

Financial Condition Report 2023 - Switzerland

Company registration: CH-020.9.002.897-8

Scope

This financial condition report is referring to the locally produced business of the Berkshire Hathaway International Insurance Limited, London, Zurich Branch for the reporting period 2023. The report is being produced in line with the requirements of art. 111a ISO and FINMA Circular 2016/2 and is a complementary element of the Solvency & Financial Condition Report 2023 of our head office in London.

Business Activities

Berkshire Hathaway International Insurance Limited (“BHIL” or “the Company”) established a Switzerland branch in Zurich (“Swiss Branch”) in 2008. BHIL is part of the Berkshire Hathaway group of companies. The principal activity of the Swiss Branch is underwriting general insurance business.

The Swiss Branch was created to support the participation of BHIL in the Global Aerospace Underwriting Managers (“GAUM”) Zurich aviation pools. The GAUM participation allows BHIL to write general insurance policies for Airline, Products, General Aviation and Space insurance to the aviation and space industries. Through the Swiss Branch, BHIL also writes direct Swiss business with Swiss policyholders through a Division of BHIL, Berkshire Hathaway Specialty Insurance (“BHSI”).

BHSI is an operation and part of a worldwide group initiative to develop a significant property and casualty underwriting entity. The Company has established underwriting hubs in various European locations and recruited underwriters and support staff for these operations. During 2023 BHSI has continued to build out the local underwriting capability and this will evolve further in 2024. The BHSI division is multi class and will write commercial insurance coverage’s across all major general insurance classes of business.

The number of full-time positions at the branch is 7 (2022: 2), all active underwriting is performed by either GAUM within Zurich or BHSI within Zurich or the various European locations with support staff based alongside.

The BHIL Swiss Branch will continue to support the participation of the Company in the GAUM Zurich aviation pool and in addition continues to develop Swiss business through the BHSI Division. There are no significant or unusual events to report for the business of the Swiss Branch for the reporting period 2023.

Since the Russian invasion of Ukraine on 24th February 2022 the Company has been actively assessing its potential exposure to insurance losses as a result of the conflict. The Company is also monitoring the rapidly changing sanctions regimes of the US, the EU, the UK and Switzerland to ensure our processes and controls maintain compliance. The Company provides very limited war coverage but is potentially exposed to secondary effects through the policies it writes. The main areas of focus have been the aviation, marine, directors and officers and cyber portfolios. Management’s current assessment is that the Company’s exposure, net of reinsurance, and the changes in the sanctions regime are manageable and do not significantly impact the Company’s ability to continue as a going concern.

The Swiss Branch is being audited by MAZARS AG, Zurich branch (CHE-248.814.976).

Management Summary

The performance of the Swiss Branch continues to be overseen by the Swiss Branch Management Committee which is chaired by the General Representative and has committee members from Underwriting, Claims, Compliance, Actuarial, Internal Audit, Finance and Risk. The Swiss Branch continues to support the wider operations of BHIL and business written by the Swiss Branch is dependent on business being referred. This does lead to some variability in premium volumes year on year. There has again been no significant claims activity in the reporting period 2023.

Performance

Premiums: The gross written premiums for the reporting period amounted to CHF 17,954,455. This presents an increase of CHF 522,904 compared to 2022 (CHF 17'431'551).

Costs: Total gross acquisition costs and administrative expenses for the reporting period amounted to CHF 3,911,370. This presents an increase of CHF 1,805,275 compared to 2022 (CHF 2'106'095).

Claims: Total gross claims and claim expenses paid for the reporting period amounted to CHF 274,264. This presents an increase of CHF 186,311 compared to 2022 (CHF 87'953). Reinsurance shares amounted to CHF 228,643 for the reporting period.

Segmentation Information

Transport: The GAUM Swiss Branch increased its previous year premium levels slightly and with claims and expenses reducing further year on year this business returned a small underwriting profit.

Property: The Swiss Branch doubled the amount of property business written in the year but due to increases in claims technical provisions an underwriting loss occurred.

