



**HAMILTON**  
INSURANCE GROUP

# **FINANCIAL CONDITION REPORT**

**For the Year Ended November 30, 2018**

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# Introduction

*This Financial Condition Report (“FCR”) has been prepared in accordance with the Bermuda Insurance (Public Disclosure) Rules 2015 and the Insurance (Group Supervision) Rules 2011. The FCR is required by law to be published on the website of the submitting entity, to provide both qualitative and quantitative information beyond that required by Generally Accepted Accounting Principles (“GAAP”). The FCR addresses business performance, governance approach, capital management and solvency, among other matters.*

*This report, with permission from the Bermuda Monetary Authority, includes the results and discussion of both Hamilton Insurance Group, Ltd., the ultimate parent company of the group, and Hamilton Re, Ltd., the designated insurer. Distinction between the two entities has been made in reporting financial results and discussing materially different operational and governance processes.*

# Business and Performance

a. Name of the insurance group and designated insurer	Insurance Group: Hamilton Insurance Group, Ltd. Designated Insurer: Hamilton Re, Ltd.
b. Name and contact details of the insurance supervisor and group supervisor	Bermuda Monetary Authority (the “Authority”) Jurisdiction: Bermuda insuranceinfo@bma.bm 1 (441) 295-5278  <i>(The Authority is both insurance and group supervisor for Hamilton Re, Ltd. and Hamilton Insurance Group, Ltd., respectively)</i>
c. Name and contact details of the approved auditor	Ernst & Young Ltd. 3 Bermudiana Road Hamilton HM 08 Bermuda  Craig Redcliffe ernst.young@bm.ey.com 1 (441) 295-7000
d. Description of the ownership details, including proportion of ownership interest	Hamilton Insurance Group, Ltd. – 121 shareholders as of November 30, 2018 <a href="#">(see Appendix A)</a>  Hamilton Re, Ltd. – 100% owned by Hamilton Insurance Group, Ltd. <a href="#">(see Appendix B)</a>
e. Group structure chart detailing the group structure	<a href="#">See Appendix B</a>
f. Insurance business written by line of business and by geographic region	<a href="#">See Appendices D and E</a>
g. Performance of investments and material income and expenses for the reporting period	<a href="#">See Appendices F and G</a>
h. Any other material information	Refer to “Subsequent Events” section herein

# Governance Structure

## A. BOARD AND SENIOR EXECUTIVE

### i. Board and Senior Executive Structure, Roles, Responsibilities and Segregation of Responsibilities

The Board of Directors of Hamilton Insurance Group, Ltd. (the “Group Board”, with Hamilton Insurance Group, Ltd., on its own behalf, identified as “Hamilton Group,” and reference to the entire Hamilton group of entities being the “Group”) has responsibility for all strategic and material operational decisions of the Group, inclusive of oversight of its Subsidiaries (as defined below). The boards of directors or equivalent of the legal entities shown in Appendix B (which comprise the “Subsidiaries” in the Group’s Bermuda and UK locations, including the Group’s designated insurer in Bermuda, Hamilton Re, Ltd. (“Hamilton Re”)), have responsibility for those matters affecting those entities not assigned to the Group Board under the Bye-laws of Hamilton Group or those of such Subsidiary.

The Group Board is responsible for setting strategies and policies, and overseeing corporate governance, risk management and the internal controls framework. As of March 31, 2019, the Group Board is composed of eleven members, ten of whom are non-executives, as identified in Appendix H. The Group Board has formed the following standing Committees: the Underwriting and Risk Committee, the Investment Committee, the Finance and Governance Committee, the Audit Committee, and the Compensation and Personnel Committee (collectively, the “Committees”, with reference herein to the “Group Board” deemed to include the Committees, unless otherwise specified). The Group Board and Committees generally meet on a quarterly basis.

The Group Board delegates the management of the operations of Hamilton Group and its Subsidiaries to the Group Chief Executive Officer and other members of executive management. This includes the development and implementation of internal controls, budgets, and strategy, subject to the oversight of the Group Board. Management reports directly to the Group Board on at least a quarterly basis.

The Board of Directors of Hamilton Re provide prudential oversight of Hamilton Re’s risk management and internal control frameworks and its policies, procedures and controls to ensure effective implementation of its and the Group’s strategy. Management of Hamilton Re report to both the Hamilton Re Board of Directors (the “Hamilton Re Board”) and the Group Board on at least a quarterly basis. Hamilton Re has “delegated up” to the Group Board (and its Committees) certain corporate governance functions. The Group Board members oversee the Group frameworks in place related to corporate governance, internal controls, finance, underwriting, investment, claims and risk management functions for its Subsidiaries. For example, final approval and ultimate oversight of the underwriting guidelines and the internal audit process for Hamilton Re rests with the Group Board. As a result of the reporting at the Group Board and Committee meetings described herein, the Group Board has sufficient knowledge of Hamilton Re’s business to ensure that adequate policies and procedures are implemented and maintained by Hamilton Re. In addition, as a function of the foregoing, no separate governance committees have been established by Hamilton Re.

See [Appendix I](#) for a list of officers of Hamilton Group and a description of their positions and responsibilities.

See [Appendix J](#) for a list of directors of Hamilton Re.

See [Appendix K](#) for a list of officers of Hamilton Re and a description of their positions and responsibilities.

## **ii. Remuneration Policy**

The Group Compensation and Personnel Committee has developed an employee compensation program that includes fixed annual base salary, competitive employee benefits, and the opportunity to earn annual cash incentive awards and long-term (equity) awards based on Group and individual performance. This compensation plan applies to employees of Hamilton Group and is applied across the Subsidiaries, including Hamilton Re.

The compensation program is designed to provide a balanced mix of salary, annual incentive compensation, and long-term incentive compensation, the realization of which depends upon the attainment of a range of performance metrics. The mix of types of compensation is not overly weighted toward a single form of compensation, or inappropriately designed to overly encourage short-term financial results or unbalanced operational execution, and instead is intended to promote the pursuit of long-term financial performance, enterprise-wide, prudent risk management, and stewardship of capital.

Long-term incentive compensation is offered to align management and shareholder interests, and is an important tool for talent retention. The Group's long-term plan currently mainly consists of (i) Restricted Stock Units ("RSUs"), that vest over a three-year term based on service, and (ii) Performance Stock Units ("PSUs", together with RSUs, "LTI"). The PSU awards are subject to underwriting performance vesting requirements and have been allocated and issued to certain senior executives only. Any LTI granted is subject to certain aggregate targets and other conditions determined by the Group Compensation and Personnel Committee and the Group Board on an annual basis.

The Group's compensation for directors is weighted toward share awards, which may constitute up to 100% of a director's compensation at his or her election, in accordance with established policies approved by the Group Board.

In light of the Group's strategic and business plans, the Group Compensation and Personnel Committee reviews the material terms of the compensation program for Hamilton Group and the Subsidiaries' directors and employees at least annually, which includes periodic peer-group compensation comparisons.

## **iii. Pension or Early Retirement Schemes for Members, the Board and Senior Executives**

Hamilton Group and Hamilton Re have adopted defined-contribution pension plans and contribute a percentage of pensionable earnings on behalf of all eligible employees. Employees may elect to make additional voluntary contributions into their applicable pension plans. The funds are then invested into fund options chosen by the specific employee, and are administered by a third-party advisor.

There is no supplementary pension or early retirement scheme for members, the Group Board, the boards of directors of the Subsidiaries or senior executives.

## **iv. Shareholder Controllers, Persons Who Exercise Significant Influence, the Board or Senior Executive Material Transactions**

Two Sigma Hamilton Fund, LLC ("TS Hamilton Fund"), a Delaware limited liability company, was formed in October 2013. Hamilton Re, in its capacity as Member of the TS Hamilton Fund, has entered into a limited liability company agreement with TS Hamilton Fund and Two Sigma Principals, LLC, in its capacity as the managing member of TS Hamilton Fund, as amended from time to time. Hamilton Re has committed to invest such amount necessary to maintain a minimum investment equal to 95% of the Net Tangible Assets of Hamilton Group in TS Hamilton Fund, other than a portion thereof that it holds in cash and cash equivalents as a liquidity buffer, and is permitted to withdraw any amount from TS Hamilton Fund as long as there remains the stated minimum investment by Hamilton Re. TS Hamilton Fund has engaged Two Sigma Investments, LP ("Two Sigma"), a Delaware limited

liability company and a related party, to serve as its investment manager for a term ending on December 31, 2021. Two Sigma is a United States Securities and Exchange Commission (“SEC”)-registered investment adviser specialising in quantitative analysis.

No one individual holds a 10% or greater interest in Hamilton Group. Further, pursuant to the Hamilton Group Bye-laws, the voting power of all shares is adjusted to the extent necessary to limit each shareholder to a maximum voting power of 9.5% of all issued and outstanding shares.

## **B. FITNESS AND PROPRIETY REQUIREMENTS**

### **i. Fit and Proper Process in Assessing the Board and Senior Executives**

The Group Finance and Governance Committee is charged with identifying qualified candidates for positions on the Group Board and developing and monitoring appropriate corporate governance policies and practices for the Hamilton Group. The Group Board undertakes an annual self-assessment to determine the effectiveness of the Group Board and its Committees, as well as conducting annual conflict-of-interest assessments on each of the directors.

All prospective employees, both for Hamilton Group and its Subsidiaries, undergo a diligence and interview process. In addition, Group Board approval is required for employment of the Chief Executive Officer of the Group and members of executive management. An annual performance management process is undertaken in accordance with established policies approved by the Board of Directors of the Subsidiaries and the Group Board.

### **ii. Board and Senior Executives Professional Qualifications, Skills and Expertise**

#### **Hamilton Group Board of Directors**

##### **William Freda**

**Chairman, Audit Committee Chair**

Bill Freda concluded his distinguished career at Deloitte LLP in 2014, having worked for the firm for 40 years following his graduation from Bentley University in Waltham, Massachusetts.

At Deloitte, Bill served on a wide range of multinational engagements, interacting with clients' audit committees, boards of directors and senior management to address critical strategic issues.

Bill's many senior positions at Deloitte included Chairman of the Risk Committee and the Audit Committee of Deloitte Touche Tohmatsu Limited's Board of Directors, Managing Partner of Deloitte's U.S. client initiatives, and Regional Managing Partner of the Northeast, Deloitte's largest U.S. region.

Bill is a member of the Board of Directors of The Guardian Life Insurance Company of America and State Street Corporation. He has been actively involved in many industry associations and community organisations, and is a current member of the Board of Trustees of Bentley University.

##### **David Brown**

**Finance and Governance Committee Chair**

David Brown served as the Chief Executive Officer of Flagstone Reinsurance Holdings Ltd. from its founding in October 2005 until November 2012. David previously served as Chief Executive Officer of Centre Solutions from 1994 until 1997.

Before joining Centre Solutions, David was a Partner with Ernst & Young. He has been Chairman of the Board at the Bermuda Stock Exchange since 2000.

David is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Institute of Chartered Accountants of Bermuda.

### **John Overdeck**

#### **Underwriting and Risk Committee Chair**

John Overdeck is a co-chairman and co-founder of Two Sigma. John began his career at D. E. Shaw & Co, where he rose to Managing Director. While at D. E. Shaw, he directed the firm's Japanese equity and equity-linked investments and supervised the firm's London investment management affiliate. Following D. E. Shaw and before starting Two Sigma, John spent two years at Amazon.com, first serving as Vice President and technical assistant to Amazon.com founder Jeff Bezos. He went on to lead customer relationship management at Amazon.com, directing Amazon's renowned personalization, community, and targeted marketing features and technology. He also led critical efforts to make Amazon's customer technology more scalable.

A lifelong math enthusiast, John won a silver medal for the United States in the 27th International Mathematics Olympiad. He earned a B.S. in Mathematics (with distinction) and an M.S. in Statistics from Stanford University. In addition to his family's charitable activities, John also serves on the boards of the Robin Hood Foundation and the Institute for Advanced Study. He is the acting Chair of the National Museum of Mathematics.

