Wilton Reinsurance Bermuda Limited and Subsidiary

Consolidated Financial Statements and Supplementary Information as of and for the Years Ended December 31, 2024 and 2023, and Independent Auditor's Report

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Wilton Reinsurance Bermuda Limited:

Opinion

We have audited the consolidated financial statements of Wilton Reinsurance Bermuda Limited and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective September 30, 2024, Wilton Re Overseas Limited ("WROL") was merged with and into Wilton Reinsurance Bermuda Limited ("WREB"). WROL ceased to exist and WREB is the surviving entity. The merger represents a transaction between entities under common control and a change in reporting entity. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

April 22, 2025

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2024 AND 2023

(Expressed in thousands of U.S. dollars, except share amounts)

	2024	2023[1]
Assets		
Investments		
Fixed maturity securities available-for-sale, at fair value (amortized cost of $5,801,524 and $1,714,183; allowance for credit losses of $392 and $332)	$ 5,407,312	$ 1,746,638
Equity securities, at fair value (amortized cost of $11,885 and $12,294)	10,607	10,666
Policy loans	38,316	27,038
Funds withheld at interest (includes $16,124,360 and $16,706,772 at fair value)	17,147,749	17,628,387
Other invested assets (amortized cost of $10,812 and $10,751)	203,629	169,479
Total investments	22,807,613	19,582,208
Cash and cash equivalents	484,416	285,827
Accrued investment income	54,320	14,741
Premiums receivable	14,541	15,601
Other reinsurance receivables	135,355	45,492
Net deferred acquisition costs	21,176	24,725
Value of in-force business acquired	1,029,295	963,321
Net deferred income taxes	898,738	791,708
Other assets	486,635	161,885
Total assets	$ 25,932,089	$ 21,885,508
Liabilities and shareholder's equity		
Liabilities:		
Reserves for future policy benefits	$ 10,919,753	$ 11,276,071
Interest sensitive contract liabilities	16,020,372	11,179,346
Other reinsurance liabilities	27,635	96,642
Other liabilities (includes $340,363 and $0 at fair value)	421,426	59,601
Total liabilities	27,389,186	22,611,660
Shareholders' equity:		
Class A common shares $1.00 par value; 250,000 shares authorized, issued and outstanding at December 31, 2023	—	250
Class A-1 common shares $1.00 par value; 31,780 shares authorized, issued and outstanding at December 31, 2024 and 2023 respectively	32	32
Class A-2 common shares $1.00 par value; 50,000 shares authorized, 10,594 issued and outstanding at December 31, 2024 and 2023 respectively	11	11
Class B common shares $1.00 par value; 218,220 shares authorized, issued and outstanding at December 31, 2024 and 2023 respectively	218	218
Additional paid-in capital	806,110	1,066,440
Accumulated other comprehensive (loss) income	(150,093)	23,963
Retained deficit	(2,113,375)	(1,817,066)
Total shareholders' deficit	(1,457,097)	(726,152)
Total liabilities and shareholders' equity	$ 25,932,089	$ 21,885,508

The accompanying notes are an integral part of these consolidated financial statements.

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of U.S. dollars)

	2024	2023[1]
Revenues		
Net premiums	$ 115,048	$ 130,595
Policy fees and charges—net	275,559	27,777
Inuring third-party reinsurance commissions	833	921
Investment earnings—net	975,318	895,577
Net change in unrealized gains on investments classified as other than available-for-sale	333	568
Change in value of derivatives and embedded derivatives—net	(811,307)	314,940
Total revenues	555,784	1,370,378
Benefits and expenses		
Claims and policy benefits	417,434	302,353
Interest credited to interest sensitive contract liabilities	249,101	243,806
Acquisition and other insurance expenses	(14,234)	144,035
Operating expenses	35,731	40,916
Interest expense	741	—
Total benefits and expenses	688,773	731,110
Net (loss) income before income taxes and net earnings of equity method investee	(132,989)	639,268
Income tax (benefit) expense	(59,633)	81,186
Net (loss) income before net earnings of equity method investee	(73,356)	558,082
Share of net (losses) earnings of equity method investee	(407)	474
Net (loss) income	$ (73,763)	$ 558,556
Other comprehensive income, net of tax		
Net unrealized investment (losses) gains	(174,056)	23,963
Total other comprehensive (loss) income, net of tax	(174,056)	23,963
Comprehensive (loss) income	$ (247,819)	$ 582,519

The accompanying notes are an integral part of these consolidated financial statements.

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of U.S. dollars)

	2024	2023[1]
Common Shares (Class A)		
Balance at beginning of year	$ 250	$ 250
Return of Capital	(250)	—
Balance at end of year	—	250
Common Shares (Class A-1)		
Balance at beginning and end of year	32	32
Common Shares (Class A-2)		
Balance at beginning and end of year	11	11
Common Shares (Class B)		
Balance at beginning and end of year	218	218
Additional Paid-in Capital		
Balance at beginning of year	1,066,440	1,066,440
Return of Capital	(260,330)	—
Balance at end of year	806,110	1,066,440
Accumulated Other Comprehensive Income		
Balance at beginning of year	23,963	—
Total other comprehensive income (loss)	(174,056)	23,963
Balance at end of year	(150,093)	23,963
Retained (Deficit) Earnings		
Balance at beginning of year	(1,817,066)	(2,247,207)
Cumulative adjustment for adoption of credit loss accounting standard	—	(13,415)
Dividends to shareholders	(222,546)	(115,000)
Net income (loss)	(73,763)	558,556
Balance at end of year	(2,113,375)	(1,817,066)
Total shareholders' deficit	$ (1,457,097)	$ (726,152)

The accompanying notes are an integral part of these consolidated financial statements.

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of US dollars)

	2024	2023[1]
Cash flows from operating activities		
Net (loss) income	$ (73,763)	$ 558,556
Adjustments to reconcile net (loss) income to net cash from operating activities		
Amortization/Accretion of net investment premium, discounts and other	(15,677)	(20,306)
Investment related realized losses - net	191	1,725
Investment related unrealized losses (gains) - net	21,331	(14,126)
Losses (earnings) of equity method investee	407	(474)
Mark-to-market on derivatives and embedded derivatives	811,307	(314,940)
Amortization and other adjustments to deferred acquisition costs	3,549	3,607
Amortization and other adjustments to value of business acquired	39,904	60,243
Interest credited to interest sensitive contracts	249,101	243,806
Other reserve changes of interest sensitive contract liabilities	(134,121)	155,572
Cash and cash equivalents from closed block reinsurance	447,493	—
Change in assets and liabilities:		
Equity securities	406	—
Accrued investment income	(2,183)	534
Deferred income taxes	(59,420)	76,215
Premiums receivable	1,060	1,152
Other reinsurance receivables	(8,500)	11,922
Funds withheld at interest	9,659	22,730
Value of in-force business acquired	(105,878)	37,189
Other assets	(37,166)	15,546
Reserve for future policy benefits	(360,549)	(393,370)
Other reinsurance liabilities	(69,007)	15,715
Other liabilities	25,722	(11,970)
Net cash flows from operating activities	$ 743,866	$ 449,326

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of US dollars)

	2024	2023[1]
Cash flows from investing activities		
Sales, maturities and repayments of:		
Fixed maturity securities available-for-sale	$ 408,709	$ 116,535
Life settlement contracts	38,409	—
Purchases of:		
Fixed maturity securities available-for-sale	(17,057)	(51,115)
Premiums paid on life settlement contracts	(18,285)	(19,302)
Distributions from equity method investee	1,500	4,000
Net proceeds from maturity of life settlement contracts	38,100	48,399
Change in policy loans	(1,298)	882
Net cash flows from investing activities	450,078	99,399
Cash flows from financing activities:		
Return of capital	(260,580)	—
Swap collateral to counterparty	(311,290)	—
Dividends to shareholders on common stock	(222,546)	(115,000)
Paydown of secured borrowing	(4,261)	(4,743)
Deposits into interest sensitive contracts	129,293	76,939
Redemption and benefit payments on interest sensitive contracts	(325,971)	(329,773)
Net cash flows used in financing activities	(995,355)	(372,577)
Increase cash and cash equivalents	198,589	176,148
Cash and cash equivalents - beginning of year	285,827	109,679
Cash and cash equivalents - end of year	$ 484,416	$ 285,827
Supplemental disclosure of cash flow information:		
Cash (paid) received during the year for income taxes	$ (14,000)	$ —

The accompanying notes are an integral part of these consolidated financial statements.

