backed securities								
Mortgage-backed securities	Mortgage-backed securities	14	4,464	269				
Asset-backed securities	Asset-backed securities	1	16	10				
Total	Total	62	\$ 175,406	\$ 81,584				

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.

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.

8182

## (13) (12) Fair Value Measurements

The Company's fixed maturity and equity securities classified as available for sale and its 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.

82 83

The following tables present the assets and liabilities measured at fair value as of **December 31, 2022**, **December 31, 2023** and **2021**, **2022** by level:

(In thousands)	(In thousands)	Total	Level 1	Level 2	Level 3	(In thousands)	Total	Level 1	Level 2	Level 3
<b>December 31, 2022</b>						<b>December 31, 2023</b>				
Assets:	Assets:					Assets:				
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	\$ 892,258	\$ —	\$ 892,258	\$ —					
State and municipal	State and municipal	2,890,098	—	2,890,098	—					
Mortgage-backed securities	Mortgage-backed securities	1,665,410	—	1,665,410	—					
Asset-backed securities	Asset-backed securities	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:					Equity securities:				

Common stocks	Common stocks	982,751	978,991	1,161	2,599
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

Total					
Total					

Liabilities:	Liabilities:				
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	\$ —	\$ —	\$ —	\$ —

December 31, 2021

December 31, 2022

December 31, 2022

December 31, 2022

Assets:	Assets:				
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:				
U.S. government and government agency	U.S. government and government agency	\$ 855,343	\$ —	\$ 855,343	\$ —
State and municipal	State and municipal	3,304,133	—	3,304,133	—
Mortgage- backed securities	Mortgage- backed securities	1,068,075	—	1,068,075	—
Asset- backed securities	Asset- backed securities	4,490,565	—	4,490,565	—
Corporate	Corporate	5,595,675	—	5,595,675	—
Foreign government	Foreign government	1,214,901	—	1,214,901	—
Total fixed maturity securities available for sale	Total fixed maturity securities available for sale	16,528,692	—	16,528,692	—

Equity securities:	Equity securities:				
Common stocks	Common stocks	695,403	684,470	1,639	9,294
Preferred stocks	Preferred stocks	245,840	—	234,544	11,296

Liabilities:

Assets:

Fixed maturity securities available for sale:

Equity securities:

Total equity securities	Total equity securities	941,243	684,470	236,183	20,590
Arbitrage trading account	Arbitrage trading account	1,179,606	1,153,079	26,527	—
Total	Total	\$18,649,541	\$1,837,549	\$16,791,402	\$20,590
Liabilities:	Liabilities:				
Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	\$ 1,169	\$ 1,137	\$ 32	\$ —

8384

The following tables summarize changes in Level 3 assets and liabilities for the years ended December 31, 2022 December 31, 2023 and 2021: 2022:

(In thousands)	Gains (Losses) Included in:										Gains (Losses) Included in:					
	Other Comprehensive Income										(In thousands)	Beginning Balance	Earnings (Losses)	Other Comprehensive Income (Losses)	Impairments	Purchases
	(In thousands)	Beginning Balance	Earnings (Losses)	Income (Losses)	Impairments	Purchases	Sales	Paydowns/Maturities	Transfers In / Out	Ending Balance						
Year ended December 31, 2022											Year ended December 31, 2023					
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:					
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:															
Corporate	Corporate	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —						
Corporate											Corporate					
Corporate											Corporate					
Total	Total	—	—	—	—	—	—	—	—	—						
Equity securities:											Equity securities:					
Common stocks											Common stocks					
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)	—	—	4,685	(917)	—	1	3,590
Total	Total	\$ 20,590	\$(6,871)	\$ —	\$ —	\$ 5,610	\$(1,842)	\$ —	\$ 1	\$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									
Year ended December 31, 2021										
Year ended December 31, 2022										
Year ended December 31, 2022										
Year ended December 31, 2022										
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:									
Fixed maturity securities available for sale:	Fixed maturity securities available for sale:									
Corporate	Corporate	\$ 1,000	\$ —	\$ —	\$ —	\$ —	\$(1,000)	\$ —	\$ —	\$ —
Corporate	Corporate									
Corporate	Corporate									
Total	Total	1,000	—	—	—	—	(1,000)	—	—	—
Equity securities:	Equity securities:									
Common stocks	Common stocks									
Common stocks	Common stocks	9,215	640	—	—	—	(561)	—	—	9,294
Preferred stocks	Preferred stocks	9,331	(35)	—	—	2,000	—	—	—	11,296
Total	Total	18,546	605	—	—	2,000	(561)	—	—	20,590
Arbitrage trading account	Arbitrage trading account	—	8	—	—	—	(8)	—	—	—
Total	Total	\$ 19,546	\$ 613	\$ —	\$ —	\$ 2,000	\$(1,569)	\$ —	\$ —	\$20,590
Liabilities:	Liabilities:									

Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased	\$	—	\$	1	\$	—	\$	—	\$	(1)	\$	—	\$	—	\$	—	\$	—
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Trading account securities sold but not yet purchased	Trading account securities sold but not yet purchased
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For the years year ended December 31, 2023, an equity security, which no longer had a publicly traded price, was transferred into Level 3. For the year ended December 31, 2022 and 2021, there were no fixed maturity security securities transferred into or out of Level 3.

8485

14 13 Reserves for Losses 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 business. These methods may 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 business.

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 claims handling procedures, 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 business. 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, auto, 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.

A claim may be defined as an event, as a claimant (number of parties claiming damages from an event) or by exposure type (e.g., an event may give rise to two parties, each claiming loss for bodily injury and property damage).

85 86

The most commonly used claim count method is by event. Most of the Company's businesses use the number of events to define and quantify the number of claims. However, in certain lines of business, where it is common for multiple parties to claim damages arising from a single event, a business may quantify claims on the basis of the number of separate parties involved in an event. This may be the case with businesses writing substantial **automobile auto** or transportation exposure.

Claim counts for assumed reinsurance will vary based on whether the business is written on a facultative or treaty basis. Further variability as respects treaty claim counts may be reflective of the nature of the treaty, line of business coverage, and type of participation such as quota share or excess of loss contracts. Accordingly, the claim counts have been excluded from the below Reinsurance & Monoline Excess segment tables due to this variability.

The claim count information set forth in the tables presented below may not provide an accurate reflection of ultimate loss payouts by product line.

The following tables present undiscounted incurred and paid claims development as of **December 31, 2022** **December 31, 2023**, net of reinsurance, as well as cumulative claim frequency and the total of incurred but not reported liabilities (IBNR). The information about incurred and paid claims development for the years ended **December 31, 2013** **December 31, 2014** to **2021** **2022** is presented as supplementary information. To enhance the comparability of the loss development data, the Company has removed the impact of foreign exchange rate movements by using the **December 31, 2022** **December 31, 2023** exchange rate for all periods.

86 87

**Insurance**  
**Other Liability**  
**(In thousands)**

Loss and Loss Expenses Incurred, Net of Reinsurance	Loss and Loss Expenses Incurred, Net of Reinsurance												As of December 31, 2022				
For the Year Ended December 31,	For the Year Ended December 31,												Cumulative Number of Reported Claims				
Unaudited												IBNR					
Unaudited																	
Unaudited																	
Unaudited																	
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR	Cumulative Number of Reported Claims				
2013		\$749,261	\$788,581	\$779,908	\$779,706	\$800,593	\$806,914	\$801,689	\$805,915	\$807,998	\$809,358						
2014																	
2014																	
2014	2014		844,832	845,564	843,501	848,138	861,313	867,400	862,749	861,382	862,630	35,808	28	\$846,005	\$847,308	\$845,254	\$849,657
2015	2015			948,389	984,262	958,734	961,761	964,301	974,345	981,071	1,010,796	55,430	27	2015		949,853	
2016	2016				1,016,106	1,009,051	1,018,253	1,029,821	1,043,948	1,059,897	1,091,569	96,310	28	2016			
2017	2017					1,065,550	1,099,396	1,121,833	1,138,785	1,178,604	1,249,129	142,974	28	2017			



2018	2018	1,103,900 1,131,549 1,121,317 1,156,157 1,232,803 181,880										27	2018								
2019	2019	1,240,560 1,237,336 1,237,824 1,294,681 292,625										28	2019								
2020	2020	1,339,565 1,212,790 1,158,880 489,718										22	2020								
2021	2021	1,534,580 1,390,790 841,854										23	2021								
2022	2022	1,823,680 1,507,284										20	2022								
2023												2023									
Total	Total	\$11,924,316																			
												Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance	For the Year Ended December 31,								
Unaudited																					
Unaudited																					
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022										
2013		\$63,243	\$188,023	\$330,127	\$470,566	\$585,608	\$646,257	\$691,495	\$717,908	\$738,858	\$761,461										
Accident Year																					
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	2014		78,705	190,419	337,426	478,924	592,828	678,490	728,718	758,098	781,533										
2015	2015			82,638	210,151	381,328	536,855	674,665	755,641	814,191	872,657										
2016	2016				69,407	208,828	389,862	557,998	676,735	766,515	870,981										
2017	2017					79,887	255,603	453,097	638,934	774,738	930,630										
2018	2018						86,798	264,299	435,729	615,753	806,869										
2019	2019							88,195	275,343	471,239	704,928										
2020	2020								72,232	225,068	423,283										
2021	2021									76,612	267,685										
2022	2022										93,519										
2023																					
Total	Total	\$6,513,546																			
Reserves for loss and loss adjustment expenses before 2013, net of reinsurance											125,357										
Reserves for loss and loss adjustment expenses, net of reinsurance											\$5,536,127										
Reserves for loss and loss adjustment expenses before 2014, net of reinsurance																					
Reserves for loss and loss adjustment expenses, net of reinsurance																					

8788

87 88

Workers' Compensation  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	Loss and Loss Expenses Incurred, Net of Reinsurance										As of December 31, 2022			
For the Year Ended December 31,	For the Year Ended December 31,													



Professional Liability  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	Loss and Loss Expenses Incurred, Net of Reinsurance											As of December 31, 2022									
For the Year Ended December 31,	For the Year Ended December 31,																				
Unaudited											IBNR		Cumulative Number of Reported Claims								
Unaudited																					
Unaudited																					
Unaudited																					
Unaudited																					
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR	Cumulative Number of Reported Claims								
2013		\$265,061	\$244,556	\$241,046	\$246,943	\$267,978	\$276,566	\$281,888	\$279,824	\$279,870	\$283,216										
2014																					
2014																					
2014	2014		250,740	244,574	257,309	241,376	236,961	255,850	254,868	254,243	253,244	12,284	7	\$252,473	\$245,854	\$258,874	\$242,903				
2015	2015			257,946	256,595	272,899	274,546	290,141	281,718	282,065	286,271	19,949	8	2015			259,122	257,612			
2016	2016				309,417	323,222	360,110	400,799	438,065	467,545	463,102	33,241	9	2016							
2017	2017					333,267	332,400	338,723	377,410	384,416	393,409	53,786	10	2017							
2018	2018						334,848	322,176	333,408	359,566	382,409	73,828	10	2018							
2019	2019							336,129	332,385	345,614	354,283	93,387	11	2019							
2020	2020								394,107	375,577	337,961	159,767	11	2020							
2021	2021									524,879	471,266	315,877	11	2021							
2022	2022										648,941	543,483	10	2022							
2023															2023						
Total	Total											\$3,874,102									
												Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance				For the Year Ended December 31,					
Unaudited																					
Unaudited																					
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022										
2013		\$23,295	\$63,503	\$118,767	\$176,079	\$204,955	\$246,616	\$255,863	\$261,106	\$267,776	\$273,094										
Accident Year																					
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	2014		19,225	83,063	137,341	174,524	197,272	213,888	225,236	234,459	237,145										
2015	2015			20,331	85,047	139,205	186,688	215,408	232,143	239,150	246,031										
2016	2016				28,517	102,173	201,019	254,872	296,863	356,812	404,742										
2017	2017					36,503	96,312	162,829	243,088	261,225	306,713										
2018	2018						28,101	99,598	155,212	198,697	244,284										

2019	2019	31,674	97,466	147,985	200,521
2020	2020		28,106	80,408	129,168
2021	2021			28,586	86,056
2022	2022				33,446
2023					
Total	Total				\$2,161,200
Reserves for loss and loss adjustment expenses before 2013, net of reinsurance					36,484
Reserves for loss and loss adjustment expenses, net of reinsurance					\$1,749,386
Reserves for loss and loss adjustment expenses before 2014, net of reinsurance					
Reserves for loss and loss adjustment expenses, net of reinsurance					
89 90					

**Commercial Automobile Auto**  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	Loss and Loss Expenses Incurred, Net of Reinsurance											As of December 31, 2022						
For the Year Ended December 31,	For the Year Ended December 31,											Cumulative Number of Reported Claims  IBNR						
Unaudited																		
Unaudited																		
Unaudited																		
Unaudited																		
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR	Cumulative Number of Reported Claims					
2013		\$327,514	\$349,136	\$368,894	\$376,243	\$366,646	\$366,166	\$365,275	\$364,207	\$364,439	\$ 364,607							
2014																		
2014																		
2014	2014		363,891	385,241	416,802	414,732	412,120	411,920	407,470	406,589	407,970	403	47	\$363,882	\$385,214	\$417,539	\$ 415,490	
2015	2015			389,577	415,446	421,522	429,608	430,557	428,981	426,107	427,923	1,362	53	2015		389,529	416,732	
2016	2016				429,329	429,074	440,334	441,408	438,192	437,884	439,682	2,244	52	2016				
2017	2017					430,440	428,419	430,198	434,170	439,991	444,472	4,800	47	2017				
2018	2018						442,610	462,544	478,966	494,315	521,667	10,720	46	2018				
2019	2019							483,019	488,291	504,813	530,876	22,483	45	2019				
2020	2020								523,736	428,759	442,163	31,172	30	2020				
2021	2021									614,422	596,810	111,412	38	2021				
2022	2022										792,553	342,905	40	2022				
2023														2023				
Total	Total											\$4,968,723						

												Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance										For the Year Ended December 31,			
Unaudited																									
Unaudited																									
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022														
2013		\$142,929	\$218,596	\$267,253	\$321,855	\$342,961	\$352,792	\$361,499	\$362,252	\$362,624	\$364,147														
Accident Year																									
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
2014	2014		155,564	237,648	326,854	364,054	392,658	400,577	403,273	404,259	405,004														
2015	2015			159,987	263,663	323,429	368,448	396,018	409,426	415,170	418,993														
2016	2016				183,160	277,665	339,657	388,554	407,989	418,499	426,955														
2017	2017					180,545	267,326	326,861	371,761	401,844	419,545														
2018	2018						180,056	281,475	350,110	412,874	463,117														
2019	2019							185,236	290,124	374,479	440,378														
2020	2020								142,815	228,357	308,451														
2021	2021									180,860	319,941														
2022	2022										253,206														
2023																									
Total	Total											\$3,819,737													
												Reserves for loss and loss adjustment expenses before 2013, net of reinsurance										3,731			
												Reserves for loss and loss adjustment expenses, net of reinsurance										\$1,152,717			
												Reserves for loss and loss adjustment expenses before 2014, net of reinsurance													
												Reserves for loss and loss adjustment expenses, net of reinsurance													

9091

90 91

Short-tail lines  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	Loss and Loss Expenses Incurred, Net of Reinsurance											As of December 31, 2022		
For the Year Ended December 31,	For the Year Ended December 31,													
Unaudited											IBNR	Cumulative		
Unaudited												Number of		
Unaudited												Reported		
Unaudited												Claims		
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR	Cumulative	
2013		\$565,391	\$573,905	\$565,810	\$549,518	\$548,169	\$544,681	\$542,863	\$542,148	\$541,857	\$ 541,728		Reported	
													Claims	

												Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance				For the Year Ended December 31,					
Unaudited																					
Unaudited																					
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022										
2013		\$310,750	\$480,140	\$526,031	\$527,789	\$534,569	\$535,756	\$536,416	\$537,582	\$538,985	\$ 539,081										
Accident Year																					
Accident Year												2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	2014		368,865	587,607	609,948	628,440	643,619	650,816	653,272	653,784	654,089										
2015	2015			392,921	608,748	664,084	686,029	695,563	701,341	708,065	708,214										
2016	2016				416,611	669,891	711,385	726,549	731,651	738,390	739,244										
2017	2017					445,285	689,662	718,538	730,688	734,509	741,685										
2018	2018						414,910	661,741	708,214	725,138	725,228										
2019	2019							404,975	615,869	645,374	657,819										
2020	2020								460,434	784,670	845,714										
2021	2021									405,512	698,092										
2022	2022										472,024										
2023																					
Total	Total											\$6,781,190									
Reserves for loss and loss adjustment expenses before 2013, net of reinsurance											4,727										
Reserves for loss and loss adjustment expenses, net of reinsurance											\$ 761,628										
Reserves for loss and loss adjustment expenses before 2014, net of reinsurance																					
Reserves for loss and loss adjustment expenses, net of reinsurance																					

9192

Loss and Loss Expenses Incurred, Net of Reinsurance												As of December 31, 2022	Loss and Loss Expenses Incurred, Net of Reinsurance										As of December 31, 2023		
Loss and Loss Expenses Incurred, Net of Reinsurance																									
For the Year Ended December 31,	For the Year Ended December 31,																								
Unaudited																									
Unaudited																									
Unaudited																									
Unaudited																									
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR													
2013		\$318,365	\$269,340	\$272,475	\$282,307	\$291,105	\$298,317	\$302,595	\$301,415	\$302,672	\$302,135	\$12,543													
Accident Year																									
Accident Year													2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	IBNR		
2014	2014		319,454	318,904	318,443	330,382	324,693	324,150	335,883	336,990	341,649	16,184													
2015	2015			259,019	231,430	230,085	252,277	293,094	303,261	304,805	309,317	19,728													
2016	2016				240,655	252,638	245,268	267,850	301,663	301,355	310,451	24,928													
2017	2017					231,082	220,699	238,883	261,482	281,254	298,486	36,491													
2018	2018						221,193	210,397	230,790	246,898	261,148	44,474													
2019	2019							236,318	230,460	239,131	240,848	72,504													
2020	2020								299,602	293,345	289,878	136,865													
2021	2021									359,952	346,736	243,222													
2022	2022										446,676	402,204													
2023																									
Total	Total											\$3,147,324													
													Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance										For the Year Ended December 31,		
Unaudited																									
Unaudited																									
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022														
2013		\$28,945	\$63,745	\$108,852	\$144,331	\$178,060	\$205,553	\$225,882	\$241,573	\$254,273	\$263,467														
Accident Year																									
Accident Year													2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
2014	2014		21,297	68,374	115,779	155,070	197,996	227,448	252,155	271,512	284,360														
2015	2015			17,888	48,442	91,140	141,254	178,521	205,289	233,643	250,880														
2016	2016				19,904	61,770	100,200	140,299	171,719	205,354	225,077														
2017	2017					16,469	40,085	69,350	123,614	147,311	175,059														
2018	2018						11,076	40,953	77,498	109,474	141,553														
2019	2019							14,560	39,091	64,020	94,856														
2020	2020								20,750	49,664	81,789														
2021	2021									10,918	43,838														
2022	2022										11,595														
2023																									
Total	Total											\$1,572,474													
Reserves for loss and loss adjustment expenses before 2013, net of reinsurance												417,861													
Reserves for loss and loss adjustment expenses, net of reinsurance												\$1,992,711													

Reserves for loss and loss adjustment expenses before 2014, net of reinsurance

Reserves for loss and loss adjustment expenses, net of reinsurance

92 93

Monoline Excess  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	As of December 31, 2022												Loss and Loss Expenses Incurred, Net of Reinsurance	As of December 31, 2023
For the Year Ended December 31,	For the Year Ended December 31,													
	Unaudited													
	Unaudited													
	Unaudited													
	Unaudited													
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR		
2013		\$63,995	\$50,355	\$48,143	\$44,162	\$40,207	\$35,120	\$31,752	\$29,758	\$25,701	\$ 23,306	\$ 5,184		
Accident Year	Accident Year													
Accident Year	Accident Year													IBNR
2014	2014		63,561	57,650	49,570	45,823	41,671	42,541	42,618	40,652	35,707	7,484		
2015	2015			69,977	57,897	50,099	45,115	39,682	39,781	36,774	30,104	8,683		
2016	2016				72,657	70,281	71,404	64,957	65,485	65,222	61,432	13,634		
2017	2017					76,701	80,508	70,749	71,025	66,795	62,647	16,529		
2018	2018						77,820	72,505	71,448	66,180	57,847	20,826		
2019	2019							78,929	77,482	76,242	73,978	21,878		
2020	2020								84,354	83,468	80,452	35,638		
2021	2021									98,110	87,980	48,670		
2022	2022										98,923	66,865		
2023														
Total	Total										\$612,376			
Cumulative Paid Claims and Claim Adjustment Expenses, Net of Reinsurance													For the Year Ended December 31,	
Unaudited														
Unaudited														
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
2013		\$647	\$1,897	\$3,588	\$3,008	\$3,396	\$4,418	\$5,349	\$6,476	\$8,805	\$ 9,490			
Accident Year	Accident Year													
Accident Year	Accident Year													
2014	2014		377	2,341	3,354	4,175	5,808	7,595	11,154	11,938	13,491			
2015	2015			2,069	2,481	3,272	4,099	4,416	5,083	5,421	6,457			



2016	2016	2,498	4,783	5,573	5,928	7,685	9,883	11,819
2017	2017	6,282	12,810	15,356	17,327	18,375		19,275
2018	2018	6,141	8,230	9,368	10,359			12,414
2019	2019	6,241	10,884	12,728				15,436
2020	2020		4,869	8,699				10,471
2021	2021			4,586				6,026
2022	2022							5,898
2023								
Total	Total							\$ 110,777
		Reserves for loss and loss adjustment expenses before 2013, net of reinsurance						644,712
		Reserves for loss and loss adjustment expenses, net of reinsurance						<u>\$1,146,311</u>
		Reserves for loss and loss adjustment expenses before 2014, net of reinsurance						
		Reserves for loss and loss adjustment expenses, net of reinsurance						

93 94

Property  
(In thousands)

Loss and Loss Expenses Incurred, Net of Reinsurance	As of December 31, 2022											Loss and Loss Expenses Incurred, Net of Reinsurance	As of December 31, 2022
For the Year Ended December 31,	For the Year Ended December 31,												
	Unaudited												
	Unaudited												
	Unaudited												
	Unaudited												
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	IBNR	
2013		\$141,380	\$112,616	\$114,100	\$111,937	\$112,572	\$111,890	\$109,697	\$107,552	\$106,316	\$ 105,711	\$ 72	
Accident Year													
Accident Year													
2014	2014	112,907	96,492	97,195	99,941	99,176	98,838	99,244	97,315	96,656		177	
2015	2015	127,118	117,452	131,625	130,301	129,398	131,071	130,642	131,342			1,061	
2016	2016	167,901	174,423	181,634	180,885	186,159	184,150	185,249				1,482	
2017	2017	206,560	200,394	199,410	197,978	191,867	192,379					1,209	
2018	2018	108,220	112,068	103,104	105,101	102,953						1,754	
2019	2019	103,113	77,062	81,858	81,014							3,637	
2020	2020	114,590	117,867	116,774								3,946	

2021	2021	133,938	146,761	28,634
2022	2022		167,039	78,818
2023				
Total	Total		<u>\$1,325,878</u>	

Cumulative Paid Claims and Claim Adjustment  
Expenses, Net of Reinsurance

For the Year Ended  
December 31,

Unaudited											
Unaudited											
Accident Year	Accident Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013		\$36,577	\$74,572	\$92,625	\$101,538	\$104,323	\$106,043	\$107,603	\$104,403	\$104,388	\$ 105,059
Accident Year											
Accident Year											
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	2014		38,780	66,829	82,119	88,257	91,390	93,099	94,565	95,198	95,633
2015	2015			53,474	89,121	109,051	118,552	122,566	125,439	126,848	127,995
2016	2016				78,920	133,516	157,404	168,506	175,949	178,060	182,411
2017	2017					72,126	141,340	171,675	179,749	182,609	185,823
2018	2018						33,991	65,079	82,259	87,736	94,870
2019	2019							23,081	54,499	68,457	71,054
2020	2020								26,574	65,575	86,888
2021	2021									15,235	71,797
2022	2022										25,584
2023											
Total	Total										<u>\$1,047,114</u>
Reserves for loss and loss adjustment expenses before 2013, net of reinsurance											1,036
Reserves for loss and loss adjustment expenses, net of reinsurance											<u>\$ 279,800</u>
Reserves for loss and loss adjustment expenses before 2014, net of reinsurance											
Reserves for loss and loss adjustment expenses, net of reinsurance											
94 95											