In 2017, John was honoured by the Academy of Achievement for being a pioneer in technology and investment management.

### **David Siegel**

#### **Compensation and Personnel Committee Chair**

David Siegel is a computer scientist, entrepreneur, and philanthropist. He co-founded Two Sigma Investments, LP, where he currently serves as Co-chairman.

Inspired by 2001: A Space Odyssey, David was drawn to computer science at a young age and developed a deep interest in programming. This interest sparked a life-long passion for building intelligent computational systems, reflecting the belief in technology's potential to improve virtually every human endeavour.

After graduating from Princeton, David received a Ph.D. in computer science from the Massachusetts Institute of Technology, where he conducted research at the Artificial Intelligence Laboratory.

In 2001, he co-founded Two Sigma Investments on the belief that innovative technology and data science could help discover value in the world's data. Today, Two Sigma, through its use of algorithms and with its unique culture, drives transformations in many industries including investment management and insurance.

David's philanthropic efforts underscore his conviction that education, science and technology are the keys to a better world. In keeping with this vision, he founded Siegel Family Endowment in 2011 to support organisations and leaders that will understand and shape the impact of technology on society. David devotes significant time and energy to actively engaging with this work. He is a member of the Board of Overseers at Cornell Tech, a board member of Carnegie Hall, and of the Robin Hood Learning + Tech Fund.

After co-founding the board of New York City FIRST, he furthered his commitment to the organisation by joining the national FIRST board. David's service also includes roles on the Global Advisory Board of Khan Academy, the Advisory Board for Stanford's Center on Philanthropy and Civil Society, and the Advisory Council for Princeton's Center on Information Technology Policy.

In 2014, David co-founded the Scratch Foundation to support Scratch, a block-based programming language and online community for kids that helps young people learn to think creatively, reason systematically and work collaboratively — essential skills for life in the 21st century.

As a member of the MIT Corporation, David has the pleasure of serving on the Visiting Committee for the Media Lab, Electrical Engineering and Computer Science, and Center for Brains, Minds, and Machines, as well as with the advisory group for the Task Force on the Work of the Future. He is Founding Chair of the advisory board for MIT Quest, an initiative to discover the foundations of human intelligence and drive the development of technological tools that can positively influence society. David also sits on the Board of Directors of the Hamilton Insurance Group.

In 2017, David was honoured by the Academy of Achievement for being a pioneer in technology and investment management.

**Peter Koffler - Updated as described in the “Subsequent Events” section of this Report**  
Board Member (*with effect from February 6, 2019*), Investment Committee Chair (*with effect from April 10, 2019*)

Peter Koffler is a Senior Managing Director of The Blackstone Group and General Counsel for the Hedge Fund Solutions Group. His previous positions at Blackstone include Chief Compliance Officer of The Blackstone Group and Chief Compliance Officer of Blackstone Alternative Asset Management.

Peter serves as a trustee/director of various public and private funds managed by Blackstone, including Blackstone Alternative Multi-Strategy Fund, Blackstone Alternative Alpha Fund, Blackstone Alternative Investment Funds plc, Blackstone Partners OS Master ICAV and Blackstone Strategic Capital Associates II (LUX) S.À R.L.

Prior to joining Blackstone in 2006, Peter served as General Counsel and Chief Compliance Officer of Twenty-First Securities Corporation, an institutional trading and investment firm. He began his legal career at Baer Marks & Upham. He received a B.A. from the State University of New York at Binghamton, and a J.D., with honours, from Hofstra University School of Law, where he served as an editor of the Law Review.

**Charles Collis - Updated as described in the “Subsequent Events” section of this Report**  
Board Member (*with effect from 24 April, 2019*)

Charles Collis is a director in the corporate department in the Bermuda office of Conyers Dill & Pearman, as well as head of the Bermuda Insurance Practice. He joined Conyers in 1990 and became a partner in 1998.

Charles specialises in insurance and reinsurance, advising on corporate and regulatory matters. He has advised on the establishment of numerous captive insurance companies, as well as commercial reinsurance companies. Charles also specialises in insurance-linked securities, as a result of the convergence of insurance and capital markets. More specifically, he has conducted a number of insurance securitisations and transformation transactions using special purpose vehicles, traditional reinsurance companies and segregated account companies.

Highlights of this work include acting as Bermuda counsel in two prominent transactions. The first was the sale of Arden Group's Lloyd's underwriting platform (Atrium Underwriting Group Ltd.) and its Bermuda reinsurance operations (Arden Reinsurance Company Ltd.) to Enstar. He also acted for Enstar in establishing the joint venture vehicle used to effect the acquisition. The second transaction was the acquisition by Financial Holdings Limited of American Safety Insurance Holdings, Ltd. This deal was carried out through a Bermuda incorporated merger company, followed by the sale of various Bermuda subsidiaries to a third party.

Charles also served as trusted advisor on several significant insurance-related transactions. These transactions include formation of Third Point Reinsurance Company Ltd., a Bermuda-based specialty property and casualty reinsurer; establishment of VenTerra Re Ltd. as a Special Purpose Insurer for the purpose of facilitating a program of cat-bond transactions with QBE Insurance Group Limited and its affiliates; and formation, licensing and listing on the Bermuda Stock Exchange of a new cat-bond special-purpose insurer vehicle sponsored by Zurich Insurance Co. Ltd. and Zurich American Insurance (as cedants) and arranged by Munich Re Capital Markets and Swiss Re Capital Markets.

### **Russ Fradin**

#### **Board Member**

Russ Fradin is an operating partner of Clayton, Dubilier & Rice. He served as President and Chief Executive Officer at SunGard Data Systems, a \$3 billion software and IT services provider with 15,000 customers across more than 70 countries, from 2011 until the company's acquisition by FIS in November 2015.

Prior to SunGard, Russ served as Chairman and Chief Executive Officer of Aon Hewitt, a global leader in human resource solutions. During his tenure, Russ oversaw the successful September 2010 merger between Aon Consulting and Hewitt Associates, having been Chief Executive Officer of Hewitt since 2006.

Previously, Russ was Chief Executive Officer of the BISYS Group and held a range of senior executive positions at Automatic Data Processing, both providers of business outsourcing solutions. He worked many years as a management consultant at McKinsey & Company, where he was a senior partner.

Russ is a Lead Director of Best Buy, Chairman of Tranzact, Chairman of Capco, a member of the Board of Governors of the International Tennis Hall of Fame, and President of Woodridge Lake Conservancy.

Russ holds a Master's of Business Administration degree from Harvard Business School and a Bachelor of Science degree in Economics and Finance from The Wharton School at the University of Pennsylvania.

### **Joan Lamm-Tennant**

#### **Board Member**

Joan Lamm-Tennant is the Chief Executive Officer and Founder of Blue Marble Micro Limited, a start-up that designs and implements microinsurance ventures for the underserved in emerging markets. Blue Marble is owned by nine multinational insurance entities and, in collaboration with other institutions, aims to advance food security, financial inclusion and micro-entrepreneurship. Previously, Joan was the Global Chief Economist and Risk Strategist of Guy Carpenter Company LLC, a reinsurance and risk management operating company of Marsh & McLennan, and President of GenRe Capital Consultants, where she led the global advisory arm of General Reinsurance. Before joining industry, Joan had an academic career of over fifteen years. She was a tenured Professor of Finance at Villanova University where she held the Thomas Labrecque Chair in Business.

Upon joining industry, Joan was an Adjunct Professor at the Wharton School, University of Pennsylvania where she held the Laurence and Susan Hirsch Chair in International Business. She is currently a Senior Research Fellow of the Wharton Risk Management and Decision Process Center, University of Pennsylvania.

Joan is the recipient of the 2017 Insurance Industry Charitable Foundation Lifetime Achievement Award, the 2016 Wharton MBA Excellence in Teaching Award, the 2013 APIW Insurance Woman of the Year, and the 2012 International Insurance Society Kenneth Black Award for service and commitment to the advancement of the global industry.

In addition to serving on Hamilton's Board, Joan currently serves on the Boards of Element Financial Management Corporation, Ambac Financial Group and The Institutes' Board of Trustees. Previously she served on the boards of Selective Insurance Group (1994–2015) and Ivans, an insurance technology provider (2001–2013). She was instrumental in the sale of Ivans to Ability, a portfolio company of Bain Capital.

Joan holds a Ph.D. in Finance and Investments from the University of Texas. In addition, Joan holds an M.B.A. in Finance and a B.B.A. with honours in Accounting from St. Mary's University.

### **Steve Pacala**

#### **Board Member**

Steve Pacala is a Frederick D. Petrie Professor of Ecology and Evolutionary Biology at Princeton University and Director of the Princeton Environmental Institute. He also co-directs the Carbon Mitigation Initiative, a collaboration between Princeton University and British Petroleum to find solutions to the problem of global warming.

Steve's research covers a wide variety of ecological and mathematical topics with an emphasis on interactions among greenhouse gases, climate and the biosphere. He has an undergraduate degree from Dartmouth College and a Ph.D. in biology from Stanford University. He serves on the board of the Environmental Defense and is the co-founder and chairman of Climate Central.

Among Steve's many honors are the MacArthur Award, Mercer Award and the David Starr Jordan Prize. He is a member of the American Academy of Arts and Sciences and the National Academy of Sciences.

### **Pauline Richards**

#### **Board Member**

Pauline Richards is Chief Operating Officer of Armour Group Holdings Limited.

Prior to joining Armour, Pauline was Director of Development of Saltus Grammar School, a private co-educational facility in Bermuda. Pauline joined Saltus from Lombard Odier Darier Hentsch (Bermuda) where she was employed for two years as Chief Financial Officer.

Pauline has consulted for, and worked with, a number of other Bermuda-based insurance and financial services companies, including AON Group of Companies and Frank B. Hall (Bermuda) Limited.

Pauline is a member of the Boards of Wyndham Worldwide and Apollo Global Management and is a past member of Cendant Corporation and Butterfield Bank.

She is an active member of the Bermuda community, having served as Chair of PRIDE Bermuda, a drug prevention organisation where she is currently Treasurer, and as the Deputy Chair of the St. George's

Foundation, a non-profit established to manage improvements to the World Heritage site of the Town of St. George's in Bermuda.

Pauline is a member of the Outreach Committee at Christ Church, Warwick, and the Kardias Club, a women's social club that raises funds for individuals in need.

### **Pina Albo**

#### **Chief Executive Officer, Board Member**

Pina Albo joined Hamilton Group as Chief Executive Officer on January 22, 2018 and was appointed as a director of the Group Board on March 8, 2018.

Pina began her career as a lawyer in Toronto, Canada. After practicing in real estate, corporate finance and M&A, she accepted a position at Munich Re as a claims expert. During her 25-year career at Munich Re, Pina held increasingly senior positions which included Head of Casualty Unit, North America/UK and International D&O/EPL; Head of Casualty Operations at Munich Reinsurance Company of Canada and Temple Insurance Company; Executive Head of Department UK and Ireland; President, National Clients Division, Munich Re America; and President, Reinsurance Division, Munich Reinsurance America. Pina's most recent position at Munich Re was Member of the Board of Executive Management where her responsibilities have included P&C business and operations in Europe and Latin America.

Pina currently sits on the Board of Directors of the IFG Companies, Blue Marble Microinsurance and Attune Insurance. She also serves as an ambassador for the Insurance Supper Club, an international organisation that aims to improve networking opportunities for women across the finance and insurance industries.

Pina has been a member of many industry boards including the Board of the Insurance Information Institute, the Board of the Reinsurance Association of America and the National Board of the Insurance Industry Charitable Foundation.