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

1. ORGANIZATION

Wilton Reinsurance Bermuda Limited (WREB or the Company) is a subsidiary of Wilton Re Ltd. (95.9%) and Wilton Re U.S. Holdings, Inc. (4.1%) and was incorporated under the laws of Bermuda as a long term insurer on December 17, 2004. Wilton Re Ltd. (WRL) is the ultimate parent corporation in the Company's holding company structure.

Mills Creek LLC (Mills Creek), a wholly owned subsidiary of WREB, was formed on January 7, 2019, as a Delaware limited liability company authorized to issue 100 Common Units. On January 25, 2019, WREB contributed all of its right, title and interest in its direct investment life settlement contracts valued at $240,376 in exchange for its 100 Common Units. On January 29, 2019, WREB sold 25 Common Units to SPC Opps Fund Holdings II, L.P., a Delaware limited partnership for an amount equal to 25% of WREB's investment in Mills Creek. WREB recorded the proceeds from the sale as a secured borrowing, included within other liabilities of the consolidated balance sheets. The balance of the secured borrowing is $26,365 and $30,626 at December 31, 2024 and December 31, 2023, respectively.

MERGER

Prior to September 30, 2024, Wilton Re Overseas Limited (WROL) and WREB were direct subsidiaries of WRL and considered entities under common control. Effective September 30, 2024, WROL was merged with and into WREB. WROL ceased to exist and WREB is the surviving entity. The WROL shares were not converted into shares in the share capital of the surviving entity but instead were cancelled as a consequence of the merger. In lieu of receiving surviving entity shares, the shareholders of WROL received the Merger Consideration of one U.S. dollar.

The merger represents a transaction between entities under common control and a change in reporting entity. Accordingly, the consolidated financial statements have been adjusted to retrospectively include the historical results of WROL for all periods presented. As a result, equity as of January 1, 2023 has increased by $6,370 from the previously reported deficit of $1,186,626 to a deficit of $1,180,256.

Listed below are the separate company financials statement prior to combination and adjustments for the full year ended December 31, 2023:

(Expressed in thousands of U.S. dollars, except share amounts)

As of and for the year ended December 31, 2023	**WREB**	**WROL**	**Combined**
Balance Sheets			
Total investments and cash	$ 691,892	$ 1,535,459	$ 2,227,351
Funds withheld at interest	17,628,387	—	17,628,387
Net deferred acquisition costs	24,725	—	24,725
Value of in-force business acquired	963,321	—	963,321
Total other assets	989,975	51,749	1,041,724
Total assets	**$ 20,298,300**	**$ 1,587,208**	**$ 21,885,508**
Reserves for future policy benefits	$ 11,244,796	$ 31,275	$ 11,276,071
Interest sensitive contract liabilities	9,697,858	1,481,488	11,179,346
Total other liabilities	130,899	25,344	156,243
Total liabilities	**$ 21,073,553**	**$ 1,538,107**	**$ 22,611,660**
Total shareholder's equity	**$ (775,253)**	**$ 49,101**	**$ (726,152)**
Total liabilities and shareholder's equity	**$ 20,298,300**	**$ 1,587,208**	**$ 21,885,508**
Income Statements			
Net premiums, policy fees and charges	$ 245,210	$ (85,917)	$ 159,293
Net investment income	1,126,845	84,240	1,211,085
Total Revenue	**$ 1,372,055**	**$ (1,677)**	**$ 1,370,378**
Claims and policy benefits	$ 399,521	$ (97,168)	$ 302,353
Interest credited to interest sensitive contract liabilities	227,735	16,071	243,806
Total other expenses	171,550	13,401	184,951
Total benefits and expenses	**$ 798,806**	**$ (67,696)**	**$ 731,110**
Share of net earnings of equity method investee	—	474	474
Income before taxes	**$ 573,249**	**$ 66,493**	**$ 639,742**
Income tax (benefit) expense	118,334	(37,148)	81,186
Net Income	**$ 454,915**	**$ 103,641**	**$ 558,556**
Other comprehensive income	7,385	16,578	23,963
Comprehensive income	**$ 462,300**	**$ 120,219**	**$ 582,519**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The accompanying consolidated financial statements include the accounts of WREB and its subsidiary. All significant intercompany accounts balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements, as described above, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates include those used in determining deferred acquisition costs, value of in-force business acquired, reserves for future policy benefits, other policy claims and benefits, income taxes, and the valuation of investments. While the amounts included in the consolidated financial statements reflect management's best estimates and assumptions, the actual results could be materially different from the amounts reported in the consolidated financial statements

Investments and Investment Earnings:

Transfer of fixed income portfolio from trading to available for sale

Effective January 1, 2023, WREB and WROL transferred fixed income investments with an approximate fair value of $1,764,804 from trading to available-for-sale.

Fixed Maturity and Equity Securities

Fixed maturity and equity securities include publicly-traded fixed maturity securities, preferred stocks, credit tenant loans, surplus debentures, and private placements. Fixed maturity securities which are classified as trading and equity securities are recorded at fair value with the change in fair value reported as net change in unrealized gains (losses) on investments classified as trading and other in the consolidated statements of income (loss). Fixed maturity securities classified as available-for-sale (AFS) are reported at fair value with unrealized gains and losses, less applicable deferred income taxes, reported in other comprehensive income (OCI). The fair value of publicly-traded securities is based on quoted market prices or obtained from independent third-party dealers in the absence of quoted market prices. The fair value of private placements and credit tenant loans are obtained from third-party dealers or is modeled.

Investment transactions are recorded on a trade date basis. The Company's investment earnings are recognized when earned and consist primarily of interest and the accretion of discount or amortization of premium on fixed maturity securities. The amortized cost and effective yield of structured fixed maturity securities are adjusted as necessary to reflect historical prepayment experience and changes in estimated future prepayments. The adjustments to amortized cost are recorded as a charge or credit to investment earnings - net in accordance with the retrospective method. Investment earnings are presented net of investment management, investment accounting and custody expenses on the consolidated statements of income (loss). Gains and losses realized on the sale of all investments are determined on the first in-first out method.

Allowance for Credit Losses and Impairments of AFS Fixed Maturity Securities

AFS fixed maturity securities whose fair value is less than their carrying amount are evaluated for potential credit losses.

If the Company intends to sell a security or it is more likely than not that it would be required to sell a security before the recovery of its amortized cost, less any recorded credit loss, it recognizes an impairment loss in investment earnings - net of the difference between amortized cost and fair value.

The Company identifies AFS fixed maturity securities for credit losses by monitoring credit rating and market events that could impact issuers' credit risk including the relevant industry business climate, management changes, litigation, government actions and other similar factors.