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

(In thousands)	December 31, 2022	2023
Undiscounted reserves for loss and loss expenses, net of reinsurance:		
Other liability	\$ 5,536,127	6,371,675
Workers' compensation	1,921,971	1,812,508
Professional liability	1,749,386	1,971,299
Commercial automobile Auto	1,152,717	1,452,830
Short-tail lines	761,628	771,268
Other	124,586	151,204
Insurance	11,246,415	12,530,784
Casualty	1,992,711	2,174,132
Monoline excess	1,146,311	1,071,431
Property	279,800	275,397
Reinsurance & Monoline Excess	3,418,822	3,520,960
Total undiscounted reserves for loss and loss expenses, net of reinsurance	\$ 14,665,237	16,051,744



Other liability	Other liability	6.9 %	13.7 %	16.3 %	16.0 %	13.1 %	9.2 %	6.7 %	4.2 %	2.7 %	2.8 %	Other liability	6.4 %	13.4 %	15.8 %	15.6 %	12.9 %	10.4 %	7.5 %	5.5 %	4.1 %	3.3 %										
Workers' compensation	Workers' compensation	23.5 %	29.9 %	15.7 %	9.1 %	5.5 %	3.2 %	2.1 %	1.7 %	1.5 %	1.0 %	Workers' compensation	24.4 %	30.6 %	16.0 %	9.2 %	5.3 %	3.4 %	2.3 %	1.7 %	1.4 %	1.0 %										
Professional liability	Professional liability	7.4 %	17.6 %	17.7 %	15.7 %	9.1 %	10.3 %	5.1 %	2.6 %	3.0 %	1.9 %	Professional liability	7.3 %	17.1 %	17.2 %	14.5 %	9.0 %	9.4 %	5.8 %	2.6 %	4.0 %	2.0 %										
Commercial automobile		36.1 %	20.9 %	15.5 %	11.5 %	6.7 %	2.8 %	1.6 %	0.4 %	0.1 %	0.4 %																					
Auto												Auto	34.5 %	20.6 %	15.8 %	11.3 %	7.3 %	3.6 %	1.6 %	0.8 %	0.3 %	0.3 %										
Short-tail lines	Short-tail lines	54.7 %	32.8 %	5.8 %	2.0 %	1.0 %	0.8 %	0.4 %	0.1 %	0.2 %	— %	Short-tail lines	54.4 %	33.4 %	5.5 %	2.8 %	1.0 %	0.9 %	0.5 %	0.3 %	0.4 %	0.3 %										
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess																															
Reinsurance & Monoline Excess																																
Reinsurance & Monoline Excess																																
Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance																															
Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance																																
Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance																																
Years																																
Years																																
Years	Years	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10											
Casualty	Casualty	5.7 %	10.9 %	12.5 %	13.7 %	11.0 %	9.3 %	7.4 %	5.5 %	4.0 %	3.0 %	Casualty	4.7 %	10.0 %	11.7 %	13.9 %	11.7 %	10.1 %	8.2 %	5.6 %	4.4 %	3.7 %										
Monoline excess	Monoline excess	6.1 %	4.7 %	3.1 %	1.7 %	2.6 %	3.3 %	4.6 %	3.5 %	7.2 %	2.9 %	Monoline excess	7.2 %	5.1 %	3.1 %	2.7 %	3.4 %	3.2 %	4.9 %	3.2 %	3.1 %	3.5 %										
Property	Property	30.5 %	33.2 %	16.1 %	5.8 %	3.6 %	1.7 %	1.6 %	0.3 %	0.1 %	— %	Property	28.8 %	33.5 %	17.1 %	5.6 %	3.5 %	1.6 %	1.6 %	0.6 %	0.2 %	— %										

96 97

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

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Net reserves at beginning of year	Net reserves at beginning of year	\$12,848,362	\$11,620,393	\$10,697,998				
Cumulative effect adjustment resulting from changes in accounting principles (1)		—	—	5,927				
Restated net reserves at beginning of period		12,848,362	11,620,393	10,703,925				
Net provision for losses and loss expenses:	Net provision for losses and loss expenses:							

Claims occurring during the current year (2)	5,774,713	4,921,191	4,432,937
Increase in estimates for claims occurring in prior years (3)	54,511	863	627

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)

Increase in estimates for claims occurring in prior years (2)

Loss reserve discount accretion	Loss reserve discount accretion	32,526	31,906	35,142
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Total	Total	5,861,750	4,953,960	4,468,706
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Net payments for claims:	Net payments for claims:	Net payments for claims:		
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Current year	Current year	1,068,577	887,896	921,054
Prior year	Prior year	3,279,333	2,777,798	2,677,595
Total	Total	4,347,910	3,665,694	3,598,649

Foreign currency translation	Foreign currency translation	(113,323)	(60,297)	46,411
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Net reserves at end of year	Net reserves at end of year	14,248,879	12,848,362	11,620,393
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Ceded reserve at end of year	Ceded reserve at end of year	2,762,344	2,542,526	2,164,037
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Gross reserves at end of year	Gross reserves at end of year	\$17,011,223	\$15,390,888	\$13,784,430
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Net change in premiums and losses occurring in prior years:	Net change in premiums and losses occurring in prior years:			
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Increase in estimates for claims occurring in prior years (3)	\$ (54,511)	\$ (863)	\$ (627)
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Retrospective premium adjustments for claims occurring in prior years (4)	18,106	7,510	16,807
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Net change in premiums and losses occurring in prior years:				
Net change in premiums and losses occurring in prior years:				
Increase in estimates for claims occurring in prior years (2)				
Increase in estimates for claims occurring in prior years (2)				
Increase in estimates for claims occurring in prior years (2)				
Retrospective premium adjustments for claims occurring in prior years (3)				
Net premium and reserve development on prior years	Net premium and reserve development on prior years			
		\$ (36,405)	\$ 6,647	\$ 16,180

- (1) The cumulative effect adjustment resulting from changes in accounting principals relates to the allowance for expected credit losses on reinsurance recoverables that commenced on January 1, 2020 due to the adoption of ASU 2016-13. See Note 1 for more details.
- (2) Claims occurring during the current year are net of loss reserve discounts of \$35 million, \$47 million, \$35 million and \$21 million in 2023, 2022, and 2021, and 2020, respectively.
- (3) (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 \$13 million in 2023, increased by \$16 million in 2022, and decreased by \$19 million in 2021, and decreased by \$21 million in 2020, respectively, 2021.
- (4) (3) For certain retrospectively rated insurance policies and reinsurance agreements, changes in loss and loss expenses for prior years are offset by additional or return premiums.

The COVID-19 global pandemic has impacted, and may further impact, the Company's results through its effect on claim frequency and severity. Loss cost trends have been impacted and may be further impacted by COVID-19-related claims in certain lines of business. Losses incurred from COVID-19-related claims have been offset, to a certain extent, by lower claim frequency in certain lines of our businesses; however, as loss costs. Accordingly, the economy and legal systems have reopened, the benefit of lower claim frequency has partially abated. The ultimate net impact of COVID-19 on the Company's reserves remains uncertain. New variants of the COVID-19 virus continue to create risks with respect to loss costs and the potential for renewed impact of the other effects of COVID-19 associated with economic conditions, inflation, and social distancing and work from home rules.

Most of the COVID-19-related claims reported to the Company to date involve certain short-tailed lines of business, including contingency and event cancellation, business interruption, and film production delay. The Company has also received COVID-19-related claims for longer-tailed casualty lines of business such as workers' compensation and other liability; however, the estimated incurred loss impact for these reported claims are not material at this time. Given the continuing uncertainty regarding the pandemic's pervasiveness, the future impact that the pandemic may have on claim frequency and severity remains uncertain at this time.

The Company has estimated the potential COVID-19 impact to its contingency and event cancellation, workers' compensation, and other lines of business under a number of possible scenarios; however, due to COVID-19's continued

evolving impact, there remains uncertainty around the Company's COVID-19 reserves. In addition, should the pandemic continue or worsen as a result of new COVID-19 variants or otherwise, governments in the jurisdictions where we operate may impose restrictions, including lockdowns, as well as renew their efforts to expand policy coverage terms beyond the policy's intended coverage. Accordingly, losses arising from these actions, and the other factors described above, could exceed the Company's reserves established for those related policies.

As of **December 31, 2022** **December 31, 2023**, the Company had recognized losses for COVID-19-related claims activity, net of reinsurance, of approximately **\$341** **\$384** million, of which **\$290** **\$326** million relates to the Insurance segment and **\$51** **\$58** million relates to the Reinsurance & Monoline Excess segment. Such **\$341** **\$384** million of COVID-19-related losses included **\$337** **\$381** million of reported losses and **\$4** **\$3** million of IBNR. For the year ended **December 31, 2022** **December 31, 2023**, the Company recognized current accident year losses for COVID-19-related claims activity, net of reinsurance, of approximately **\$5** **\$1** million, all of which **\$3 million** relates to the Insurance segment and **\$2 million** relates to the Reinsurance & Monoline Excess segment.

**Unfavorable prior year development (net of additional and return premiums) was \$36 \$19 million in 2023.**

**Insurance** – Reserves for the Insurance segment developed unfavorably by \$24 million in 2023 (net of additional and return premiums). The unfavorable development for the segment was concentrated in the early part of the year, with reserve development being flat overall during the second half of 2023. A key driver of the unfavorable development early in 2023 was property catastrophe losses related to 2022 events which were still being adjusted and settled during the early part of 2023. In particular, losses related to U.S. winter storms which occurred during the month of December 2022 were a significant contributor to the development, as information gathering and evaluation of many of these claims were still ongoing into the new year.

In addition to the property prior year development discussed above, during 2023 the Insurance segment also experienced adverse prior year development on casualty lines of business for the 2016 through 2019 accident years, which was offset by favorable prior year development on casualty lines of business for the 2020 through 2022 accident years. The unfavorable development on the 2016 through 2019 accident years was concentrated in the general liability and commercial auto liability

98

lines of business. 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 elevated uncertainty regarding incurred loss frequency and severity as a result 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 twelve months. It should also be noted that commercial auto liability experienced adverse prior year development for the 2020 through 2022 accident years, which partially offset the favorable development discussed above; the adverse development was driven by a larger than expected number of large losses reported.

**Reinsurance & Monoline Excess** – Reserves for the Reinsurance & Monoline Excess segment developed favorably by \$5 million in 2023 (net of additional and return premiums). The overall favorable prior year development for the segment was driven mainly by favorable development in excess workers' compensation, substantially offset by unfavorable development in the non-proportional reinsurance assumed liability and excess general liability (including umbrella) 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 unfavorable development for non-proportional reinsurance assumed liability and excess general 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.

**Unfavorable prior year development (net of additional and return premiums) was \$36 million in 2022.**

**Insurance** – Reserves for the Insurance segment developed unfavorably by \$40 million in 2022 (net of additional and return premiums). The unfavorable development in the 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 unfavorable development emerged during the third quarter as a result of settlements of claims at values higher than our expectations. However, the Company believes that as a result of these settlements the remaining level of uncertainty around the ultimate value of its known COVID-19 claims has been significantly reduced.

The unfavorable development mentioned above also includes favorable prior year development for the Insurance segment primarily attributable to the 2020 and 2021 accident years and unfavorable development on the 2015 through 2019 accident years. The favorable development on the 2020 and 2021 accident years was concentrated in certain casualty lines of business including general liability, professional 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 continued to experience lower reported incurred losses relative to **our** **its** expectations for these accident years as they developed 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** **was** 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 unfavorable development on the 2015 through 2019 accident years was concentrated in the general 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.

Reinsurance & Monoline Excess – Reserves for the Reinsurance & Monoline Excess segment developed favorably by \$4 million in 2022 (net of additional and return premiums). The overall favorable development for the segment was driven mainly by favorable development in excess workers compensation, substantially offset by unfavorable development in the

99

professional liability and non-proportional reinsurance assumed liability lines of business. The favorable excess workers' compensation development was spread across most prior accident years, including 2012 and prior 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. The unfavorable professional liability and non-proportional reinsurance assumed liability development was concentrated mainly in accident years 2016 through 2018 and was associated primarily with our U.S. assumed reinsurance business and related to accounts insuring construction projects and professional liability exposures.

**Favorable prior year development (net of additional and return premiums) was \$7 million in 2021.**

Insurance – Reserves for the Insurance segment developed favorably by \$20 million in 2021 (net of additional and return premiums). The overall favorable development in 2021 was attributable to favorable development on the 2020 accident year, partially offset by adverse development on the 2016 through 2019 accident years.

98

The favorable development on the 2020 accident year was largely concentrated in the commercial auto liability and other liability lines of business, including commercial multi-peril liability. During 2020 the Company achieved larger rate increases in these lines of business than were contemplated in its budget and in its initial loss ratio selections. The Company also experienced significantly lower reported claim frequency in these lines in 2020 relative to historical averages, and lower reported incurred losses relative to its expectations. We believe that the lower claim frequency and lower reported incurred losses were caused by the impacts of the COVID-19 pandemic, for example, lockdowns, reduced driving and traffic, work from home, and court closures. However, due to the uncertainty regarding the ultimate impacts of the pandemic on accident year 2020 incurred losses, the Company elected not to react to these lower reported trends during 2020. As more information became available and the 2020 accident year continued to mature, during 2021 the Company started to recognize favorable accident year 2020 development in response to the continuing favorable reported loss experience relative to its expectations.

The adverse development on the 2016 through 2019 accident years is concentrated largely in the other liability line of business, including commercial multi-peril liability, but is also seen to a lesser extent in commercial auto liability. The adverse development for these accident years is driven by a higher than expected number of large losses reported, and particularly impacted the directors and officers liability, lawyers professional liability, and excess and surplus lines casualty classes of business. We also believe that increased social inflation is contributing to the increased number of large losses, for example, higher jury awards on cases which go to trial, and the corresponding higher demands from plaintiffs and higher values required to reach settlement on cases which do not go to trial.

Reinsurance & Monoline Excess – Reserves for the Reinsurance & Monoline Excess segment developed unfavorably by \$13 million in 2021. The unfavorable development in the segment was driven by the non-proportional reinsurance assumed liability and other liability lines of business, related primarily to accident years 2017 through 2019, and was partially offset by favorable development in excess workers' compensation business which was spread across many prior accident years. The unfavorable non-proportional reinsurance assumed liability and other liability development was associated with our U.S. and U.K. assumed reinsurance business, and related primarily to accounts insuring construction projects and professional liability exposures.

**Favorable prior year development (net of additional and return premiums) was \$16 million in 2020.**

Insurance - Reserves for the Insurance segment developed favorably by \$24 million in 2020 (net of additional and return premiums). Continuing the pattern seen in recent years, the overall favorable development in 2020 resulted from more significant favorable development on workers' compensation business, which was partially offset by unfavorable development on professional liability, including excess professional liability

For workers' compensation, the favorable development was spread across almost all prior accident years, including prior to 2011, but was most significant in accident years 2016 through 2019. The favorable workers' compensation development reflects a continuation of the benign loss cost trends experienced during recent years, particularly the favorable claim frequency trends (i.e., number of reported claims per unit of exposure). The long term trend of declining workers' compensation frequency can be attributable to improved workplace safety. Loss severity trends were also aided by our continued investment in claims handling initiatives such as medical case management services and vendor savings through usage of preferred provider networks and pharmacy benefit managers. Reported workers' compensation losses in 2020 continued to be below our expectations at most of our businesses, and were below the assumptions underlying our initial loss ratio picks and our previous reserve estimates for most prior accident years.

For professional liability business, unfavorable development was driven mainly by large losses reported in the directors and officers ("D&O"), lawyers professional and excess hospital professional liability lines of business. For these lines of business, we continue to see an increase in the number of large losses reported and a lengthening of the reporting "tail" beyond historical levels. We believe a contributing cause is rising social inflation in the form of, for example, higher jury awards on cases that go to trial, and the corresponding higher demands from plaintiffs and higher values required to reach settlement on cases that do not go to trial. The unfavorable development for professional liability affected mainly accident years 2016 through 2018.

Reinsurance & Monoline Excess – Reserves for the Reinsurance & Monoline Excess segment developed unfavorably by \$8 million in 2020. The unfavorable development in the segment was driven by non-proportional assumed liability business written in both the U.S. and U.K., and was partially offset by favorable development on excess workers'



compensation business. The unfavorable non-proportional assumed liability development was concentrated in accident years 2014 through 2018, and related primarily to accounts insuring construction projects and professional liability exposures.

**Environmental and Asbestos** — To date, known environmental and asbestos claims have not had a material impact on the Company's operations, because its subsidiaries generally did not insure large industrial companies that are subject to

99

significant environmental or asbestos exposures prior to 1986 when an absolute exclusion was incorporated into standard policy language.

The Company's net reserves for losses and loss expenses relating to asbestos and environmental claims on policies written before adoption of the absolute exclusion was \$17 million and \$20 million at both December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The estimation of these liabilities is subject to significantly greater than normal variation and uncertainty because it is difficult to make an actuarial estimate of these liabilities due to the absence of a generally accepted actuarial methodology for these exposures and the potential effect of significant unresolved legal matters, including coverage issues, as well as the cost of litigating the legal issues. Additionally, the determination of ultimate damages and the final allocation of such damages to financially responsible parties are highly uncertain.

**Discounting** — The Company discounts its liabilities for certain workers' compensation reserves. The amount of workers' compensation reserves that were discounted was \$1,267 million \$1,352 million and \$1,387 million \$1,464 million at December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The aggregate net discount for those reserves, after reflecting the effects of ceded reinsurance, was \$390 million and \$416 million at December 31, 2023 and \$452 million at December 31, 2022 and 2021, 2022, respectively. At December 31, 2022 December 31, 2023, discount rates by year ranged from 0.7% to 6.5%, with a weighted average discount rate of 3.4% 3.5%.

Substantially all discounted workers' compensation reserves (97% of total discounted reserves at December 31, 2022 December 31, 2023) are excess workers' compensation reserves. In order to properly match loss expenses with income earned on investment

100

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 December 31, 2022 December 31, 2023), including reserves for quota share reinsurance and reserves related to losses regarding occupational lung disease. These reserves are discounted at statutory rates prescribed or permitted by the Department of Insurance of the State of Delaware.

100

**(15) (14) Premiums and Reinsurance Related Information**

The Company reinsures a portion of its insurance exposures in order to reduce its net liability on individual risks and catastrophe losses. Reinsurance coverage and retentions vary depending on the line of business, location of the risk and nature of loss. The Company's reinsurance purchases include the following: property reinsurance treaties that reduce exposure to large individual property losses and catastrophe events; casualty reinsurance treaties that reduce its exposure to large individual casualty losses, workers' compensation catastrophe losses and casualty losses involving multiple claimants or insureds; and facultative reinsurance that reduces exposure on individual policies or risks for losses that exceed treaty reinsurance capacity. Depending on the business, the Company purchases specific additional reinsurance to supplement the above programs.

The following is a summary of reinsurance financial information:

(In thousands)		2022	2021	2020	(In thousands)	2023	2022	2021
Written premiums:	Written premiums:				Written premiums:			
Direct	Direct	\$10,695,138	\$9,531,050	\$7,874,050				

Assumed	Assumed	1,213,914	1,169,084	973,597
Ceded	Ceded	(1,904,982)	(1,837,267)	(1,585,210)
Total net written premiums	Total net written premiums	\$10,004,070	\$8,862,867	\$7,262,437
Earned premiums:	Earned premiums:			
Earned premiums:				
Direct	Direct	\$10,217,891	\$8,825,568	\$7,489,470
Assumed	Assumed	1,226,801	1,085,804	941,321
Ceded	Ceded	(1,883,263)	(1,805,341)	(1,499,948)
Total net earned premiums	Total net earned premiums	\$ 9,561,429	\$8,106,031	\$6,930,843
Ceded losses and loss expenses incurred	Ceded losses and loss expenses incurred	\$ 1,269,338	\$1,236,960	\$ 955,630
Ceded losses and loss expenses incurred				
Ceded losses and loss expenses incurred				
Ceded commission earned	Ceded commission earned	\$ 477,437	\$ 449,739	\$ 358,253

The following table presents the rollforward of the allowance for expected credit losses for premiums and fees receivable for the years ended **December 31, 2022** **December 31, 2023** and **2021, 2022**:

(In thousands)	(In thousands)	2022	2021	(In thousands)	2023	2022
Allowance for expected credit losses, beginning of period	Allowance for expected credit losses, beginning of period	\$25,218	\$22,883			
Change in allowance for expected credit losses	Change in allowance for expected credit losses	5,442	2,335			
Change in allowance for expected credit losses						
Change in allowance for expected credit losses						
Allowance for expected credit losses, end of period	Allowance for expected credit losses, end of period	\$30,660	\$25,218			

Estimated amounts due from reinsurers are reported net of an allowance for expected credit losses of **\$8.1 million** **\$8.4 million**, **\$7.7 million** **\$8.1 million** and **\$7.8 million** **\$7.7 million** as of **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**, **2021**, respectively. The following table presents the rollforward of the allowance for expected credit

losses associated with due from reinsurers for the years ended **December 31, 2022** **December 31, 2023** and **2021**:

<b>(In thousands)</b>	<b>2022</b>	<b>2021</b>
Allowance for expected credit losses, beginning of period	\$ 7,713	\$ 7,801
Change in allowance for expected credit losses	351	(88)
Allowance for expected credit losses, end of period	\$ 8,064	\$ 7,713

**2022:**

101

<b>(In thousands)</b>	<b>2023</b>	<b>2022</b>
Allowance for expected credit losses, beginning of period	\$ 8,064	\$ 7,713
Change in allowance for expected credit losses	340	351
Allowance for expected credit losses, end of period	\$ 8,404	\$ 8,064

The following table presents the amounts due from reinsurers as of **December 31, 2022** **December 31, 2023**:

(In thousands)

Lloyd's of London	\$	347,927	402,210
Lifson Re			335,382
Partner Re			314,471
Munich Re			310,985
Berkshire Hathaway		332,034	307,878
Munich Re			306,530
Partner Re			275,410
Hannover Re Group		191,264	231,172
Renaissance Re			217,008
Swiss Re		189,591	176,377
Lifson Re			180,724
Renaissance Re			163,973
Everest Re		155,847	145,155
Liberty Mutual		96,402	117,556
Axis Capital		81,538	86,680
Fairfax Financial			64,300
Korean Re		59,884	57,530
Fairfax Financial			55,228
Axa Insurance			46,058
Arch Capital Group		45,663	54,175
Sompo Holdings Group		36,157	47,520
Axa Insurance			45,680
TOA RE			37,140
Nationwide Group			32,411
Markel Corp Group			31,827
Helvetia Holdings Group		30,823	31,429
Markel Corp Chubb Group		30,216	24,459
Validus Holdings MS & AD Insurance Group		24,548	20,144
TOA Re			22,945
Other reinsurers less than \$20,000		342,275	316,649
Subtotal		3,015,037	3,408,138
Residual market pools (1)		180,757	134,793
Allowance for expected credit losses		(8,064)	(8,404)
Total	\$	3,187,730	3,534,527

- (1) Many states require licensed insurers that provide workers' compensation insurance to participate in programs that provide workers' compensation to employers that cannot procure coverage from an insurer on a voluntary basis. Insurers can fulfill this residual market obligation by participating in pools where results are shared by the participating companies. The Company acts as a servicing carrier for workers' compensation pools in certain states. As a servicing carrier, the Company writes residual market business directly and then cedes 100% of this business to the respective pool. As a servicing carrier, the Company receives fee income for its services. The Company does not retain underwriting risk, and credit risk is limited as ceded balances are jointly shared by all the pool members.