She has been recognised for her contributions to the insurance industry and has received numerous awards including the Association of Professional Insurance Women's "Woman of the Year" (2011). She was designated a "Top Influencer" in Insurance Business America's List of "Hot 100" (2014) and placed in Intelligent Insurer's list of "Top 100 Women in Re/insurance" (2014 and 2015).

Pina holds the *Maîtrise en Droit*, International and European Community Law, from L'Université d'Aix-Marseille III, Aix-en-Provence, France; Juris Doctor from Osgoode Hall Law School, York University, Toronto, Canada; and a Bachelor of Arts degree in Languages from the University of Winnipeg, Manitoba, Canada.

### **Tom Hill**

#### **Board Observer, Former Board Member and Former Investment Committee Chair** *(ceased to be a director with effect from February 6, 2019)*

Tom Hill was President and Chief Executive Officer of Blackstone's Hedge Funds Solutions Group, a Vice Chairman of The Blackstone Group and a member of the Board of Directors of Blackstone Group Management LLC, the general partner of Blackstone Alternative Asset Management (BAAM).

Tom previously served as Co-Head of the Corporate and Mergers and Acquisitions Advisory Group before assuming his role as CEO of BAAM.

Before joining Blackstone in 1993, Tom began his career at First Boston, later becoming one of the Co-Founders of its Mergers & Acquisitions Department. After running the Mergers & Acquisitions Department at Smith Barney, he joined Lehman Brothers as a partner in 1982, serving as Co-Head

and subsequently Head of Investment Banking. Later, he served as Co-Chief Executive Officer of Lehman Brothers and Co-President and Co-COO of Shearson Lehman Brothers Holding Inc.

Tom is a graduate of Harvard College and Harvard Business School. He is a member of the Council on Foreign Relations where he chairs the Investment Committee and serves on the Council's Board of Directors. He serves on the Board of The Metropolitan Museum of Art, the Telluride Foundation, the Advantage Testing Foundation, the Smithsonian Institute and of Our Lady Queen of Angels School, a parochial school (K–8th Grade) in Spanish Harlem. He is a member of the Directors of Advantage Testing, Inc.

### **Brad Cooper**

**Former Board Member**

*(ceased to be a director with effect from 24 April, 2019)*

Brad Cooper is Managing Partner and a founding partner of Capital Z Partners, a private equity fund focused on investing in the financial services sector. Prior to founding Capital Z in 1990, Brad was an investment banker in the Financial Institutions Group of Salomon Brothers.

Brad currently serves as a director of several portfolio companies.

Brad sits on the Advisory Board for the Ross School of Business at the University of Michigan where he received a Bachelor of Business Administration.

### **Mark Barrenechea**

**Former Board Member** *(ceased to be a director with effect from September 5, 2018)*

Mark Barrenechea, a veteran of Silicon Valley's technology sector, is Chief Executive Officer and Chief Technology Officer of OpenText, Canada's largest software company and a member of its Board of Directors. He is the author of *eBusiness or out of Business*, *Software Rules* and *On Digital*. In 2015, he was named Top New CEO of the Year by *Canadian Business* magazine.

Mark joined OpenText in 2012 from Silicon Graphics International Corporation where he was President and Chief Executive Officer as well as a member of the Board. His three decades in the technology industry include eight years as Vice President, Technology and Business Development at Tesseract Corporation, a provider of mainframe-based human resources, payroll and benefits software, and six years at Oracle, where he was Senior Vice President of Applications Development and a direct report to Larry Ellison. He has also held executive level positions at CA Technologies, Inc.

Mark has also authored *eGovernment or Out of Government* and *Enterprise Information Management: The New Generation of Enterprise Software*. He is the co-author of *Digital: Disrupt or Die*.

His other awards include being named Best Large Company CEO by the San Francisco Business Times in 2011 and Results-Oriented CEO of the Year (2015) by the CEO World Awards.

Mark holds a Bachelor of Science degree in Computer Science from Saint Michael's College, Colchester, Vermont. He currently serves as a member of the Board and Audit Committee of Dick's Sporting Goods.

## Hamilton Group Officers

### **Pina Albo**

Chief Executive Officer

(See full bio on page 12)

### **Jonathan Reiss**

Chief Financial Officer and Principal Representative

Jonathan Reiss is a member of Hamilton's founding management team, with over 26 years' experience dedicated to the property and casualty insurance industry.

Previously, Jonathan was the Leader of EY's Insurance practice in Bermuda (2006–2012). Jonathan had been with EY, in Bermuda and New York, for 19 years and had been a Partner for 12 years, dedicated to serving insurance industry clients.

While at EY, Jonathan focused on serving organisations subject to US Securities & Exchange Commission requirements. This included providing assistance with IPOs and other capital raising activities. In addition, Jonathan advised insurance companies with respect to internal controls and regulatory best practices, including compliance with Sarbanes-Oxley as well as Solvency II.

During his tenure at EY, Jonathan served as a Director of Gloucester Insurance Ltd., EY's captive insurance company for managing its global Professional Indemnity exposures and certain other risks.

Jonathan became a Certified Public Accountant in 1994 and is currently a Chartered Professional Accountant. He has a Chartered Property & Casualty Underwriter designation in 1998. He is currently a member of the Chartered Professional Accountants of Bermuda and the American Institute of Certified Public Accountants.

Jonathan currently serves on the Board of Trustees of the Bermuda Institute of Ocean Sciences (BIOS). Jonathan has been a Trustee of BIOS since 2009 and has served as the Chair of the Development Committee and Co-Chair of the Finance and Investment Committee. From 2012 to 2017, Jonathan served as a Trustee of Saltus Grammar School, the largest independent school in Bermuda, and was Chair of the Finance Committee.

### **Gemma Carreiro**

General Counsel and Secretary

Gemma Carreiro joined Hamilton Group on November 22, 2017 as General Counsel. Prior to joining Hamilton Group, Gemma was Secretary to the Board of PartnerRe Ltd and General Counsel to its Bermuda subsidiaries.

Before that, Gemma was a Senior Associate at Conyers Dill & Pearman Limited, where she specialised in corporate law with a particular focus on insurance and reinsurance regulatory matters. Upon admittance to the Bermuda Bar, Gemma began her law career as an Associate with Cox Hallett Wilkinson in its corporate department.

Gemma graduated with a Bachelor of Arts (Law) from Napier University in Scotland, and earned a Post Graduate Diploma in Law from The University of Law in the United Kingdom. She also completed the Legal Practice Course at The University of Law.

Gemma is a member in good standing of the Bermuda Bar Association.

**Peter Skerlj****Chief Risk Officer**

A member of Hamilton's founding management team, Peter Skerlj has more than 20 years of experience in risk and analytics.

From 2010 to 2012, Pete was a Catastrophe Modelling Consultant at Q Re Bermuda Advisors, responsible for establishing and implementing a portfolio-management and pricing framework for property retrocession business. Prior to joining Q Re Bermuda, Pete was employed with Lancashire Insurance Company from 2006 to 2010. During that time, he was promoted to Head of Modelling, with the main goal of designing and implementing risk tools to enable analysts, underwriters and management to measure and monitor risk levels.

As a member of the catastrophe research team at PartnerRe Global from 2004 to 2006, Pete oversaw the establishment of in-house views of catastrophe risk, monitoring real-time catastrophe events and their financial impact, and pricing weather trigger covers. From 1997 to 2004, Pete was employed at Applied Research Associates as a consultant to (re) insurers, state insurance departments, federal agencies and other private businesses.

Pete is a Fellow of the Casualty Actuarial Society and has both a Bachelor and Master Degree in Engineering Science from the University of Western Ontario, Canada with a specialty in wind engineering.

**Wendy Davis Johnson****Chief Communications & Culture Officer**

Wendy Davis Johnson has more than 25 years' experience in marketing communications and brand development. Before joining Hamilton in 2015, she provided communications consulting services to corporate and non-profit organisations, assisting with the development of global brands and establishing strategic communications functions.

Prior to that, Wendy held the position of Senior Vice President, Global Communications at ACE Limited. From 1993 to 1997, Wendy was Manager and then Executive Director of the Bermuda International Business Association (now Bermuda Business Development Agency). She was employed at the Bermuda Department of Tourism from 1987 to 1993 as Manager, Communications.

Wendy holds a Master of Liberal Arts (Journalism), Extension Studies, from Harvard University, a Bachelor of Education from the University of Toronto, Ontario, Canada and a Bachelor of Arts from Dalhousie University, Halifax, Nova Scotia, Canada.

Wendy is a member of the Insurance Development Forum's Microinsurance Working Group and the Performing Arts Cabinet at Dalhousie University, Nova Scotia, Canada.

**Chad Cundliffe****Chief Accounting Officer**

Chad Cundliffe joined Hamilton Group on October 1, 2014 as Chief Accounting Officer.

Prior to joining Hamilton Group, Chad worked for XL Group plc from October 2004 to August 2014 in progressively senior roles. He most recently served as Senior Vice President, Accounting Policy and SEC Reporting Officer from April 2011 to August 2014. Prior to XL Group plc, Chad worked for PricewaterhouseCoopers from May 1996 to October 2004 in Bermuda and Canada.

Chad is a Chartered Accountant and a member of the Chartered Professional Accountants of Bermuda and the Chartered Professional Accountants of Alberta, Canada. He holds a Bachelor of Commerce from the University of Alberta in Edmonton, Alberta.

### **Keith Bernhard**

#### **Chief Audit Officer**

Keith Bernhard joined Hamilton Group in 2014 and has more than 20 years of experience in audit and risk management.

From 2007 to 2014, Keith was Director of Internal Audit for Max Capital, Alterra Capital and ultimately Markel Corporation through the related mergers and acquisitions. Prior to joining Max Capital, Keith was Senior Manager, Risk Advisory Services, with KPMG in Bermuda. He has also worked for Deloitte in a number of capacities in the USA, South Africa, New Zealand and across Asia, ultimately as Senior Manager, Enterprise Risk Services.

Keith is a Chartered Accountant and is Certified in Risk Management Assurance. He is a member of the Institute of Risk Management and the New Zealand Society for Risk Management. He is a Past President of the Bermuda Chapter of the Institute of Internal Auditors and is a director of the Bermuda Sloop Foundation.

### **Brent Slade**

#### **SVP, Hamilton Capital Partners *(with effect from June 2018)***

Brent Slade joined Hamilton Insurance Group in July 2018 as SVP, Hamilton Capital Partners. Brent formerly served as Chief Operating Officer of The Horseshoe Group from 2014 – 2018.

From 2005 to 2013, Brent was a member of the executive committee and Chief Marketing and Capital Markets Officer for Flagstone Reinsurance. Prior to this role, he was Executive Vice President and a Principal of West End Capital Management.

### **David Amaro**

#### **Assistant Secretary**

David Amaro joined Hamilton in September 2014. Prior to joining Hamilton, David was an in-house solicitor at Ark Syndicate Management Limited, a managing agent at Lloyd's of London. Before joining Ark, David worked as a trainee solicitor at Clyde & Co LLP's London office from 2011 to 2013, where he completed his training contract.

David was admitted to the UK roll of solicitors in September 2013 and called to the Bermuda Bar in August 2014.

David holds a Bachelor of Commerce degree (major in Finance, with Distinction) from Dalhousie University in Halifax, Nova Scotia, Canada, as well as a Bachelor of Laws (Honours) from the University of Kent Law School in Canterbury, Kent, United Kingdom. David completed the Legal Practice Course with Distinction at BPP Law School in London, United Kingdom. David also holds the Associate in Reinsurance (ARe) and the Associate in General Insurance (AINS) designations.

## **Hamilton Re Board of Directors**

### **David Brown**

Board Chair

(See full bio on page 7)

### **Jonathan Reiss**

Director and Principal Representative

(See full bio on page 14)

### **Pina Albo**

Director

(See full bio on page 12)

### **Kathleen Reardon**

Director

A member of Hamilton's founding management team, Kathleen Reardon has decades of (re)insurance industry experience.