Credit impairments and changes in the allowance for credit losses on fixed maturity securities are reflected in net change in unrealized gains (losses) on investments classified as other than available-for-sale, while non-credit impairment losses are recognized in OCI.

The Company estimates the amount of the credit loss component of a fixed maturity security impairment as the difference between amortized cost and the present value of the expected cash flows of the security. The Company excludes accrued interest from the amortized cost and the present value of the expected cash flows of the security. The present value is determined using the best estimate cash flows discounted at the current yield used to recognize interest income. The techniques and assumptions for establishing the best estimate cash flows vary depending on the type of security. The asset-backed securities' cash flow estimates are based on security-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity and prepayment speeds.

The Company writes off fixed maturity securities when facts and circumstances indicate that outstanding principal and interest is uncollectible.

Policy Loans

Policy loans are reported at the unpaid principal balance. Interest income on such loans is recorded as earned using the contractually agreed upon interest rates.

Funds Withheld at Interest

Funds withheld at interest, an asset, represent amounts contractually withheld by the ceding company in accordance with reinsurance agreements (funds withheld). For agreements written on a modified coinsurance basis and agreements written on a coinsurance funds withheld basis, assets generally equal to the statutory reserves, net of reinsurance, are withheld and legally owned by the ceding company. Fixed maturity investments associated with funds withheld are classified as both available-for-sale and trading and interest credited on funds withheld includes the interest income earned on these assets as defined by the treaty terms. The interest credited on funds withheld is a component of investment earnings - net in the consolidated statements of comprehensive income (loss).

The Company accounts for the embedded derivatives in modified coinsurance and funds withheld contracts as total return swaps. Accordingly, the value of the derivative is equal to the unrealized gain or loss on the assets underlying the funds withheld portfolio associated with each agreement. The Company's funds withheld are recorded at fair value with the changes in the fair value of the embedded derivative reflected in the change in value of derivatives and embedded derivatives, net, in the consolidated statements of income (loss). At December 31, the fair value of these embedded derivatives, and the changes in fair value for the years then ended, included:

	2024	2023
Fair Value	$ (2,407,609)	$ (1,949,749)
Change in Fair Value	(470,944)	314,940

Derivative Financial Instruments

The Company utilizes derivative instruments consisting of cancellable interest rate swaps, primarily to manage or hedge, interest rate risk associated with its business. The Company does not invest in derivatives for speculative purposes. It is the Company's policy to enter into derivative contracts primarily with highly rated parties.

The Company's derivatives have not been designated as hedging instruments under ASC 815, Derivatives and Hedging, and are recognized primarily within other liabilities or other invested assets in the accompanying consolidated balance sheets at fair value. Although certain derivatives are subject to master netting arrangements, both fair value and collateral amounts associated with derivative contracts are recognized on a gross basis in the consolidated balance sheets. The change in fair value is recognized in the change in value of derivatives and embedded derivatives, net, in the consolidated statements of comprehensive income (loss).

Cash flows arising from swap collateral are classified as financing.

See Note 5 - *Derivative Financial Instruments* for additional detail on the Company's derivative position.

Short-Term Investments

Short-term investments with maturities at acquisition of greater than three months but less than twelve months, are carried at amortized cost, which approximates fair value.

Other Invested Assets

Other invested assets include surplus debentures classified as AFS, investments in limited partnerships and limited liability corporations (limited partnerships), and life settlement contracts.

Limited Partnerships

Limited partnerships are accounted for using the equity method if the Company has more than a minor ownership interest, more than a minor influence over the investees' operations or if the limited partnership maintains separate capital accounts for their investors. The most recently available financial information provided by the general partner or manager of each of the investments is used, which is one to three months prior to the end of our reporting period. Changes in the value of limited partnerships are included in net unrealized gains (losses) on investments classified as trading and other in the consolidated statements of comprehensive loss. Income distributions from limited partnerships are included in investment earnings—net in the consolidated statements of income (loss).

Surplus Debentures

Surplus debentures are similar to corporate securities, but are subordinated obligations of insurance companies and may be subject to restrictions by the insurance commissioners. Surplus debentures are considered fixed maturity securities which are classified as AFS and carried at fair value with unrealized gains and losses, less applicable deferred income taxes, reported in OCI.

Life Settlement Contracts—Direct Investment

The Company acquired the ownership and beneficiary rights of underlying life insurance policies through the acquisition of life settlement contracts from the owners of the life insurance contracts. The

Company accounts for its investments in life settlement contracts using the fair value method. Under the fair value method, each life settlement contract is carried at its fair value at the end of each reporting period within other invested assets on the consolidated balance sheets. The change in fair value, life insurance proceeds received and periodic maintenance costs, such as premiums, necessary to keep the underlying policy in force, are recorded in the investment earnings—net in the consolidated statements of income (loss).

Life Settlement Contracts—Equity Method Investment

On September 25, 2024, the Company sold its 25% economic and voting interest in Leargas Fund I, LLC (the Leargas Fund), a life settlement fund managed by Leargas Capital LLC, a specialized mortality-linked investment manager, to Wilton Re Atlantic Newco Ltd, a sister entity of WREB, for $38,500. Prior to the sale and with the ability to exercise significant influence over the Leargas Fund, this investment was accounted for under the equity method.

The Leargas Fund acquires the ownership and beneficiary rights of the underlying life insurance policies through the acquisition of life settlement contracts from the owners of life insurance policies. The carrying value of the Company's equity method investment in Leargas Fund was based on the net asset value of the fund, which was based on the fair value of the underlying life settlement contracts, in the absence of readily determinable fair value. Management's fair value estimates were based on information provided by the fund manager, using an actuarial model with mortality assumptions for the underlying policies.

Prior to the sale on September 25, 2024, the carrying value of the investment was $38,409 and $40,316 at December 31, 2023. Upon sale of the 25% economic and voting interest in the Leargas Fund to Wilton Re Atlantic Newco Ltd, a gain of $91 was realized. Income from the investment, prior to the sale, presented in share of net earnings of equity method investees in the statements of comprehensive income (loss).

The Company could provide short-term loans to the Leargas Fund, to accommodate near term liquidity needs in the acquisition of new life settlement contracts. The short-term loans bear interest at 6.00% per annum. Interest is recognized on receipt and is included in investment earnings - net in the statements of comprehensive income (loss).

During 2024 and 2023, the Company did not provide any short-term loans to the Leargas Fund. During 2024, and 2023, the Company received distributions from the Leargas Fund of $1,500 and $4,000 respectively.

Cash and Cash Equivalents

The Company considers all investments purchased with a maturity at acquisition of three months or less to be cash equivalents.

Premiums Receivable

Premiums receivable is recognized when due and in accordance with information received from the ceding company. Under the legal right of offset provision in the reinsurance treaties, the Company can withhold payments for allowances and claims for unpaid premiums. Based on a review of these factors and historical experience, no allowance for credit loss was necessary as of December 31, 2024 or 2023.

Included in the premiums receivable balance at December 31, 2024 and 2023 is $13,941 and $14,967, respectively from affiliates.

Other Reinsurance Receivables and Liabilities

Other reinsurance receivables and liabilities primarily include reinsurance settlements not yet paid, but which generally settle quarterly. As of December 31, 2024, and 2023, other reinsurance receivables include reinsurance settlements due of $52,882 and $44,375, respectively, and other reinsurance liabilities include payables of $212 and $93,351, respectively. Other reinsurance liabilities also included $25,346 and $13,125 of allowance for credit losses on inuring reinsurance at December 31 2024 and 2023, respectively.

Net Deferred Acquisition Costs (DAC)

The costs that are directly related to the successful acquisition of new and renewal life insurance and reinsurance business have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits.