102

## (16) (15) Indebtedness

Indebtedness consisted of the following as of December 31, 2022 December 31, 2023 (the difference between the face value and the carrying value is unamortized discount and debt issuance costs):

Carrying Value
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Carrying Value						Carrying Value				
(In thousands)	(In thousands)	Interest Rate	Face Value	2022	2021	(In thousands)	Interest Rate	Face Value	2023	2022
Senior notes and other debt due on:	Senior notes and other debt due on:					Senior notes and other debt due on:				
January 1, 2022 (1)		8.700%	\$ —	\$ —	\$ 76,503					
March 15, 2022 (1)		4.625%	—	—	349,923					
February 15, 2037										
February 15, 2037										
February 15, 2037	February 15, 2037	6.250%	250,000	248,446	248,336					
August 1, 2044	August 1, 2044	4.750%	350,000	346,020	345,836					
May 12, 2050	May 12, 2050	4.000%	470,000	490,721	491,478					
March 30, 2052	March 30, 2052	3.550%	400,000	394,213	394,015					
September 30, 2061	September 30, 2061	3.150%	350,000	342,945	342,761					
Subsidiary debt and other (2)	Various		6,478	6,478	10,564					
Subsidiary debt and other (1)										
Subsidiary debt and other (1)										
Subsidiary debt and other (1)										
Total senior notes and other debt	Total senior notes and other debt		\$1,826,478	\$1,828,823	\$2,259,416					
Subordinated debentures due on:	Subordinated debentures due on:									
March 30, 2058										
March 30, 2058										
March 30, 2058	March 30, 2058	5.700%	\$ 185,000	\$ 179,328	\$ 179,166					
December 30, 2059	December 30, 2059	5.100%	300,000	291,179	290,941					
September 30, 2060	September 30, 2060	4.250%	250,000	244,523	244,378					
March 30, 2061	March 30, 2061	4.125%	300,000	293,341	293,167					
Total subordinated debentures	Total subordinated debentures		\$1,035,000	\$1,008,371	\$1,007,652					

(1) 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.

(2) Subsidiary debt of \$6 million is due as follows: \$5 million in 2024, and \$2 million in 2025, partially offset by the unamortized cost of \$0.8 million due to entering into the \$300 million senior unsecured revolving credit facility.

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 December 31, 2022, there were no borrowings outstanding under the facility.

**(17) (16) Income Taxes**

Income tax expense (benefit) consists of:

(In thousands)	(In thousands)	Current Expense	Deferred (Benefit) Expense	Total	(In thousands)	Current Expense	Deferred (Benefit) Expense	Total
<b>December 31, 2023</b>								
Domestic								
Foreign								
Total expense (benefit)								
<b>December 31, 2022</b>								
Domestic	Domestic	\$295,849	\$ (27,544)	\$268,305				
Foreign	Foreign	42,890	23,532	66,422				
Total expense (benefit)	Total expense (benefit)	\$338,739	\$ (4,012)	\$334,727				
<b>December 31, 2021</b>								
Domestic	Domestic	\$239,090	\$ 2,752	\$241,842				
Foreign	Foreign	—	10,048	10,048				
Total expense (benefit)	Total expense (benefit)	\$239,090	\$ 12,800	\$251,890				
<b>December 31, 2020</b>								
Domestic		\$162,305	\$ 17	\$162,322				
Foreign		23,375	(13,880)	9,495				
Total expense (benefit)		\$185,680	\$ (13,863)	\$171,817				

Income before income taxes from domestic operations was \$1,240 million \$1,430 million, \$1,224 million \$1,240 million and \$831 million \$1,224 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Income (loss) before income taxes from foreign operations was \$480 million \$324 million, \$59 million \$480 million and (\$126) million \$59 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

A reconciliation of the income tax expense and the amounts computed by applying the Federal and foreign income tax rate of 21% for 2023, 2022 2021 and 2020 2021 to pre-tax income are as follows:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Computed "expected" tax expense	Computed "expected" tax expense	\$361,133	\$269,410	\$148,008				
Tax-exempt investment income	Tax-exempt investment income	(10,815)	(11,380)	(12,770)				

Change in valuation allowance	Change in valuation allowance	(28,064)	2,974	46,238
Impact of foreign tax rates	Impact of foreign tax rates	(453)	(2,368)	6,753
State and local taxes	State and local taxes	8,976	4,230	2,561
Other, net	Other, net	3,950	(10,976)	(18,973)
Other, net				
Other, net				
Total expense	Total expense	<u>\$334,727</u>	<u>\$251,890</u>	<u>\$171,817</u>

104

At **December 31, 2022**, **December 31, 2023** and **2021, 2022**, the tax effects of differences that give rise to significant portions of the deferred tax asset and deferred tax liability are as follows:

(In thousands)	(In thousands)	2022	2021	(In thousands)	2023	2022
Deferred tax asset:	Deferred tax asset:			Deferred tax asset:		
Loss reserve discounting	Loss reserve discounting	\$192,181	\$162,636			
Unearned premiums	Unearned premiums	180,326	163,143			
Unrealized investment losses	Unrealized investment losses	228,456	—			
Net operating losses & foreign tax credits	Net operating losses & foreign tax credits	58,182	88,502			
Other-than-temporary impairments	Other-than-temporary impairments	5,935	5,176			
Employee compensation plans	Employee compensation plans	63,313	61,301			
Other	Other	72,536	54,269			
Gross deferred tax asset	Gross deferred tax asset	800,929	535,027			
Less valuation allowance	Less valuation allowance	(47,166)	(75,230)			
Deferred tax asset	Deferred tax asset	753,763	459,797			
Deferred tax liability:	Deferred tax liability:			Deferred tax liability:		

Amortization of intangibles	Amortization of intangibles	13,973	12,787
Loss reserve discounting - transition rule	Loss reserve discounting - transition rule	14,843	19,796
Deferred policy acquisition costs	Deferred policy acquisition costs	157,055	137,893
Unrealized investment gains		—	36,850
Property, furniture and equipment			
Property, furniture and equipment			
Property, furniture and equipment	Property, furniture and equipment	45,887	43,186
Investment funds	Investment funds	125,525	101,999
Other	Other	67,479	67,331
Deferred tax liability	Deferred tax liability	424,762	419,842
Net deferred tax asset	Net deferred tax asset	\$ 329,001	\$ 39,955

The Company had a net current tax payable of \$46 million and a net taxreceivable of \$5 million at December 31, 2023 and \$3 million at December 31, 2022 and 2021, 2022, respectively. At December 31, 2022 December 31, 2023, the Company had foreign net operating loss carryforwards of \$4 million that begin to expire in 2027 and an additional \$225 million \$220 million that have no expiration date. At December 31, 2022 December 31, 2023, the Company had a valuation allowance of \$47 million \$36 million as compared to \$75 million \$47 million at December 31, 2021 December 31, 2022. The Company has provided a valuation allowance against the utilization of foreign tax credits and the future net operating loss carryforward benefits of certain foreign operations. The statute of limitations for the Company's U.S. Federal income tax returns has closed for all years through December 31, 2018 December 31, 2019.

The realization of the deferred tax asset is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for future current operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization of this asset.

The Tax Cuts and Jobs Act of 2017 (the "Tax Act") provided for a reduction of the U.S. corporate income tax rate from 35% to 21% effective January 1, 2018. The U.S. tax law requires insurance reserves to be discounted for tax purposes. The Tax Act modified this computation. The IRS issued revised discount factors to be applied to the 2017 reserves, which increased the beginning of year 2018 deferred tax asset for loss reserve discounting. Under the related transition rule, a deferred tax liability was established which will be included in taxable income over the eight year period that began in 2018.

The Company has not provided U.S. deferred income taxes on the undistributed earnings of approximately \$169 million \$261 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.

105

## (18) (17) Dividends from Subsidiaries and Statutory Financial Information

The Company's insurance subsidiaries are restricted by law as to the amount of dividends they may pay without the approval of regulatory authorities. The Company's lead insurer, Berkley Insurance Company ("BIC"), directly or indirectly owns all of the Company's other insurance companies. During 2023, 2024, the maximum amount of dividends that can be paid by BIC without such approval is approximately \$1.2 billion.

BIC's combined net income and statutory capital and surplus, as determined in accordance with statutory accounting practices ("SAP"), are as follows:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Net income	Net income	\$1,358,813	\$1,040,342	\$ 771,990				



Statutory capital and surplus	Statutory capital and surplus	\$8,330,587	\$6,817,535	\$6,188,121
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The significant variances between SAP and GAAP are that for statutory purposes bonds are carried at amortized cost, unrealized gains and losses on equity securities are recorded in surplus, acquisition costs are charged to income as incurred, deferred Federal income taxes are subject to limitations, excess and assumed workers' compensation reserves are discounted at different discount rates and certain assets designated as "non-admitted assets" are charged against surplus. The Commissioner of Insurance of the State of Delaware has allowed BIC to recognize a non-tabular discount on certain workers' compensation loss reserves, which is a permitted practice that differs from SAP. The effect of using this permitted practice was an increase to BIC's statutory capital and surplus by \$171 million \$159 million at December 31, 2022 December 31, 2023.

The National Association of Insurance Commissioners ("NAIC") has risk-based capital ("RBC") requirements that require insurance companies to calculate and report information under a risk-based formula which measures statutory capital and surplus needs based on a regulatory definition of risk in a company's mix of products and its balance sheet. This guidance is used to calculate two capital measurements: Total Adjusted Capital and RBC Authorized Control Level. Total Adjusted Capital is equal to the Company's statutory capital and surplus excluding capital and surplus derived from the use of permitted practices that differ from statutory accounting practices. RBC Authorized Control Level is the capital level used by regulatory authorities to determine whether remedial action is required. Generally, no remedial action is required if Total Adjusted Capital is 200% or more of the RBC Authorized Control Level. At December 31, 2022 December 31, 2023, BIC's Total Adjusted Capital of \$8.2 billion \$8.6 billion was 408% 391% of its RBC Authorized Control Level.

See Note 4, 3, Investments in Fixed Maturity Securities, for a description of assets held on deposit as security.

106

## (19) (18) Common Stockholders' Equity

The weighted average number of shares used in the computation of net income per share was as follows:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Basic	Basic	276,852	277,430	280,386				
Diluted	Diluted	279,461	279,749	283,145				

Treasury shares have been excluded from average outstanding shares from the date of acquisition. The weighted average number of basic shares outstanding includes the impact of 11,416,856 11,663,450 common shares held in a grantor trust. 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 shares deliverable under vested RSUs were already included in diluted shares outstanding. The difference in calculating basic and diluted net income per share is attributable entirely to the dilutive effect of stock-based compensation plans. Changes in shares of common stock outstanding, net of treasury shares, are presented below. Shares of common stock issued and outstanding do not include shares related to unissued restricted stock units (including shares held in the grantor trust).

	2022	2021	2020		2023	2022	2021
Balance, beginning of year	265,170,882	266,737,725	275,117,861	Balance, beginning of year	264,546,100	265,170,882	265,170,882
Shares issued	745,612	1,062,086	1,164,816	Shares issued	706,333	745,612	745,612
Shares repurchased	(1,370,394)	(2,628,929)	(9,544,952)	Shares repurchased	(8,707,676)	(1,370,394)	(1,370,394)
Balance, end of year	264,546,100	265,170,882	266,737,725	Balance, end of year	256,544,757	264,546,100	265,170,882

The amount of dividends paid is dependent upon factors such as the receipt of dividends from our subsidiaries, our results of operations, cash flow, financial condition and business needs, the capital and surplus requirements of our subsidiaries, and applicable insurance regulations that limit the amount of dividends that may be paid by our regulated insurance subsidiaries.

## (20)

### (19) Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments as of December 31, 2022 December 31, 2023 and 2021: 2022:

(In thousands)	(In thousands)	2022		2021		(In thousands)	2023		2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value		Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:	Assets:					Assets:				
Fixed maturity securities	Fixed maturity securities	\$17,587,349	\$17,591,626	\$16,602,673	\$16,614,118					
Equity securities	Equity securities	1,185,894	1,185,894	941,243	941,243					
Arbitrage trading account	Arbitrage trading account	944,230	944,230	1,179,606	1,179,606					
Loans receivable	Loans receivable	193,002	187,981	115,172	116,534					
Cash and cash equivalents	Cash and cash equivalents	1,449,346	1,449,346	1,568,843	1,568,843					
Trading accounts receivable from brokers and clearing organizations	Trading accounts receivable from brokers and clearing organizations	233,863	233,863	—	—					
Due from broker	Due from broker	3,609	3,609	20,448	20,448					
Liabilities:	Liabilities:									
Due to broker	Due to broker	—	—	53,636	53,636					
Liabilities:	Liabilities:									
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									
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	—	—	1,169	1,169					
Senior notes and other debt	Senior notes and other debt	1,828,823	1,439,188	2,259,416	2,526,630					
Subordinated debentures	Subordinated debentures	1,008,371	805,600	1,007,652	1,095,600					

The estimated fair values of the Company's fixed maturity securities, equity securities available for sale and arbitrage trading account securities are based on various valuation techniques that rely on fair value measurements as described in Note 13.12 above. The fair value of loans receivable is 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.

**(21) (20) Commitments, 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.

At December 31, 2022 December 31, 2023, the Company had commitments to invest up to \$402 million \$339 million and \$146 million \$106 million in certain investment funds and real estate construction projects, respectively.

**(22) (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 note 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 is as follows:

		For the Year Ended December 31,		For the Year Ended December 31,	
(In thousands)	(In thousands)	2021		For the Year Ended December 31,	
(In thousands)					
(In thousands)				2023	2022
Leases:	Leases:				
Lease cost					
Lease cost					
Lease cost	Lease cost	\$43,383	\$44,051		
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	\$43,871	\$45,592		
Right-of-use assets obtained in exchange for new lease liabilities	Right-of-use assets obtained in exchange for new lease liabilities	\$28,075	\$38,929		
As of December 31,					
As of December 31,				As of December 31,	
(\$ in thousands)	(\$ in thousands)	2022	2021	(\$ in thousands)	2023
Right-of-use assets	Right-of-use assets	\$169,271	\$172,180		

Lease liabilities	Lease liabilities	\$204,088	\$208,729				
Weighted-average remaining lease term	Weighted-average remaining lease term	7.1 years	7.2 years	Weighted-average remaining lease term	7.3 years		7.1 years
Weighted-average discount rate	Weighted-average discount rate	4.40 %	4.83 %	Weighted-average discount rate	5.10 %	4.40	%

108

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

(In thousands)	(In thousands)	December 31, 2022
(In thousands)		
(In thousands)		
Contractual Maturities:	Contractual Maturities:	
2023	\$	47,024
Contractual Maturities:		
Contractual Maturities:		
2024		
2024		
2024	2024	41,788
2025	2025	32,928
2025		
2025		
2026		
2026		
2026	2026	25,973
2027	2027	16,472
2027		
2027		
2028		
2028		
2028		
Thereafter		
Thereafter		
Thereafter	Thereafter	68,912
Total undiscounted future minimum lease payments	Total undiscounted future minimum lease payments	233,097
Total undiscounted future minimum lease payments		
Total undiscounted future minimum lease payments		
Less: Discount impact		
Less: Discount impact		
Less: Discount impact	Less: Discount impact	29,009
Total lease liability	Total lease liability	\$ 204,088

Total lease liability

Total lease liability

## (23) (22) Stock Incentive Plan

Pursuant to the Company's 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. The following table summarizes RSU information for the three years ended **December 31, 2022** **December 31, 2023**:

		2022	2021	2020		2023	2022	2021
RSUs granted and unvested at beginning of period:	RSUs granted and unvested at beginning of period:	5,144,519	5,706,504	6,186,390				
Granted	Granted	1,024,960	1,272,990	1,443,680				
Vested	Vested	(1,258,680)	(1,523,960)	(1,667,382)				
Canceled	Canceled	(292,373)	(311,016)	(256,184)				
RSUs granted and unvested at end of period:	RSUs granted and unvested at end of period:	4,618,426	5,144,519	5,706,504				

Upon vesting, shares of the Company's common stock equal to the number of vested RSUs are issued or deferred to a later date, depending on the terms of the specific award agreement. As of **December 31, 2022** **December 31, 2023**, **11,403,456** **11,560,624** RSUs had been deferred. RSUs that have not yet vested and vested RSUs that have been deferred are not considered to be issued and outstanding shares.

The fair value of RSUs at the date of grant are recorded as unearned compensation, a component of stockholders' equity, and expensed over the vesting period. Following is a summary of changes in unearned compensation for the three years ended **December 31, 2022** **December 31, 2023**:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Unearned compensation at beginning of year	Unearned compensation at beginning of year	\$135,535	\$132,310	\$128,390				
RSUs granted, net of cancellations	RSUs granted, net of cancellations	60,628	56,711	54,270				
RSUs expensed	RSUs expensed	(47,611)	(46,441)	(47,108)				
RSUs forfeitures	RSUs forfeitures	(6,492)	(7,045)	(3,242)				
Unearned compensation at end of year	Unearned compensation at end of year	\$142,060	\$135,535	\$132,310				

## (24) (23) Compensation Plans

The Company and its subsidiaries have profit sharing plans in which substantially all employees participate. The plans provide for minimum annual contributions of 5% of eligible compensation; contributions above the minimum are discretionary and vary with each participating businesses's profitability. Employees become eligible to participate in the plan on the first day of the calendar quarter following the first full calendar quarter after the employee's date of hire provided the employee has completed 250 hours of service during the calendar quarter. The plans provide that 40% of the contributions vest immediately and that the remaining 60% vest at varying percentages based upon years of service. Profit sharing expense was \$62 million \$75 million, \$62 million and \$50 million in 2023, 2022 and \$48 million in 2022, 2021, and 2020, respectively.

The Company has a long-term incentive compensation plan ("LTIP") that provides for compensation to key executives based on the growth in the Company's book value per share over a five year period.

The following table summarizes the outstanding LTIP awards as of December 31, 2022 December 31, 2023:

	Units Outstanding	Maximum Value	Inception to date earned through December 31, 2022 on outstanding units
2018 grant	188,500	\$18,850,000	\$18,850,000
2019 grant	205,000	20,500,000	17,164,589
2020 grant	216,000	21,600,000	13,943,707
2021 grant	221,750	22,175,000	11,426,223
2022 grant	241,000	24,100,000	6,232,260
2023 grant			

The following table summarizes the LTIP expense for each of the three years ended December 31, 2022 December 31, 2023:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
2015 grant		\$ —	\$ —	\$ (168)				
2016 grant								
2016 grant								
2016 grant	2016 grant	—	(117)	3,176				
2017 grant	2017 grant	—	6,012	2,914				
2018 grant	2018 grant	4,299	5,503	2,776				
2019 grant	2019 grant	6,904	5,309	2,490				
2020 grant	2020 grant	6,653	5,065	2,276				
2021 grant	2021 grant	6,574	4,906	—				
2022 grant	2022 grant	6,232	—	—				
2023 grant								
Total	Total	\$30,662	\$26,678	\$13,464				

## (25) (24) Supplemental Financial Statement Data

Other operating costs and expenses consist of the following:

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Amortization of deferred policy acquisition costs	Amortization of deferred policy acquisition costs	\$1,038,903	\$ 961,628	\$ 904,955				
Insurance operating expenses	Insurance operating expenses	1,635,000	1,345,099	1,206,058				



Year ended December 31, 2022	Year ended December 31, 2022						
Year ended December 31, 2022							
Year ended December 31, 2022							
Insurance							
Insurance							
Insurance	Insurance	\$8,369,062	\$ 550,084	\$ 33,347	\$ 8,952,493	\$1,455,658	\$ 1,173,425
Reinsurance & Monoline	Reinsurance & Monoline						
Excess	Excess	1,192,367	194,272	—	1,386,639	316,527	251,386
Corporate, other and eliminations (3)	Corporate, other and eliminations (3)	—	34,829	590,141	624,970	(254,901)	(203,476)
Net investment gains	Net investment gains	—	—	202,397	202,397	202,397	159,727
Consolidated	Consolidated	\$9,561,429	\$ 779,185	\$825,885	\$11,166,499	\$1,719,681	\$ 1,381,062
Year ended December 31, 2021	Year ended December 31, 2021						
Year ended December 31, 2021							
Year ended December 31, 2021							
Insurance							
Insurance							
Insurance	Insurance	\$7,077,708	\$ 468,821	\$ 32,063	\$ 7,578,592	\$1,219,798	\$ 976,184
Reinsurance & Monoline	Reinsurance & Monoline						
Excess	Excess	1,028,323	175,324	—	1,203,647	270,563	215,439
Corporate, other and eliminations (3)	Corporate, other and eliminations (3)	—	27,473	555,122	582,595	(298,088)	(242,055)
Net investment gains	Net investment gains	—	—	90,632	90,632	90,632	72,922
Consolidated	Consolidated	\$8,106,031	\$ 671,618	\$677,817	\$ 9,455,466	\$1,282,905	\$ 1,022,490
Year ended December 31, 2020							
Insurance		\$6,067,669	\$ 375,554	\$ 35,611	\$ 6,478,834	\$ 668,012	\$ 487,125
Reinsurance & Monoline							
Excess		863,174	146,029	—	1,009,203	205,587	164,655
Corporate, other and eliminations (3)		—	62,238	445,650	507,888	(271,797)	(214,291)
Net investment gains		—	—	103,000	103,000	103,000	93,181
Consolidated		\$6,930,843	\$ 583,821	\$584,261	\$ 8,098,925	\$ 704,802	\$ 530,670

#### Identifiable Assets

(In thousands)	(In thousands)	December 31,	(In thousands)	December 31,
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		2022	2021	
	2023			2023
Insurance	Insurance	\$27,009,652	\$24,414,305	
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess			
Corporate, other and eliminations	Corporate, other and eliminations	5,195,752	4,916,894	
(3)	(3)	1,655,695	2,755,215	
Consolidated	Consolidated	\$33,861,099	\$32,086,414	

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

(2) Revenues for Insurance includes \$1,029 million \$1,171 million, \$873 million \$1,029 million, and \$692 million \$873 million in 2023, 2022 2021, and 2020, 2021, respectively, from foreign countries. Revenues for Reinsurance & Monoline Excess includes \$412 million \$463 million, \$380 million \$412 million, and \$292 million \$380 million in 2023, 2022 2021 and 2020, 2021, respectively, from foreign countries.

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

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

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Insurance	Insurance				Insurance			
Other liability	Other liability	\$3,206,846	\$2,673,098	\$2,269,458				
Short-tail lines	Short-tail lines	1,630,371	1,389,068	1,247,908				
Auto								
Workers' compensation	Workers' compensation	1,197,811	1,131,283	1,127,487				
Commercial automobile		1,208,241	990,945	794,171				
Professional liability	Professional liability	1,125,793	893,314	628,645				
Total Insurance	Total Insurance	8,369,062	7,077,708	6,067,669				
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess							
Casualty	Casualty	764,793	643,193	521,559				
Casualty								
Property								
Monoline Excess	Monoline Excess	217,017	201,187	171,522				
Property		210,557	183,943	170,093				
Total Reinsurance & Monoline Excess	Total Reinsurance & Monoline Excess	1,192,367	1,028,323	863,174				
Total	Total	\$9,561,429	\$8,106,031	\$6,930,843				

## (27) Subsequent Event

On January 3, 2023, the Company's Board of Directors declared a special cash dividend on its common stock of 50 cents per share that was paid on January 24, 2023 to stockholders of record at the close of business on January 13, 2023.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this annual 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 Exchange Act and the rules thereunder, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.

During the quarter ended **December 31, 2022** **December 31, 2023**, there have been no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

#### Management's Report On Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of Treadway Commission. Based on our evaluation under the framework in Internal Control - Integrated Framework, our management concluded that our internal control over financial reporting was effective as of **December 31, 2022** **December 31, 2023**.

#### **Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors  
W. R. Berkley Corporation:

#### *Opinion on Internal Control Over Financial Reporting*

We have audited W. R. Berkley Corporation and subsidiaries' (the Company) internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023**, and the related notes and financial statement schedules II to VI (collectively, the consolidated financial statements), and our report dated **February 24, 2023** **February 23, 2024** expressed an unqualified opinion on those consolidated financial statements.