Third-Party Liability: Third Party Liability premiums decreased in 2023 to CHF 13m. Significantly lower claims expenses and reduced operating expenses allocated to Third Party Liability lines resulted in an overall underwriting profit of just under CHF 2m for the year.

Additional segmentation information by class of business is provided on the "Performance Non-Life Solo" form. The Branch only wrote direct Swiss business in the year.

Information about income and expenses from investments: Due to unrealised gains in the period, along with increased investment income, there was a net gain from investments of CHF 3,059,233 compared to a net loss of CHF 372,381 in 2022.

All in all, the movements in gross written premiums are within the range expected. Given the development of the BHSI business segment, the business of the Swiss Branch is considered to be satisfactory.

Zurich, 26 April 2024

Berkshire Hathaway International Insurance Ltd., Zurich Branch



Dominik Skrobala
Branch Manager

Annexes: Performance Solo NL, Auditor's report to the General Representative incl. audited financial statement

**Berkshire Hathaway International
Insurance Limited, London,
Zweigniederlassung, Zürich**

Report of the Statutory Auditor
to the General Representative
on the financial statements
for the year ended on the 31 December 2023

Report of the statutory auditor to the General Representative of the Berkshire Hathaway International Insurance Limited, London, Zweigniederlassung, Zürich

Report on the Audit of the Financial Statements

Opinion

As a state-regulated audit firm, we have audited the financial statements of Berkshire Hathaway International Insurance Limited, London, Zweigniederlassung, Zürich (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies - in accordance with article 28 paragraph 2 Insurance Supervision Act (ISA). 28 para. 2 of the Insurance Supervision Act (ISA) and considering the additional information contained in the report on the audit of the accounts of insurance undertakings in Annex 19 to FINMA-Circular 13/3 on the preparation and audit of the annual accounts of branches of foreign insurance undertakings dated 4 November 2020 (Annex 19 FINMA-Circular 13/3).

In our opinion, the accompanying financial statements of the Company comply, in all material respects, with the accounting provisions of Annex 19 FINMA-Circular 13/3.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards (SA-CH) and the framework for the audit of the financial statements as set out in section 3.2 of Annex 19 FINMA-Circular 13/3. Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with Swiss law and the requirements of the profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon (pages 1 – 7).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the General Representative for the Financial Statements

The General Representative is responsible for the preparation of these financial statements in accordance with the accounting provisions of the Swiss Code of Obligations and the supervisory law of Annex 19 FINMA-Circular 13/3 and for such internal control as the General Representative

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Representative is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Representative either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH and the provisions of Annex 19 FINMA-Circ. 13/3 will always detect a material misstatement, if any. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Zurich, 26. April 2024

MAZARS AG

Agnes Zsuzsanna Dobson

April 26, 2024

Qualified Electronic Signature by  SwissID

Agnes Dobson
Licensed audit expert
(auditor in charge)

Denise Marina Wipf

April 26, 2024

Qualified Electronic Signature by  SwissID

Denise Wipf
Licensed audit expert

Attachments:

- Financial statements (balance sheet, income statement and notes) on pages 1 – 7

Financial Statements

Berkshire Hathaway International Insurance Ltd (Swiss Branch)