The Company performs periodic tests to determine that DAC remains recoverable, and if financial performance deteriorates to the point where a premium deficiency exists, a charge to current operations would be recorded. DAC was fully recoverable during 2024 and 2023. Deferred costs related to traditional life insurance contracts, all of which relate to long duration contracts, are amortized generally over the premium-paying period, in proportion to the ratio of individual period premium revenues to total anticipated premium revenues over the amortization period. Such anticipated premium revenues are estimated using the same assumptions used for computing liabilities for future policy benefits. DAC related to interest sensitive insurance products, such as universal life and annuities, are recognized as expense over the term of the policies in proportion to estimated gross profits (EGPs), arising principally from surrender charges, investment margins including unrealized gains and losses on investments classified as trading and available for sale, and mortality and expense margins, over the amortization period. EGPs are updated periodically with actual gross profits, and the assumptions underlying future EGPs are evaluated for continued reasonableness. Adjustments to EGPs require that amortization rates be revised retroactively to the date of the contract issuance (unlocking).

Income Taxes

The income tax provision is calculated under the asset and liability method on those operations that are subject to income taxes. Deferred tax assets and liabilities result from temporary differences between the carrying amounts of assets and liabilities recorded in the consolidated financial statements and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates would be recognized in the consolidated statements of comprehensive income (loss) in the period in which the tax rate change is enacted. A valuation allowance for a portion or all of deferred tax assets is recorded as a reduction to deferred tax assets when it is more likely than not that such portion or all of such deferred tax assets will not be realized.

The Company assesses all significant tax positions to determine if a liability for an uncertain position is necessary and, if so, the impact on the current or deferred income tax balances. Also, if indicated, the Company recognizes interest or penalties related to income taxes as a component of the income tax provision.

Reserves for Future Policy Benefits

The Company's liabilities for direct life and payout annuity (with life contingencies) policies and reinsurance of traditional life insurance, accident and health (including long-term care) and payout annuities (including structured settlements) with life contingencies are recognized as reserves for future policy benefits. All of the Company's material reinsurance contracts are long duration contracts. The Company monitors actual experience and revises assumptions and related reserve estimates as permitted. The reserve is estimated using the net level premium method utilizing assumptions for mortality, morbidity, persistency, interest and expenses established when the contract is underwritten. These assumptions are based on anticipated experience with a margin for adverse deviation. For reinsurance assumed, such estimates are based primarily on historical experience provided by ceding companies with the exception of investment returns and expenses.

If the reserves for future policy benefits plus the present value of expected future gross premiums are insufficient to provide for expected future benefits and expense, deferred policy acquisition costs are expensed or a premium deficiency reserve is established by a charge to claims and policy benefits. Benefit liabilities for traditional life contingent payout annuities and structured settlements are recorded at the present value of expected future benefit payments. Where required, the Company also establishes an unearned profit reserve and amortizes it over expected benefit payments. Additionally, the Company performs a premium deficiency test of non-interest sensitive contract reserves to reflect the effect of unrealized gains or losses on fixed maturity securities, with related changes recognized within reserves for future policy benefits in the accompanying consolidated statements of comprehensive loss. While the treatment of investments classified as "held to maturity" and "available for sale" in the determination of premium deficiency testing is explicitly addressed in existing U.S. GAAP guidance, the treatment of changes in market rates and related temporary unrealized gains and losses on securities classified as "trading" is not explicitly addressed. Accordingly, the Company has adopted an accounting policy that essentially assumes all the securities classified as trading had been sold at the measurement date at their stated aggregate fair value and the proceeds backing the liabilities are reinvested at current market yields. This treatment can result in a premium deficiency reserve that would be considered locked in which in turn the Company will need to amortize over the remaining life of the underlying business.

At December 31, 2020, the Company recorded a premium deficiency reserve. Due to the low interest rate environment at that time, the Company recognized temporary unrealized gains on its investments classified as trading of $2,792,143 supporting business subject to the premium deficiency assessment, which resulted in a locked in premium deficiency reserve of $755,600 that is amortized over the life of the business. During 2021 as interest rates increased, the Company recognized a reduction in the temporary unrealized gain or unrealized loss of $654,197 in the consolidated statements of comprehensive income. Had the Company determined its premium deficiency reserves in accordance with the U.S. GAAP guidance applicable to securities classified as "held to maturity", it would not have recorded premium deficiency reserves as of December 31, 2020 or any year since. Had the Company determined its premium deficiency reserves in accordance with the US GAAP guidance applicable to securities classified as "available for sale", it would not have recorded premium deficiency reserves as of December 31, 2024, 2023 or 2022.

At December 31, 2024, the unamortized premium deficiency reserve recognized by the Company was $673,995, with a related deferred tax asset of $141,539. At December 31, 2023, the unamortized premium deficiency reserve recognized by the Company was $692,885, with a related deferred tax asset of $145,506. The amortization of the premium deficiency reserve during 2024 and 2023 was $18,890 and $21,157, respectively. No additional premium deficiency reserves were recorded in 2024 or 2023.

(Expressed in thousands of U.S. dollars, except share amounts)

For the portion of assets held at trading, unrealized appreciation on investments in a low interest rate environment may cause additional premium deficiency reserves to be recorded in the future through a charge directly to net income.

The average discount rates used to compute the Company's reserves for future policy benefits are as follows:

	2024	2023
Traditional life insurance	4.19 %	4.20 %
Payout annuities with life contingencies	3.73	3.73
Accident & health, including long-term care	3.39	3.50

Interest Sensitive Contract Liabilities

Liabilities for interest sensitive insurance products such as universal life and deferred annuities are established based on account values before applicable surrender charges. Certain universal life products contain features that link interest credited to an equity index. These features create an embedded derivative that is not clearly and closely related to the host insurance contract. The embedded derivative is carried at fair value with changes in the fair value recognized within Interest credited to interest sensitive contract liabilities in the accompanying consolidated statements of comprehensive income (loss). The Company had no such embedded derivatives in 2024 or 2023.

The Company has certain in-force universal life contracts which provide a secondary guarantee, or "no-lapse guarantee," to the policyholder. The policy can remain in-force, even if the policyholder's account value is zero, as long as contractual secondary guarantee requirements have been met. If the policyholder's account falls below zero, the impact of flooring the policy at zero is reported through interest credited to interest sensitive contract liabilities in the statements of comprehensive income (loss).

The costs related to these secondary guarantees are recognized over the life of the contracts through the accrual and subsequent release of a reserve which is revalued each period. The reserve is determined for any point in time equal to the accumulated value of the assessments since inception times the benefit ratio less the accumulated value of death benefits paid since inception. The benefit ratio is the present value of total death benefit payments over the life of the contract divided by the present value of total assessments over the life of the contract. Generally, total excess death benefit payments are the aggregate of death claims after the policyholder account value is exhausted. The exception is when the cost of insurance charges are insufficient to produce consistently positive earnings in the future. In this case, all death benefits are deemed to be excess death benefits.

The primary risk associated with these guarantees are that the deposits collected under these policies, together with the investment return earned on those deposits, is ultimately insufficient to pay the policyholder's benefits and the expenses associated with issuing and administering these policies. As a result, the Company holds an additional reserve in connection with these guarantees. The change in the reserve is included in claims and policy benefits in the statements of comprehensive income.

In situations where mortality profits are followed by mortality losses (PFBL), a liability is established, in addition to the account value, to recognize the portion of policy assessments that relate to benefits to be provided in the future. The calculation of these liabilities is based on management's best estimates and assumptions regarding expected mortality, lapse, persistency, expenses and investment experience, which are reviewed and unlocked at least annually if necessary. Additional liabilities are established for universal life products related to unearned policy charges. As of December 31, 2024 and 2023, the Company has passed PFBL testing with no projected losses for all years, and therefore, has not recorded an additional liability related to benefits provided in the future.

