



Hamilton Insurance Group

Tax Strategy

High Level Overview

Hamilton Insurance Group, Ltd (“Hamilton”) was incorporated on September 4, 2013 in Bermuda. Hamilton operates through a number of subsidiaries (“Hamilton Group”) to offer property, casualty and specialty insurance and reinsurance products in multiple jurisdictions throughout the world including the United Kingdom (“UK”).

Within the UK, Hamilton Group operates a wholly aligned Lloyd’s syndicate through an established managing agent, which also provides managing agency services to multiple third-party syndicates and operates a London-based branch of an Irish re/insurance company.

We believe in an open and transparent approach in interactions with all stakeholders including clients, shareholders, employees, regulators and, of course, taxing authorities. We have prepared this strategy in compliance with the requirements of Part 2 of Schedule 19 to the Finance Act 2016 (the “Act”).

This tax strategy relates to the financial year ended 31 December 2022.

Approach to tax risk management and governance

As a re/insurance operation, Hamilton Group is in the business of assessing and accepting underwriting and other risk in accordance with an agreed risk appetite. Accordingly, one of the most important roles within Hamilton is that of the Chief Risk Officer (“CRO”).

With the strategic oversight of the CRO, Hamilton Group has robust systems and internal controls which mitigate the possibility of unintended risk exposure. The CRO monitors, assesses and communicates the group risk tolerances to each operating subsidiary, on a continuous and consistent basis. This allows each operating company to align itself with Hamilton’s global strategy through the integration of group risk tolerances, set periodically by the Underwriting & Risk Committee of the Hamilton Board, into local operating strategies and underwriting guidelines.

Because Hamilton Group is in the re/insurance business, most of its operations are subject to a high level of external regulation. Within the UK, the two primary regulatory bodies supervising Hamilton Group are the PRA and the FCA (and the CBI in relation to the Irish company). By virtue of operating at Lloyd’s, Hamilton also complies with all applicable laws and regulations relevant to that market.

To maintain licensure and good standing with the PRA, the FCA and Lloyd’s, Hamilton Group is required to operate under a formal risk management framework. This includes insurance risks as well as other operational risks, such as tax risk.

The Group CFO is ultimately responsible for Hamilton’s global financial risks, including tax, and he reports on tax matters to the Hamilton Board. The Group CFO delegates responsibility for overseeing Hamilton Group’s global tax risk profile to the Senior Vice President, Tax (“SVP Tax”).

With regard to Hamilton Group’s specific UK tax responsibilities, the oversight is delegated by the UK CFO (who is also the Hamilton Group’s Senior Accounting Officer) to the Finance Director, Corporate. The Finance Director, Corporate works collaboratively with the SVP Tax. The UK CFO and SVP Tax both report directly to the Group CFO on tax matters. The Finance Director, Corporate provides routine departmental updates to local governance committees, with a specific Tax Update paper presented to the Lloyd’s managing agency Audit Committee on an annual basis.

Open communication across all parts of the business is key to the effective management of tax risk. Our collaborative environment, where there is crossover between all functions, allows for identification of potential tax risks before they materialize. Hamilton’s open communication principle encourages all employees to proactively reach out to the SVP Tax if they have any questions or concerns about situations that may adversely impact Hamilton’s tax risk profile.

The Finance Director, Corporate manages the day-to-day UK tax function, both from within the London finance team and with key activities outsourced to a UK-based accountancy firm who provide the necessary tax expertise on different taxes. Hamilton Group’s consistent use of the same external tax advisors enables Hamilton to optimize its use of specialized expertise and mitigate tax risk.



Attitude towards tax planning

The transactions Hamilton Group undertakes are commercially motivated. When entering into transactions, Hamilton Group is mindful of their tax, regulatory and capital adequacy implications. Hamilton Group aims to be tax efficient, so as to deliver value to its shareholders, but tax planning is not a driving force in its activities.

Hamilton Group has procedures in place to identify and prevent the criminal facilitation of tax evasion.

Acceptance of tax risk

Hamilton Group actively seeks insurance risk and, consequently, insurance risk represents the most material element of Hamilton Group's risk profile and is therefore the principal focus of the management of risk.

Tax risk is an operational risk of the business. Like all other non-insurance risks, the Group does not actively seek tax risk; rather, tax risk is proactively monitored and controlled to mitigate its potential impact.

Hamilton Group does not prescribe an acceptable level of tax risk and assesses each transaction individually. However, it has an overall objective of achieving certainty in its tax affairs.

Hamilton Group currently has no material tax risks required to be disclosed in its accounts, which are prepared in accordance with US GAAP.

Relationship with tax authorities

Hamilton Group works hard to ensure it has good working relationships with tax authorities and regulators. Hamilton Group's policy is to cooperate openly and honestly with tax authorities in relation to tax inquiries and filings.

Hamilton Group is committed to paying the right amount of taxes in the jurisdictions in which it operates. It believes it delivers value for shareholders by building a collaborative relationship with tax authorities which engenders a level of trust, in turn reducing excessive back and forth as well as administrative costs.

It is expected that local entities (generally led from the local finance functions, with support from the SVP Tax and other relevant non-tax personnel) maintain appropriate levels of communication with their respective tax authorities. Management of Hamilton's relationship with the UK tax authority ("HMRC"), including tax enquiries and business risk reviews, is the responsibility of the Finance Director, Corporate, who has regular contact with HMRC.