From November 2005 to October 2012, Kathleen served as Chief Underwriting Officer SVP for ACE (now "Chubb") Tempest Re Bermuda's International Property Catastrophe reinsurance business. Prior to joining ACE Tempest Re, Kathleen worked from 2000 to 2005 at ACE Financial Solutions International, first as AVP Underwriting and then as VP Underwriting.

Before moving to Bermuda, Kathleen held various actuarial roles at ACE USA following ACE Limited's acquisition of CIGNA's P&C business in 1999. Kathleen began her career at CIGNA in 1994 as an actuarial assistant.

Kathleen is a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries. She received a Bachelor's Degree in Mathematics from Drexel University, Philadelphia, Pennsylvania.

Kathleen is Co-founder and Chair of Women in Reinsurance in Bermuda. She has been appointed Secretary-Treasurer for the Reinsurance Association of America for the 2018 fiscal year.

### **Peter Skerlj**

Director

(See full bio on page 15)

### **Gemma Carreiro**

Director

(See full bio on page 14)

## **Vanessa Hardy Pickering**

Director

One of the original management team of Hamilton Group's operations in Bermuda, Vanessa Hardy Pickering was promoted from Group Controller of Hamilton Group to Chief Financial Officer of Hamilton Re in September 2015. She has over 15 years' experience in the reinsurance industry.

From April 2012 to October 2012, Vanessa held the position of Senior Vice President, Controller at Ariel Re Bermuda Limited, a wholly owned subsidiary of the Goldman Sachs Group, Inc., continuing in the position she held with Ariel Reinsurance Company Ltd.

Vanessa joined Ariel Re in 2005 after working for two years at Rosemont Reinsurance, Ltd. as Assistant Financial Controller. From 1999 to 2003, Vanessa was employed in Ernst & Young's Bermuda office.

A Certified Public Accountant, Vanessa obtained a Bachelor of Business Administration degree from Acadia University, Nova Scotia. She holds the Associate in Reinsurance designation from the American Institute for Chartered Property Casualty Underwriters and is a member of the Chartered Professional Accountants of Bermuda.

## **Hamilton Re Officers**

### **Kathleen Reardon**

Chief Executive Officer

(See full bio on page 17)

### **Vanessa Hardy Pickering**

Chief Financial Officer

(See full bio on page 18)

### **Peter Skerlj**

Chief Risk Officer

(See full bio on page 15)

### **Gemma Carreiro**

General Counsel and Secretary

(See full bio on page 14)

### **Tim Duffin**

Chief Underwriting Officer, Reinsurance

Tim Duffin has extensive reinsurance industry experience in the Bermuda and London markets. From June 2009 until October 2012, Tim was a property catastrophe underwriter at Platinum Underwriters Bermuda, focusing on the US account and outwards retrocession purchases. From October 1998 to May 2009, he worked as a broker for Aon in London and Bermuda (from September 2004), where he was part of the global retrocession team. Tim has an ACII designation from The Chartered Insurance Institute and a B.A. in English Literature and Psychology from Oxford Brookes University, UK.

**Stephen Hartwig****Chief Underwriting Officer, Casualty Insurance**

Stephen Hartwig has nearly 25 years of insurance industry experience, which includes underwriting and management roles based in the US, Europe and Bermuda.

Prior to joining Hamilton Re, Stephen spent nine years with Sompo Canopus in Bermuda, most recently as CEO of the Bermuda office and Group Head of Casualty. Previously, he was employed by ACE Bermuda (now Chubb Bermuda), Starr Excess (AIG CAT Excess) and Employers Re/Frankona. He began his insurance career at the Travelers in Hartford, Connecticut.

Stephen completed his M.B.A. at the Copenhagen Business School, Frederiksberg, Denmark. He holds a B.A. from the State University of New York at Geneseo, New York.

**Keith Bernhard****Chief Audit Officer**

(See full bio on page 16)

**David Amaro****Associate Legal Counsel & Assistant Secretary**

(See full bio on page 16)

**C. RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT****i. Risk Management Process and Procedures to Identify, Measure, Manage and Report on Risk Exposures**

The Group Underwriting and Risk Committee is responsible for oversight of the risk management framework, and reviews and approves associated policies. In developing the Group's strategies, the Group Underwriting and Risk Committee and the Group Board consider various risks using the approach described below. This risk management framework is applicable to, and applied by, Hamilton Re, with Hamilton Re's material risks being consistent with those of the Group.

**Identify** – The Group's Chief Risk Officer (the "Group Chief Risk Officer") and other senior officers are members of a Group Risk Management Committee with documented responsibilities, and which meets on at least a quarterly basis. This committee receives reports from Subsidiary-level risk management committees to identify material risks affecting, or which may affect, the business (both at Group level and with respect to specific Subsidiaries). The Group Risk Management Committee oversees the performance of a risk assessment on a periodic basis and the maintenance of a Group risk register (the "Group Register"), which identifies key risks in relation to strategic (including Group and reputational), underwriting, reserve, credit, market (including investment and concentration), liquidity, operational, and legal and regulatory aspects of the business, and related information. The Group Register is reviewed and discussed at periodic intervals in accordance with written procedures. The Group's Chief Audit Officer is invited to attend meetings of the Group Risk Management Committee. The Subsidiaries, which include Hamilton Re, also maintain Subsidiary-specific risk registers.

**Measure** – The Group uses proprietary and vendor models to measure and quantify material risk concentrations, as well as to perform stress, sensitivity and scenario testing. The Group takes underwriting risk and investment risk in a balanced and measured way, and has a low appetite for all other sources of risk. See below for further information on the stress testing and sensitivity analysis performed to assess material risks and the impact of such exposures to the Group.

**Manage** – In response to the exposures identified by the various risk identification measures described above, the Group has in place arrangements to manage such risks effectively. The Group has implemented procedures to define and set its risk appetite, tolerances and other capital constraints, and procedures and controls to avoid such thresholds being exceeded. The Group assigns risk owners to monitor risks and sets controls and other mitigating factors concerning material risks. Risks are cross-referenced to the Group’s Solvency Self Assessment (“GSSA”). The Group employs an internal model, which allows for a robust assessment of underwriting risk within the front-line decision-making process.

**Report** – Subsidiary-level risk management committees are also in place, operating in a similar manner to the Group Risk Management Committee. The Subsidiary risk management committees identify material risks facing the particular Subsidiary, and ensure that appropriate arrangements are in place to manage those risks, in accordance with documented policies and procedures. Members of the Subsidiary risk management committees report to the Group Risk Management Committee on a quarterly basis. The Group Risk Management Committee, in turn, meets on a quarterly basis to review the efforts of the Subsidiary risk management committees, capital management exercises and confirm and/or identify material risks facing the Group and mitigation efforts required. The Group Chief Risk Officer, who chairs the Group Risk Management Committee, then reports directly to the Group Underwriting and Risk Committee on a quarterly basis. The Group Underwriting and Risk Committee approves risk tolerances and capital allocations for the Subsidiaries annually and the Group Underwriting and Risk Committee monitors adherence with the same at its quarterly meetings, in addition to its other responsibilities as described herein, in accordance with documented policies and procedures.

## **ii. Risk Management and Solvency Self-Assessment Systems Implementation**

In connection with reviewing and approving the business plan and budget on an annual basis, the Group assesses its capital adequacy according to its internal capital model, which is calibrated to a 99% tail-value-at-risk level, A.M. Best requirements and Authority requirements, and reports the results to the Group Board. The Group also assesses its capital adequacy in connection with specific transactions that could have a material impact on its capital.

Hamilton Group and Hamilton Re document their GSSA and Commercial Insurer’s Solvency Self Assessment (“CISSA”) processes, respectively, and submit them, along with the Bermuda Solvency Capital Requirement (“BSCR”) filing, to their respective boards of directors for review and approval.

The risk management framework is implemented and integrated into the Group’s operations through the processes and procedures that have been developed by management, reviewed by the boards of directors of the Subsidiaries, and periodically reviewed and tested by the Internal Audit function.

## **iii. Relationship Between the Solvency Self-Assessment, Solvency Needs and Capital and Risk Management**

The GSSA process (and, for Hamilton Re, the CISSA process) is driven by a risk assessment, as described below.

## **iv. Solvency Self-Assessment Approval Process**

The Group Underwriting and Risk Committee is responsible for oversight of the risk management framework and reviews and approves the relevant policies. In developing the Group’s strategies, the Group Board considers such risks and the risk management framework in place. The Group Chief Risk Officer and other senior officers are members of a management-level Group Risk Management Committee with documented responsibilities. Subsidiary level risk management committees have also been established, with documented procedures.

The Group Chief Risk Officer oversees the preparation of the GSSA (and, in respect of Hamilton Re, the CISSA) documentation and analysis, with assistance from the actuarial teams at the Subsidiaries. The results of the GSSA (and, in respect of Hamilton Re, the CISSA) analysis are presented to the Hamilton Re Board and Hamilton Group Board for review and approval. The GSSA and CISSA are also considered by the Group Risk Management Committee and the Hamilton Re Risk Management Committee, respectively.

## **D. INTERNAL CONTROLS**

### **i. Internal Control System**

The Group has in place systems, processes and controls for i) accurate, timely and secure reporting and ii) adherence with applicable Group-level and local policies as well as applicable laws and regulations. The Group Risk Management Committee meets on a quarterly basis to discuss key operational and commercial risks that could impact the Group, identify the controls in place, assess the effectiveness of such controls and identify any additional controls that might be needed.

The Group's objective is to have an internal control framework that is in compliance with the requirements of the *Sarbanes-Oxley Act* of 2002, as amended. In executing the annual Internal Audit Plan, the Internal Audit function reviews and tests the internal controls of the various operational functions, as identified in the plan. The Internal Audit Plan is reviewed and approved annually by the Group Audit Committee. The Group Chief Audit Officer presents a report on a quarterly basis to the Group Audit Committee for review and discussion.

### **ii. Compliance Function**

Responsibility for regulatory compliance in large part rests with the General Counsel, who submits a compliance report to the Group Board and the Board of Directors of Hamilton Re on a quarterly basis. In compiling the report, the General Counsel documents Bermuda regulatory requirements applicable to Hamilton Group and Hamilton Re, with assistance from compliance personnel at Hamilton at Lloyd's, who provide compliance reports to the audit committee of Hamilton at Lloyd's. Compliance with internal controls, policies and procedures and laws and regulations is reviewed in each related area on a risk basis as part of the Internal Audit Plan.

A key element of the compliance and risk management framework is the Group's internal Code of Conduct and Ethics. The Code of Conduct and Ethics has been adopted by the Group and is applicable to all its Subsidiaries, although the Subsidiaries have implemented supplementary compliance programs and policies to address specific local requirements. The Group's Code of Conduct and Ethics addresses various issues concerning the business practices of the Group, such as conflicts of interest, bribery, confidentiality, diversity and inclusion, and other important matters. A "whistleblower" hotline and an online reporting portal have been created for employees to use to report actual or suspected violations of the Code of Conduct and Ethics. Violations may be deemed to be serious misconduct, and the results of investigations into such violations may be reported to the Group Audit Committee for remedial action. The Group Audit Committee reviews the Group's Code of Conduct and Ethics on at least an annual basis and approves any changes to it.

The Group's operating platforms have also adopted documented procedures for compliance with Bermuda and international sanctions regimes, including employee training and the review of underwriting submissions for sanctioned counterparties and jurisdictions, which are reviewed and updated periodically to account for changes in applicable regulation.

## **E. INTERNAL AUDIT**

The Internal Audit function is performed by dedicated staff, augmented by subject-matter experts and led by the Group Chief Audit Officer located in Bermuda. The function operates in accordance with an Internal Audit Charter approved by the Group Audit Committee. The Group Chief Audit Officer maintains independence by reporting directly to the Chairman of the Group Audit Committee, who is a non-executive director. The Group Chief Audit Officer reports to the Group Audit Committee on a quarterly basis and meets in executive session with the Group Audit Committee on a quarterly basis.