Claim Reserves

For both non-interest sensitive and interest sensitive life insurance, liabilities are established for estimated death benefits that have been incurred, but not yet reported. These liabilities are based on periodic analyses of the actual reporting lag between when a claim occurs and when it is reported to the Company, including a provision for adverse deviation.

Long-term care claim reserves established for continuing benefit payments are calculated using assumptions of anticipated mortality and claim continuance rates that are based on established industry tables adjusted for the ceding company's historical experience. Long-term care claims reserves are discounted at 3.5% for all claims incurred prior to January 1, 2021, and 3.0% for claims incurred on or after January 1, 2021.

Recognition of Revenue and Expenses

Assumed reinsurance and policy premiums related to traditional life products and long-duration accident and health contracts are recognized as revenue when due from the ceding companies and policyholders and are reported net of the cost of reinsurance ceded. Benefits and expenses are reported net of amounts related to reinsurance ceded and are associated with earned premiums so that profits are recognized over the life of the related contracts.

For each of its reinsurance contracts, the Company must determine whether the contract provides indemnification against loss or liability relating to insurance risk. The Company reviews all contractual features, particularly those that may limit the amount of insurance risk to which the Company is subject or features that delay the timely reimbursement of claims. If the Company determines that a contract does not expose it to a reasonable possibility of a significant loss from insurance risk, the Company records the contract under the deposit method of accounting with the net amount payable/receivable reflected in other reinsurance assets or liabilities on the consolidated balance sheets. Fees earned on these contracts are reflected as policy fees and charges, as opposed to premiums, on the consolidated statements of income (loss).

For annuity and interest-sensitive life contracts, premiums collected are not reported as revenues, but as deposits to insurance liabilities. The Company recognizes revenues for these products over time in the form of investment income, policy charges for the cost of insurance, policy administration fees, and surrender fees that have been assessed against policy account balances during the period. Policy benefits and claims that are charged to expense include claims incurred in the period in excess of related policy account balances and interest credited to policy account balances. The weighted average interest-crediting rates for interest-sensitive products was 3.60% and 3.66% during 2024 and 2023, respectively.

Closed Block Reinsurance

Acquisitions by the Company of blocks of business in run off (i.e. where only existing policies will be renewed and new policies will not be sold), as either a reinsurance transaction or a stock purchase, are accounted for as reinsurance transactions. Results of operations only include the revenues and expenses from the effective date of acquisition of these blocks of business. The initial transfer of assets and liabilities is recorded in the consolidated balance sheets at the date of acquisition at fair value, except for the reserves for future policy benefits and value of business acquired (VOBA), which are recorded at management's best estimate. Future policy benefit reserves are established based on the present value of benefits and maintenance expense minus the present value of valuation (or net) premiums.

VOBA represents the present value of future profits from the acquired contracts using the discount rate implicit in the pricing of such transactions. In establishing the VOBA, the Company considers costs which vary with and are primarily related to the acquisition to be part of the purchase price. Such costs include initial ceding allowances, advisory and legal fees, investment banking fees, and contractually obligated involuntary severance. Other costs incurred that are not contractually required, such as transition and conversion costs, financing costs, and severance are expensed as period costs. The Company amortizes VOBA in proportion to premiums for traditional life products and in proportion to EGPs for interest sensitive life and annuity contracts. The EGP's and related amortization of VOBA for interest sensitive life and annuity products are updated (unlocked) periodically to reflect revised assumptions for lapses, mortality and investment earnings including unrealized gains (losses) on investments classified as trading and available for sale. The Company performs periodic tests to determine that VOBA associated with both traditional life products and interest sensitive life and annuity products remains recoverable, and when financial performance deteriorates to the point where VOBA is not recoverable, a cumulative charge to current operations would be recorded.

The net liability recorded (reserves for future policy benefits net of DAC and VOBA) represents management's best estimate of future cash flows, with provisions for adverse deviation as appropriate. Such estimates are subject to refinement within one year of acquisition.

New Accounting Pronouncements

Changes to the accounting principles are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB Accounting Standards Codification. Accounting standard updates not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's consolidated financial statements.

ASUs Issued But Not Adopted as of December 31, 2024

ASU 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures - In December 2023, the FASB issued an accounting standard that amends the codification to enhance the transparency and decision usefulness of income tax disclosures. This ASU requires additional disaggregation of the reconciliation between the statutory and effective tax rate for an entity and of income taxes paid, both of which are disclosures required by current GAAP. The amendments improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction.

The guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on its consolidated financial statements.

ASU 2018-12—Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts—In the first quarter of 2025, the Company will adopt ASU 2018-12, *Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (ASU 2018-12)*. ASU 2018-12 updates certain requirements for the accounting for long-duration insurance contracts.

- *Cash flow assumptions and measuring liability for future policy benefits*

  ASU 2018-12 requires the Company to review its cash flow assumptions at least annually and update, when necessary, with the impact recognized in net income in the period of the change.

  Upon adoption, there will be an adjustment to retained earnings as a result of capping the net premium ratio at 100% and eliminating negative reserves on certain issue year cohorts.

- *Discount rate*

  The discount rate assumption is prescribed by ASU 2018-12 as an upper-medium (low credit risk) fixed-income yield and is required to be updated every quarter. The change in the liability as a result of updating the discount rate assumption is recognized in OCI.

  Upon adoption, there will be an adjustment to accumulated other comprehensive income (AOCI) as a result of remeasuring in force contract liabilities using current upper-medium grade fixed income instrument yields. The adjustment will largely reflect the difference between discount rates locked-in at contract inception versus current discount rates at transition.

- *Deferred policy acquisition costs and similar balances*

  DAC and other capitalized costs such as unearned revenue are amortized on a constant level or straight-line basis over the expected term of the contracts.

  Upon adoption, the Company expects an adjustment to AOCI for the removal of cumulative adjustments to DAC associated with unrealized gains and losses previously recorded in AOCI.

- *Market risk benefits*

  Market risk benefits, which are contracts or contract features that provide protection to the policyholder from capital market risk and expose the Company to other-than-nominal capital market risk, are measured at fair value. The periodic change in fair value is recognized in net income with the exception of the periodic change in fair value related to the instrument-specific credit risk, which is recognized in OCI.

Upon adoption, the Company expects an impact to (1) AOCI for the cumulative effect of changes in the instrument-specific credit risk between contract issue date and transition date and (2) retained earnings for the difference between fair value and carrying value at the transition date, excluding the changes in the instrument-specific credit risk.

The Company has elected to transition to the new guidance under the full retrospective approach with an election date of January 1, 2017. The following summarizes the estimated impact the adoption will have on previously reported amounts:

- *Stockholders' equity as of January 1, 2024 (the transition date)*: The Company estimates the adoption of the new guidance will increase reported retained earnings by approximately $401,000, net of tax, and increase AOCI by approximately $442,000, net of tax, as of the transition date of January 1, 2024.
- *Stockholders' equity as of December 31, 2024*: The Company estimates the adoption of the new guidance will increase reported retained earnings by approximately $305,000, net of tax, and increase AOCI by approximately $783,000, net of tax, as of December 31, 2024.

The above estimates assume an effective tax rate of 21%. The Company has substantially completed the necessary updates to its valuation models and other systems to implement the standard. The actual impact of adoption, including the actual tax rates, will be finalized upon completion of the Company's disclosure and controls procedures regarding the adoption of the new guidance. Therefore, the Company's estimates are subject to change.