#### *Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report On Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

#### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/S/ KPMG LLP

New York, New York

February 24, 2023 23, 2024

#### ITEM 9B. OTHER INFORMATION

None.

#### ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

### **PART III**

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

#### ITEM 11. EXECUTIVE COMPENSATION

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

#### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

##### (a) Security ownership of certain beneficial owners

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

##### (b) Security ownership of management

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

##### (c) Changes in control

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

##### (d) Equity compensation plan information

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

#### ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, New York, NY, Auditor Firm ID: 185.

Reference is made to the registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2022 December 31, 2023, and which is incorporated herein by reference.

### **PART IV**

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Index to Financial Statements

The schedules to the consolidated financial statements listed below should be read in conjunction with the consolidated financial statements included in this Annual Report on Form 10-K. Financial statement schedules not included in this Annual Report on Form 10-K have been omitted because they are not applicable or required information is shown in the financial statements or notes thereto.

Index to Financial Statement Schedules	Page
<a href="#">Schedule II — Condensed Financial Information of Registrant</a>	<a href="#">124</a> <a href="#">123</a>
<a href="#">Schedule III — Supplementary Insurance Information</a>	<a href="#">128</a> <a href="#">127</a>
<a href="#">Schedule IV — Reinsurance</a>	<a href="#">129</a> <a href="#">128</a>
<a href="#">Schedule V — Valuation and Qualifying Accounts</a>	<a href="#">130</a> <a href="#">129</a>
<a href="#">Schedule VI — Supplementary Information Concerning Property — Casualty Insurance Operations</a>	<a href="#">131</a> <a href="#">130</a>

(b) Exhibits

EXHIBITS

## Number

- (3.1) The Company's Restated Certificate of Incorporation, as amended through May 10, 2004 (incorporated by reference to Exhibits 3.1 and 3.2 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on August 6, 2003).
- (3.2) Amendment, dated May 11, 2004, to the Company's Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on August 5, 2004).
- (3.3) Amendment, dated May 16, 2006, to the Company's Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on May 17, 2006).
- (3.4) Amendment, dated June 12, 2020, to the Company's Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on June 16, 2020).
- (3.5) Amendment, dated June 15, 2022, to the Company's Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on June 16, 2022).
- (3.6) Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3 (ii) 3.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on August 5, 2015 March 1, 2023).
- (4.1) Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, 1934 (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K (File No. 1-15202) filed with the Commission on February 24, 2023).
- (4.2) Indenture, dated as of February 14, 2003, between the Company and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Annual Report on Form 10-K (File No. 1-15202) filed with the Commission on March 31, 2003).
- (4.3) Fifth Supplemental Indenture, dated as of February 9, 2007, between the Company and The Bank of New York, as Trustee, relating to \$250,000,000 principal amount of the Company's 6.250% Senior Notes due 2037, including the form of the Notes as Exhibit A (incorporated by reference to Exhibit 4.7 of the Company's Annual Report on Form 10-K (File No. 1-15202) filed with the Commission on March 1, 2007).
- (4.4) Ninth Supplemental Indenture, dated as of August 6, 2014, between the Company and The Bank of New York Mellon, as Trustee, relating to \$350,000,000 principal amount of the Company's 4.750% Senior Notes due 2044, including the form of the Notes as Exhibit A (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on August 6, 2014).
- (4.5) Indenture, dated as of May 12, 2020, between the Company and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on May 12, 2020).
- (4.6) First Supplemental Indenture, dated as of May 12, 2020, between the Company and The Bank of New York Mellon, as Trustee, relating to \$470,000,000 principal amount of the Company's 4.000% Senior Notes due 2050, including the form of the Notes as Exhibit A (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on May 12, 2020).
- (4.7)(4.7) Second Supplemental Indenture, dated as of March 16, 2021, between the Company and The Bank of New York Mellon, as Trustee, relating to \$400,000,000 principal amount of the Company's 3.550% Senior Notes due 2052, including the form of the Notes as Exhibit A (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on March 16, 2021).
- (4.8)(4.8) Third Supplemental Indenture, dated as of September 15, 2021, between the Company and The Bank of New York Mellon, as Trustee, relating to \$350,000,000 principal amount of the Company's 3.150% Senior Notes due 2061, including the form of the Notes as Exhibit A (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on September 15, 2021).
- (4.9)(4.9) Subordinated Indenture, dated as of March 26, 2018, between the Company and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on March 26, 2018).
- (4.10)(4.10) First Supplemental Indenture, dated as of March 26, 2018, between the Company and The Bank

or New York  
Mellon, as  
Trustee,  
relating to  
\$185,000,000  
principal  
amount of the  
Company's  
5.700%  
Subordinated  
Debentures  
due 2058,  
including the  
form of the  
Securities as  
Exhibit A  
(incorporated  
by reference to  
Exhibit 4.2 of  
the Company's  
Current Report  
on Form 8-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on March 26,  
2018).

(4.11) (4.11) Second  
Supplemental  
Indenture,  
dated as of  
December 16,  
2019, between  
the Company  
and the Bank  
of New York  
Mellon, as  
Trustee,  
relating to  
\$300,000,000  
principal  
amount of the  
Company's  
5.100%  
Subordinated  
Debentures  
due 2059,  
including the  
form of the  
Securities as  
Exhibit A  
(incorporated  
by reference to  
Exhibit 4.2 of  
the Company's  
Current Report  
on Form 8-K  
(File No. 1-  
15202) filed  
with the

Commission  
on December  
16, 2019).

(4.12), (4.12) Third  
Supplemental  
Indenture,  
dated as of  
September 21,  
2020, between  
the Company  
and The Bank  
of New York  
Mellon, as  
Trustee,  
relating to  
\$250,000,000  
principal  
amount of the  
Company's  
4.250%  
Subordinated  
Debentures  
due 2060,  
including the  
form of the  
Securities as  
Exhibit A  
(incorporated  
by reference to  
Exhibit 4.2 of  
the Company's  
Current Report  
on Form 8-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on September  
21, 2020).

(4.13), (4.13) Fourth  
Supplemental  
Indenture,  
dated as of  
February 10,  
2021, between  
the Company  
and The Bank  
of New York  
Mellon, as  
Trustee,  
relating to  
\$300,000,000  
principal  
amount of the  
Company's  
4.125%  
Subordinated  
Debentures  
due 2061,  
including the

form of the  
Securities as  
Exhibit A  
(incorporated  
by reference to  
Exhibit 4.2 of  
the Company's  
Current Report  
on Form 8-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on February  
10, 2021).

(4.14) The  
instruments  
defining the  
rights of  
holders of the  
other long  
term debt  
securities of  
the Company  
are omitted  
pursuant to  
Section (b)(4)  
(iii)(A) of Item  
601 of  
Regulation S-  
K. The  
Company  
agrees to  
furnish  
supplementally  
copies of  
these  
instruments to  
the  
Commission  
upon request.

(10.1) Credit  
Agreement,  
dated as of  
April 1, 2022,  
by and among  
W. R. Berkley  
Corporation,  
as borrower,  
each lender  
from time to  
time party  
thereto, Credit  
Suisse AG,  
New York  
Branch,  
JPMorgan  
Chase Bank,  
N.A. and  
Morgan



morgan Stanley Senior Funding, Inc. as Syndication Agents, and Bank of America, N.A., as Administrative Agent, Several L/C Agent and Fronting L/C Issuer (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 1-15202) filed with the Commission on April 4, 2022).

(10.2) W. R. Berkley Corporation 2018 Stock Incentive Plan (incorporated by reference to Annex B of the Company's 2018 Proxy Statement (File No. 1-15202) filed with the Commission on April 19, 2018).

(10.3) Form of Restricted Stock Unit Agreement for grant of April 4, 2003 (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on August 6, 2003).

(10.4) Form of  
Restricted  
Stock Unit  
Agreement  
under the W.  
R. Berkley  
Corporation  
2003 Stock  
Incentive Plan  
(incorporated  
by reference to  
Exhibit 10.2 of  
the Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on May 3,  
2005).

(10.5) Form of  
Restricted  
Stock Unit  
Agreement  
under the W.  
R. Berkley  
Corporation  
2003 Stock  
Incentive Plan  
(incorporated  
by reference to  
Exhibit 10.1 of  
the Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on August 6,  
2010).

(10.6) Form of  
Restricted  
Stock Unit  
Agreement  
under the W.  
R. Berkley  
Corporation  
2012 Stock  
Incentive Plan  
(incorporated  
by reference to  
Exhibit 10.1 of  
the Company's  
Quarterly

Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on November  
8, 2012).

(10.7) Form of 2014  
Performance-  
Based  
Restricted  
Stock Unit  
Agreement  
under the W.  
R. Berkley  
Corporation  
2012 Stock  
Incentive Plan  
(incorporated  
by reference to  
Exhibit 10.1 of  
the Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on November  
7, 2014).

(10.8) Form of 2015  
Performance-  
Based  
Restricted  
Stock Unit  
Agreement  
under the W.  
R. Berkley  
Corporation  
2012 Stock  
Incentive Plan  
(incorporated  
by reference to  
Exhibit 10.1 of  
the Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on November  
9, 2015).

- (10.9) Form of 2017 Performance-Based Restricted Stock Unit Agreement **Under** **under** the W. R. Berkley Corporation 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on November 8, 2017).
- (10.10) Form of 2018 Performance-Based Restricted Stock Unit Agreement **Under** **under** the W. R. Berkley Corporation 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on November 7, 2018).
- (10.11) Form of 2020 Performance-Based Restricted Stock Unit Agreement **Under** **under** the W. R. Berkley Corporation 2018 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q (File No. 1-15202) filed with the Commission on November 5, 2020).
- (10.12) **Form of 2023 Performance-**

Based  
Restricted  
Stock Unit  
Agreement  
Under the W.  
R. Berkley  
Corporation  
2018 Stock  
Incentive  
Plan.

(10.12)3) W. R. Berkley  
Corporation  
Deferred  
Compensation  
Plan for  
Officers as  
amended and  
restated  
effective  
December 1,  
2021  
(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Current  
Report on  
Form 8-K (File  
No. 1-15202)  
filed with the  
Commission  
on November  
12, 2021).

(10.14)4) W. R. Berkley  
Corporation  
Deferred  
Compensation  
Plan for  
Directors as  
amended and  
restated  
effective  
December 1,  
2021  
(incorporated  
by reference  
to Exhibit 10.2  
of the  
Company's  
Current  
Report on  
Form 8-K (File  
No. 1-15202)  
filed with the  
Commission  
on November  
12, 2021).

(10.14)5) W. R. Berkley  
-

Corporation  
Amended and  
Restated  
Annual  
Incentive  
Compensation  
Plan  
(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Current  
Report on  
Form 8-K (File  
No. 1-15202)  
filed with the  
Commission  
on February  
25, 2019).

[\(10.1 10.6\)](#)

W. R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan  
(incorporated  
by reference  
to Exhibit 10.2  
of the  
Company's  
current Report  
on Form 8-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on February  
25, 2019).

[\(10.1 10.6\)](#)

Form of 2019  
Performance  
Unit Award  
Agreement  
under the W.  
R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan  
(incorporated  
by reference  
to Exhibit 10.3  
of the  
Company's  
Current  
Report on  
Form 8-K (File  
No. 1-15202)  
filed with the  
Commission  
on February

25, 2019).

(10.17)(17)

Form of 2020  
Performance  
Unit Award  
Agreement  
under the W.  
R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan  
(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on August 3,  
2020).

(10.18)

Form of 2021  
Performance  
Unit Award  
Agreement  
under the W.  
R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan  
(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on November  
4, 2021).

(10.19)(10.19)

Form of 2022  
Performance  
Unit Award  
Agreement  
under the W.  
R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan

(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on May 3,  
2022).

(10.20) Form of 2023  
Performance  
Unit Award  
Agreement  
under the W.  
R. Berkley  
Corporation  
2019 Long-  
Term Incentive  
Plan  
(incorporated  
by reference  
to Exhibit 10.1  
of the  
Company's  
Quarterly  
Report on  
Form 10-Q  
(File No. 1-  
15202) filed  
with the  
Commission  
on May 4,  
2023).

(10.20) (10.21) W. R. Berkley  
Corporation  
2009 Directors  
Stock Plan  
(incorporated  
by reference  
to Annex B of  
the  
Company's  
2021 Proxy  
Statement  
(File No. 1-  
15202) filed  
with the  
Commission  
on April 27,  
2021).

(10.21) (10.22) Supplemental  
Benefits  
Agreement  
between



William R.  
Berkley and  
the Company  
as amended  
and restated  
as of  
December 21,  
2011  
(incorporated  
by reference  
to Exhibit  
10.14 of the  
Company's  
Annual Report  
on Form 10-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on February  
28, 2012).

(14) Code of Ethics  
for Senior  
Financial  
Officers  
(incorporated  
by reference  
to Exhibit 14  
of the  
Company's  
Annual Report  
on Form 10-K  
(File No. 1-  
15202) filed  
with the  
Commission  
on March 14,  
2005).

(21) List of the  
Company's  
subsidiaries.

(23) Consent of  
Independent  
Registered  
Public  
Accounting  
Firm.

(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.

(97) [W. R. Berkley Corporation Clawback Policy.](#)

**ITEM 16. FORM 10-K Summary**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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

By /s/ W. Robert Berkley, Jr.

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

February 24, 2023 23, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ William R. Berkley William R. Berkley	Executive Chairman of the Board of Directors	February 24, 2023 23, 2024
/s/ W. Robert Berkley, Jr. W. Robert Berkley, Jr.	President Chief Executive Officer and Director (Principal executive officer)	February 24, 2023 23, 2024
/s/ Christopher L. Augostini Christopher L. Augostini	Director	February 24, 2023 23, 2024
/s/ Ronald E. Blaylock Ronald E. Blaylock	Director	February 24, 2023 23, 2024
/s/ Mary C. Farrell Mark E. Brockbank Mary C. Farrell	Director	February 23, 2024
/s/ Mary C. Farrell Mary C. Farrell	Director	February 24, 2023
/s/ María Luisa Ferré María Luisa Ferré	Director	February 24, 2023 23, 2024
/s/ Daniel L. Mosley Daniel L. Mosley	Director	February 24, 2023 23, 2024
/s/ Mark L. Shapiro Mark L. Shapiro	Director	February 24, 2023 23, 2024
/s/ Jonathan Talisman Jonathan Talisman	Director	February 24, 2023 23, 2024
/s/ Richard M. Baio Richard M. Baio	Executive Vice President and Chief Financial Officer (Principal financial officer and principal accounting officer)	February 24, 2023 23, 2024

Schedule II

W. R. Berkley Corporation  
Condensed Financial Information of Registrant  
Balance Sheets (Parent Company)

(In thousands)	(In thousands)	December 31,		(In thousands)	December 31,	
		2022	2021		2023	2022
Assets:	Assets:			Assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 103,522	\$ 684,037			
Fixed maturity securities available for sale at fair value (cost \$285,900 and \$805,211 at December 31, 2022 and 2021, respectively)		275,511	806,074			

Loans receivable (net of allowance for expected credit losses of \$559 and \$647 at December 31, 2022 and 2021, respectively)	109,793	93,397
Equity securities, at fair value (cost \$3,430 in both 2022 and 2021)	3,430	3,430
Fixed maturity securities available for sale at fair value (cost \$190,708 and \$285,900 at December 31, 2023 and 2022, respectively)		
Loans receivable (net of allowance for expected credit losses of \$1,146 and \$559 at December 31, 2023 and 2022, respectively)		
Equity securities, at fair value (cost \$3,430 in both 2023 and 2022)		
Investment in subsidiaries	Investment in subsidiaries	8,888,455 8,516,916
Current federal income taxes	Current federal income taxes	34,452 23,424
Deferred federal income taxes	Deferred federal income taxes	304,191 11,796
Property, furniture and equipment at cost, less accumulated depreciation	Property, furniture and equipment at cost, less accumulated depreciation	11,356 11,916
Other assets	Other assets	39,741 43,793
<b>Total assets</b>	<b>Total assets</b>	<b>\$9,770,451 \$10,194,783</b>
Liabilities and stockholders' equity:	Liabilities and stockholders' equity:	
Liabilities:	Liabilities:	
Liabilities:		
Due to subsidiaries		
Due to subsidiaries		
Due to subsidiaries	Due to subsidiaries	\$ 53,029 \$ 138,376
Other liabilities	Other liabilities	139,150 146,892
Current federal income taxes		
Subordinated debentures		
Subordinated debentures		
Subordinated debentures	Subordinated debentures	1,008,371 1,007,652
Senior notes	Senior notes	1,821,569 2,248,852
Total liabilities	Total liabilities	3,022,119 3,541,772
Stockholders' equity:	Stockholders' equity:	

Preferred stock	Preferred stock	—	—
Preferred stock			
Preferred stock			
Common stock	Common stock	105,803	105,803
Additional paid-in capital	Additional paid-in capital	997,534	981,104
Retained earnings (including accumulated undistributed net income of subsidiaries of \$7,975,360 and \$6,463,882 at December 31, 2022 and 2021, respectively)		10,161,005	9,015,135
Retained earnings (including accumulated undistributed net income of subsidiaries of \$8,497,674 and \$7,975,360 at December 31, 2023 and 2022, respectively)			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(1,264,581)	(281,955)
Treasury stock, at cost	Treasury stock, at cost	(3,251,429)	(3,167,076)
Total stockholders' equity	Total stockholders' equity	6,748,332	6,653,011
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$9,770,451	\$10,194,783

See Report of Independent Registered Public Accounting Firm and note to condensed financial information.

Schedule II, Continued

**W. R. Berkley Corporation**  
**Condensed Financial Information of Registrant, Continued**  
**Statements of Income (Parent Company)**

(In thousands)	(In thousands)	Year Ended December 31,			(In thousands)	Year Ended December 31,		
		2022	2021	2020		2023	2022	2021
Management fees and investment income including dividends from subsidiaries of \$22,807, \$520,251, and \$617,424 for the years ended December 31, 2022, 2021 and 2020, respectively		\$ 32,585	\$ 548,512	\$654,485				
Net investment gains		1,007	1,474	3,580				

Management fees and investment income including dividends from subsidiaries of \$1,261,166, \$22,807, and \$520,251 for the years ended December 31, 2023, 2022 and 2021, respectively				
Net investment (losses) gains				
Other income	Other income	1,916	1,138	568
Total revenues	Total revenues	35,508	551,124	658,633
Operating costs and expense	Operating costs and expense	192,175	214,995	166,892
Interest expense	Interest expense	129,633	144,837	145,417
(Loss) income before federal income taxes		(286,300)	191,292	346,324
Income (loss) before federal income taxes				
Federal income taxes:	Federal income taxes:			
Federal income taxes provided by subsidiaries on a separate return basis	Federal income taxes provided by subsidiaries on a separate return basis	414,660	294,731	188,490
Federal income tax expense on a consolidated return basis	Federal income tax expense on a consolidated return basis	(258,776)	(226,900)	(139,679)
Net federal income tax expense		155,884	67,831	48,811
(Loss) income before undistributed equity in net income of subsidiaries		(130,416)	259,123	395,135
Net federal income tax (expense) benefit				

Federal income taxes:

Income (loss) before undistributed equity in net income of subsidiaries				
Equity in undistributed net income of subsidiaries	Equity in undistributed net income of subsidiaries	1,511,478	763,367	135,535
Net income	Net income	<u>\$1,381,062</u>	<u>\$1,022,490</u>	<u>\$530,670</u>

See Report of Independent Registered Public Accounting Firm and note to condensed financial information.

Schedule II, Continued

**W. R. Berkley Corporation**  
**Condensed Financial Information of Registrant, Continued**  
**Statements of Cash Flows (Parent Company)**

		Year Ended December 31,					Year Ended December 31,		
(In thousands)	(In thousands)	2022	2021	2020	(In thousands)		2023	2022	2021
Cash flow (used in) from operating activities:									
Cash flow from (used in) operating activities:					Cash flow from (used in) operating activities:				
Net income	Net income	\$1,381,062	\$1,022,490	\$530,670					
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		(1,007)	(1,474)	(3,580)					
Depreciation and amortization		4,281	18,761	15,133					
Net investment losses (gains)									
Net investment losses (gains)									
Net investment losses (gains)									
Depreciation and (accretion) amortization									
Equity in undistributed earnings of subsidiaries	Equity in undistributed earnings of subsidiaries	(1,511,478)	(763,367)	(135,535)					
Tax payments received from subsidiaries	Tax payments received from subsidiaries	321,682	328,851	165,495					
Federal income taxes provided by subsidiaries on a separate return basis	Federal income taxes provided by subsidiaries on a separate return basis	(414,660)	(294,731)	(188,489)					

Stock incentive plans	Stock incentive plans	49,411	48,440	49,599
Change in:	Change in:			
Federal income taxes	Federal income taxes	(40,746)	(22,017)	32,069
Federal income taxes				
Federal income taxes				
Other assets	Other assets	3,163	(33,319)	1,220
Other liabilities	Other liabilities	87,100	(11,758)	3,964
Accrued investment income	Accrued investment income	890	755	836
Net cash (used in) from operating activities		(120,302)	292,631	471,382
Net cash from (used in) operating activities				
Cash from (used in) investing activities:	Cash from (used in) investing activities:			
Cash from (used in) investing activities:				
Proceeds from sales of fixed maturity securities	Proceeds from sales of fixed maturity securities	543,549	402,046	414,802
Proceeds from maturities and prepayments of fixed maturity securities	Proceeds from maturities and prepayments of fixed maturity securities	83,134	654,134	258,413
Cost of purchases of fixed maturity securities	Cost of purchases of fixed maturity securities	(109,289)	(1,071,823)	(747,713)
Cost of purchases of fixed maturity securities				
Cost of purchases of fixed maturity securities				
Change in loans receivable	Change in loans receivable	(16,249)	(18,227)	(20,023)
Change in loans receivable				
Change in loans receivable				
Investments in and advances to subsidiaries, net				
Investments in and advances to subsidiaries, net				



Investments in and advances to subsidiaries, net	Investments in and advances to subsidiaries, net	(171,062)	(1,411)	(100,704)
Change in balance due to security broker	Change in balance due to security broker	(10,289)	10,487	(245)
Net additions to real estate, furniture & equipment	Net additions to real estate, furniture & equipment	(432)	(1,496)	(81)
Other, net	Other, net	368	95	103
Net cash from (used in) investing activities	Net cash from (used in) investing activities	319,730	(26,195)	(195,448)
Cash (used in) from financing activities:	Cash (used in) from financing activities:			
Net proceeds from issuance of senior notes	Net proceeds from issuance of senior notes	(914)	1,029,579	736,609
Repayment and redemption of debt	Repayment and redemption of debt	(426,503)	(400,000)	(650,000)
Repayment and redemption of debt	Repayment and redemption of debt			
Purchase of common treasury shares	Purchase of common treasury shares	(94,140)	(122,426)	(346,357)
Cash dividends to common stockholders	Cash dividends to common stockholders	(235,192)	(355,736)	(84,147)
Other, net	Other, net	(23,194)	(30,776)	(24,880)
Net cash (used in) from financing activities	Net cash (used in) from financing activities	(779,943)	120,641	(368,775)
Net (decrease) increase in cash and cash equivalents	Net (decrease) increase in cash and cash equivalents	(580,515)	387,077	(92,841)
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	Cash and cash equivalents at beginning of year	684,037	296,960	389,801
Cash and cash equivalents at end of year	Cash and cash equivalents at end of year	\$ 103,522	\$ 684,037	\$296,960

See Report of Independent Registered Public Accounting Firm and note to condensed financial information.

**W. R. Berkley Corporation**  
**Condensed Financial Information of Registrant, Continued**  
**December 31, 2022 2023**

**Note to Condensed Financial Information (Parent Company)**

The accompanying condensed financial information should be read in conjunction with the notes to consolidated financial statements included elsewhere herein. Reclassifications have been made in the 2021 2022 and 2020 2021 financial statements as originally reported to conform them to the presentation of the 2022 2023 financial statements.