The Internal Audit function has unrestricted access, no direct operational responsibility or authority over any of the activities audited, and is free from interference by any element of the organisation.

## **F. ACTUARIAL FUNCTION**

The Group's loss and loss expense reserves are estimated each quarter by each applicable Subsidiary's senior reserving actuary and reviewed by a Reserve Committee at each Subsidiary. The consolidated Group reserves are reviewed by the Group Reserve Committee, which includes the Group's Chief Financial Officer, Group Chief Accounting Officer, Group Chief Risk Officer and General Counsel. The reserves are also reviewed on a semi-annual basis by the Group's outside actuarial firm and loss reserve specialist, as required by Bermuda regulations. Finally, the reserves are reviewed quarterly by the Group Audit Committee.

## **G. OUTSOURCING**

### **i. Outsourcing Policy and Key Functions That Have Been Outsourced**

The Subsidiaries have adopted outsourcing or vendor policies in accordance with local regulatory requirements, which generally require that management monitor the performance of outsourced functions and measure the same against the Group's own standards of corporate governance and control. This includes ensuring diligence in advance of engagement, specified contractual terms and ongoing oversight and management of the outsourced service.

Notwithstanding the foregoing, no key or control functions have been completely outsourced, save in respect of investment management, which has been outsourced primarily to Two Sigma and Deutsch ("DWS"). Such investment management is subject to a rigorous oversight process led by the Group Chief Financial Officer and the Chief Financial Officer of Hamilton Re, with reporting to the Subsidiary-level risk management committees, the Hamilton Re Board and, ultimately, the Group Investment Committee, on at least a quarterly basis.

Each consultant and third-party service provider is required to acknowledge the terms of the Group's Code of Conduct and Ethics, the terms of which are expressly incorporated into the terms of engagement.

No other key or control functions (being Actuarial, Risk Management, Compliance and Internal Audit) have been outsourced.

### **ii. Material Intra-Group Outsourcing**

Save as described below, there is no material intra-group outsourcing. Hamilton Group has entered into services agreements with its UK and US Subsidiaries for immaterial intra-group services. However, each function is fully staffed in each operating company.

Hamilton Insurance Services (Bermuda), Ltd., which is duly registered in Bermuda as an insurance agent, is authorised to provide insurance agency services solely for Hamilton Underwriting Limited, for and on behalf of Syndicate 3334 at Lloyd's. All underwriting and other support services for Hamilton Insurance Services (Bermuda), Ltd. are provided by Hamilton Re, pursuant to a services agreement.

## **H. OTHER MATERIAL INFORMATION**

In 2017, the Company changed its fiscal year end to November 30. Reference herein to the 2017 comparative consolidated financial statements of the Group, including the notes thereto, are for the 11-month period ended November 30, 2017. Results for the year ended November 30, 2018 are for a 12-month period.

# Risk Profile

## A. MATERIAL RISKS THE INSURER IS EXPOSED TO DURING THE REPORTING PERIOD

Hamilton Group has identified various risk categories to which its Subsidiaries are exposed. The Group Register contains a listing of the main risks covering strategic (including Group), underwriting, reputational, reserve, financial reporting, credit, market/investment (including concentration), liquidity, operational, legal and regulatory aspects of the business.

- **Strategic risk** – The risk that the corporate strategy of the Group is ineffective, not efficiently implemented or results in an inability to access quality business. This includes the potential for damage caused by other entities within the Group and associated entities.
- **Underwriting risk** – See further details below.
- **Reputational risk** – The risk that business processes, service, associations and growth/performance result in adverse perception of Hamilton Group and its Subsidiaries by customers, counterparties, shareholders, investors or regulators.
- **Reserve risk** – The risk that booked reserves are inadequate, leading to reserve deterioration.
- **Financial reporting risk** – The risk of intentional and unintentional acts and resultant inaccurate, inadequate, untimely recording, payments and reporting.
- **Credit risk** – The risk of external payments or recoveries from third parties not being collected due to the default by such counterparties or their unwillingness to pay such sums due, leading to a deterioration in the financial position.
- **Market/investment risk** – See further details below.
- **Liquidity risk** – The risk of not being able to meet the Group's obligations as they fall due, which could negatively impact the ability to implement the Group's strategy and carry out its business processes (such as the payment of claims as and when they arise).
- **Operational risk** – The risk of not being able to satisfy the Group's obligations or implement its strategy as a result of inadequate staffing, inadequate information technology infrastructure, inadequate information security, and inappropriate data-collection and management-reporting processes.
- **Legal/regulatory risk** – The risk of losses, fines or other penalties arising from day-to-day actions, non-compliance with applicable regulatory and licensing requirements and inappropriate product design.

The Group's material risk exposures are underwriting risk and investment risk.

### Underwriting Risk

The Group is in the business of writing property, specialty and casualty insurance and reinsurance, and is exposed to the risk of losses under its policies. While the Group's business has become increasingly diversified, the Group continues to have a large overall exposure to natural disasters, such as earthquakes, hurricanes, tsunamis, winter storms, freezes, floods, fires, tornadoes, hailstorms and drought, as well as man-made disasters, such as acts of terrorism.

Underwriting risk can be broken down into inappropriate risk selection, inadequate premium, adverse terms conditions, inadequate exposure management, and/or modelling as follows:

- **Inappropriate risk selection** – The risk that contracts or policies are written outside the Group’s underwriting strategy, guidelines and authorities.
- **Inadequate premium** – The risk that premium charged is insufficient to meet the Group’s return objectives.
- **Adverse terms and conditions** – The risk that final contractual terms and conditions are inconsistent with the Group’s appetite and pricing.
- **Inadequate exposure management and/or modelling** – The risk that the Group fails to manage and monitor the aggregate exposure (against risk tolerances) or fails to buy sufficient or adequate outwards reinsurance.

The Group uses a combination of vendor models and its proprietary internal model to evaluate property risks, and a proprietary internal actuarial analysis process for casualty and specialty risks. As part of the analytics process, the Group has created a proprietary underwriting portfolio management platform, known as the Hamilton Analytics and Risk Platform (“HARP”), which provides comprehensive program management, portfolio rollup and stand-alone pricing for all probabilistic pricing and aggregation across the Group. The output from HARP is leveraged by a portfolio optimisation service to provide timely, relevant and objective feedback to front-line decision makers, allowing for a robust assessment of pricing adequacy and optimal portfolio construction.

Underwriting risk is also managed through detailed underwriting risk tolerances and underwriting guidelines, as well as regular reporting to the Group Risk Management Committee, Subsidiary-level risk management committees and the Group Underwriting and Risk Committee.

There have been no material changes to underwriting risk during the reporting period.

## Investment Risk

The Group currently derives a substantial portion of its earnings from its invested assets, of which the majority are managed by Two Sigma as investment manager, and invested pursuant to the investment management agreement in place between Two Sigma and TS Hamilton Fund. Hamilton Group’s consolidated financial results are subject to a variety of investment risks, including risks related to leverage, concentrations, liquidity, asset valuation, volatility, general economic conditions, foreign currency, and credit and default risk.

The Group has developed an internal model to simulate net investment returns of Two Sigma’s asset performance. The Group also monitors risk reports provided by Two Sigma across a variety of metrics. Two Sigma, in turn, measures these investment risks using proprietary models. The Group gains understanding of these models through quarterly on-site visits and (at least) monthly telephone due diligence with Two Sigma, as well as detailed discussions with risk management personnel from across the Group. In addition, Two Sigma provides quarterly manager reports to the Group Investment Committee.

During 2018, Hamilton Re established a fixed income portfolio, which is managed by DWS. As with the Two Sigma investment management relationship, the fixed income portfolio arrangement is subject to detailed oversight and diligence, led by the Chief Financial Officer of Hamilton Re and the Chief Accounting Officer of the Group, with reporting to the Hamilton Re risk management committee, the Hamilton Re Board and, ultimately, the Group Investment Committee, on at least a quarterly basis. The investment guidelines for the Hamilton Re fixed

income portfolio are monitored on an on-going basis by the Chief Financial Officer of Hamilton Re and material amendments to the investment guidelines and parameters are approved by the Hamilton Re Board and the Group Investment Committee.

Syndicate 3334, acting through its Trustees and Hamilton Underwriting Limited, as its managing agent, also established a fixed income portfolio during 2018, the parameters for which are substantially similar to that of Hamilton Re.

There have been no material changes to investment risk during the reporting period.

## **B. RISK MITIGATION IN THE ORGANISATION**

### **Underwriting Risk**

The Group Register and Subsidiary-level risk registers contain information regarding risk owners and details of relevant controls and other mitigating factors concerning material risks. The Group Underwriting and Risk Committee is responsible for oversight of the risk management framework. At management level, there is a cross-functional Group Risk Management Committee that operates pursuant to documented policies and procedures, which are reviewed at least annually.

Risk is controlled throughout the Group through clear objective-setting by the Group Board and senior management of the Subsidiaries, detailed process documentation, extensive technical and actuarial reviews, the setting of underwriting risk tolerances – which are documented, reviewed and approved for each applicable Subsidiary by the Group Underwriting and Risk Committee – on-going risk monitoring, and quarterly reporting to the Group Board.

The Group Chief Risk Officer verifies on an on-going basis that risks are either kept within the allocated limits and risk tolerances, or that temporary breaches are reported and/or remediated in accordance with a documented process. Breaches and actions taken or proposed are also reported to the Group Underwriting and Risk Committee.

The Group Underwriting and Risk Committee, the Group and Subsidiary Risk Management Committees and Internal Audit review the risk management function to ensure that the controls in place operate as intended. If a new risk emerges, it is added to the Subsidiary and/or Group Risk Registers and the Subsidiary and/or Group Risk Management Committee develops new controls, if necessary, to mitigate that risk. These controls are reported upward, including to the Group Underwriting and Risk Committee, at least annually.

### **Investment Risk**

TS Hamilton Fund has entered into an investment management relationship with Two Sigma. Hamilton Re is the sole member in TS Hamilton Fund. Pursuant to the terms of the agreements in place, a specified amount of Hamilton Re's investable assets must be maintained in cash as a liquidity buffer and Hamilton Re must maintain a minimum investment equal to 95% of the Net Tangible Assets of Hamilton Group. In addition, the Group has an investment management relationship with DWS.

The Group monitors the performance of Two Sigma, DWS, investment liquidity, volatility and the general investment risk profile of the TS Hamilton Fund and assets managed by DWS. This monitoring includes the receipt of monthly reporting on the portfolios and relevant metrics from Two Sigma and DWS and quarterly on-site due diligence visits to the Two Sigma offices.

### **Process to Monitor Effectiveness of Controls**

Underwriting performance and compliance with risk tolerances is reported on at least a quarterly basis to Subsidiary management committees and boards of directors of such Subsidiaries, as applicable, as well as on a quarterly basis to the Group Risk Management Committee and the Group Underwriting and Risk Committee.

The investment performance of Two Sigma and DWS is reported on a quarterly basis to the Hamilton Re Risk Management Committee, the Group Risk Management Committee, the Hamilton Re Board and to the Group Investment Committee. The guidelines and parameters of the investment management relationship with Two Sigma and DWS are reviewed and approved annually.

Internal Audit tests the design and effectiveness of the controls with respect to underwriting and investment risk as part of its three-year and annual risk-based Internal Audit Plans.

### **C. MATERIAL RISK CONCENTRATIONS**

The Group uses a comprehensive risk management framework, which is overseen by the Group Underwriting and Risk Committee, to manage material risk concentrations. Risk tolerances, as well as capital allocations, are defined for and monitored by each Subsidiary, approved on an annual basis by the Group Underwriting and Risk Committee and Group Board, and monitored on a quarterly basis by the Chief Risk Officer, with reporting to the Subsidiary-level risk management committees, the Group Risk Management Committee, the Subsidiary boards, and the Group Underwriting and Risk Committee on at least a quarterly basis.