3. CLOSED BLOCK REINSURANCE

Effective October 1, 2024, WREB entered into a reinsurance agreement (PLAZ Reinsurance Agreement) with Pruco Life Insurance Company (PLAZ), to assume a block of secondary guarantee universal life insurance on a 100% coinsurance basis. The transaction closed on December 19, 2024. As of October 1, 2024 the block was comprised of 39,022 policies. PLAZ will retain responsibility for the administration of the block.

(Expressed in thousands of U.S. dollars, except share amounts)

The initial balance sheet effect of the transaction was as follows:

Assets		
Fixed maturity securities available for sale, at fair value	$	4,500,866
Policy loans		9,980
Total investments		4,510,846
Cash and cash equivalents		447,493
Other reinsurance receivables		174,548
Other assets		84,702
Total assets	$	5,217,589
Liabilities		
Reserves for future policy benefits	$	4,232
Interest sensitive contract liabilities		5,128,655
Net deferred income taxes		84,702
Total liabilities	$	5,217,589

The non-cash amounts summarized in the table above represent non-cash transactions that occurred during the year.

The Company entered into certain derivatives transactions to protect the block against declining interest rates which are discussed further in Note 5 - *Derivative Financial Instruments*.

(Expressed in thousands of U.S. dollars, except share amounts)

4. INVESTMENTS

Fixed maturity and Equity Securities

The amortized cost, fair value and related gross unrealized gain and loss of fixed maturity and preferred stock investments as of December 31 are as follows:

	2024				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
U.S. Government and Agencies	$ 1,466,131	$ 13	$ (190,893)	$ —	$ 1,275,251
State and political subdivisions	241,757	991	(9,435)	—	233,313
Foreign sovereign	82,411	—	(6,005)	—	76,406
Corporate securities	3,167,042	8,950	(191,339)	(89)	2,984,564
Residential mortgage-backed securities	180,944	787	(9,108)	—	172,623
Commercial mortgage-backed securities	201,423	1,319	(4,451)	(303)	197,988
Asset backed securities	84,233	3,930	(787)	—	87,376
Collateralized debt obligations	377,583	2,562	(354)	—	379,791
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)[1]	10,812	—	(492)	—	10,320
Total fixed maturities	5,812,336	18,552	(412,864)	(392)	5,417,632
Preferred stock	11,885	1	(1,279)	—	10,607
Total fixed maturity and equity securities	$ 5,824,221	$ 18,553	$ (414,143)	$ (392)	$ 5,428,239

[1]Included in Other Invested Assets line on the Balance Sheet

	2023				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
U.S. Government and Agencies	$ 302,010	$ 630	$ (5,083)	$ —	$ 297,557
State and political subdivisions	116,393	5,007	(38)	—	121,362
Foreign sovereign	832	—	(30)	—	802
Corporate securities	866,484	33,775	(1,641)	—	898,618
Residential mortgage-backed securities	132,819	1,142	(2,464)	—	131,497
Commercial mortgage-backed securities	188,767	1,068	(3,203)	(332)	186,300
Asset backed securities	69,451	2,777	(197)	—	72,031
Collateralized debt obligations	37,427	1,080	(36)	—	38,471
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)[1]	10,751	478	—	—	11,229
Total fixed maturities	1,724,934	45,957	(12,692)	(332)	1,757,867
Preferred stock	12,294	12	(1,640)	—	10,666
Total fixed maturity and equity securities	$ 1,737,228	$ 45,969	$ (14,332)	$ (332)	$ 1,768,533

[1]Included in Other Invested Assets line on the Balance Sheet

[2]Effective January 1, 2023, the Company transferred its fixed income portfolio from trading to available-for-sale. With this change, the fair market value of the securities as at January 1, 2023 became the new amortized cost. The amortized cost, effective January 1, 2023 reduced by

(Expressed in thousands of U.S. dollars, except share amounts)

$335,275 from $2,089,384 to the fair market value of $1,754,109, with this accounting policy election. See Note 2: Summary of Significant Accounting Policies - Transfer of fixed income portfolio from trading to available for sale.

The unrealized loss and fair values by investment category and by the duration of fixed maturity securities for which an allowance for credit loss has not been recorded and equity securities in a continuous unrealized loss position at December 31 are as follows:

	Less than 12 Months		12 Months or More		Total	
At December 31, 2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Fixed maturities:						
U.S. Government and Agencies	$ 1,104,370	$ (161,434)	$ 168,528	$ (29,459)	$ 1,272,898	$ (190,893)
State and political subdivisions	185,421	(9,435)	—	—	185,421	(9,435)
Foreign sovereign	76,406	(6,005)	—	—	76,406	(6,005)
Corporate securities	2,670,342	(189,250)	16,647	(2,089)	2,686,989	(191,339)
Residential mortgage-backed securities	146,742	(8,646)	6,083	(462)	152,825	(9,108)
Commercial mortgage-backed securities	69,982	(2,247)	13,277	(2,202)	83,259	(4,449)
Asset backed securities	25,814	(747)	1,111	(40)	26,925	(787)
Collateralized debt obligations	165,789	(354)	—	—	165,789	(354)
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)[1]	10,320	(492)	—	—	10,320	(492)
Total fixed maturities	4,455,186	(378,610)	205,646	(34,252)	4,660,832	(412,862)
Preferred stock	1,404	(69)	8,612	(1,210)	10,016	(1,279)
Total fixed maturity and equity securities	$ 4,456,590	$ (378,679)	$ 214,258	$ (35,462)	$ 4,670,848	$ (414,141)

[1]Included in Other Invested Assets line on the Balance Sheet

	Less than 12 Months		12 Months or More		Total	
At December 31, 2023	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Fixed maturities:						
U.S. Government and Agencies	$ 267,610	$ (5,083)	$ —	$ —	$ 267,610	$ (5,083)
State and political subdivisions	2,269	(38)	—	—	2,269	(38)
Foreign sovereign	802	(30)	—	—	802	(30)
Corporate securities	83,785	(1,641)	—	—	83,785	(1,641)
Residential mortgage-backed securities	94,702	(2,464)	—	—	94,702	(2,464)
Commercial mortgage-backed securities	97,344	(3,153)	—	—	97,344	(3,153)
Asset backed securities	10,124	(197)	—	—	10,124	(197)
Collateralized debt obligations	2,506	(36)	—	—	2,506	(36)
Total fixed maturities	559,142	(12,642)	—	—	559,142	(12,642)
Preferred stock	243	(7)	9,660	(1,633)	9,903	(1,640)
Total fixed maturity and equity securities	$ 559,385	$ (12,649)	$ 9,660	$ (1,633)	$ 569,045	$ (14,282)

(Expressed in thousands of U.S. dollars, except share amounts)

At December 31, 2024, 38 fixed maturity securities, for which an allowance for credit loss had not been recognized, with a total unrealized loss of $34,252 had been in an unrealized loss position for 12 months or more. Of those securities in an unrealized loss position for twelve months or more, 3 securities had fair values below 70% of book value with a total unrealized loss of $378. The Company does not expect to sell, and it is not more likely than not that the Company would be required to sell, the AFS securities displayed above for which it has not recognized an allowance for credit loss, as of the dates indicated. Unrealized losses are primarily driven by changes in risk-free interest rates and credit spreads.

At December 31, 2023, there were no fixed-maturity investments classified as AFS, and for which an allowance for credit loss had not been recognized, in an unrealized loss position for 12 months or more.