The Company files a consolidated federal income tax return with the results of its domestic insurance subsidiaries included on a statutory basis. Under present Company policy, federal income taxes payable by subsidiary companies on a separate-return basis are paid to W. R. Berkley Corporation, and the Company pays the tax due on a consolidated return basis.

**Schedule III**

**W. R. Berkley Corporation and Subsidiaries**  
**Supplementary Insurance Information**  
**December 31, 2023, 2022 2021 and 2020 2021**

(In thousands)	(In thousands)	Amortization									(In thousands)	Reserve for				Net
		Deferred Policy Acquisition Cost	Reserve for Losses and Expenses	Unearned Premiums	Net Premiums Earned	Net Investment Income	Loss and Expenses	Deferred Policy Acquisition Cost	Other Operating Costs and Expenses	Net Premiums Written		Deferred Policy Acquisition Cost	Loss Expenses	Unearned Premiums	Net Premiums Earned	
<b>December 31, 2023</b>	<b>December 31, 2023</b>										<b>December 31, 2023</b>					
Insurance	Insurance															
Reinsurance & Monoline	Reinsurance & Monoline															
Excess	Excess															
Corporate, other and eliminations	Corporate, other and eliminations															
<b>Total</b>	<b>Total</b>															
<b>December 31, 2022</b>	<b>December 31, 2022</b>										<b>December 31, 2022</b>					
Insurance	Insurance	\$ 651,257	\$13,786,112	\$4,779,214	\$8,369,062	\$ 550,084	\$5,130,909	\$ 935,469	\$1,430,456	\$ 8,784,146						
Reinsurance & Monoline	Reinsurance & Monoline															
Excess	Excess	112,229	3,225,111	518,440	1,192,367	194,272	730,841	103,434	235,836	1,219,924						
Corporate, other and eliminations	Corporate, other and eliminations	—	—	—	—	34,829	—	—	256,310	—						
<b>Total</b>	<b>Total</b>	<b>\$ 763,486</b>	<b>\$17,011,223</b>	<b>\$5,297,654</b>	<b>\$9,561,429</b>	<b>\$ 779,185</b>	<b>\$5,861,750</b>	<b>\$ 1,038,903</b>	<b>\$1,922,602</b>	<b>\$10,004,070</b>						
<b>December 31, 2021</b>	<b>December 31, 2021</b>										<b>December 31, 2021</b>					
Insurance	Insurance	\$ 566,718	\$12,379,395	\$4,348,171	\$7,077,708	\$ 468,821	\$4,326,403	\$ 830,199	\$1,202,192	\$ 7,743,814						
Reinsurance & Monoline	Reinsurance & Monoline															
Excess	Excess	109,427	3,011,493	498,989	1,028,323	175,324	627,557	131,429	174,098	1,119,053						
Corporate, other and eliminations	Corporate, other and eliminations	—	—	—	—	27,473	—	—	261,352	—						
<b>Total</b>	<b>Total</b>	<b>\$ 676,145</b>	<b>\$15,390,888</b>	<b>\$4,847,160</b>	<b>\$8,106,031</b>	<b>\$ 671,618</b>	<b>\$4,953,960</b>	<b>\$ 961,628</b>	<b>\$1,637,642</b>	<b>\$ 8,862,867</b>						
<b>December 31, 2020</b>	<b>December 31, 2020</b>															
Insurance	Insurance	\$ 467,871	\$10,977,674	\$3,660,758	\$6,067,669	\$ 375,554	\$3,939,759	\$ 734,062	\$1,137,002	\$ 6,347,101						
Reinsurance & Monoline	Reinsurance & Monoline															
Excess	Excess	88,297	2,806,756	412,433	863,174	146,029	528,947	170,893	103,775	915,336						

Corporate, other and eliminations	—	—	—	—	62,238	—	—	244,660	—
Total	\$ 556,168	\$13,784,430	\$4,073,191	\$6,930,843	\$ 583,821	\$4,468,706	\$ 904,955	\$1,485,437	\$ 7,262,437

See Report of Independent Registered Public Accounting Firm.

Schedule IV

W. R. Berkley Corporation and Subsidiaries

Reinsurance

Years ended **December 31, 2022**, **December 31, 2023**, **2021** 2022 and **2020** 2021

Premiums Written																	
Premiums Written																	
(In thousands, other than percentages)	(In thousands, other than percentages)	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net											
(In thousands, other than percentages)																	
(In thousands, other than percentages)							Direct Amount	Ceded to Other Companies			Assumed from Other Companies			Net Amount			
Year ended December 31, 2023	Year ended December 31, 2023						Year ended December 31, 2023										
Insurance	Insurance						Insurance	\$11,310,709		\$1,904,017		\$ 250,429			\$ 9,657,121		
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess						Reinsurance & Monoline Excess										
								366,034		113,522		1,044,834			1,297,346		
Total	Total						Total	\$11,676,743		\$2,017,539		\$1,295,263			\$10,954,467		
Year ended December 31, 2022	Year ended December 31, 2022						Year ended December 31, 2022										
Insurance	Insurance	\$10,363,730	\$1,799,639	\$ 220,055	\$ 8,784,146	2.5 %	Insurance	\$10,363,730	\$	\$1,799,639	\$	\$ 220,055	\$	\$ 8,784,146			
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess						Reinsurance & Monoline Excess										
		331,408	105,343	993,859	1,219,924	81.5 %		331,408	105,343	105,343	993,859	993,859	1,219,924		1,219,924		
Total	Total	\$10,695,138	\$1,904,982	\$1,213,914	\$10,004,070	12.1 %	Total	\$10,695,138	\$	\$1,904,982	\$	\$1,213,914	\$	\$10,004,070			
Year ended December 31, 2021	Year ended December 31, 2021						Year ended December 31, 2021										
Insurance	Insurance	\$ 9,220,683	\$1,727,854	\$ 250,985	\$ 7,743,814	3.2 %	Insurance	\$ 9,220,683	\$	\$1,727,854	\$	\$ 250,985	\$	\$ 7,743,814			
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess						Reinsurance & Monoline Excess										
		310,367	109,413	918,099	1,119,053	82.0 %		310,367	109,413	109,413	918,099	918,099	1,119,053		1,119,053		
Total	Total	\$ 9,531,050	\$1,837,267	\$1,169,084	\$ 8,862,867	13.2 %	Total	\$ 9,531,050	\$	\$1,837,267	\$	\$1,169,084	\$	\$ 8,862,867			
Year ended December 31, 2020																	
Insurance	Insurance	\$ 7,625,981	\$1,490,395	\$ 211,515	\$ 6,347,101	3.3 %											
Reinsurance & Monoline Excess	Reinsurance & Monoline Excess																
		248,069	94,815	762,082	915,336	83.3 %											
Total	Total	\$ 7,874,050	\$1,585,210	\$ 973,597	\$ 7,262,437	13.4 %											

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Year ended December 31, 2021	Year ended December 31, 2021						Year ended December 31, 2021		
Premiums, fees and other receivables	Premiums, fees and other receivables	\$ 27,855	\$ —	\$ 10,807	\$ (7,802)	\$ 30,860			
Due from reinsurers	Due from reinsurers	7,801	—	334	(422)	7,713			
Deferred federal and foreign income taxes	Deferred federal and foreign income taxes	79,488	—	6,011	(10,269)	75,230			
Fixed maturity securities	Fixed maturity securities	2,580	—	21,013	(968)	22,625			
Loan loss reserves	Loan loss reserves	5,437	—	—	(3,719)	1,718			
<b>Total</b>	<b>Total</b>	<b>\$ 123,161</b>	<b>\$ —</b>	<b>\$ 38,165</b>	<b>\$ (23,180)</b>	<b>\$ 138,146</b>			
<b>Year ended December 31, 2020</b>									
Premiums, fees and other receivables	Premiums, fees and other receivables	\$ 26,546	\$ 1,270	\$ 6,783	\$ (6,744)	\$ 27,855			
Due from reinsurers	Due from reinsurers	690	5,927	1,187	(3)	7,801			
Deferred federal and foreign income taxes	Deferred federal and foreign income taxes	33,250	—	46,756	(518)	79,488			
Fixed maturity securities	Fixed maturity securities	—	35,714	16,909	(50,043)	2,580			
Loan loss reserves	Loan loss reserves	2,146	(357)	3,648	—	5,437			
<b>Total</b>	<b>Total</b>	<b>\$ 62,632</b>	<b>\$ 42,554</b>	<b>\$ 75,283</b>	<b>\$ (57,308)</b>	<b>\$ 123,161</b>			

See Report of Independent Registered Public Accounting Firm.

## Schedule VI

### W. R. Berkley Corporation and Subsidiaries Supplementary Information Concerning Property-Casualty Insurance Operations Years Ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020** **2021**

(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022	2021
Deferred policy acquisition costs	Deferred policy acquisition costs	\$ 763,486	\$ 676,145	\$ 556,168				
Reserves for losses and loss expenses	Reserves for losses and loss expenses	17,011,223	15,390,888	13,784,430				
Unearned premiums	Unearned premiums	5,297,654	4,847,160	4,073,191				
Net premiums earned	Net premiums earned	9,561,429	8,106,031	6,930,843				
Net investment income	Net investment income	779,185	671,618	583,821				

Losses and loss expenses incurred:	Losses and loss expenses incurred:			
Current year	Current year	5,774,713	4,921,191	4,432,937
Current year				
Current year				
Prior years	Prior years	54,511	863	627
Loss reserve discount accretion	Loss reserve discount accretion	32,526	31,906	35,142
Amortization of deferred policy acquisition costs	Amortization of deferred policy acquisition costs	1,038,903	961,628	904,955
Paid losses and loss expenses	Paid losses and loss expenses	4,347,910	3,665,694	3,598,649
Net premiums written	Net premiums written	10,004,070	8,862,867	7,262,437

See Report of Independent Registered Public Accounting Firm.

131 130

DESCRIPTION OF REGISTRANT'S SECURITIES L18  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934 (PERFORMANCE BASED)

As of February 15, 2023, RESTRICTED STOCK UNIT AGREEMENT

Under the W. R. Berkley Corporation 2018 Stock Incentive Plan

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_, by and between W. R. BERKLEY CORPORATION, a Delaware corporation (the "Company" or "we") has five classes of securities registered under Section 12 of the Securities Exchange Act of 1934, and grantee as amended set forth on Exhibit A hereto (the "Exchange Act Grantee"). Important jurisdiction-specific modifications to this Agreement are contained in Exhibit B hereto and are binding and incorporated herein as set forth in Exhibit B.

WITNESSETH: (1) our

WHEREAS, the Grantee is an employee of the Company or one of its Affiliates, and the Company wishes to grant the Grantee a notional interest in shares of the Company's common stock, par value \$0.20 per share ("Common Stock"); (2) our 5.700% Subordinated Debentures due 2058 (the "2058 Debentures"); (3) our 5.100% Subordinated Debentures due 2059 (the "2059 Debentures"); (4) our 4.250% Subordinated Debentures due 2060 (the "2060 Debentures"); and (5) our 4.125% Subordinated Debentures due 2061 (the "2061 Debentures," and together with the 2058 Debentures, the 2059 Debentures and the 2060 Debentures, the "Debentures").

Description of Common Stock

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Restated Certificate of Incorporation, as amended to date (the "Certificate of Incorporation"), in the form of restricted stock units, as more particularly set forth herein; and

WHEREAS, the Company grants these restricted stock units in exchange for Grantee's performance of the "Obligations" (as defined in Section 3 below) set forth in this Agreement, to give Grantee a proprietary interest in the Company's success, aligning Grantee's interest with those of the other Company stockholders; and

WHEREAS, the Restricted Stock Units (as defined below) granted to Grantee hereunder vest based on the Company's performance during the applicable Performance Period (as defined below), however the delivery of the Stock after vesting is generally deferred until one hundred and our Amended and Restated By-Laws eighty (80) days following Grantee's "separation from service" (as such term is used in Section 409A of the Internal Revenue Code of 1986, as amended (the "Bylaws Code")); and

WHEREAS, Grantee's employment with the Company or one of its Affiliates is not conditioned on Grantee accepting this grant; rather, this grant is a separate supplemental benefit made available to Grantee in exchange for Grantee's compliance with the terms and conditions set forth herein; and

WHEREAS, the Company and Grantee recognize and acknowledge that if Grantee breaches the Obligations or engages in "Misconduct" (as defined in Section 3 below), each Grantee's interests will no longer be aligned with the Company's interests and therefore Grantee will no longer be entitled to retain the benefits of which the grants made herein; and

WHEREAS, the Company and Grantee recognize and acknowledge that this Agreement is incorporated by reference not a covenant not to compete and that Grantee is free to pursue any employment opportunities he/she may desire.

NOW, THEREFORE, in consideration of the agreements herein contained, the parties hereto hereby agree as an exhibit follows:

- A. **Grant of Restricted Stock Units.** As of the date hereof, subject to the Annual Report on Form 10-K terms and conditions of which this Exhibit 4.1 is a part. We encourage you to read our Certificate of Incorporation, our Bylaws Agreement and the applicable provisions of the Delaware General W. R. Berkley Corporation Law, for additional information.

#### Authorized and Outstanding Common 2018 Stock

Pursuant to the Certificate of Incorporation, our authorized capital stock consists of 1,250,000,000 shares of Common Stock and 5,000,000 shares of preferred stock, par value \$0.10 per share ("Preferred Stock"). As of February 15, 2023, 263,446,321 shares of Common Stock were outstanding. All shares of Common Stock currently issued and outstanding are fully paid and non-assessable. No shares of Preferred Stock are currently outstanding.

#### Voting Rights

Each holder of Common Stock is entitled to one vote for each share of Common Stock and does not have any right to cumulate votes in the election of directors.

#### Dividends

Subject to any preferential rights of any Preferred Stock created by our board of directors, each outstanding share of Common Stock is entitled to such dividends as our board of directors Incentive Plan (as may declare be amended from time to time, out the "Plan"), the Company hereby grants to the Grantee the targeted number of funds restricted stock units set forth on Exhibit A hereto (the restricted stock units granted or realized hereunder are hereafter referred to as the "Restricted Stock Units"). A portion of the Restricted Stock Units shall be designated as Tranche 1 Restricted Stock Units, Tranche 2 Restricted Stock Units and Tranche 3 Restricted Stock Units, as set forth on Exhibit A. The number of Restricted Stock Units granted represents the number of Restricted Stock Units that we can legally would be realized if the

Company were to achieve the target level of ROE Relative Performance for each of the Performance Periods. The number of Restricted Stock Units realized respectively, if any, is subject to increase or decrease based on the Company's actual ROE Relative Performance and may range from 0% to 110% of the Restricted Stock Units. Each Restricted Stock Unit shall represent the right to receive one share of Stock subject to the terms and conditions set forth herein. Grantee recognizes and acknowledges that the Restricted Stock Units do not constitute wages or otherwise comprise any part of the pay or benefits as compensation for Grantee's work; rather, the grant is a separate supplemental discretionary benefit being made available to Grantee in exchange for Grantee's compliance with the terms and conditions set forth herein. This grant shall be administered by the Compensation Committee (the "Committee") of the Board of Directors of the Company. Capitalized terms not defined in Section 23 of this Agreement shall have the meaning ascribed to them in the Plan.

- B. **Non-Transferability.** Except as specifically consented to by the Committee, the Grantee may not sell, transfer, pledge, or otherwise encumber or dispose of the Restricted Stock Units other than by will, the laws of descent and distribution, or as otherwise provided for in the Plan.
- A. **Vesting; Forfeiture; Recapture; Other Remedies.**

- a. Following the completion of each Performance Period, the Committee shall determine for such Performance Period, the Average Return on Equity, the ROE Relative Performance, the ROE Relative Performance Vesting Percentage and, respectively, the portion of the Tranche 1 Restricted Stock Units, Tranche 2 Restricted Stock Units and Tranche 3 Restricted Stock Units, as applicable, that have become realized (determined by multiplying the number of Restricted Stock Units subject to the applicable tranche by the ROE Relative Performance Vesting Percentage). Immediately following the Committee's determination of the number of realized Tranche 1 Restricted Stock Units, Tranche 2 Restricted Stock Units and Tranche 3 Restricted Stock Units for a respective Performance Period, the realized Restricted Stock Units shall vest as of the last day of the applicable Performance Period (subject to forfeiture and recapture, as set forth in this Section 3), provided the Grantee has remained continuously employed by the Company or its Affiliates from the date hereof through the completion of the applicable Performance Period. Restricted Stock Units granted herein which have not become vested Restricted Stock Units following the completion of the applicable Performance Period or otherwise vested shall be immediately forfeited without payment of any consideration and the Grantee shall have no further rights with respect to such Restricted Stock Units.
- b. In the event that Grantee experiences a Termination for any reason, all unvested Restricted Stock Units (except for those that vest immediately upon Termination or as otherwise determined by the Committee in its sole and absolute discretion, in each case as provided in Sections 3(c) and 3(h)) shall be forfeited, and the Grantee shall have no further rights with respect to such Restricted Stock Units. For purposes of this Agreement, Grantee will be considered to have experienced a Termination as of the date Grantee is no longer employed by or providing services to the Company or one of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of applicable employment laws or the terms of Grantee's employment agreement, if any). Unless otherwise expressly provided in this Agreement or determined by the

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Committee, (i) Grantee's right to continue to vest in the Restricted Stock Units granted hereunder will terminate as of the date of Termination and will not be extended by any notice period arising under local law or contract, and (ii) Grantee's period of service will not include any contractual notice period (except for such period of time Grantee is actively providing substantial services during any notice period as required by the Company or one of its Affiliates) or any period of "garden leave" or similar period arising under applicable employment laws or the terms of Grantee's employment agreement, if any.

- c. In the event the Grantee's employment with the Company or its Affiliates is terminated on account of death or Disability prior to the completion of the applicable Performance Period, the number of realized Restricted Stock Units for any incomplete Performance Period (including, for the avoidance of doubt, any Performance Period that has yet to commence as of the date of such termination) shall be immediately determined assuming the Company achieved the target level of ROE Relative Performance for such Performance Period and the number of realized Tranche 1 Restricted Stock Units, realized Tranche 2 Restricted Stock Units and realized Tranche 3 Restricted Stock Units that become vested shall be determined by multiplying the number of realized Restricted Stock Units by a fraction, the numerator of which is the number of days the Grantee served as an employee from the date of this Agreement to the date of such termination and the denominator of which is the number of calendar days from the date hereof through the applicable Performance Period, *i.e.*, 1,095 or 1,096 (as applicable) with respect to the Tranche 1 Restricted Stock Units, 1,461 with respect to the Tranche 2 Restricted Stock Units and 1,826 or 1,827 (as applicable) with respect to the Tranche 3 Restricted Stock Units. For purposes of this Agreement, the Grantee's employment will be deemed to have terminated on account of a "Disability" if such termination was on account of the total and permanent disability of the Grantee, as determined by the Company in its sole discretion.
  - d. The Restricted Stock Units granted hereunder shall be subject to the following forfeiture and recapture provisions as provided below:
- A. In the event that the Committee determines in its sole and absolute discretion that Grantee during the Relevant Period breached one or more of the Obligations (or agreed to enter into, or had entered into, an agreement (written, oral or otherwise) to breach one or more of the Obligations) or engaged in Misconduct, then (1) all of the unvested Restricted Stock Units granted hereunder, all shares of Stock not yet delivered to Grantee with respect vested Restricted Stock Units granted hereunder, and all rights to future payments of Dividend Equivalents (as defined below), in each case shall be immediately forfeited, and the Grantee shall have no further rights with respect thereto, and (2) Grantee shall forfeit, and upon demand by the Company repay to the Company (or, if not repaid to the Company, the Company shall recapture from Grantee), an amount equal to (x) (i) the value, as of each Settlement Date (as defined below), of the shares of Stock Grantee received on the Settlement Date for vested Restricted Stock Units (including any shares withheld pursuant to Section 12), (ii) all amounts paid to Grantee on or at any time prior to the Settlement Date in respect of Dividend Equivalents, and (iii) the value of all dividends, if any, paid to the Grantee in respect of such shares of Stock; or (y) such lesser amount as determined by the Committee in its sole and absolute discretion as provided in Sections 3(e) and



(f). The Grantee may satisfy some or all of the repayment obligation to the Company of the portion due under (x)(i) and (y) above by returning the shares of

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Stock received by Grantee on the Settlement Date (including any shares withheld pursuant to Section 12), provided that any amounts due under (x)(ii) and (iii) above must be repaid to the Company in cash.

- B. Grantee acknowledges it would be contrary to the interests of the Company for Grantee to retain the amounts required to be forfeited, repaid to or recaptured by the Company pursuant to this Section 3(d), if Grantee has (x) chosen to breach or agreed to breach one or more of the Obligations or (y) engaged in Misconduct, Grantee acknowledges that breaching one or more of the Obligations or engaging in Misconduct would be contrary to the interests of the Company, would be contrary to the compliance with the terms and conditions set forth herein that the Company required in exchange for the Company granting the Restricted Stock Units, and would result in corporate waste if the Grantee did not forfeit and repay (and the Company did not seek recapture of) the benefits conferred hereunder. Any amounts forfeited, repaid or recaptured hereunder will 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 Grantee's promise to comply with the terms and conditions set forth herein. In the absence of Grantee's promise to comply with the terms and conditions set forth herein, the Company would not have granted the Restricted Stock Units. 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 Grantee or with other grantees.
- C. The term "Relevant Period" as used herein shall mean the period beginning on the date of Grantee's commencement of employment with the Company or one of its Affiliates and ending one year following Grantee's Termination for any reason.
- D. This Agreement is in addition to and shall not supersede or preclude the Company from enforcing the terms of any separate agreement to which Grantee is bound containing covenants and/or obligations on post-employment activities or its other rights under applicable law.
- i. For purposes of this Agreement, the Grantee has breached Grantee's "Obligations" if, either directly or indirectly, and whether as an employee, consultant, independent contractor, partner, joint venturer or otherwise, during the Relevant Period the Grantee:
- (i) who is employed by, or was previously employed by, the Company, engages in or directs 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 Grantee had responsibilities on behalf of the Company or about which Grantee received, learned or had regular access to Confidential Information (defined below) and (y) in which the Company conducts, manages or supports business activities during all or part of the Relevant Period,
- (ii) who is employed by, or was previously employed by, an Affiliate(s) of the Company, engages in or directs any business activities which are competitive with any business activities conducted, managed or supported by such Affiliate(s), in or directed into any geographical area (x) where Grantee had responsibilities on behalf of such Affiliate(s) or about which Grantee received, learned or had regular access to Confidential Information and (y) in which the Affiliate(s) conducts, manages or supports business activities during all or part of the Relevant Period,
- (iii) on behalf of any person or entity engaged in business activities competitive with the business activities of the Company or its Affiliates, solicits or induces, or in any manner

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attempts to solicit or induce, any person to terminate such person's employment with the Company or its Affiliates (provided that Grantee worked with or supervised such person or Grantee learned Confidential Information about such person),

(iv) diverts, or in any manner attempts or assists others to divert, any Covered Business Partner (defined below) from doing business with the Company or its Affiliates or attempts to induce any Covered Business Partner to cease being a Client of the Company or its Affiliates,

(v) solicits, 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 its Affiliates, or

(vi) discloses, misappropriates, makes use of, or attempts or assists others to pay dividends, make use of or misappropriate, the Company's or its Affiliates' property or Confidential Information, other than in the course of the performance of services to and for the benefit of the Company or its Affiliates or at the direction of the Company or its Affiliates.

Grantee acknowledges and agrees that the Obligations are narrowly tailored in duration, scope and geography, and are reasonable to protect the Company's business interests, including trade secrets, Confidential Information and relationships. The determination as to whether the Grantee has breached one or more of the Obligations, and if so whether and to what extent to demand repayment or recapture, shall be made by the Committee in its sole and absolute discretion. The Committee has sole and absolute discretion to interpret and apply this Agreement, and to determine whether, notwithstanding its determination that Grantee has breached one or more of the Obligations, forfeiture, repayment or recapture as provided herein shall not occur in whole or in part. The Committee's exercise or non-exercise of its discretion with respect to any particular event or occurrence by or with respect to the Grantee 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 Grantee constitutes breaching an Obligation or (ii) determine the related date of Grantee's breach of the Obligation.