The risk tolerances are measured by each Subsidiary on a quarterly basis, and provided to the Group Chief Risk Officer for review and for reporting to the Group Board. While risk tolerances are measured and reported on a quarterly basis, they are managed throughout the year as relevant decisions are made.

Risk tolerances have been carefully selected and calibrated such that, if adhered to at the Subsidiary level, Group risk concentrations will remain within appetite.

See previous section with respect to breaches of risk tolerances and related remediation processes.

### **D. INVESTMENT IN ASSETS IN ACCORDANCE WITH THE PRUDENT PERSON PRINCIPLES OF THE CODE OF CONDUCT**

The Group Investment Committee oversees the investment strategy for the Group. The investment management guidelines for the Two Sigma and DWS investment management relationships are reviewed and approved at least annually by the Group Investment Committee, or more frequently, if deemed necessary by the Chair of the Group Investment Committee.

See previous section regarding the Group's controls with respect to its investment in TS Hamilton Fund.

The fixed income portfolio, as managed by DWS, and the Hamilton Re investment portfolio managed by Two Sigma is highly liquid, and relevant liquidity metrics are monitored regularly. Hamilton Re maintains a liquidity buffer of its invested assets held in cash and cash equivalents, outside the TS Hamilton Fund and the fixed income portfolio.

## **E. STRESS TESTING AND SENSITIVITY ANALYSIS TO ASSESS MATERIAL RISKS**

The Group Chief Risk Officer conducts stress and scenario testing at least annually.

The Group's dominant risk sources arise from underwriting and investments. Using HARP, the Group Chief Risk Officer evaluates the stand-alone risk sources in order to best represent them and the range of possible outcomes. In addition, the Group Chief Risk Officer evaluates the potential correlation between the Group's two key risk sources. The Group's stress testing and sensitivity analysis is consistent with, and applied by, Hamilton Re.

### **Underwriting Risk**

Hamilton Group and its Subsidiaries utilise proprietary models as well as vendor catastrophe models to conduct underwriting risk exposure, testing for both natural catastrophe losses and non-elemental losses. This includes stressing the portfolio via realistic disaster scenarios and extreme historical events on a quarterly basis to verify that potential tail losses are within tolerance.

### **Investment Risk**

The Group has developed an internal model to simulate net investment returns of the TS Hamilton Fund. The Group also subjects its investment portfolio to extreme movements in a variety of market factors to better understand potential downside relative to appetite. The market factors are applied both individually and all at once. In addition, Two Sigma periodically provides its proprietary stress tests, the results of which are included in the Group's monitoring. Further, through periodic due diligence and detailed reporting from Two Sigma, the Group monitors risk thresholds for tracking leverage, concentrations, liquidity, asset valuation and other granular metrics applicable to the investment management relationship with Two Sigma.

As indicated herein, Hamilton Re and Hamilton at Lloyd's have established fixed income trading portfolios, as managed by DWS. The Group monitors performance and portfolio allocation consistently with formal reporting from DWS received on a monthly and quarterly basis. As the portfolio value becomes more significant and the mandate broadens from the current capital preservation strategy, specific stress tests will be developed and monitored.

## **F. ANY OTHER MATERIAL INFORMATION**

None

# Solvency Valuation

## A. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF EACH ASSET CLASS

Assets are recorded in the Group's and Hamilton Re's general purpose financial statements at fair value.

Premiums receivable that are currently not yet due have been excluded from the calculations in the applicable statutory forms as part of the Authority's economic balance sheet framework.

Hamilton Group evaluated its remaining assets – consisting of cash and cash equivalents, fixed income securities, short-term investments, unquoted investments, advances to affiliates, accrued investment income, accounts receivable and fixed assets – and concluded they are recorded at values that reflect the underlying economic value to the Group.

## B. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF TECHNICAL PROVISIONS

Insurance technical provisions for the Group and Hamilton Re are valued based on best-estimate cash flows, adjusted to reflect the time value of money using a risk-free discount rate term structure. In addition, there is a risk margin to reflect the uncertainty inherent in the underlying cash flows, which is calculated using a risk-free discount rate term structure as prescribed by the Authority.

The “best estimate for loss and loss expense provision” is calculated by using the GAAP reserves as a starting point. The GAAP reserves represent the Company's best estimate of loss and loss expense reserves on an undiscounted basis. The discounted reserve is then calculated using expected payout patterns and the risk-free yield curves published by the Authority.

The “best estimate for premium provision” is calculated using the unearned premium reserve on GAAP basis, adjusting for bound but not incepted business as of November 30, 2018, and applying expected loss and expense ratios and appropriate claims payout patterns to derive cash flows, which are then discounted using a risk-free discount rate term structure as prescribed by the Authority.

The “calculation for risk margin” uses a “cost-of-capital” approach and assumes a “risk-free” portfolio. Capital requirements are derived for the full period needed to run-off the insurance liabilities, and are discounted using a risk-free discount rate term structure as prescribed by the Authority, using the risk-free discount curve propagated by the Authority.

As of November 30, 2018, the balance of the total technical provisions was approximately \$716 million for Hamilton Group and approximately \$550 million for Hamilton Re, broken down as follows:

Provisions	Hamilton Group (\$ in 000s)	Hamilton Re (\$ in 000s)
Net Loss and Loss Expenses	568,938	538,973
Premium Provision Risk Margin	87,914	(48,609)
Risk Margin	59,638	58,476
<b>Total Technical Provisions</b>	<b>\$716,490</b>	<b>\$548,840</b>

*Data source: Bermuda group and regulated insurer CSR filings, Economic Balance Sheet*

### **C. DESCRIPTION OF RECOVERABLES FROM REINSURANCE CONTRACTS**

In the normal course of business, Hamilton Group and Hamilton Re seek to reduce the potential amount of loss arising from claims events by reinsuring certain levels of risk with other insurers or reinsurers. Amounts recoverable from reinsurers are estimated based on the terms and conditions of the reinsurance contracts, in a manner consistent with the underlying liabilities insured or reinsured, and account, where applicable, for reinstatement premiums to be paid. Amounts recoverable from reinsurers are recorded net of a valuation allowance for estimated uncollectible recoveries, if required.

### **D. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF OTHER LIABILITIES**

Remaining liabilities – consisting of insurance and reinsurance balances payable, income taxes payable, amounts due to affiliates, accounts payable, and accrued liabilities and dividends payable – are reflected at values that reflect the underlying economic value to the Group.

### **E. ANY OTHER MATERIAL INFORMATION**

Not applicable.

# Capital Management

## A. ELIGIBLE CAPITAL

### i. Capital Management Policy and Process for Capital Needs, How Capital is Managed and Material Changes During the Reporting Period

Capital management is an integral part of the Group's annual business planning cycle. The process takes the following form:

1. Hamilton Re and Hamilton at Lloyd's each develop a business plan for the next year (and, in a second phase, for the next five years), including projected balance sheets, income statements and business mix.
2. The Group Chief Risk Officer uses the business plans to back-out implied risk levels (e.g., PMLs, profit (loss) downside).
3. The Group Chief Risk Officer allocates risk capital to each operating company such that all risk levels have adequate buffers relative to tolerance and such that the sum of allocated risk capital does not exceed available Group surplus.
4. The Group Chief Risk Officer determines capital ratios for each operating company and for the entire Group to verify that capital levels remain at or above target, with reference to specified capital thresholds.
5. To the extent steps 3 and/or 4 are not achievable, adjustments to the plan are made and the process repeated. Further, if the level of capital were to fall below specified thresholds, Hamilton Group has a documented response process in place.

In addition to comprising an integral part of annual planning, the capital management framework is employed at any stage throughout the year to inform decisions that would cause the Group to materially deviate from its established business plan (e.g. M&A or entering a new line of business).

There have been no material changes to capital and how it is managed during the reporting period.

### ii. Eligible Capital Categorised by Tiers in Accordance with the Eligible Capital Rules

Eligible capital as of November 30, 2018 is categorised into the following tiers:

Tier	Hamilton Group (\$ in 000s)	Hamilton Re (\$ in 000s)
Tier 1	1,725,640	1,600,501
Tier 2	116,322	125,476
Tier 3	-	-
<b>Total</b>	<b>1,841,962</b>	<b>1,725,977</b>

*Data source: Bermuda group and regulated insurer CSR filings, Economic Balance Sheet*

The majority of capital is Tier 1, which comprises fully paid common shares, contributed surplus and retained earnings. Both Hamilton Group and Hamilton Re have a modest amount of Tier 2 capital, which is made up of the excess of assets encumbered for policyholder obligations and actual policyholder obligations. Neither entity holds any Tier 3 capital.

### iii. Eligible Capital Categorised by Tiers, in Accordance with the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the *Insurance Act*

Eligible capital for the Minimum Margin of Solvency (MSM) and Enhanced Capital Requirement (ECR) as of November 30, 2018 is categorised as follows:

Tier	Limits	MSM	ECR	Minimum Margin of Solvency		Enhanced Capital Requirements	
				Hamilton Group (\$ in 000s)	Hamilton Re (\$ in 000s)	Hamilton Group (%)	Hamilton Re (%)
Tier 1	Min	80%	60%	1,725,640	1,600,501	93.7	92.7
Tier 2	Max	20%	40%	116,322	125,476	6.3	7.3
Tier 3	Max	-	15%	-	-	-	-
<b>Total</b>				<b>1,841,962</b>	<b>1,725,977</b>	<b>100</b>	<b>100</b>

*Data source: Bermuda group and regulated insurer CSR filings, Economic Balance Sheet*

### iv. Confirmation of Eligible Capital That is Subject to Transitional Arrangements

As of November 30, 2018, the eligible capital of Hamilton Group and Hamilton Re is subject to the transitional arrangements as required under the eligible capital rules. However, neither Hamilton Group nor Hamilton Re has any components of equity that qualify under the transitional guidance.

### v. Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR

The following factors affecting encumbrances may impact the availability and transferability of capital to meet the Enhanced Capital Requirements for both the Group and Hamilton Re:

- Loss events may result in a strengthening of reserves, which could trigger additional security requirements from cedants, additional draw-downs on credit facilities (which are supported by pledged assets) or the segregation of assets where the contract with a specific cedant requires that assets be held in a trust account for the benefit of the cedant.
- Entry into new lines of business may require new or additional security from regulatory authorities.
- A ratings downgrade would necessitate additional security requirements under the terms of certain contracts.
- Changes in laws or regulations governing the insurance jurisdictions in which the Group and Hamilton Re operate might result in higher regulatory capital minimum requirements.

### vi. Identification of Ancillary Capital Instruments Approved by the Authority

As of November 30, 2018, neither Hamilton Group nor Hamilton Re has any approved ancillary capital instruments.

## vii. Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus Available Statutory Capital and Surplus

See Appendix L

### B. REGULATORY CAPITAL REQUIREMENTS

#### i. ECR and MSM Requirements at the End of the Reporting Period

ECR and MSM requirements as of November 30, 2018 are as follows:

Tier	Hamilton Group		Hamilton Re	
	(\$ in 000s)	Ratio (%)	(\$ in 000s)	Ratio (%)
Minimum Margin of Solvency	412,349	-	188,834	-
Transitional Enhanced Capital Requirement	708,975	-	685,934	-
Enhanced Capital Requirement	708,975	260%	704,043	246%

*Data source: Bermuda group and regulated insurer CSR filings, Economic Balance Sheet*

#### ii. Identification of Any Non-Compliance with the MSM and the ECR

As of November 30, 2018, Hamilton Group and Hamilton Re are in compliance with both the Minimum Solvency Margin and Enhanced Capital Requirements.

#### iii. Description of the Amount and Circumstances Surrounding the Non-Compliance, Remedial Measures Taken and Their Effectiveness

Not applicable.