The following tables set for the activity in the allowance for credit losses for fixed maturity AFS securities, at December 31:

	2024		2023
	Corporate securities	Commercial mortgage-backed securities	Commercial mortgage-backed securities
Balance, beginning of period	$ —	$ (332)	$ —
Additions to the allowance for credit loss not previously recorded	—	—	(332)
Reductions for securities sold during the period	—	—	—
Reductions for securities with intent or expectation to sell	—	—	—
(Additions) reductions on securities with an allowance for credit loss previously recorded	(89)	29	—
Balance, end of period	$ (89)	$ (303)	$ (332)

Contractual maturities of the Company's fixed maturity securities as of December 31, 2024, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepayment obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
One year or less	$ 1,467	$ 1,469
One through five years	75,541	76,054
After five through ten years	273,146	273,428
After ten through twenty years	811,202	773,973
After twenty years	3,806,797	3,454,930
Residential mortgage-backed securities	180,944	172,623
Commercial mortgage-backed securities	201,423	197,988
Asset-backed securities	84,233	87,376
Collateralized debt obligations	377,583	379,791
Total fixed maturity securities	$ 5,812,336	$ 5,417,632

(Expressed in thousands of U.S. dollars, except share amounts)

Credit ratings of the Company's fixed maturity securities as of December 31 are shown below. Ratings are assigned by Standard & Poor's Corporation, Moody's Investors Service or Fitch Ratings. The ratings assigned may not be accurate predictors of credit losses.

	2024		2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
AAA	$ 262,083	$ 258,901	$ 113,296	$ 113,651
AA	2,221,404	2,007,526	658,471	658,924
A	1,077,551	1,021,748	507,202	521,654
BBB	2,202,510	2,082,378	428,545	446,265
BB	44,980	42,672	15,752	15,118
B	3,808	4,039	1,620	2,205
CCC or lower and unrated	—	368	48	50
Total fixed maturities	$ 5,812,336	$ 5,417,632	$ 1,724,934	$ 1,757,867

The Company's largest five exposures by issuer as of December 31, 2024, were Corebridge Financial, Inc., Barclays PLC, Deutsche Telekom AG, Wells Fargo & Company, and McDonald's Corporation, each of which comprised less than 0.7%, and in aggregate comprise 0.71%, of total investments.

The Company's largest five exposures by issuer as of December 31, 2023, were Glam Milhsg Fee LLC, Guggenheim Partners - Opportunistic Investment Grade Securities Fund LLC, Walmart Inc., Johnson & Johnson, and Morgan Stanley, each of which comprised less than 0.7 %, and in aggregate comprise 2.38%, of total investments.

(Expressed in thousands of U.S. dollars, except share amounts)

Investment Earnings—Net

Major sources and related amounts of investment earnings - net are as follows:

	2024	2023
Fixed maturity and equity securities	$ 142,697	$ 100,452
Policy loans	1,929	1,862
Funds withheld at interest	776,016	788,054
Short-term investments and cash and cash equivalents	14,217	6,957
Life settlements contracts	3,890	9,541
Other invested assets	1,177	558
Investment income	939,926	907,424
Investment expenses	(8,462)	(4,637)
Interest on secured borrowing	(513)	(1,469)
Investment income—net	930,951	901,318
Realized gains on fixed maturity securities classified as AFS	4,257	936
Realized gains on all other investments	133	32
Realized losses on fixed maturity securities classified as AFS	(4,469)	(813)
Realized losses on all other investments	(22)	(1,879)
Net realized gains (losses) on funds withheld at interest	44,468	(4,017)
Investment earnings—net	$ 975,318	$ 895,577

The proceeds from sales of fixed maturities classified as AFS securities for the years ended December 31, 2024 and 2023 was $336,007 and $73,511, respectively.

Life Settlement Contracts—Direct Investment

The Company uses an actuarial model to estimate the aggregate face amount of life insurance that are expected to settle in each future year and the corresponding fair value. This model projects the likelihood of the insured's death for each inforce policy based upon the estimated mortality rates, which may vary due to the relatively small size of the portfolio of life settlement contracts. The number of life settlement contracts presented in the following table is based upon the average face amount of inforce policies estimated to settle in each future year:

(Expressed in thousands of U.S. dollars, except share amounts)

	Number of Contracts	Face Amount of Policies	Fair Value
2025	—	$ —	$ —
2026	14	49,250	30,429
2027	25	49,709	27,670
2028	16	55,600	23,729
2029	10	20,460	6,594
Thereafter	21	47,332	13,353
Total	86	$ 222,351	$ 101,775

Policy Loans

Policy loans comprised approximately 0.2% and 0.1% of the Company's investments as of December 31, 2024 and 2023, respectively. These policy loans present minimal credit risk because the amount of the loan cannot exceed the obligation due the ceding company or the policyholder upon the death of the insured or surrender of the underlying policy. The provisions of the underlying policies determine the policy loan interest rates. Because policy loans represent premature distributions of policy liabilities, they have the effect of reducing future disintermediation risk. In addition, the Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

5. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates, to alter interest rate exposure arising from mismatches between assets and liabilities (duration mismatches) and to manage the risk of cash flows of liabilities that are variable based on a benchmark rate. With an interest rate swap, the Company agrees with another party to exchange, at specified intervals, the difference between two rates, which can be either fixed-rate or floating-rate interest amounts, tied to an agreed-upon notional principal amount. These transactions are executed pursuant to master agreements that provide for a single net payment or individual gross payments at each due date.

The Company completed a reinsurance transaction effective October 1, 2024 with Prudential Life Insurance Company (PLAZ). To hedge the reinvestment risk from declining interest rates for assets supporting the reinsured liabilities assumed from PLAZ, WRL entered into a series of cancellable interest rate swaps in August of 2024 in which it receives fixed and pays floating. The swaps were restructured in December of 2024 and concurrently novated to the Company. Upon restructuring, the Company reassessed whether the swaps should be accounted for as derivatives in their entirety. Since the swaps were priced on forward curves as of the initial date the swaps were entered into, there was substantial initial fair value when the swaps were restructured. Rather than bifurcating the swaps into a financing component and derivative, the Company elected the fair value option to ensure that the swaps are accounted for consistently with other interest rate swaps held by sister entities of its parent that achieve similar risk management objectives. As of December 31, 2024, the fair value of the interest rate swaps was $340,363.

(Expressed in thousands of U.S. dollars, except share amounts)

As of December 31, 2024, the program totals $2,850,000 in notional amount, with Wells Fargo as the sole counterparty. These derivative instruments are recognized within other liabilities in the accompanying consolidated balance sheets at fair value. As of December 31, 2024, the company had posted invested assets of $27,713 and cash collateral of $311,290 related to the swaps.

The cash portion of the posted collateral is recorded on the consolidated balance sheet in other assets, and the invested assets portion is recorded in fixed maturity securities available-for-sale but is considered encumbered.