- i. For purposes of this Agreement, the Grantee has engaged in "Misconduct" if the Grantee, during the Relevant Period, has engaged 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 the Company or its Affiliates. The determination as to whether the Grantee has engaged in Misconduct, and if so whether and to what extent to demand repayment or recapture, shall be made by the Committee in its sole and absolute discretion. The Committee has sole and absolute discretion to interpret and apply this Agreement, and to determine whether, notwithstanding its determination that Grantee has engaged in Misconduct, forfeiture, repayment or recapture as provided herein shall not occur in whole or in part. The Committee's exercise or non-exercise of such discretion with respect to any particular event or occurrence by or with respect to the Grantee 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 Grantee constitutes an act of Misconduct or (ii) determine the related Misconduct date.
- ii. The Grantee 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

#### Liquidation Rights

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 Grantee's position or title and the specific types of services to be provided or planned to be provided by the Grantee in such position or title during the Relevant Period. Should the Grantee's planned services, position, or employer change during the Relevant Period, the Grantee shall provide additional notice to the Company in the same fashion within ten (10) days of the change. The Grantee hereby acknowledges that this notice requirement is reasonable and necessary for the Committee to evaluate the Grantee's compliance with the provisions of Section 3 hereof. Furthermore, if the Grantee fails to so notify the Company, the Grantee 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 Grantee) the amounts described in Section 3(d) hereof as if the Grantee had breached an Obligation during the Relevant Period.

- iii. In the event of liquidation, dissolution a Change in Control, unless otherwise specifically prohibited under applicable laws or winding-up by the rules and regulations of any governing governmental agencies or national securities exchanges, in the event that the Grantee's employment with the Company or its Affiliates is terminated (i) by the Company or its Affiliates without Cause or (ii) by the Grantee for Good Reason, in each case during the eighteen (18) month period following such Change in Control, the number of realized Restricted Stock Units for any incomplete Performance Period (including, for the avoidance of doubt, any Performance Period that has yet to commence as of the date of such termination) shall be immediately determined assuming the Company achieved the target level of ROE Relative Performance for such Performance Period and the number of realized Tranche 1 Restricted Stock Units, realized Tranche 2 Restricted Stock Units and realized Tranche 3 Restricted Stock Units shall immediately become vested Restricted Stock Units. All vested Restricted Stock Units pursuant to this Section 3(h) shall be settled in accordance with Section 4.

a. **Delivery and Possession of Share Certificates or Documentation Evidencing Indicia of Ownership.**

One hundred and eighty (180) days following the Grantee's "separation from service" (for purposes of Section 409A of the Code) for any reason, including death or Disability (the "Settlement Date"), provided the Grantee has neither breached, nor entered into an agreement (written, oral or

otherwise) to cause Grantee to breach, an Obligation nor engaged in Misconduct, the Company shall deliver to the Grantee (or the Grantee's estate in the event of death) a certificate or certificates or electronic indicia of ownership of the number of shares of Stock equal to the number of vested Restricted Stock Units (less any shares withheld pursuant to Section 12 below) as of the date of such separation from service; provided, however, that if the Grantee is a "specified employee" pursuant to Section 409A(a)(2)(B)(i) of the Code, distribution of shares of Stock shall be delayed for such period of time as may be necessary to satisfy Section 409A(a)(2)(B)(i) of the Code (generally six months), and on the earliest date on which such distribution can be made following such delay without violating the requirements of Section 409A(a)(2)(B)(i) of the Code, the Company shall deliver to the Grantee a certificate or certificates or electronic indicia of ownership of the number of shares of Stock equal to the

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number of such vested Restricted Stock Units. A delay shall not be required to the extent the Grantee terminates employment on account of death or Disability, provided that in the event of a Disability the Grantee is "disabled" within the meaning of Section 409A(a)(2)(C) of the Code, in which case the Restricted Stock Units shall be settled ninety (90) days following the occurrence of such death or Disability. Notwithstanding the foregoing, in the event of a Change in Control, which also constitutes a change in the ownership or effective control of the Company holders or in the ownership of Common a substantial portion of the assets of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code, the Company shall immediately deliver to the Grantee a certificate or certificates or electronic indicia of ownership of the number of then vested Restricted Stock Units.

- a. **Dividends and Dividend Equivalents.** No dividends or dividend equivalents shall accrue or be paid with respect to any outstanding unvested Restricted Stock Units. On the second Tuesday of each January, April, July and October (each, a "Dividend Equivalent Payment Date") occurring during the period commencing on the Vesting Date and ending on the Settlement Date, the Grantee shall be paid an amount in cash, with respect to each vested Restricted Stock Unit then outstanding and held by such Grantee, equal to the aggregate cash dividends paid by the Company in respect of one share of Stock (the "Dividend Equivalent") following the immediately prior Dividend Equivalent Payment Date, or with respect to the first Dividend Equivalent Payment Date only, on or following the Vesting Date; provided, however, that with respect to the first Dividend Equivalent Payment Date, no Dividend Equivalents shall be paid to the Grantee in respect of any cash dividends declared or paid by the Company prior to such Vesting Date. To the extent a cash dividend is paid by the Company on or prior to the Settlement Date but the Dividend Equivalent Payment Date relating thereto would not occur prior to the Settlement Date, the Dividend Equivalents relating thereto shall be paid to the Grantee on the Settlement Date. The Grantee's right to future payments of Dividend Equivalents shall be subject to forfeiture, repayment and recapture to the same extent that the corresponding Restricted Stock Units are subject to forfeiture, repayment and recapture pursuant to Section 3.
- b. **Rights of Stockholder.** Neither the Grantee nor any transferee will have any rights or privileges as a stockholder with respect to any shares of Stock that are represented by the Restricted Stock Units covered by this Agreement until such shares have been delivered pursuant to Section 4 above.
- c. **Grantee Representations.** Grantee agrees that he or she has entered into this Agreement voluntarily and that the Grantee has not been induced to participate in the distribution of Restricted Stock Units by the Company by expectation of appointment, employment, continued appointment or continued employment or other service relationship of the Grantee with the Company or one of its Affiliates. The Grantee further agrees that the Company has not made any representations or warranties with respect to the Restricted Stock Units, the Company or its Affiliates, the business of the Company or its Affiliates or its or their respective prospects, and that no securities commission, agency, governmental authority, regulatory body, stock exchange or similar regulatory authority has reviewed or passed on the merits of the Restricted Stock Units and that the Grantee's ability to transfer the Restricted Stock Units will be entitled limited by the Plan, this Agreement and applicable securities laws.
- d. **Compliance with Law.** Notwithstanding any other provisions in this Agreement, the Grantee hereby agrees that the Company will not be obligated to receive on issue, transfer or deliver shares of Stock to Grantee hereunder, if the issuance, transfer or delivery of such shares

would constitute a **pro-rata basis any assets remaining after provision for payment of creditors and after payment** violation by the Grantee or the Company of any provision of any law or regulation of any governmental authority. The Company shall in no event be obliged to register any securities pursuant to the Securities Act or to take any other affirmative action in order to cause the issuance, transfer or delivery of shares of Stock acquired pursuant to this Agreement to comply with any law or regulation of any governmental authority.

- e. **Notice.** Except as required in Section 3(g), 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 Grantee 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 Grantee may be given to the Grantee personally or may be mailed or delivered as provided herein to Grantee at the Grantee's last known address, as reflected in the Company's records.
- f. **Changes in Capital Structure.** The existence of this Agreement will not affect in any way the right or power of the Company or its stockholders to make or authorize any of the following:
- any adjustments, recapitalization, reorganizations or other changes in the Company's capital structure or its business;
  - any merger or consolidation of the Company;
  - any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, or any preferred stocks ahead of or affecting the Stock or the rights thereof or convertible into or exchangeable for Stock;
  - the dissolution or liquidation **preferences** of the Company;
  - any sale or transfer of all or any part of its assets or business; or
  - any other corporate act or proceeding.
- A. **Other Share Issues.** Except as expressly provided in the Plan, the issue by the Company of shares of stock of any class, or securities convertible into or exchangeable for shares of stock of any class, for cash, property or services, either upon direct sale or upon the exercise of options, rights or warrants, or upon conversion of shares or obligations of the Company convertible into such shares or other securities will not affect, and no adjustment by reason thereof will be made with respect to, **holders** the number of **Preferred** shares subject to this Agreement.
- B. **Withholding.** At the time of vesting and/or settlement of the Restricted Stock Units, as appropriate, the Grantee is required to pay to the Company an amount sufficient to pay all federal, state and local withholding taxes applicable (including FICA taxes upon vesting), and the vesting and/or settlement of the Restricted Stock Units, and the Grantee's right to vesting and/or settlement, as appropriate, shall be contingent upon such payment. Such payment to the Company may be effected through (a) payment by the recipient to the Company of the aggregate withholding taxes in cash or cash equivalents; (b) the Company's withholding from the number of shares of Stock that would otherwise be delivered to the Grantee upon settlement of the Restricted Stock Units, a number of shares of Stock with an aggregate Fair Market Value on the Settlement Date equal to the aggregate amount of withholding taxes; or (c) any combination of these two methods.
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- C. **Grantee's Tax Considerations.** The tax impact of the grant hereunder can be quite complex and will vary with each Grantee. It is recommended that each Grantee review such Grantee's own tax situation and consult their tax advisor.
- D. **Waiver of Right to Trial by Jury.** AS ALLOWED BY APPLICABLE LAW, BOTH PARTIES HEREBY WAIVE AND RELEASE ANY CLAIM UNDER FEDERAL, STATE OR LOCAL LAW THEY MAY HAVE HAD TO A JURY TRIAL IN CONNECTION WITH CLAIMS ARISING UNDER OR RELATED TO THIS AGREEMENT OR ANY ACTIONS TAKEN OR DETERMINATIONS MADE HEREUNDER.
- E. **No Right to Continued Service.** This Agreement does not confer upon the Grantee any right to continue as an employee of or other service provider to the Company or any of its Affiliates, nor shall it interfere in any way with the right of the Company or any of its Affiliates to terminate Grantee's employment or other service relationship at any time for any reason.
- F. **Notification to Subsequent Employer.** Grantee shall notify any subsequent employer, prior to commencing employment, of the covenants and obligations in Sections 3(d), (e), (f) and (g) of this Agreement (as modified by Exhibit B to this Agreement, if **any**, and as applicable to the Grantee).
- G. **Binding Effect.** This Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.
- H. **The Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall govern. If there is any inconsistency between this Agreement and Exhibit B, Exhibit B shall govern. The Grantee hereby acknowledges that he or she has received a copy of the Plan and understands and agrees to the terms thereof. This

Agreement, together with the Plan, constitutes the entire agreement by and between the parties hereto with respect to the Restricted Stock Units granted under this Agreement, and this Agreement and the Plan supersede all prior agreements, correspondence and understandings and all prior and contemporaneous oral agreements and understandings, among the parties hereto with respect to the Restricted Stock Units granted under this Agreement.

- I. **Jurisdiction Governing Law.** This Agreement concerns the provision of Restricted Stock Units that provide a notional interest at the time of grant in shares of common stock of 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 grantees who are receiving such an interest in the same Delaware corporation pursuant to the same form of restricted stock 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. Unless otherwise provided in Exhibit B, this Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. 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. Grantee 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

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Agreement, the court (including, as applicable, any court as specified in Exhibit B) 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.

- J. **Severability/Reformation.** 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, or terms and conditions contained in, this Agreement is held to be invalid, void or unenforceable as to any jurisdiction, then (i) the court shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of such provisions of this Agreement, 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) the same shall not affect the remainder of the provisions or the enforceability thereof.
- K. **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The counterparts of this Agreement may be executed by facsimile or other electronic signature by any of the parties to any party, and any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.
- L. **Protected Conduct.** Nothing in this Agreement (a) with respect to an event that Grantee reasonably and in good faith believes at the time of reporting is a violation of law, prohibits Grantee 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 reporting such event, (b) prohibits Grantee from cooperating in an investigation conducted by a government agency, or (c) prohibits Grantee from discussing or disclosing information about unlawful acts in the workplace as permitted under applicable law which Grantee reasonably and in good faith believes at the time of disclosure to be unlawful. Further, Grantee 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 Grantee is covered by Section 7 of the National Labor Relations Act (NLRA) because Grantee is not in a supervisor or management role, nothing in this Agreement shall be construed to prohibit Grantee from using information Grantee acquires regarding the wages, benefits, or other terms and conditions of employment at the Company or its Affiliates for any purpose protected under the NLRA.
- M. **Definitions.**

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(a) “Affiliate” shall mean, with respect to any person or entity, any other person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity.

(b) “Agreement” has the meaning set forth in the Recitals.

(c) “Average Return on Equity” means the percentage equal to the product of four (4) times the result of (i) the sum of the Return on Equity for each quarter in the applicable Performance Period, divided by (ii) the number of quarters in the applicable Performance Period.

(d) “Cause” means “Cause” as defined in any active employment agreement between the Grantee and the Company or its Affiliates or, in the absence of any such definition, means the occurrence of any one of the following events: (i) fraud, personal dishonesty, embezzlement or acts of gross negligence or gross misconduct on the part of the Grantee in the course of his or her employment or services; (ii) the Grantee’s engagement in conduct that is materially injurious to the Company or its Affiliates; (iii) the Grantee’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 its Affiliates’ reputation or business; (iv) public or consistent drunkenness by the Grantee 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 or its Affiliates or which impairs, or could reasonably be expected to impair, the performance of the Grantee’s duties to the Company or its Affiliates; (v) willful failure by the Grantee to follow the lawful directions of a superior officer; or (vi) the Grantee’s continued and material failure to fulfill his or her employment obligations to the Company or its Affiliates.

(e) “Client” shall mean any insured, agent, broker, producer or other intermediary to or through whom the Company or its Affiliates provides insurance or reinsurance or related services.

(f) “Committee” has the meaning set forth in Section 1.

(g) “Company” has the meaning set forth in the Recitals.

(h) “Code” has the meaning set forth in the Recitals.

(i) “Confidential Information” shall mean any information or a compilation of information, in any form (tangible or intangible), related to the business of the Company or its Affiliates that the Company or its Affiliates has not made known to the general public or authorized disclosure of to the general public, and that is not generally known to the public through proper means, including but not limited to:

(1) underwriting premiums or quotes, pricing models, 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) operating unit or other business performance records, loss ratios, projections and forecasts;

(3) price sensitive information, 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 confidential personnel details concerning other Company or its Affiliates employees or contractors;

(6) planned products, planned services, marketing surveys, research reports, market share and pricing statistics, budgets, and planned and actual fee levels;

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(7) computer passwords, the contents of any databases, tables, internal templates, know-how and training documents or materials;

(8) commissions, commission charges, pricing policies and all information about research and development and clients’ needs and agreements; and

(9) Clients’ or Prospective Clients’ names and contact information, non-public information about the nature of their business operations, their requirements for services supplied by or through the Company or its Affiliates and all confidential aspects of their relationship with the Company or its Affiliates, including the terms of any agreements with the Company or its Affiliates.



Grantee acknowledges that in the course of performing services for the Company or its Affiliates, the Grantee 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 Grantee is permitted to disclose pursuant to applicable law, provided that Grantee has a good faith and reasonable belief at the time of such disclosure that such act is unlawful.

(j) “Covered Business Partner” shall mean any person, concern or entity (including, without limitation, any Client) as to which Grantee, or persons supervised by Grantee, had business-related contact or received, learned or had regular access to Confidential Information during the most recent two years of Grantee’s employment with the Company or its Affiliates or such shorter period of time as employed (the “Look Back Period”).

(k) “Disability” has the meaning set forth in Section 3(c).

(l) “Dividend Equivalent” has the meaning set forth in Section 5.

(m) “Dividend Equivalent Payment Date” has the meaning set forth in Section 5.

(n) “Good Reason” means “Good Reason” as defined in any active employment agreement between the Grantee and the Company or its Affiliates or, in the absence of any such definition, means the occurrence of any one of the following events, unless the Grantee agrees in writing that such event shall not constitute Good Reason: (i) a material reduction in the Grantee’s duties or responsibilities from those in effect immediately prior to a Change in Control; (ii) a material reduction in the Grantee’s base salary below the levels in effect immediately prior to a Change in Control; or (iii) relocation of the Grantee’s primary place of employment to a location more than fifty (50) miles from its location, and further from the Grantee’s primary residence, immediately prior to a Change in Control; *provided, however*, that with respect to any Good Reason termination, the Company will be given not less than thirty (30) days’ written notice by the Grantee (within sixty (60) days of the occurrence of the event constituting Good Reason) of the Grantee’s intention to terminate the Grantee’s employment for Good Reason, such notice to state in detail the particular act or acts or failure or failures to act that constitute 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 the Company or its Affiliates has not fully cured such act or acts or failure or failures to act that give rise to Good Reason during such period. Further, notwithstanding any provision in this definition to the contrary, 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.

(o) “Grantee” has the meaning set forth in the Recitals; provided that whenever the word “Grantee” is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word “Grantee” shall be deemed to include such person or persons.

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(p) “Look Back Period” has the meaning set forth in Section 23(g).

(q) “Misconduct” has the meaning set forth in Section 3(f).

(r) “Net Income” means consolidated net income from continuing operations of the Company as determined under U.S. Generally Accepted Accounting Principles without the application of the accounting for (i) unrealized gains and losses on equity securities pursuant to Financial Accounting Standards Board Accounting Standards Update 2016-01 (“ASU 2016-01”) and (ii) credit losses on financial instruments pursuant to Financial Accounting Standards Board Accounting Standards Update 2016-13 (“ASU 2016-13”).

(s) “Obligations” has the meaning set forth in Section 3(e).

(t) “Performance Period” means the Tranche 1 Performance Period, Tranche 2 Performance Period or Tranche 3 Performance Period, respectively.

(u) “Plan” has the meaning set forth in Section 1.

(v) “Prospective Client” shall mean any person, concern or entity (including, without limitation, any potential insured, agent, broker, producer or other intermediary) with whom or which the Committee determines Grantee knew or should have known that the Company or its Affiliates has been in negotiations during the Look Back Period to provide insurance or reinsurance or related services.

(w) “Relevant Period” has the meaning set forth in Section 3(d)(C).

(x) “Restricted Stock Units” has the meaning set forth in Section 1.

(y) “Return on Equity” means for a quarter, a fraction (expressed as percentage) equal to Net Income divided by the Stockholders’ Equity at the beginning of the calendar year for that quarter.

(z) “ROE Relative Performance” means the Average Return on Equity less the Treasury Note Rate of Return, expressed in basis points.

(aa) “ROE Relative Performance Vesting Percentage” means a function of the ROE Relative Performance during the applicable Performance Period, and shall be determined as follows:

ROE Relative Performance*	ROE Relative Performance Vesting Percentage (% of Target)*
Less than +500 basis points	0%
≥+500 basis points	80.0%
≥+633 basis points	90.0%
≥+766 basis points	100.0% (target)
≥+900 basis points	110.0%

Listing

\* In the event that the ROE Relative Performance falls between any two values listed in the table above, the ROE Relative Performance Vesting Percentage shall be determined using a straight line interpolation between such two values. For the avoidance of doubt if the ROE Relative Performance is less than +500 basis points (i.e., the Average Return on Equity is less than 9.156%), the ROE Relative Vesting Percentage shall be 0% (i.e., no linear interpolation between 0% and 80%) and if the ROE Relative Performance is equal to or greater than +900 basis points (i.e., the Average Return on Equity at least 13.156%), the ROE Relative Vesting Percentage shall be 110%.

(bb) "Settlement Date" has the meaning set forth in Section 4.

(cc) "Stock" has the meaning set forth in the Recitals.

(dd) "Stockholders' Equity" means stockholders' equity without the application of the accounting for (i) unrealized gains or losses on equity securities pursuant to ASU 2016-01 and (ii) credit losses on financial instruments pursuant to ASU 2016-13.

(ee) "Tranche 1 Performance Period" means the period commencing July 1, 2023 and ending on June 30, 2026.

(ff) "Tranche 2 Performance Period" means the period commencing July 1, 2024 and ending on June 30, 2027.

(gg) "Tranche 3 Performance Period" means the period commencing July 1, 2025 and ending on June 30, 2028.

(hh) "Treasury Note Rate of Return" means the five-year Treasury Note rate on June 30, 2023, which is 4.156%.

(ii) "Vesting Date" means the date on which the Tranche 1 Restricted Stock Units, Tranche 2 Restricted Stock Units, and Tranche 3 Restricted Stock Units, as applicable, vest hereunder.

Our Common Stock is listed on \*\*\*\*\*

IN WITNESS WHEREOF, the New York Stock Exchange under parties hereto have executed this Agreement as of the symbol "WRB." day and year first above written.

W. R. BERKLEY CORPORATION

By:

By:

By:

Name: William R. Berkley

Title: Executive Chairman



## Description of the Debentures Exhibit A

The following description of our Debentures is a summary and does not purport to be complete.

The description of our 2058 Debentures, our 2059 Debentures, our 2060 Debentures and our 2061 Debentures is qualified in its entirety by reference to the Subordinated Indenture, Restricted Stock Unit Agreement dated as of March 26, 2018, between [REDACTED] Under the Company and The Bank of New York Mellon ("BNY"), as trustee, as supplemented in the case of the 2058 Debentures by the First Supplemental Indenture, dated as of March 26, 2018, as supplemented in the case of the 2059 Debentures by the Second Supplemental Indenture, dated as of December 16, 2019, as supplemented in the case of the 2060 Debentures by the Third Supplemental Indenture, dated as of September 20, 2020, and as supplemented in the case of the 2061 Debentures by the Fourth Supplemental Indenture, dated as of February 10, 2021 (as so supplemented, the "Indenture"). W. R. Berkley Corporation

The 2058 Debentures, 2059 Debentures, 2060 Debentures, and 2061 Debentures are traded on the New York 2018 Stock Exchange under the symbols "WRB-PE," "WRB-PF," "WRB-PG" and "WRB-PH," respectively.

## General

The following is a description of certain of the specific terms of each class of the Debentures.

The Debentures were initially issued in the following aggregate principal amounts: \$185,000,000 (2058 Debentures), \$300,000,000 (2059 Debentures), \$250,000,000 (2060 Debentures) and \$300,000,000 (2061 Debentures).

The Debentures are unsecured obligations of the Company and rank in right of payment and upon liquidation junior to all our existing and future senior indebtedness and are *pari passu* with each other and any other future Indebtedness Ranking on a Parity with the Debentures (as defined below). The Debentures are structurally subordinated to all liabilities of our subsidiaries. The Debentures do not limit us or our subsidiaries' ability to incur additional debt, including debt that ranks senior in right of payment and upon our liquidation to the Debentures.

The maturity dates of the Debentures are as follows: March 30, 2058 (2058 Debentures), December 30, 2059 (2059 Debentures), September 30, 2060 (2060 Debentures) and March 30, 2061 (2061 Debentures).

The Debentures were issued in a form of one or more fully registered global securities, without coupons, in denominations of \$25 and multiples of \$25 in excess thereof.

The Debentures are not redeemable at the option of the holder prior to maturity and will not benefit from any sinking fund.

## Definitions

"Indebtedness Ranking on a Parity with the Debentures" means the (a) Debentures and (b) Indebtedness, whether outstanding on the date of the first issuance of the Debentures or thereafter created, assumed or incurred, which specifically by its terms ranks equally with and not prior to the Debentures in right of payment upon our dissolution, winding-up, liquidation, reorganization or similar events. The securing of any Indebtedness, otherwise constituting Indebtedness Ranking on a Parity with the Debentures,

shall not be deemed to prevent such Indebtedness from constituting Indebtedness Ranking on a Parity with the Debentures.