#### iv. Where the Non-Compliance is Not Resolved, a Description of the Amount of the Non-Compliance

Not applicable.

### C. APPROVED INTERNAL CAPITAL MODEL

#### i. Description of the Purpose and Scope of the Business and Risk Areas Where the Internal Model is Used

Not applicable.

#### ii. Where a Partial Internal Model is Used, Description of the Integration with the BSCR Model

Not applicable.

#### iii. Description of Methods Used in the Internal Model to Calculate the ECR

Not applicable.

#### iv. Description of Aggregation Methodologies and Diversification Effects

Not applicable.

**v. Description of the Main Differences in the Methods and Assumptions Used for the Risk Areas in the Internal Model Versus the BSCR Model**

Not applicable.

**vi. Description of the Nature and Suitability of the Data Used in the Internal Model**

Not applicable.

**vii. Any Other Material Information**

Not applicable.

# Subsequent Events

With effect from February 6, 2019, J. Tomilson Hill resigned as a Director of Hamilton Insurance Group, Ltd. Also with effect from February 6, 2019, Peter Koffler was appointed as a Director of Hamilton Insurance Group, Ltd., in accordance with its Bye-Laws.

On March 14, 2019, Hamilton Insurance Group, Ltd. signed a definitive agreement to acquire Pembroke Managing Agency Limited and Ironshore Europe DAC (IEDAC) (the “Pembroke Acquisition”). The transaction is expected to close later this year, subject to the fulfillment of customary closing conditions and obtaining the necessary regulatory approvals.

On March 26, 2019, it was announced that Dermot O’Donohoe would be leaving his position as Chief Executive Officer of Hamilton at Lloyd’s. Concurrent with the announcement of Mr. O’Donohoe’s departure, it was announced that Peter Barrett had been appointed as Global Head, Specialty Insurance.

On April 24, 2019, Capital Z Group (as defined in the Amended and Restated Shareholders Agreement dated for November 4, 2014, as amended, between Hamilton Insurance Group, Ltd. and its Shareholders (the “SHA”)), transferred its entire equity interest in Hamilton Group to various existing Shareholders pursuant to the terms of the SHA and Bye-laws of Hamilton Group (the “Cap Z Transfer”). As a result of the Cap Z Transfer, Bradley Cooper tendered his resignation from the Group Board and Charles Collis was duly appointed to fill the vacancy.

# Appendix A – Ownership Details

As of November 30, 2018

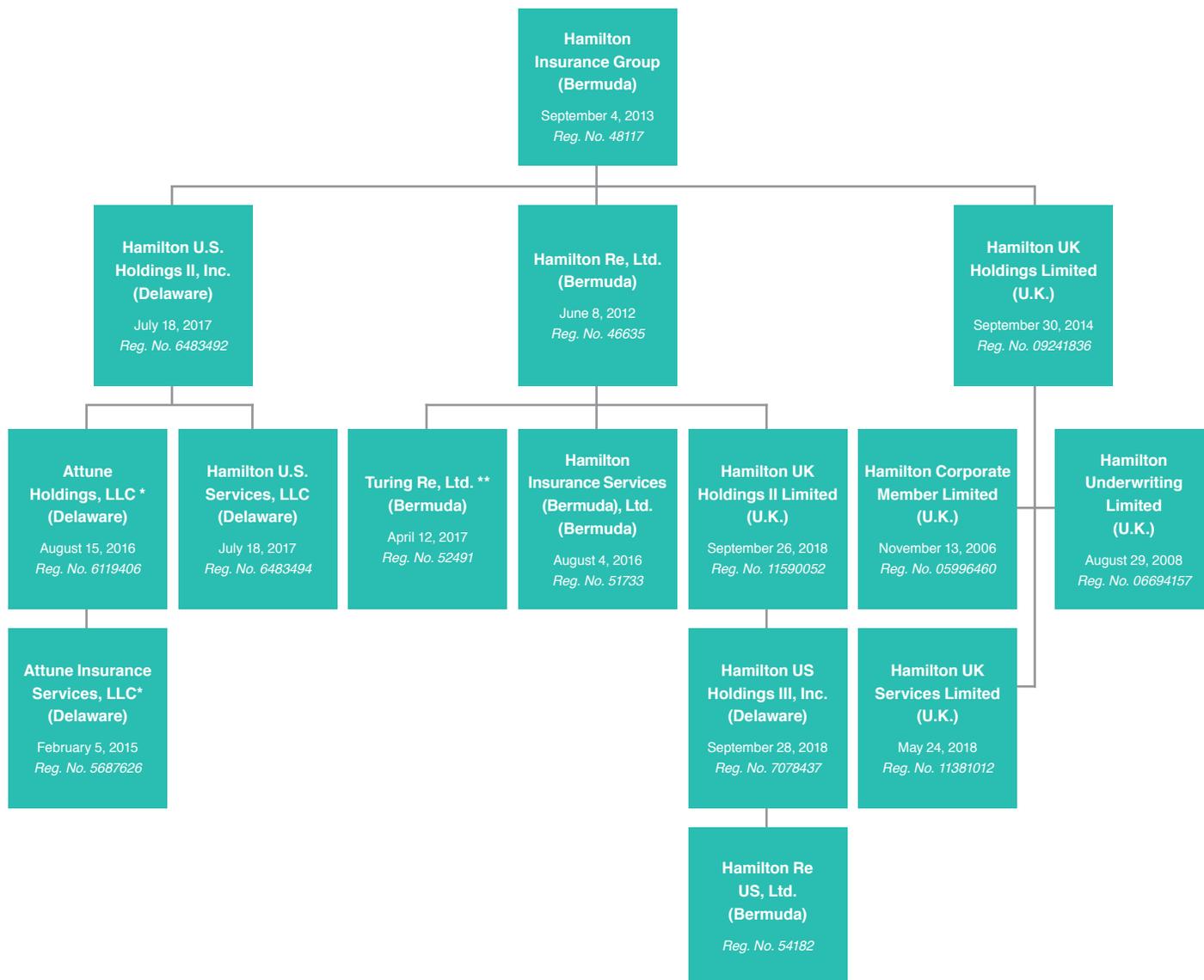
Owner Name	Ownership % *
Citco Bank of Canada ref BSOF Master Fund LP	13.1%
All other shareholders	86.9%
<b>Total</b>	<b>100.0%</b>

\*Under the Bye-laws of Hamilton Group, the voting power of any shareholders who hold more than 9.5% of the shares is “cut back” to 9.5%.

# Appendix B – Group Organisational Chart

The following organisational chart represents the Group structure as of April 1, 2019.

Each entity in the chart is owned 100% directly or indirectly by Hamilton Insurance Group, Ltd., unless indicated otherwise.



\*Hamilton U.S. Holdings II, Inc. has a 33.33% interest in Attune Holdings, LLC, as part of a joint venture arrangement between Hamilton, AIG and Two Sigma

\*\*Turing Re, Ltd. ("Turing") is a Bermuda-registered special purpose insurer that is licensed as a segregated accounts company. Hamilton Re owns one common share of Turing Re, representing 100% of the voting capital. Non-voting preference shares are issued to outside investors, the proceeds of which are used to reinsure the risk obligations of Hamilton Re on a fully collateralised basis. No one party, or group of related parties, both exercises control of, and enjoys the risks and rewards of, Turing's operations. It therefore does not form a part of Hamilton Group or Hamilton Re's consolidated reporting for either U.S. GAAP or Bermuda statutory purposes.

# Appendix C – Overview of Re/Insurance Business Written

Hamilton Group is the Bermuda-based holding company for specialty insurance and re/insurance operations doing business on a worldwide basis. The Group is composed of two operating platforms: Hamilton Re, a diversified re/insurer based in Bermuda; and Hamilton at Lloyd's, a diversified, global re/insurer operating through Syndicate 3334 at Lloyd's of London, which is managed by Hamilton Underwriting Limited. The Group also aims to deliver cutting-edge analytics and technology to agents and brokers, resulting in improved transaction efficiency and underwriting results, through Attune, which is a joint venture between Hamilton, Two Sigma and AIG.

Hamilton Re is a diversified Class 4 re/insurer incorporated and based in Bermuda. It offers various business products across various non-life segments, all on a worldwide basis:

- **Re/insurance** – Hamilton Re's suite of products include Property Treaty Reinsurance, Casualty Re/insurance and Specialty Re/insurance. Property Treaty Re/insurance provides catastrophe cover and is written on a proportional or non-proportional basis, across both single and multi-year arrangements. The Casualty Re/insurance segment comprises commercial and personal motor, umbrella and excess casualty, general liability, healthcare, multi-line, professional liability, workers' compensation and employers' liability. The Specialty Re/insurance segment comprises non-casualty and non-property business.
- **Insurance** – Hamilton Re offers Casualty Insurance and Property Insurance expertise. The Casualty Insurance segment focuses on liability coverage, serves a diversified book of Fortune 1000 businesses and targets a variety of sub-classes. The Property Insurance segment specialises in non-marine property and onshore energy direct insurance and facultative re/insurance for Fortune 1000 companies.

Hamilton at Lloyd's enables the Group to participate in, and contribute to, the Lloyd's marketplace. Syndicate 3334 is a multi-line syndicate writing accident and health, financial institutions, professional lines, direct and facultative property, space, and war and terror insurance risks and treaty re/insurance.

Hamilton Insurance Services (Bermuda), Ltd. is an authorised underwriting agent for Hamilton at Lloyd's, providing access to Lloyd's market and the paper of Hamilton at Lloyd's from Bermuda.

Attune operates as a technology-enabled platform to streamline the process of pricing, selecting and underwriting SME business insurance. Attune was established to address the needs of the SME market, which is believed to represent an \$80 billion market in the United States. Attune currently offers business owner's coverage to clients, with plans underway to offer additional products during 2019 and 2020.

# Appendix D – Gross and Net Premium Written

For the Year Ended November 30, 2018 and the Eleven Months Ended November 30, 2017

Line of Business	2018 (\$ in 000s)				2017 (\$ in 000s)			
	Gross Premium Written		Net Premium Written		Gross Premium Written		Net Premium Written	
	Hamilton Group	Hamilton Re	Hamilton Group	Hamilton Re	Hamilton Group	Hamilton Re	Hamilton Group	Hamilton Re
Property and other short-tail business	288,297	253,387	184,043	167,626	274,479	219,362	154,579	135,916
Casualty and other long-tail business	283,185	247,372	224,629	210,042	311,928	238,305	239,915	209,722
<b>Total</b>	<b>571,482</b>	<b>500,759</b>	<b>408,672</b>	<b>377,668</b>	<b>586,407</b>	<b>457,667</b>	<b>394,494</b>	<b>345,638</b>

Data source: management accounts, U.S. GAAP reporting basis

# Appendix E – Gross Premium Written by Geographic Region

For the Year Ended November 30, 2018 and the Eleven Months Ended November 30, 2017

## Gross Premium Written

Geographical Location	2018 (\$ in 000s)		2017 (\$ in 000s)	
	Hamilton Group	Hamilton Re	Hamilton Group	Hamilton Re
United States and Caribbean	223,690	206,188	308,158	224,858
Worldwide	199,040	184,173	133,840	142,410
Europe	105,303	70,272	79,256	46,387
Worldwide excluding United States	11,221	11,221	28,208	11,480
Australasia	13,963	11,657	18,071	15,538
Japan	16,112	15,973	10,019	9,811
Canada	2,153	1,275	8,855	7,183
<b>Total</b>	<b>571,482</b>	<b>500,759</b>	<b>586,407</b>	<b>457,667</b>

Data source: management accounts, U.S. GAAP reporting basis

# Appendix F – Performance of Investments by Asset Class

For the Year Ended November 30, 2018 and the Eleven Months Ended November 30, 2017