31.12.2023

Balance Sheet at 31.12.2023

Assets CHF		Note	31.12.2023	31.12.2022
1,1	Investments		94.956.454	65.046.354
1.1.1	Real Estate		0	0
1.1.2	Participations	1	0	0
1.1.3	Fixed-income securities		0	0
1.1.4	Loans		0	0
1.1.5	Mortgage loans		0	0
1.1.6	Shares		0	0
1.1.7	Other investments	2	94.956.454	65.046.354
1,2	Investments for unit-linked (only life insurer)		0	0
1,3	Receivables from derivative financial instruments		0	0
1,4	Deposits receivables from assumed reinsurance		0	0
1,5	Cash and cash equivalents		8.861.224	4.083.056
1,6	Reinsurers' share of technical provisions	5	43.160.776	43.128.884
1,7	Property and equipment		0	0
1,8	Deferred acquisition cost		0	0
1,9	Intangible assets		0	0
1,10	Insurance receivables	3, 10	8.259.178	6.529.029
1,11	Other receivables	10	464.437	0
1,12	Other assets		0	0
1,13	Share capital not paid in		0	0
1,14	Accrued income and prepaid expenses	4	0	0
1,15	Total Assets		155.702.068	118.787.323
Liabilities CHF				
		Note	31.12.2023	31.12.2022
2,1	Technical provisions	5	58.923.192	58.740.600
2,2	Technical provisions for unit-linked life insurance	5	0	0
2,3	Non-technical provisions		0	0
2,4	Interest-bearing liabilities	6	0	0
2,5	Liabilities from derivative financial instruments		0	0
2,6	Liabilities from deposits retained on ceded business		0	0
2,7	Insurance payables	7, 10	6.312.376	4.094.796
2,8	Other liabilities	10	317.469	0
2,9	Accrued expenses and deferred income	8	508.767	304.772
2,10	Subordinated liabilities		0	0
2,11	Total Liabilities		66.061.804	63.140.168
2,12	Liaison account	9	89.640.264	55.647.155
2.12.1	Translation differences		0	0
2,17	Total Liaison account		89.640.264	55.647.155
2,18	Total Liabilities		155.702.068	118.787.323

Income Statement at 31.12.2023

CHF	Note	31.12.2023	31.12.2022
1 Gross premium written		17.954.455	17.431.551
2 Premiums ceded to reinsurers		-14.796.576	-14.359.398
3 Net premiums written (1+2)		3.157.880	3.072.153
4 Change in unearned premium reserves		-82.865	-2.275.006
5 Change in reinsurers' share of unearned premium reserves		72.525	1.827.769
6 Net premiums earned (3+4+5)		3.147.540	2.624.915
7 Other insurance income		0	0
8 Total technical income (6+7)		3.147.540	2.624.915
9 Gross claims and claim expenses paid		-274.264	-87.953
10 Reinsurer's share of claims and claim expenses		228.643	78.919
11 Change in technical provisions	11	-4.698.328	-27.849.424
12 Change in reinsurers' share of technical provisions	11	3.323.038	19.919.322
13 Change in actuarial provisions for unit-linked (only life insurer)	11	0	0
14 Net claims and claim expenses incurred (9+10+11+12+13)		-1.420.911	-7.939.136
15 Acquisition costs and administrative expenses		-3.911.370	-2.106.095
16 Reinsurers' share of acquisition costs and administrative expenses		3.635.685	2.090.027
17 Net acquisition costs and administrative expenses (15+16)		-275.685	-16.069
18 Other technical expenses own business		0	0
19 Total technical expenses (14+17+18)		-1.696.596	-7.955.205
20 Income from Investments	13	3.544.760	278.055
21 Expenses from investments	14	-485.527	-650.436
22 Net income from investments (20+21)		3.059.233	-372.381
23 Capital and interest gains from unit-linked business (only life insurer)		0	0
24 Other financial income		379.791	0
25 Other financial expenses		0	0
26 Operating result (8+14+17+18+22+23+24+25)		4.889.969	-5.702.670
27 Interest expenses from interest-bearing liabilities		0	0
28 Other income		0	0
29 Other expenses		-222	-112.539
30 Extraordinary income/expenses		0	0
31 Profit/loss before tax (26+27+28+29+30)		4.889.747	-5.815.209
32 Income tax expense		-23.869	-148.241
33 Profit/loss (31+32)		4.865.878	-5.963.449

Notes

Basis of presentation

The 2023 annual financial statements of Berkshire Hathaway International Limited, London, Branch Zurich, domiciled in Zurich, Switzerland, have been prepared in accordance with the Swiss accounting and financial reporting legislation entered into force on 1 January 2013 based on partial revisions of the Swiss Code of Obligations (CO) (Art. 957-963b CO, which required implementation in 2015. Apart from the Swiss Code of Obligations, the Company has, based on article 111b of the Ordinance on the Supervision of Private Insurance Companies (AVO), also to follow the Insurance Supervisory Ordinance-FINMA (AVO-FINMA) that entered into force on 15 December 2015. This AVO-FINMA contains specific guidance for presentation of the balance sheet, the income statement and the notes of insurance companies and overrides the general guidance of the CO.