**"Indebtedness"** means (a) any obligation of, or any obligation guaranteed by, us for which we are responsible or liable as obligor or otherwise including principal, premium and interest (whether accruing before or after filing of any petition in bankruptcy or any similar proceedings by or against us and whether or not allowed as a claim in bankruptcy or similar proceedings) for (i) indebtedness for money borrowed, (ii) indebtedness evidenced by securities, bonds, debentures, notes or other similar written instruments, (iii) any deferred obligation for the payment of the purchase price or conditional sale obligation of property or assets acquired other than in the ordinary course of business, (iv) all obligations for the reimbursement of any letter of credit, banker's acceptance, security purchase facility or similar credit transaction, (v) all obligations under "keep-well" agreements required by insurance regulators or (vi) any obligation referred to in (i) through (v) above of other persons secured by any lien on any property or asset of the Company and (b) all indebtedness for obligations to make payment in respect of derivative products such as interest and foreign exchange rate contracts, commodity contracts (including future or options contracts) swap agreements, cap agreements, repurchase and reverse repurchase agreements and similar arrangements, whether outstanding on the first issuance of the debentures or thereafter created, assumed or incurred.

**"Indebtedness Ranking Junior to the Debentures"** means any Indebtedness, whether outstanding on the date of the first issuance of the Debentures or thereafter created, assumed or incurred, which specifically by its terms ranks junior to and not equally with or prior to the Debentures (and any Indebtedness Ranking on a Parity with the Debentures) in right of payment upon our dissolution, winding-up, liquidation, reorganization, or similar events. The securing of any Indebtedness, otherwise constituting Indebtedness Ranking Junior to the Debentures, shall not be deemed to prevent such Indebtedness from constituting Indebtedness Ranking Junior to the Debentures.

#### **Interest and Principal**

The 2058 Debentures bear interest at an annual rate of 5.700%, the 2059 Debentures bear interest at an annual rate of 5.100%, the 2060 Debentures bear interest at an annual rate of 4.250% and the 2061 Debentures bear interest at an annual rate of 4.125%.

We will pay interest on the 2058 Debentures, the 2059 Debentures, the 2060 Debentures and the 2061 Debentures quarterly in arrears on March 30, June 30, September 30 and December 30 of each year, subject to our right to defer the payment of interest on such class of Debentures, on one or more occasions, for up to five consecutive years. We will make interest payments on the 2058 Debentures, 2059 Debentures, 2060 Debentures and 2061 Debentures to the holders of record at the close of business on March 15, June 15, September 15 or December 15, as the case may be, immediately preceding such March 30, June 30, September 30 or December 30, whether or not a business day. However, interest that we pay on the maturity date or redemption date will be payable to the person to whom the principal will be payable.

If we have exercised our right to defer interest payments on any class of Debentures, we generally may not make payments on or redeem or purchase any shares of our capital stock or any of our Debentures or guarantees that rank equally with or junior to such class of Debentures upon our liquidation, dissolution or winding up, subject to certain limited exceptions.

#### **Optional Interest Deferral**

With respect to each class of Debentures, so long as no event of default has occurred and is continuing, we may, on one or more occasions, defer interest payments on such class of Debentures for one or more optional deferral periods of up to five consecutive years without giving rise to an event of default under the terms of such class of Debentures. A deferral of interest payments cannot extend, however,

beyond the maturity date or the earlier acceleration or redemption of such class of Debentures. During an optional deferral period, interest will continue to accrue on such class of Debentures, and deferred interest payments will accrue additional interest at the same rate, compounded quarterly as of each interest payment date to the extent permitted by applicable law. During an optional deferral period, we will be prohibited from paying current interest on such class of Debentures until we have paid all accrued and unpaid deferred interest plus any accrued interest thereon. No interest otherwise due during an optional deferral period will be due and payable on such class of Debentures until the end of such optional deferral period except upon an acceleration or redemption of such class of Debentures during such deferral period.

At the end of five years following the commencement of an optional deferral period, we must pay all accrued and unpaid deferred interest, including compounded interest. If, at the end of any optional deferral period, we have paid all deferred interest due on such class of Debentures, including compounded interest, we can again defer interest payments on such class of Debentures as described above.

We will provide to the trustee and the holders of the applicable Debentures written notice of any deferral of interest at least one and not more than 60 business days prior to the applicable interest payment date. We have no present intention of exercising our right to defer payments of interest.

#### **Payment Restrictions During a Deferral Period**

With respect to each class of Debentures, after the commencement of an optional deferral period until we have paid all accrued and unpaid interest on such class of Debentures, we will not, and will not permit any of our subsidiaries to:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of our capital stock (which includes Common Stock and Preferred Stock);
- make any payment of principal, interest or premium on or repay, repurchase or redeem any Indebtedness Ranking on a Parity with the Debentures or Indebtedness Ranking Junior to the Debentures; or

- make any guarantee payments with respect to any guarantee by us of any securities of any of our subsidiaries if such guarantee ranks pari passu with or junior in right of payment to such class of Debentures;

other than:

- dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, our capital stock where the dividend stock or stock issuable upon exercise of such options, warrants or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock;
- any declaration of a dividend in connection with the implementation of a stockholder's rights plan, or the issuance of capital stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto;
- as a result of a reclassification of any series or class of our capital stock or the exchange or conversion of one class or series of our capital stock for or into another class or series of our capital stock;
- the purchase of fractional interests in shares of our capital stock pursuant to an acquisition or the conversion or exchange provisions of such capital stock or the security being converted or exchanged;
- purchases or acquisitions of shares of our capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of directors, officers, agents, consultants or employees or our satisfaction of our obligations under any dividend reinvestment plan or our director, officer, agent, consultant or employee stock purchase plans;
- any exchange, redemption or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock, or of any class or series of our Indebtedness for any class or series of our capital stock;
- purchases or acquisitions of shares of our capital stock in connection with our satisfaction of our obligations under any contract or security entered into before commencement of the optional deferral period; and
- (i) payment of current or deferred interest on our Indebtedness Ranking on a Parity with the Debentures made pro rata to the amounts due on our Indebtedness Ranking on a Parity with the Debentures and the Debentures and (ii) payment of principal or current or deferred interest on our Indebtedness Ranking on a Parity with the Debentures that, if not made, would cause us to breach the terms of the instrument governing such Indebtedness Ranking on a Parity with the Debentures.

#### Optional Redemption

We may elect to redeem each class of the Debentures:

- in whole at any time or in part from time to time on or after May 30, 2023 in the case of the 2058 Debentures, December 30, 2024 in the case of the 2059 Debentures, September 30, 2025 in the case of the 2060 Debentures and March 30, 2026 in the case of the 2061 Debentures, at a redemption price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption; *provided* that if such class of Debentures is not redeemed in whole, at least \$25 million aggregate principal amount of such class of Debentures must remain outstanding after giving effect to such redemption;
- in whole, but not in part, at any time prior to May 30, 2023 in the case of the 2058 Debentures, December 30, 2024 in the case of the 2059 Debentures, September 30, 2025 in the case of the 2060 Debentures and March 30, 2026 in the case of the 2061 Debentures, within 90 days of the occurrence of a "tax event" (as defined below) at a redemption price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption; or
- in whole, but not in part, at any time prior to May 30, 2023 in the case of the 2058 Debentures, December 30, 2024 in the case of the 2059 Debentures, September 30, 2025 in the case of the 2060 Debentures and March 30, 2026 in the case of the 2061 Debentures, within 90 days of the occurrence of a "rating agency event" at a redemption price equal to 102% of their principal amount plus any accrued and unpaid interest to, but excluding, the date of redemption.

#### Definitions

"**Tax event**" means that we will have received an opinion of counsel, rendered by a law firm of nationally recognized standing that is experienced in such matters, stating that, as a result of any:

- amendment to, or change in (including any promulgation, enactment, execution or modification of) the laws (or any regulations under those laws) of the United States or any political subdivision thereof or therein affecting taxation;
- official administrative pronouncement (including a private letter ruling, technical advice memorandum or similar pronouncement) or judicial decision or administrative action or other official pronouncement interpreting or applying the law or regulations enumerated in the preceding bullet point, by any court, governmental agency or regulatory authority; or

- threatened challenge asserted in connection with an audit of us, or a threatened challenge asserted in writing against any taxpayer that has raised capital through the issuance of securities that are substantially similar to such class of Debentures,

which amendment or change is enacted or effective or which pronouncement or decision is announced or which challenge is asserted against us or becomes publicly known on or after the original issue date of such class of Debentures, there is more than an insubstantial increase in the risk that interest accruable or payable by us on such class of Debentures is not, or will not be, deductible by us in whole or in part, for U.S. federal income tax purposes.

“Rating agency event” means that any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act that then publishes a rating for us (a “rating agency”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as such class of Debentures, which amendment, clarification or change results in (a) the shortening of the length of time of such class of Debentures are assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of such class of Debentures; or (b) the lowering of the equity credit (including up to a lesser amount) assigned to such class of Debentures by that rating agency compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of such class of Debentures.

#### Payment of Additional Amounts

We will make all payments of principal of, and premium, if any, interest and any other amounts on, or in respect of, the Debentures without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of a taxing jurisdiction or any political subdivision or taxing authority thereof or therein, unless such taxes, fees, duties, assessments or governmental charges are required to be withheld or deducted by:

- the laws, or any regulations or rulings promulgated thereunder, of a taxing jurisdiction or any political subdivision or taxing authority thereof or therein, or
- an official position regarding the application, administration, interpretation or enforcement of any such laws, regulations or rulings, including, without limitation, a holding by a court of competent jurisdiction or by a taxing authority in a taxing jurisdiction or any political subdivision thereof.

If a withholding or deduction at source is required, we will, subject to certain limitations and exceptions described below, pay to the holder of any such Debenture such additional amounts as may be necessary so that every net payment of principal, premium, if any, interest or any other amount made to such holder, after the withholding or deduction, will not be less than the amount provided for in such Debenture and the indenture to be then due and payable.

We will not be required to pay any additional amounts for or on account of:

(1) any tax, fee, duty, assessment or governmental charge of whatever nature which would not have been imposed but for the fact that such holder: **Incentive Plan**

- was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, the relevant taxing jurisdiction or any political subdivision thereof or otherwise had some connection with the relevant taxing jurisdiction other than by reason of the mere ownership of, or receipt of payment under, such Debenture; **NAME OF GRANTEE:** \_\_\_\_\_
- presented such Debenture for payment in the relevant taxing jurisdiction or any political subdivision thereof, unless such Debenture could not have been presented for payment elsewhere; or **TARGET NUMBER OF TRANCHE 1 RESTRICTED STOCK UNITS GRANTED TO GRANTEE:** \_\_\_\_\_
- presented such Debenture for payment more than 30 days after the date on which the payment in respect of such Debenture became due and payable or provided for, whichever is later, except to the extent that the holder would have been entitled to such additional amounts if it had presented such Debenture for payment on any day within that 30-day period; **TARGET NUMBER OF TRANCHE 2 RESTRICTED STOCK UNITS GRANTED TO GRANTEE:** \_\_\_\_\_

(2) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge; **TARGET NUMBER OF TRANCHE 3 RESTRICTED STOCK UNITS GRANTED TO GRANTEE:** \_\_\_\_\_

(3) any tax, assessment or other governmental charge that is imposed or withheld by reason of the failure by the holder or the beneficial owner of such Debenture to comply with any reasonable request by us addressed to the holder within 90 days of such request:

- to provide information concerning the nationality, residence or identity of the holder or such beneficial owner, or
- to make any declaration or other similar claim or satisfy any information or reporting requirement, which is required or imposed by statute, treaty, regulation or administrative practice of the relevant taxing jurisdiction or any political subdivision thereof as a precondition to exemption from all or part of such tax, assessment or other governmental charge; or

(4) any combination of items (1), (2) and (3) above.

In addition, we will not pay additional amounts with respect to any payment of principal of, or premium, if any, interest or any other amounts on, any Debenture to any holder who is a fiduciary, partnership, other fiscally transparent entity or other than the sole beneficial owner of such Debenture to the extent such payment would be required by the laws of the relevant taxing jurisdiction, or any political subdivision or relevant taxing authority thereof or therein, to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary, partner, member of such other fiscally transparent entity or a beneficial owner who would not have been entitled to such additional amounts had it been the holder of the Debenture.

#### *Consolidation, Amalgamations, Merger and Sales*

The Indenture provides that we may not consolidate or amalgamate with or merge into any other person (whether or not affiliated with the Company), or convey, transfer or lease our properties and assets as an entirety or substantially as an entirety to any other person (whether or not affiliated with the

Company) to consolidate or amalgamate with or merge into the Company or convey, transfer or lease our properties and assets as an entirety or substantially as an entirety to the Company, unless:

- in case the Company shall consolidate or amalgamate with or merge into another person or convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to any person, the person formed by such consolidation or amalgamation or into which the Company is merged or the person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company as an entirety or substantially as an entirety shall be a person organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, Bermuda, the Cayman Islands, Ireland, Switzerland, the United Kingdom, or any other country which is on the date of the Indenture a member of the Organization of Economic Cooperation and Development, and shall expressly assume, by supplemental indenture, all of our obligations under the Debentures and the Indenture and, for each security that by its terms provides for conversion, provide for the right to convert such security in accordance with its terms;
- immediately after giving effect to such transaction, no default or event of default under the Indenture has occurred and is continuing; and
- the trustee receives from us an officer's certificate and an opinion of counsel that the consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture.

#### *Events of Default*

An event of default with respect to each class of Debentures will occur only upon certain events of bankruptcy, insolvency or receivership involving us or certain of our subsidiaries (as specified in the Indenture).

The Indenture refers to breaches that are not events of default as defaults. They include, with respect to each class of Debenture, among other things:

- the failure to pay interest, including compounded interest, in full on such class of Debentures for a period of 30 days after the conclusion of a five-year period following the commencement of any deferral period if such deferral period has not ended prior to the conclusion of such five-year period;
- the failure to pay principal of or premium, if any, on, or additional amounts with respect to, such class of Debentures when due; or
- the failure to comply with our covenants or agreements under the Indenture or such class of Debentures.

A default also includes, for example, a failure to pay interest when due if we do not give a timely written notice of our election to commence or continue a deferral period. If we do not give a timely written notice of our election to commence or continue a deferral period and fail to pay interest when due, any holder of the applicable Debentures may seek to enforce our obligation to make the missed interest payment, including through legal process. However, there is no right of acceleration except upon the occurrence of an event of default as described above.

If we do give a timely written notice of our election to commence or continue a deferral period on any interest payment date (and, if such notice continues a deferral period, the deferral period has not continued for five years), then no default arises from our non-payment of interest on such interest payment date.

The Indenture provides that the trustee must give holders notice of all defaults or events of default within 90 days after it becomes actually known to a responsible officer of the trustee. However, except in the case of a default in payment on the Debentures, the trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders.

If an event of default under the Indenture occurs, the entire principal amount of the applicable Debentures will automatically become due and payable without any declaration or other action on the part of the trustee or any holder of the applicable Debentures. There is no right of acceleration in the case of any payment default or other breaches of covenants under the Indenture or the Debentures. Notwithstanding the foregoing, in the case of a default in the payment of

principal of or interest on a particular class of Debentures including any compound interest (and, in the case of payment of deferred interest, such failure to pay will have continued for 30 calendar days after the conclusion of the deferral period), the holder of such class of Debentures may, or, if directed by the holders of a majority in principal amount of such class of Debentures, the trustee will, subject to the conditions set forth in the indenture, demand payment of the amount then due and payable and may institute legal proceedings for the collection of such amount if we fail to make payment thereof upon demand.

With respect to each class of the Debentures, the holders of a majority in aggregate principal amount of such class of Debentures may waive any past default, except:

- a default in payment of principal or interest, or any additional amounts; or
- a default under any provision of the Indenture that itself cannot be modified or amended without the consent of the holders of all outstanding Debentures of such class.

With respect to each class of the Debentures, the holders of a majority in principal amount of such class of Debentures will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, subject to the provisions of the Indenture.

We are required to deliver a written statement to the trustee each year that states, to the knowledge of the officer making such statement, whether we have complied with all conditions and covenants under the terms of the Indenture.

The trustee will have no right or obligation under the Indenture or otherwise to exercise any remedies on behalf of any holders of the applicable Debentures pursuant to the Indenture in connection with any default, unless such remedies are available under the Indenture and the trustee is directed to exercise such remedies by the holders of a majority in principal amount of the applicable Debentures pursuant to and subject to the conditions of the Indenture. In connection with any such exercise of remedies, the trustee will be entitled to the same immunities and protections and remedial rights (other than acceleration) as if such default were an event of default.

#### *Discharge, Defeasance and Covenant Defeasance*

We may discharge certain obligations to holders of any class of Debentures that have not already been delivered to the trustee for cancellation and that either have become due and payable or will become due and payable within one year, or scheduled for redemption within one year, by depositing with the trustee, in trust, funds in U.S. dollars or in the Foreign Currency in which such Debentures are payable in an amount sufficient to pay the entire indebtedness on such Debentures with respect to principal and any premium, interest and additional amounts to the date of such deposit, if such Debentures have become due and payable, or to the maturity thereof, as the case may be.

Each Indenture provides that, unless the provisions of Section 4.2 thereof are made inapplicable to Debentures of or within any series pursuant to Section 3.1 thereof, we may elect either:

- to defease and be discharged from any and all obligations with respect to such Debentures, except for, among other things, the obligation to pay additional amounts, if any, upon the occurrence of certain events of taxation, assessment or governmental charge with respect to payments on such Debentures and other obligations to register the transfer or exchange of such Debentures, to replace temporary or mutilated, destroyed, lost or stolen Debentures, to maintain an office or agency with respect to such Debentures and to hold moneys for payment in trust; or
- to be released from its obligations with respect to such Debentures under certain covenants as described in the related prospectus supplement, and any omission to comply with such obligations will not constitute a default or an event of default with respect to such Debentures.

Such defeasance or such covenant defeasance, as the case may be, will be conditioned upon the irrevocable deposit by us with the trustee, in trust, of an amount in U.S. dollars or in the Foreign Currency in which such Debentures are payable at stated maturity, or Government Obligations, or both, applicable to such Debentures which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of, any premium and interest on, and any additional amounts with respect to, such Debentures on the scheduled due dates.

Such a trust may only be established if, among other things:

- the applicable defeasance or covenant defeasance does not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which we are a party or by which we are bound;
- no event of default or event which with notice or lapse of time or both would become an event of default with respect to the Debentures to be defeased will have occurred and be continuing on the date of establishment of such a trust and, with respect to defeasance only, at any time during the period ending on the 123rd day after such date; and

- we have delivered to the trustee an opinion of counsel, as specified in the Indenture, to the effect that the holders of such Debentures will not recognize income, gain or loss for United States Federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such opinion of counsel, in the case of defeasance, must refer to and be based upon a letter ruling of the Internal Revenue Service received by us, a Revenue Ruling published by the Internal Revenue Service or a change in applicable United States Federal income tax law occurring after the date of the Indenture. TOTAL TARGET NUMBER OF RESTRICTED STOCK UNITS GRANTED TO GRANTEE: \_\_\_\_\_

## Definitions

**"Foreign Currency"** means any currency, currency unit or composite currency, including, without limitation, By accepting the euro, issued by the government of one or more countries other than the United States of America or by any recognized confederation or association of such governments.

**"Government Obligations"** means Debentures which are:

- direct obligations terms and conditions of the United States of America or above restricted stock unit agreement, you expressly acknowledge that you have read and agree to all the government or the governments which issued the Foreign Currency in which the Debentures of a particular series are payable, for the payment of which its full faith terms and credit is pledged; or
- obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such government or governments which issued the Foreign Currency in which the Debentures of such series are payable, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government or governments, which, in the case of clauses (1) and (2), are not callable or redeemable at the option of the issuer or issuers thereof, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of or any other amount with respect to any such Government Obligation held by such custodian for the account of the holder of such depository receipt, provided that, except as required by law, such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian with respect to the Government Obligation or the specific payment of interest on or principal of or any other amount with respect to the Government Obligation evidenced by such depository receipt. conditions set forth above.

If after we have deposited funds and/or Government Obligations you decide to effect defeasance or covenant defeasance with respect to Debentures of any series:

- reject the holder of a Debenture of that series is entitled to, terms and does, elect pursuant to Section 3.1 conditions of the Indenture or the terms of such Debenture grant, you will decline your right to receive payment in a currency other than that in which such deposit has been made in respect of such Debenture; or
- a Conversion Event occurs in respect the grant, and the grant of the Foreign Currency in which such deposit has been made;

then the indebtedness represented by such Debenture Restricted Stock Units to you will be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of, any premium and interest on, and any additional amounts with respect to, such Debenture as such Debenture becomes due out of the proceeds yielded by converting the amount or other properties so deposited in respect of such Debenture into the currency in which such Debenture becomes payable as a result of such election or such Conversion Event based on:

- in the case of payments made pursuant to clause (1) above, the applicable market exchange rate for such currency in effect on the second business day prior to such payment date; or
- with respect to a Conversion Event, the applicable market exchange rate for such Foreign Currency in effect, as nearly as feasible, at the time of the Conversion Event. cancelled from its outset.

**"Conversion Event"** means the cessation of use of:

- a Foreign Currency both by the government of the country or countries which issued such Foreign Currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community; or
- any currency unit or composite currency for the purposes for which it was established.

All payments of principal of, any premium and interest on, and any additional amounts with respect to, any Debenture that are payable in a Foreign Currency that ceases to be used by the government or governments of issuance will be made in U.S. dollars.



In the event we effect covenant defeasance with respect to any Debentures and such Debentures are declared due and payable because of the occurrence of any event of default other than an event of default with respect to any covenant as to which there has been covenant defeasance, the amount in such Foreign Currency in which such Debentures are payable, and Government Obligations on deposit with the trustee, will be sufficient to pay amounts due on such Debentures at the time of the stated maturity but may not be sufficient to pay amounts due on such Debentures at the time of the acceleration resulting from such event of default. However, we would remain liable to make payment of such amounts due at the time of acceleration.

#### ***Book-Entry and Settlement***

Each class of Debentures was issued in book-entry form and represented by one or more global debentures. Beneficial interests in the global debentures are represented through book-entry accounts of financial institutions acting on behalf of the beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in a global debenture through either DTC (in the United States) or Clearstream Banking, S.A. ("**Clearstream**"), or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") (in Europe), either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their U.S. depositories, which in turn hold such interests in customers' securities accounts in U.S. depositories' names on the books of DTC. Citibank, N.A. acts as U.S. depository for Clearstream, and JPMorgan Chase Bank, N.A. acts as the U.S. depository for Euroclear.

#### ***Trustee and Paying Agent***

BNY is the trustee under the Indenture governing the Debentures and acts as the paying agent for the Debentures. The global debentures were deposited with, or on behalf of, DTC, New York, New York, as depository, and registered in the name of Cede & Co., the nominee of DTC.

#### ***Governing Law***

The Debentures and the Indenture are governed by, and construed in accordance with, the laws of the State of New York.

12

## **EXHIBIT B**

### **JURISDICTION SPECIFIC MODIFICATIONS**

#### **I. States & Territories of the United States of America**

A. **All States.** The Grantee is advised to consult with an attorney prior to accepting the grant under this Agreement.

B. **California.** For so long as Grantee primarily resides and works in California and is subject to the laws of California: (i) no provision or requirement of this Agreement will be construed or interpreted in a manner contrary to the express public policy of the State of California; (ii) the Obligations in Sections 3(e)(i) and (ii) shall not apply; (iii) Sections 3(e)(iv) and (v) shall be limited to situations where Grantee is aided in his or her conduct by Grantee's use or disclosure of trade secrets (as defined by applicable law); (iv) the last sentence of Section (3)(g) shall not apply and the remainder of Section 3(g) shall apply; and (v) Section 14 shall not apply.

C. **Colorado.** For so long as Grantee primarily resides and works in Colorado and is subject to the laws of Colorado: (i) the Obligations in Sections 3(e)(i) and (ii) shall only apply post-employment to protect the Company's and its Affiliates' trade secrets and if Grantee's annualized earnings from the Company or its Affiliates at the time Grantee executes this Agreement and at the time Sections 3(e)(i) or (ii) 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 Section 3(e)(iv) and (v) shall only apply post-employment to protect the Company's and its Affiliates' trade secrets and if Grantee's annualized earnings from the Company or its Affiliates at the time Grantee executes this Agreement and at the time Sections 3(e)(iv) or (v) 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 23(i) shall exclude information that arises from Grantee's general training, knowledge, skill, or experience, whether gained on the job or otherwise.