Asset Class	Hamilton Group			
	2018 (\$ in 000s)		2017 (\$ in 000s)	
	Market Value	Performance	Market Value	Performance
Short-term investments	2,531	1.42%	\$-	n/a
US government and government sponsored enterprises	44,074	1.78%	-	n/a
Non-US sovereign & supranationals	11,861	(1.05%)	-	n/a
Corporate	64,068	(0.32%)	-	n/a
Residential mortgage-backed securities – agency	62,009	1.14%	-	n/a
Commercial mortgage-backed securities – non-agency	6,325	1.11%	-	n/a
Other asset-backed securities	17,291	1.58%	-	n/a
Total Quoted Investments*	208,159	0.32%	\$-	n/a
Total Unquoted Investments (TS Hamilton Fund)*	1,927,979	19.87%	\$1,737,003	8.2%
<b>Total Invested Assets</b>	<b>2,136,138</b>		<b>\$1,737,003</b>	

Data source: Bermuda group CSR filing, Economic Balance Sheet

Hamilton Re

Asset Class	2018 (\$ in 000s)		2017 (\$ in 000s)	
	Market Value	Performance	Market Value	Performance
Short-term investments	\$-	n/a	\$-	n/a
US government and government sponsored enterprises	26,069	1.83%	-	n/a
Non-US sovereign & supnationals	5,213	(1.31%)	-	n/a
Corporate	44,764	(0.26%)	-	n/a
Residential mortgage-backed securities – agency	44,130	1.14%	-	n/a
Commercial mortgage-backed securities – non-agency	4,762	1.16%	-	n/a
Other asset-backed securities	13,991	1.60%	-	n/a
Total Quoted Investments*	138,929	0.37%	\$-	n/a
Total Unquoted Investments (TS Hamilton Fund)*	1,927,979	19.87%	\$1,737,003	8.2%
<b>Total Invested Assets</b>	<b>2,066,908</b>		<b>\$1,737,003</b>	

Data source: Bermuda group CSR filing, Economic Balance Sheet

\* Hamilton Group and Hamilton Re's quoted investments consist of fixed maturity securities that are all considered to be Level 2 investments under the GAAP fair value hierarchy.

Hamilton Re, through its investment in TS Hamilton Fund, within which it holds positions in Two Sigma Futures Portfolio, LLC ("FTV") and Two Sigma Spectrum Portfolio, LLC ("STV"), seeks to achieve absolute dollar-denominated returns on a substantial capital base, primarily by combining multiple hedged and leveraged systematic investment strategies with proprietary risk management and execution techniques. These systematic strategies include, but are not limited to, technical and statistically based, fundamental-based, event-based, market condition-based and spread-based strategies, as well as contributor-based and/or sentiment-based strategies and blended strategies.

FTV primarily trades global futures and foreign exchange contracts, options, interest rate swaps, credit default swap contracts, foreign currency option contracts, exchange traded funds and government debt securities. STV primarily trades equity securities and swap contracts.

# Appendix G – Material Income and Expenses Incurred

For the Year Ended November 30, 2018 and the Eleven Months Ended November 30, 2017

Description	2018 (\$ in 000s)		2017 (\$ in 000s)	
	Hamilton Group	Hamilton Re	Hamilton Group	Hamilton Re
<b>Revenues</b>				
Net premiums earned	\$414,617	\$386,282	\$348,934	\$308,754
Net investment income, net of non-controlling interest	332,839	341,660	132,542	142,506
Net gain on sale of subsidiary	-	-	28,777	-
Gain on release of CEO from employment covenants	-	-	20,000	-
Other revenues	1,418	433	2,717	2,327
<b>Total revenues</b>	<b>748,874</b>	<b>728,375</b>	<b>532,970</b>	<b>453,587</b>
<b>Expenses</b>				
Losses & loss adjustment expenses	360,143	336,087	342,464	303,468
Acquisition costs	95,827	96,952	96,649	87,906
General and administrative expenses	87,800	33,892	80,236	28,024
Interest expense	9,290	6,108	8,106	5,248
<b>Total expenses</b>	<b>553,060</b>	<b>473,039</b>	<b>527,455</b>	<b>424,646</b>
Income before income tax	195,814	255,336	5,515	28,941
Income tax	9,395	9,395	9,232	9,113
<b>Net income (loss)</b>	<b>186,419</b>	<b>245,941</b>	<b>(3,717)</b>	<b>19,828</b>

Data source: Condensed US GAAP income statement

A key source of revenue for Hamilton Group and Hamilton Re is underwriting premiums. Total gross written premiums for the reporting period increased significantly from the prior period, as a result of focused marketing, the addition of new target clients and the renewal of existing ones, expansion into new lines of business, and the continued buildout of the underwriting infrastructure of Hamilton USA (prior to its sale on October 2, 2017) and Hamilton at Lloyd's. Hamilton Group's major expenses relate to claims losses and acquisition costs.

# Appendix H – Board of Directors of Hamilton Insurance Group, Ltd.

As of November 30, 2018 – Updated as Described in “Subsequent Event” Section of this Report

Name	Board Position	Responsibilities
William Freda	Chairman and Audit Committee Chairs	<ul style="list-style-type: none"> <li>As Chair of Group Board: chair meetings of the shareholders and Group Board</li> <li>As member of Group Board: general fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> <li>Chair of the Group Audit Committee, in accordance with its Charter</li> </ul>
David Brown	Finance and Governance Committee Chair	<ul style="list-style-type: none"> <li>Chair of the Group Finance and Governance Committee, in accordance with its Charter</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
John Overdeck	Underwriting and Risk Committee Chair	<ul style="list-style-type: none"> <li>Chair of the Group Underwriting and Risk Committee, in accordance with its Charter</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
David Siegel	Compensation and Personnel Committee Chair	<ul style="list-style-type: none"> <li>Chair of the Group Compensation and Personnel Committee, in accordance with its Charter</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Peter Koffler	Board Member <i>(with effect from February 6, 2019)</i> Investment Committee Chair <i>(with effect from April 10, 2019)</i>	<ul style="list-style-type: none"> <li>Chair of the Group Investment Committee, in accordance with its Charter</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Charles Collis	Board Member	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>

Russ Fradin	Board Member	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Joan Lamm-Tennant	Board Member	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Steve Pacala	Board Member	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Pauline Richards	Board Member	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Pina Albo	Board Member <i>(with effect from March 2018)</i>	<ul style="list-style-type: none"> <li><i>(With effect from March 2018)</i> As Executive Board member: supervise and administer all of the general business and affairs of the Group, as may be entrusted to and conferred upon the Chief Executive Officer by the Group Board, to serve the business and affairs of the Group and to establish, promote, develop and extend their business, in accordance with Hamilton Group bye-laws and Bermuda law</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Tom Hill	Former Board Member and Former Investment Committee Chair <i>(ceased to be a director with effect from February 6, 2019)</i>	<ul style="list-style-type: none"> <li>Chair of the Group Investment Committee, in accordance with the Charter of the Group Investment Committee</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Brad Cooper	Former Board Member <i>(Ceased to be a director with effect from April 24, 2019)</i>	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>
Mark Barrenechea	Former Board Member <i>(Ceased to be a director with effect from September 5, 2018)</i>	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Group, in accordance with Hamilton Group bye-laws and Bermuda law</li> </ul>

# Appendix I – Officers of Hamilton Insurance Group, Ltd.

As of November 30, 2018 – Updated as Described in the “Subsequent Events” Section of this Report

Name	Position
Pina Albo	Chief Executive Officer
Jonathan Reiss	Chief Financial Officer and Principal Representative
Gemma Carreiro	General Counsel & Secretary
Peter Skerlj	Chief Risk Officer
Wendy Davis Johnson	Chief Communications & Culture Officer
Chad Cundliffe	Chief Accounting Officer
Keith Bernhard	Chief Audit Officer
Brent Slade	SVP, Hamilton Capital Partners
David Amaro	Assistant Secretary

Each of the officers of Hamilton Group is responsible for certain duties in the management, business and affairs of Hamilton Group as may be delegated to them by the Group Board from time to time. Each of the officers has oversight of the information and infrastructure requirements that are necessary to support their business functions, and works with other business functions, across the different operating platforms, in relation to their specific business functions. Reporting to the Group Board takes place on at least a quarterly basis.

# Appendix J – Board of Directors of Hamilton Re, Ltd.

As of November 30, 2018 – Updated as Described in “Subsequent Event” Section of this Report

Name	Board Position	Responsibilities
David Brown	Board Chair	<ul style="list-style-type: none"> <li>Chair meetings of Hamilton Re Board</li> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> </ul>
Jonathan Reiss	Director and Principal Representative	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> <li>Responsible for monitoring Hamilton Re’s compliance with the <i>Insurance Act 1978</i> in accordance with the provisions therein</li> </ul>
Pina Albo	Director	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> </ul>
Kathleen Reardon	Director	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> <li>As Executive Board member: ensure the Hamilton Re Board’s decisions are communicated and enacted throughout the organisation</li> </ul>
Peter Skerlj	Director	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> <li>As Executive Board member: ensure the Hamilton Re Board’s decisions are communicated and enacted throughout the organisation</li> </ul>
Gemma Carreiro	Director	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> <li>As Executive Board member: ensure the Hamilton Re Board’s decisions are communicated and enacted throughout the organisation</li> </ul>
Vanessa Hardy Pickering	Director	<ul style="list-style-type: none"> <li>General fiduciary duties in connection with the management and conduct of the business of Hamilton Re, in accordance with Hamilton Re bye-laws and Bermuda law</li> <li>As Executive Board member: ensure the Hamilton Re Board’s decisions are communicated and enacted throughout the organisation</li> </ul>

# Appendix K – Officers of Hamilton Re, Ltd.

As of November 30, 2018

Name	Position
Kathleen Reardon	Chief Executive Officer
Vanessa Hardy Pickering	Chief Financial Officer
Peter Skerlj	Chief Risk Officer
Gemma Carreiro	General Counsel & Secretary
Tim Duffin	Chief Underwriting Officer, Reinsurance
Stephen Hartwig	Chief Underwriting Officer, Casualty Insurance
Keith Bernhard	Chief Audit Officer
David Amaro	Associate Legal Counsel & Assistant Secretary

Each of the officers of Hamilton Re is responsible for duties in the management, business and affairs of Hamilton Re as may be delegated to them by the Hamilton Re Board from time to time. Each of the officers has oversight of the information and infrastructure requirements that are necessary to support their business functions, and works with other business functions, across the different operating platforms, in relation to their specific business functions.

# Appendix L – Reconciliation of Shareholders' Equity to Available Statutory Capital and Surplus

As of November 30, 2018

Description	Hamilton Group (\$ in 000s)	Hamilton Re (\$ in 000s)
Shareholders' equity per GAAPs	1,822,569	1,758,724
Gross premium provisions	(9,236)	113,876
Accounts and premiums receivable	(154,153)	(250,504)
Ceded premium provisions	(78,677)	(65,267)
Write-off of ceded premium payable	116,339	43,112
Non-admitted assets	(6,110)	(5,031)
Reinsurance recoverables	(28,517)	(27,180)
Risk margin	(59,639)	(58,477)
Gross loss and loss expense provision	90,849	84,036
Write-off of unearned premium	197,002	183,411
Write-off of deferred acquisition costs	(45,965)	(48,223)
<b>Statutory Economic Capital and Surplus</b>	<b>1,844,462</b>	<b>1,728,477</b>

Data source: Bermuda group and regulated insurer CSR filings, Economic Balance Sheet

# Appendix M – Declaration

To the best of my knowledge and belief, Hamilton Insurance Group's Financial Condition Report for the year ended November 30, 2018 fairly represents the financial condition of the insurer and the group in all material respects.



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**Pina Albo** – Chief Executive Officer

24 April 2019

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Date



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**Peter Skerlj** – Chief Risk Officer

24 APRIL 2019

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Date



**HAMILTON**  
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