Time period

The 2023 financial year comprises the accounting period from 1 January 2023 to 31 December 2023.

Foreign currency translation

The annual financial statements of Berkshire Hathaway International Limited, London, Zurich Branch are presented in Swiss Franc. The functional Currency was changed from USD to CHF in 2017 because management considered that CHF is the currency of the primary economic environment in which the Zurich Branch operates. Translation from other currencies is achieved by applying the average rate for P&L and the closing rate for B/S with translation differences recorded through the Non Technical account.

Valuation principles

Uniform valuation principles were applied. Assets and liabilities were valued individually. The quoted or market price as of the balance sheet date is used for assets subsequently valued at observable market prices instead of amortized cost. Equity and liabilities are stated at their nominal value.

Other investments are valued at the market price.

Technical provisions

These are obligations due to insured parties determined based on an individual insurance agreement. From the year ending 2020 both an Equalisation Reserve and a ULAE Reserve have been incorporated in the Financial Statements. All technical provisions are calculated based on the business plans agreed with FINMA.

Exchange Rates

Balance Sheet assets and liabilities are converted at the reference date rate and Income Statement income and expenses are converted at average annual rates. These rates are illustrated below:

	Balance sheet		Income statement	
	2023	2022	2023	2022
EUR 1.00	0,92887	0,98974	0,97148	1,00526
USD 1.00	0,84128	0,92443	0,89789	0,95385
GBP 1.00	1,07161	1,11919	1,11734	1,17967



Disclosures

Breakdown and explanations relating to items on the balance sheet and the income statement

1. Participations

CHF Company	Registered office	Share in capital	Share in voting rights	Book value 31.12.2023	Book value 31.12.2022
-				0	0
-				0	0
Total				0	0

2. Other investments

CHF	Book value 31.12.2023	Book value 31.12.2022
Investment in money market funds	90.435.605	60.491.213
Investments in fixed income securities funds	4.520.849	4.555.141
Total	94.956.454	65.046.354

3. Insurance receivables

CHF	31.12.2023	31.12.2022
Receivables from policyholders	0	0
Receivables from Insurance companies	776.562	520.460
Receivables from agents and brokers	7.482.616	6.008.569
Total	8.259.178	6.529.029

4. Accrued income and prepaid expenses

CHF	31.12.2023	31.12.2022
Accrued income on investments	0	0
Prepaid expenses	0	0
Total	0	0

5. Technical provisions

CHF	Technical provisions (gross) 2023	Reinsurers share 2023	Technical provisions written (net) 2023
Unearned premium reserve	7.360.620	6.069.303	1.291.317
Loss reserves	50.880.369	36.544.616	14.335.753
Other technical provision	682.203	546.858	135.346
Actuarial reserves	0	0	0
Provisions for policyholder	0	0	0
Provisions for surplus funds	0	0	0
Total	58.923.192	43.160.776	15.762.415

CHF	Technical provisions (gross) 2022	Reinsurers share 2022	Technical provisions written (net) 2022
Unearned premium reserve	7.775.469	6.407.040	1.368.429
Loss reserves	50.513.226	36.360.578	14.152.647
Other technical provision	451.906	361.267	90.639
Actuarial reserves	0	0	0
Provisions for policyholder	0	0	0
Provisions for surplus funds	0	0	0
Total	58.740.600	43.128.885	15.611.715

6. Interest-bearing liabilities

CHF	31.12.2023	31.12.2022
Less than 1 year	0	0
1 to 5 years	0	0
More than 5 years	0	0
Total	0	0

7. Insurance payables

CHF	31.12.2023	31.12.2022
Liabilities to policyholders	0	0
Liabilities to Insurance companies	5.054.759	3.114.093
Liabilities to agents and brokers	1.257.617	980.703
Total	6.312.376	4.094.796