D. **Illinois.** For so long as Grantee primarily resides and works in Illinois and is subject to the laws of Illinois: (i) the Obligations in Sections 3(e)(i) and (ii) shall only apply post-employment if Grantee's annualized earnings from the Company or its Affiliates at the time Grantee executes this Agreement exceed (a) \$75,000.00 or (b) if Grantee executes this Agreement after January 1, 2027, \$80,000.00 per year; (ii) if Grantee'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 3(e)(i) and (ii) shall not apply unless the Company or its Affiliates compensates Grantee equivalent to Grantee's base salary at the time of termination for the period of enforcement less compensation earned through subsequent employment during the period of enforcement. Grantee agrees that this Restricted Stock 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 Grantee under this Agreement: (i) the Obligations in Sections 3(e)(i), (ii), (iv) and (v) shall only apply within any geographical area (x) where Grantee had responsibilities on behalf of the Company or its Affiliates (as appropriate) or about which Grantee 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 3(e)(i) and 3(e)(ii) are further limited to situations where Grantee is performing services that are the same as

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or similar in function or purpose to the services Grantee performed for the Company or its Affiliate(s) (as appropriate) during the Look Back Period and are not enforceable if the Grantee has been terminated without cause or laid off; (iii) the second and third sentences of Section 19 are amended to replace "Delaware" with "Massachusetts"; and (iv) this Agreement is amended to add the following new Section 24:

SECTION 24. The Company and Grantee agree that the grant of the Restricted Stock Units to Grantee is fair and reasonable consideration for the obligations of Grantee in this Agreement. The Company and Grantee agree that the grant of the Restricted Stock Units is consideration for the Grantee's compliance with the Obligations under Section 3(d) and Section 3(e)(i) and (ii) (as applicable) of this Agreement (as such Obligations are modified by Exhibit B hereto) during the duration of such Obligations. For the avoidance of doubt, Grantee has the right to consult with an attorney prior to accepting this grant. Grantee acknowledges that Grantee has been given at least ten business days to accept this grant.

**F. North Dakota.** For so long as Grantee 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 3(e)(i) and (ii) shall not apply; (iii) Sections 3(e)(iv) and (v) shall be limited to situations where Grantee is aided in his or her conduct by Grantee's use or disclosure of trade secrets (as defined by applicable law); and (iv) the last sentence of Section (3)(g) shall not apply and the remainder of Section 3(g) shall apply.

**G. Oklahoma.** For so long as Grantee resides in and is subject to the laws of Oklahoma: (i) the Obligations in Sections 3(e)(i) and (ii) shall not apply, 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 Grantee, or persons supervised by Grantee, had material business-related contact or about which Grantee had access to Confidential Information during the Look Back Period.

**H. Puerto Rico.** For so long as Grantee 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 3(e)(i) and (ii) shall only apply for the Relevant Period in any geographical area within Puerto Rico where Grantee had responsibilities on behalf of the Company or its Affiliate(s) (as appropriate) or where Grantee received or learned Confidential Information during the one-year period prior to the termination of employment; (ii) Sections 3(e)(i) and 3(e)(ii) are further limited to situations where Grantee is performing services that are the same as or similar in function or purpose to the services Grantee performed for the Company or its Affiliate(s) (as appropriate), or that call for the application of the same or similar specialized knowledge or skills as those utilized by Grantee in the services Grantee provides to the Company or its Affiliate(s) (as appropriate), during the one-year period prior to the termination of Grantee's employment with the Company or its Affiliate(s) (as appropriate); (iii) Section 23(j) 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 Grantee did business on behalf of the Company or its Affiliates, who were personally served by Grantee, or as to which Grantee received or learned Confidential Information, in each case during the most recent two years of Grantee's employment with the Company, or such shorter period of time as employed (the "Look Back Period"); and (iv) this Agreement is amended to add the following new Section 24:

"SECTION 24. The Company and Grantee agree that the grant of the Restricted Stock Units to Grantee is fair and reasonable consideration for the Obligations under Section 3(d) and Section 3(e) of this Agreement (as such Obligations are modified by Exhibit B hereto). Grantee

acknowledges that Grantee has been advised that Grantee has the right to consult with an attorney prior to accepting this grant."

**I. Virginia.** For so long as Grantee primarily resides and works in Virginia and is subject to the laws of Virginia: (i) the Obligations in Sections 3(e)(i) and 3(e)(ii) shall only apply post-employment if Grantee's average weekly earnings from the Company or its Affiliates over the 52 weeks immediately preceding the date of termination of Grantee'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 3(e)(iv) and 3(e)(v) shall not apply post-employment if Grantee does not initiate contact with or solicit a Covered Business Partner.

**J. Washington.** For so long as Grantee primarily resides and works in Washington and is subject to the laws of Washington: (a) the Obligations in Sections 3(e)(i) and 3(e)(ii) shall only apply post-employment if Grantee's annualized earnings from the Company or its Affiliates at the time Grantee 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 3(e)(i) and 3(e)(ii) shall not be enforced against Grantee if Grantee is terminated from employment without cause or if Grantee is laid off unless the Company or its Affiliates pays the Grantee during the one year period following Grantee's Termination an amount equal to the Grantee's base salary at the time of termination less any compensation earned by Grantee during such one year period; and (c) Section 19 shall not apply. Grantee further understands that for the limited purposes of the application of Sections 3(e)(i) and 3(e)(ii), "cause" to terminate Grantee's employment exists if Grantee has (i) committed, admitted committing, or pled 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 Grantee's position despite reasonable opportunity to perform, (iv) failed to exercise reasonable care and diligence in the exercise of Grantee's duties for the Company or its Affiliates, or (iv) engaged in conduct or omissions that Grantee 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. Grantee agrees that this Restricted Stock Unit grant is independent consideration for the Obligations.

Exhibit 21

Subsidiaries of the Registrant (as of **December 31, 2022** December 31, 2023). Ownership is 100% unless otherwise indicated.

<u>Entity Name</u>	<u>Domicile</u>
120dB Films Capital, LLC	Delaware
120dB Films Lending, LLC	Delaware
52 Lime Street Management Limited	United Kingdom
Abercrombie Textiles, LLC	Delaware
Acadia Insurance Company	Iowa
Acadia Insurance Group, LLC	Delaware
Admiral Indemnity Company	Delaware
Admiral Insurance Company	Delaware
Admiral Insurance Group, LLC	Delaware
American Mining Insurance Group, LLC	Delaware
Armada Insurance Services, Inc.	California
BerkDel Investors Limited	Bermuda
Berkley Accident and Health, LLC	Delaware
Berkley Administrators of Connecticut, Inc.	Delaware
Berkley Alliance Managers, LLC	Delaware
Berkley Alternative Markets Insurance Services, LLC	Delaware
Berkley Argentina de Reaseguros S.A.	Argentina
Berkley Asset Protection Underwriters, LLC	Delaware
Berkley Assurance Company	Iowa
Berkley Aviation, LLC	Delaware
Berkley Capital Investors, L.P.	Delaware
Berkley Capital, LLC	Delaware
Berkley Casualty Company	Iowa
Berkley Claims Solutions LLC	Delaware
Berkley Connect Insurance Solutions, LLC	Delaware
Berkley Custom Insurance Managers, LLC	Delaware
Berkley Dean & Company, Inc.	Delaware
Berkley European Brokers AS	Norway
Berkley European Underwriters AS	Norway
Berkley Facultative Reinsurance Services, LLC	Delaware
Berkley FinSecure, LLC	Delaware
Berkley Global Underwriters, LLC	Delaware
Berkley Healthcare Professional Insurance Services, LLC	Delaware
Berkley Insurance Company	Delaware
Berkley Insurance Company – Escritorio De Representacao do Brasil Ltda.	Brazil
Berkley Insurance Services, LLC	Delaware
Berkley International Aseguradora de Riesgos del Trabajo S. A.	Argentina
Berkley International Brasil Participacoes Ltda.	Brazil
Berkley International Compania de Servicios Mexico, S. A de C. V.	Mexico
Berkley International Compania de Servicios Uruguay, S.A.	Uruguay
Berkley International do Brasil Seguros S. A.	Brazil
Berkley International Fianzas Mexico S.A. de C.V.	Mexico
Berkley International Holdings, LLC	Delaware
Berkley International Investments Spain, S.L.U.	Spain
Berkley International Latinoamerica S. A.	Argentina

Berkley International Puerto Rico, LLC	Puerto Rico
Berkley International Seguros Colombia S.A.	Colombia
Berkley International Seguros Mexico S.A. de C.V.	Mexico
Berkley International Seguros, S. A. (99.59% ownership)	Argentina
Berkley International Seguros, S. A. (Uruguay)	Uruguay
Berkley International Services, LLC	Puerto Rico
Berkley International, LLC	New York
Berkley Latin America and Caribbean Managers, LLC	Delaware
Berkley Life and Health Insurance Company	Iowa
Berkley Life Sciences, LLC	Delaware
Berkley London Holdings, Inc.	Delaware
Berkley LS Insurance Solutions, LLC	Delaware
Berkley Managers Insurance Services, LLC	Delaware
Berkley Mid-Atlantic Group, LLC	Delaware
Berkley National Insurance Company	Iowa
Berkley Net Underwriters, LLC	Delaware
Berkley North Pacific Group, LLC	Delaware
Berkley Offshore Underwriting Managers UK, Limited	United Kingdom
Berkley Offshore Underwriting Managers, LLC	Delaware
Berkley Oil & Gas Specialty Services, LLC	Delaware
Berkley Prestige Insurance Company	Iowa
Berkley Product Recall Insurance Agency, LLC	Delaware
Berkley Professional Liability UK Limited	United Kingdom
Berkley Professional Liability, LLC	Delaware
Berkley Program Specialists, LLC	Delaware
Berkley Public Entity Managers, LLC	Delaware
Berkley Re America, LLC	Delaware
Berkley Re Direct, LLC	Delaware
Berkley Re UK Limited	United Kingdom
Berkley Regional Insurance Company	Iowa
Berkley Regional Insurance Services, LLC	Delaware
Berkley Regional Specialty, LLC	Delaware
Berkley Risk Administrators Company, LLC	Minnesota
Berkley Risk Administrators of Texas, Inc.	Texas
Berkley Risk Services of Vermont, Inc.	Delaware
Berkley Risk Solutions, LLC	Delaware
Berkley Select, LLC	Delaware
Berkley Southeast Insurance Group, LLC	Delaware
Berkley Specialty Insurance Company	Delaware
Berkley Specialty Insurance Services, LLC	Delaware
Berkley Specialty Underwriting Managers, LLC	Delaware
Berkley Surety Group, LLC	Delaware
Berkley Technology Services LLC	Delaware
Berkley Technology Underwriters, LLC	Delaware
Berkley Ventures, LLC	Delaware
BI China, Limited	Hong Kong
BIA Japan Services GK	Japan
BIL Advisors, LLC	Delaware
Birchwood Real Estate Capital Limited	England

Birchwood Real Estate Capital UK Limited	England
BREC 1 UK Limited	United Kingdom
BREC Fund 1 CIP GP Limited	Jersey
BREC Fund 1 CIP LP	Jersey
BREC Fund 1 GP Limited	Jersey
BREC Fund 1 Jersey Limited	Jersey
BREC Fund 1 LP	Jersey
Breckenridge Insurance Group, Inc.	Colorado
Breckenridge Insurance Services, LLC	California
Breckenridge IS, Inc.	Delaware
BXM Insurance Services, Inc.	Delaware
Capitol Crossing Advisors, LLC	Delaware
Carolina Casualty Insurance Company	Iowa
Carolina Casualty Insurance Group, LLC	Delaware
CC Equity Holdings, LLC	Delaware
CC Investors, LLC	Delaware
Center Place Holdings LLC (92.59% ownership)	Delaware
CGH Claims Service, Inc.	Pennsylvania
CGH Insurance Group, LLC	Alabama
Clermont Insurance Company	Iowa
Clermont Specialty Managers, Ltd.	New Jersey
Continental Western Group, LLC	Delaware
Continental Western Insurance Company	Iowa
Corporate Imaging Concepts, LLC (82.06% ownership)	Delaware
Cotasy Corporation S. A.	Uruguay
Crypton Investment Holdings LLC (89.5% ownership)	Delaware
Crypton LLC	Michigan
Crypton-NewCo Real Estate LLC	Delaware
East Isles Reinsurance, Ltd.	Bermuda
eCompanyStore, LLC	Delaware
Facultative Resources, Inc.	Connecticut
Fayston Farms Shipping Ltd.	Bermuda
Firemen's Insurance Company of Washington, D.C.	Delaware
Franchise Credit, LLC	Delaware
Gemini Insurance Company	Delaware
Gemini Transportation Underwriters, LLC	Delaware
Great Divide Insurance Company	North Dakota
Greenwich AeroGroup Brazil Holdings, Inc.	Delaware
Greenwich AeroGroup Brazil Leasing, Inc.	Delaware
Greenwich AeroGroup International, Inc.	Delaware
Greenwich AeroGroup Serviços de Aviação do Brasil S.A.	Brazil
Greenwich AeroGroup, Inc.	Delaware
Greenwich Knight Insurance Company, Ltd.	Bermuda
GRG Investment Holdings, Ltd.	Cayman Islands
Guangzhou Meridian Chemical Limited	China
Helivia Aero Taxi S.A.	Brazil
Helivia Participações do Brasil Ltda	Brazil
Insurance Networks Alliance, LLC	Delaware
Interlaken Capital Aviation Holdings, Inc.	Delaware

Interlaken Capital Aviation Services, Inc.	Delaware
Intrepid Casualty Company	Iowa
Intrepid Direct Insurance Agency, LLC	Kansas
Intrepid Insurance Company	Iowa
Intrepid Specialty Insurance Company	Iowa
Jersey International Brokerage Corporation	New Jersey
Kauai Shipping Ltd.	Bermuda
Kekona Shipping Ltd.	Bermuda
Key Care, LLC	North Carolina
Key Risk Insurance Company	Iowa
Key Risk Management Services, LLC	Delaware
Key Risk Underwriting Managers, LLC	Delaware
Kilauea Holdings Ltd.	Bermuda
Kimmei Shipping Ltd.	Bermuda
Kohala Shipping Ltd.	Bermuda
Lady Jane Shipping Ltd.	Bermuda
Lavalier Insurance Services, LLC	Delaware
Lex NY Equities LLC	Delaware
Mad River Shipping Ltd.	Bermuda
MADA Reciprocal Services, Inc.	Minnesota
Magaverse Limited	Hong Kong
Masterclass Limited	Hong Kong
Middle Patent Capital, LLC	Delaware
Midwest Employers Casualty Company	Delaware
Midwest Employers Casualty Group, LLC	Delaware
Midwest Employers Services, LLC	Delaware
Monitor Liability Managers, LLC	Delaware
MPC Memphis HI LLC	Delaware
Nano-Tex Asia Limited	Hong Kong
Nano-Tex LLC	Michigan
Nautilus Excess Insurance Agency, LLC	Delaware
Nautilus Insurance Company	Arizona
Nautilus Insurance Group, LLC	Delaware
Number 9 Shipping Ltd.	Bermuda
Oak Harbor Reinsurance Company	North Carolina
Overby-Seawell Company	Georgia
PGIS, LLC	Texas
Platinum Program Managers & Insurance Services, Inc.	California
Preferred Employers Group, LLC	Delaware
Preferred Employers Insurance Company	California
Professional Aircraft Accessories, Inc.	Delaware
Professional Aviation Associates, Inc.	Georgia
Queen's Island Insurance Company, Ltd.	Bermuda
Rasmussen Agency, Inc.	New Jersey
Regional Excess Underwriters, LLC	Delaware
Reinserco, Inc.	New Jersey
Riverport Insurance Company	Iowa
Riverport Insurance Services, LLC	Delaware
Select Marketing Insurance Services, LLC	California

Signet Star Holdings, Inc.	Delaware
SilverCap-Greenwich, LLC (98.8% ownership)	Delaware
Southeastern Underwriters, Inc.	Virginia
StarNet Insurance Company	Iowa
Starnet Insurance Services, LLC	Delaware
Steamboat Asset Management, LLC	Delaware
Steamboat Opportunity Partners, LLC	Delaware
Summit Aviation, Inc.	Delaware
Target Markets, LLC	Delaware
Target Programs, LLC	Delaware
Tri-State Insurance Company of Minnesota	Iowa
Union Insurance Company	Iowa
Union Standard Insurance Group, LLC	Delaware
Union Standard Management Company, Inc.	Texas
Vela Insurance Services, LLC	Delaware
Verus Underwriting Managers, LLC	Delaware
W. R. Berkley Europe AG	Liechtenstein
W. R. Berkley European Holdings AG	Switzerland
W. R. Berkley European Services GmbH	Switzerland
W. R. Berkley London Holdings, Limited	United Kingdom
W. R. Berkley London Staff, Limited	United Kingdom
W. R. Berkley Mexico, S. A. de C. V.	Mexico
W. R. Berkley Spain, S. L. U.	Spain
W. R. Berkley Syndicate Holdings Limited	United Kingdom
W. R. Berkley Syndicate Limited	United Kingdom
W. R. Berkley Syndicate Management Limited	United Kingdom
W. R. Berkley UK Limited	United Kingdom
Western Aircraft, Inc.	Nevada
Western Pinnacle Insurance Services, Inc.	California
WRBC Aviation Leasing, LLC	Delaware
WRBC Corporate Member Limited	United Kingdom
WRBC Development UK Limited	United Kingdom
WRBC REF Holdings Limited	Bermuda
WRBC Services, Limited	United Kingdom
WRBC Support Services, LLC	Delaware
WRBC Transportation, Inc.	Delaware
W. R. Berkley London Holdings, Limited	United Kingdom
W. R. Berkley London Staff, Limited	United Kingdom
W. R. Berkley Mexico, S. A. de C. V.	Mexico
W. R. Berkley Spain, S. L. U.	Spain
W. R. Berkley Syndicate Holdings Limited	United Kingdom
W. R. Berkley Syndicate Limited	United Kingdom
W. R. Berkley Syndicate Management Limited	United Kingdom
W. R. Berkley UK Limited	United Kingdom
Western Aircraft, Inc.	Nevada
Western Pinnacle Insurance Services, Inc.	California
WRBC Aviation Leasing, LLC	Delaware
WRBC Corporate Member Limited	United Kingdom
WRBC Development UK Limited	United Kingdom
WRBC REF Holdings Limited	Bermuda
WRBC Services, Limited	United Kingdom
WRBC Support Services, LLC	Delaware
WRBC Transportation, Inc.	Delaware

1. The following W. R. Berkley subsidiaries own Capitol Crossing I LLC, Capitol Crossing II LLC, Capitol Crossing III LLC, Capitol Crossing IV LLC, Capitol Crossing V LLC: CC SPE I LLC, CC SPE II LLC, CC SPE III LLC, CC SPE IV LLC, CC SPE V LLC respectively at 100%.
2. The following W. R. Berkley subsidiaries own CC SPE I LLC, CC SPE II LLC, CC SPE III LLC, CC SPE IV LLC, CC SPE V LLC: Center Place Holdings LLC 99.9%; CC SPE Member LLC 0.1%.
3. CC SPE Member LLC is 100% owned by Center Place Holdings LLC.
4. The following W. R. Berkley subsidiaries own Center Place Holdings LLC: CC Equity Holdings, LLC 99.94%; LDS CPH II LLC 0.06%.

6

#### Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-249950) 333-275308 on Form S-3 and the registration statements (No. 333-225579 and No. 33-88640) on Form S-8 of our reports dated February 24, 2023 February 23, 2024, with respect to the consolidated financial statements and financial statement schedules II to VI of W. R. Berkley Corporation and the effectiveness of internal control over financial reporting.

/S/ KPMG LLP

New York, New York  
February 24, 2023 23, 2024

Exhibit 31.1

#### 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 annual report on Form 10-K 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: February 24, 2023 February 23, 2024

/s/ W. Robert Berkley, Jr.

W. Robert Berkley, Jr.

President and Chief Executive Officer

Exhibit 31.2

#### CERTIFICATIONS

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

1. I have reviewed this annual report on Form 10-K 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: February 24, 2023 February 23, 2024

/s/ Richard M. Baio

Richard M. Baio

Executive Vice President,

Chief Financial Officer and Treasurer

Exhibit 32.1

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 Annual Report of W. R. Berkley Corporation (the "Company") on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023** 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, Executive 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

February **24, 2023** **23, 2024**

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

**W. R. BERKLEY CORPORATION**

**CLAWBACK POLICY**

The Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of W. R. Berkley Corporation (the "**Company**") believes that it is appropriate for the Company to adopt this Clawback Policy (the "**Policy**") to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

**1. Definitions**

For purposes of this Policy, the following definitions shall apply:

- a) "**Company Group**" means the Company and each of its Subsidiaries, as applicable.
- b) "**Covered Compensation**" means any Incentive-Based Compensation granted, vested or paid to any person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was Received (i) on or after the Effective Date, (ii) after the person became an Executive Officer and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.
- c) "**Effective Date**" means October 2, 2023.
- d) "**Erroneously Awarded Compensation**" means the amount of Covered Compensation Received that exceeds the amount of Covered Compensation that otherwise would have been Received by the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was Received and the Committee shall maintain documentation of such determination and provide such documentation to the NYSE.
- e) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

- f) **"Executive Officer"** means each "officer" of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to the Policy in accordance with its terms.
- g) **"Financial Reporting Measure"** means any measure derived wholly or in part from (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and may consist of GAAP or non-

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GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company's financial statements, such as in Management's Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.

- h) **"Home Country"** means the Company's jurisdiction of incorporation.
- i) **"Incentive-Based Compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- j) **"Lookback Period"** means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company's fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.
- k) **"NYSE"** means the New York Stock Exchange.
- l) **"Received"** Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation grant is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.
- m) **"Restatement"** means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the U.S. federal securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). Changes to the Company's financial statements that do not represent error corrections under the then-current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.
- n) **"SEC"** means the U.S. Securities and Exchange Commission.

- o) “Subsidiary” means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization “affiliated” with the Company, that is, directly or indirectly, through one or more intermediaries, “controlling”, “controlled by” or “under common control with”, the Company. “Control” for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

## 2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the Company Group in accordance with Section 3 of this Policy. The Company must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if the Committee is not a committee of the Board responsible for the Company's executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered (following reasonable attempts by the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the NYSE), (ii) pursuing such recovery would violate the Company's Home Country laws adopted prior to November 28, 2022 (provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of Home Country law, the Company obtains an opinion of Home Country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

## 3. Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Company shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the Company Group, to require the forfeiture of any grant by the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code

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and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company Group by wire, cash or cashier's check no later than thirty (30) days after receipt of such notice.

## 4. No Indemnification

No person shall be indemnified, insured or reimbursed by the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, “indemnification” includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash

grant which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to grant any person an additional payment if any Restatement would result in a higher incentive compensation payment.

## 5. Miscellaneous

This Policy generally will be administered and interpreted by the Committee, provided that the Board may, from time to time, exercise discretion to administer and interpret this Policy, in which case, all references herein to "Committee" shall be deemed to refer to the Board. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties. Any discretionary determinations of the Committee under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than

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recoupment, that may be available to the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, equity grant agreement, or other plan or agreement of the Company Group.

## 6. Amendment and Termination

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

## 7. Successors

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested, or paid to or administered by such persons or entities.

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W. R. BERKLEY CORPORATION

## CLAWBACK POLICY

### ACKNOWLEDGMENT, CONSENT AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the W. R. Berkley Corporation Clawback Policy (as may be amended from time to time, the "Policy") and I have been given an opportunity to ask questions about the Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Policy's terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Policy. I further acknowledge, understand and agree that (i) the compensation that I receive, have received or may become entitled to receive from the Company Group, including, without limitation, any grants under the Company's 2018 Stock Incentive Plan, the Company's 2019 Long-Term Incentive Plan and the Company's Amended and Restated Annual Incentive Compensation Plan (each as may be amended), is subject to the Policy, and the Policy may affect such compensation and (ii) I have no right to indemnification, insurance payments or other reimbursement by or from the Company Group for any compensation that is subject to recoupment and/or forfeiture under the Policy. Capitalized terms used but not defined herein have the meanings set forth in the Policy.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

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