8. Accrued expenses and deferred income

CHF	31.12.2023	31.12.2022
Accrued expenses	484.423	255.428
Accrued Capital Tax	24.344	49.344
Deferred income	0	0
Total	508.767	304.772

9. Statement of Changes in liaison account

CHF	31.12.2023	31.12.2022	Delta in %
Opening balance	55.647.155	30.961.065	80%
Capital inflow	65.150.848	71.645.137	-9%
Capital outflow	-36.023.618	-40.995.599	-12%
Net result of the year	4.865.878	-5.963.449	-182%
Closing balance	89.640.264	55.647.155	61%

10. Receivables from and liabilities to related parties

CHF	Third Party	Participants	Management Bodies	Participations	Total 31.12.2023
Receivables	8.723.614	0	0	0	8.723.614
Payables	6.629.845	0	0	0	6.629.845

CHF	Third Party	Participants	Management Bodies	Participations	Total 31.12.2022
Receivables	6.529.029	0	0	0	6.529.029
Payables	4.094.797	0	0	0	4.094.797

11. Change in technical provisions

CHF	Technical provisions (Gross) 2023	Reinsurers share 2023	Technical provisions written (net) 2023
Change in loss reserves	4.195.329	3.323.038	872.291
Change in Equalisation Reserve	502.999	0	502.999
Change in actuarial reserves	0	0	0
Change in provisions for policyholder participations	0	0	0
Change in provisions for surplus funds	0	0	0
Total	4.698.328	3.323.038	1.375.290

CHF	Technical provisions (Gross) 2022	Reinsurers share 2022	Technical provisions written (net) 2022
Change in loss reserves	24.985.555	19.919.322	5.066.232
Change in other technical provision	2.863.870	0	2.863.870
Change in actuarial reserves	0	0	0
Change in provisions for policyholder participations	0	0	0
Change in provisions for surplus funds	0	0	0
Total	27.849.424	19.919.322	7.930.102

12. Audit fees

CHF	31.12.2023	31.12.2022
Audit Services	89.854	53.250
Total	89.854	53.250

13. Income from investments

CHF	Income	Unrealized gains	Realized gains	Total 31.12.2023
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	0	0	0	0
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	1.794.404	1.750.356	0	3.544.760
Total	1.794.404	1.750.356	-	3.544.760

CHF	Income	Unrealized gains	Realized gains	Total 31.12.2022
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	0	0	0	0
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	201.481	76.574	0	278.055
Total	201.481	76.574	-	278.055

14. Expenses from investments

CHF	Expenses	Unrealized losses	Realized losses	Total 31.12.2023
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	0	0	0	0
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	(374.601)	(110.926)	(0)	(485.527)
Total	(374.601)	(110.926)	(0)	(485.527)

CHF	Expenses	Unrealized losses	Realized losses	Total 31.12.2022
Real Estate	0	0	0	0
Participations	0	0	0	0
Fixed-interest securities	0	0	0	0
Loans	0	0	0	0
Mortgage loans	0	0	0	0
Shares	0	0	0	0
Other investments	(239.560)	(410.876)	(0)	(650.436)
Total	(239.560)	(410.876)	(0)	(650.436)

15. Personnel expenses

Personnel expenses for fiscal year 2023 amount to CHF 1,586.536 (2022: CHF NIL).

16. Depreciation of real estate and equipment and amortization of intangible assets

CHF	31.12.2023	31.12.2022
Property and equipment	0	0
Intangible assets	0	0
Total	0	0

Others notes

17. Net release of hidden reserves

CHF	31.12.2023	31.12.2022
Net amount released from hidden reserves	0	0
Total	0	0

18. Total amount of collateral provided for third-party liabilities

CHF	31.12.2023	31.12.2022
Guarantees	0	0
Liens	0	0
Total	0	0

19. Total amount of assets pledged to secure own liabilities, as well as assets with retention of title

CHF	31.12.2023	31.12.2022
Book value of restricted assets	0	0
Assets pledged to secure open derivative transaction	0	0
Other collateral assignments	0	0
Assets under reservation of ownership	0	0
Total	0	0

20. Residual amount of lease obligations

CHF	31.12.2023	31.12.2022
Less than 1 year	0	0
1 to 5 years	0	0
More than 5 years	0	0
Total	0	0

21. Events after the reporting date

No events of particular importance after the end of the financial year as defined in Art. 959c, paragraph 2, item 13 of the Swiss Code of Obligations have been registered.

22. Contingent liabilities

The branch has no contingent liabilities.

23. Liabilities to pension schemes

The branch has no liabilities to pension schemes.

24. Litigation

The branch has no litigation.

25. Employees

At the end of the year the branch had 7 employees.

Management Report

PRINCIPAL ACTIVITIES

Berkshire Hathaway International Insurance Limited ("the Company") established a Branch in Zurich in 2008 with the principal activity to underwrite general insurance business. The Company's operations are administered by the Company with additional administrative and claims handling services being provided by related group companies. The Company's operations are directed from London but it also operates from branch offices in Italy and Germany in addition to Zurich.

The Branch was created to support the participation of the Company in the Global Aerospace Underwriting Managers (GAUM) Zurich aviation pools. The GAUM participation allows the Company to write general insurance policies for Airline, Products, General Aviation and Space insurance to the aviation and space industries.

With the establishment of the Branch the Company has also written Swiss business that has been presented to it on an ad-hoc basis through underwriting activities in the UK and Germany. This business is reported through the Swiss Branch's results where the business is direct with a Swiss policyholder. Since 2016 this business has been increasingly generated from a new division of the Company Berkshire Hathaway Specialty Insurance (BHSI) which is expanding throughout Europe. In 2023 BHSI Gross Written Premiums again accounted for the vast majority of the business, being 93% (2022 = 94%) of the total Gross Written Premium of the Branch. BHSI is an operation and part of a worldwide group initiative to develop a significant property and casualty underwriting entity. The Company has established underwriting hubs in various European locations and recruited underwriters and support staff for these operations. During 2023 BHSI has continued to build out the local underwriting capability and this will evolve further in 2024. The BHSI division is multi class and will write commercial insurance coverage's across all major general insurance classes of business.

The number of full-time positions at the branch is 7 (2022: 2), all active underwriting is performed by either GAUM within Zurich or BHSI within Zurich or the various European locations with support staff based alongside.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to potentially very large gross claims. The Company evaluates the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposure to levels acceptable to the Company.

The establishment of insurance liabilities is an inherently uncertain process and, as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims and unexpired risks can vary substantially from the initial estimates, particularly for the Company's and Swiss Branch's long tail lines of business. The Company seeks to provide appropriate levels of claims provision and provision for unexpired risks taking the known facts and experience into account. The estimation of insurance liabilities involves the use of judgements and assumptions that are specific to each type of insurance risk covered.

FUTURE PROSPECTS

The Branch will continue to support the participation of the Company in the GAUM Zurich aviation pool.

The Company is anticipating that the BHSI Division may develop more opportunities to write Swiss business alongside other opportunities being considered by the Company.

WAR IN UKRAINE

Since the Russian invasion of Ukraine on 24th February 2022 the Company has been actively assessing its potential exposure to insurance losses as a result of the conflict. The Company is also monitoring the rapidly changing sanctions regimes of the US, the EU, the UK and Switzerland to ensure our processes and controls maintain compliance. The Company provides very limited war coverage but is potentially exposed to secondary effects through the policies it writes. The main areas of focus have been the aviation, marine, directors and officers and cyber portfolios. Management's current assessment is that the Company's exposure, net of reinsurance, and the changes in the sanctions regime are manageable and do not significantly impact the Company's ability to continue as a going concern.

Currently there has been no material impact on the Money Market funds and Fixed Income Securities that are maintained to satisfy the Tied Asset Requirement. The Company continues to ensure it has adequate resources to service existing and future projected business and to maintain adequate regulatory surplus capital.

SUBSEQUENT EVENTS

The Company is not aware of any events which materially impact the financial information disclosed.

Zürich, 26. April 2024



Dominik Skrobala
Branch Manager