The change in fair value is recognized in the change in value of derivatives and embedded derivatives, net, in the statements of comprehensive income (loss). At December 31, 2024 and 2023, the fair value of these derivatives, included:

		Derivatives Assets		Derivative Liabilities	
		2024	2023	2024	2023
Derivatives not designated as hedging instruments under Subtopic 815-20	**Balance Sheet Location**	**Fair Value**	**Fair Value**	**Fair Value**	**Fair Value**
Interest rate swaps	Other liabilities	$ —	$ —	$ 340,363	$ —
Total Derivatives		$ —	$ —	$ 340,363	$ —

A summary of the effect of derivatives on the Company's consolidated statements of comprehensive income (loss) for the years ended December 31, 2024 and 2023 is as follows:

		Amount of Unrealized Gain (Loss) Recognized in Income on Derivatives	
Derivatives not designated as hedging instruments under Subtopic 815-20	**Location of Unrealized Gain (Loss) Recognized in Income**	**2024**	**2023**
Interest rate swaps	Change in value of derivatives and embedded derivatives - net	(340,363)	—
Total unrealized gain (loss)		$ (340,363)	$ —

		Amount of Realized Gain (Loss) Recognized in Income on Derivatives	
Derivatives not designated as hedging instruments under Subtopic 815-20	**Location of Realized Gain (Loss) Recognized in Income**	**2024**	**2023**
Interest rate swaps	Investment earnings - net	—	—
Total realized gain (loss)		$ —	$ —

The following table presents the notional amounts and fair value of derivative instruments as of December 31, 2024 and 2023:

(Expressed in thousands of U.S. dollars, except share amounts)

		December 31, 2024			December 31, 2023		
			Fair Value			Fair Value	
	Primary Underlying Risk	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Derivatives not designated as hedging instruments:							
Interest rate swaps	Interest rate	$ 2,850,000	$ —	$ 340,363	$ —	$ —	$ —
Total derivatives		$ 2,850,000	$ —	$ 340,363	$ —	$ —	$ —

6. FUNDS WITHHELD AT INTEREST

Funds withheld at interest comprised approximately 75.2% and 97.6% of the Company's total investments as of December 31, 2024 and 2023, respectively. The risk of loss to the Company due to the insolvency of a ceding company is mitigated by the Company's contractual right to offset amounts it owes the ceding company for claims or allowances with amounts owed to the Company from the ceding company. Interest generally accrues on these assets based upon the investment earnings on the underlying investments. The Company is subject to the investment performance on the funds withheld assets in a fashion similar to its invested assets.

The funds withheld at interest balances on the consolidated balance sheets are comprised of the following at December 31:

Affiliated Ceding Company	**2024**	**2023**
Segregated portfolio of assets—general account	$ 12,381,676	$ 13,077,688
Segregated portfolio of assets—separate account	4,018,773	3,717,197
Non-segregated portfolio of assets	418,483	439,769
Funds withheld at interest —affiliated	16,818,932	17,234,654
Unaffiliated Ceding Company		
Segregated portfolio of assets—general account	329,449	396,594
Non-segregated portfolio of assets	(632)	(2,861)
Funds withheld at interest —unaffiliated	328,817	393,733
Total funds withheld at interest	$ 17,147,749	$ 17,628,387

The disclosures that follow are for the segregated portfolio—general account only, both affiliated and unaffiliated, and exclude commercial mortgage loans, short term investments, cash and other invested assets, with the exception of surplus debentures and debt portion of collateral loans, of $1,452,313 and $1,315,178 as of December 31, 2024 and 2023, respectively. The segregated portfolio-separate account is supported by assets with specific underlying investment objectives and are in accounts legally segregated from the single ceding company for which the policyholder has assumed substantially all the risk and reward. The non-segregated portfolio is supported by a proportionate share of the assets held by the ceding company.

As noted in Note 2, investments are withheld by ceding companies in accordance with the reinsurance agreements, with the Company recording funds withheld balances on the consolidated balance sheet representing such interest. The following disclosures represent the composition of such investments in the segregated portfolio - general account held by the ceding companies for the periods presented:

(Expressed in thousands of U.S. dollars, except share amounts)

At December 31, 2024	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
Available-for-sale:					
U.S. Government and Agencies	$ 1,579,980	$ 8	$ (270,440)	$ —	$ 1,309,548
State and political subdivisions	510,254	6,152	(11,090)	—	505,316
Foreign sovereign	14,178	57	(1,186)	—	13,049
Corporate securities	6,656,984	119,220	(131,482)	(7,644)	6,637,078
Residential mortgage-backed securities	186,373	184	(12,233)	(991)	173,333
Commercial mortgage-backed securities	218,141	1,390	(7,626)	(1,010)	210,895
Asset backed securities	589,186	16,316	(9,709)	(1,054)	594,739
Collateralized debt obligations	358,171	43,472	(1,012)	—	400,631
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	419,136	3,796	(5,647)	(153)	417,132
Total available-for-sale	10,532,403	190,595	(450,425)	(10,852)	10,261,721
Trading:					
U.S. Government and Agencies	$ 100,797	$ 71	$ (20,995)	$ —	$ 79,873
State and political subdivisions	26,360	118	(2,154)	—	24,324
Foreign sovereign	2,968	—	(642)	—	2,326
Corporate securities	580,809	2,094	(56,746)	—	526,157
Residential mortgage-backed securities	87,767	206	(8,553)	—	79,420
Commercial mortgage-backed securities	64,264	120	(5,981)	—	58,403
Asset backed securities	38,546	149	(2,473)	—	36,222
Collateralized debt obligations	23,832	28	(292)	—	23,568
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	18,213	—	(3,152)	—	15,061
Total trading	943,556	2,786	(100,988)	—	845,354
Total fixed maturities	11,475,959	193,381	(551,413)	(10,852)	11,107,075
Preferred stock	176,761	812	(25,838)	—	151,735
Common stock	—	2	—	—	2
Total fixed maturity and equity securities	$ 11,652,720	$ 194,195	$ (577,251)	$ (10,852)	$ 11,258,812

(Expressed in thousands of U.S. dollars, except share amounts)

At December 31, 2023	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
Available-for-sale:					
U.S. Government and Agencies	$ 1,518,752	$ 3,420	$ (53,074)	$ —	$ 1,469,098
State and political subdivisions	514,148	17,888	(606)	—	531,430
Foreign sovereign	14,124	16	(518)	—	13,622
Corporate securities	6,705,637	288,533	(21,065)	(2,807)	6,970,298
Residential mortgage-backed securities	191,593	971	(7,824)	(196)	184,544
Commercial mortgage-backed securities	220,114	1,346	(11,799)	—	209,661
Asset backed securities	527,320	13,047	(17,602)	(18)	522,747
Collateralized debt obligations	553,083	34,082	(672)	—	586,493
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	560,323	9,745	(1,637)	—	568,431
Total available-for-sale	10,805,094	369,048	(114,797)	(3,021)	11,056,324
Trading:					
U.S. government and agencies	$ 99,481	$ 443	$ (18,548)	$ —	$ 81,376
State and political subdivisions	33,223	273	(2,186)	—	31,310
Foreign sovereign	2,963	—	(633)	—	2,330
Corporate securities	640,132	3,961	(54,931)	—	589,162
Residential mortgage-backed securities	89,784	363	(8,571)	—	81,576
Commercial mortgage-backed securities	71,237	126	(8,095)	—	63,268
Asset-backed securities	38,791	96	(3,310)	—	35,577
Collateralized debt obligations	32,624	6	(887)	—	31,743
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	22,631	22	(2,834)	—	19,819
Total trading	1,030,866	5,290	(99,995)	—	936,161
Total fixed maturities	11,835,960	374,338	(214,792)	(3,021)	11,992,485
Preferred stock	193,796	1,015	(28,198)	—	166,613
Common stock	—	6	—	—	6
Total fixed maturity and equity securities	$ 12,029,756	$ 375,359	$ (242,990)	$ (3,021)	$ 12,159,104

(Expressed in thousands of U.S. dollars, except share amounts)

The unrealized loss and fair values by investment category and by duration of the fixed maturity securities in a continuous unrealized loss position of the segregated portfolio—general account assets supporting funds withheld at interest at December 31 are as follows:

	Less than 12 Months		12 Months or More		Total	
At December 31, 2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Fixed maturities:						
Available-for-sale:						
U.S. Government and Agencies	$ 517,482	$ (83,647)	$ 790,910	$ (186,793)	$ 1,308,392	$ (270,440)
State and political subdivisions	260,642	(10,515)	5,420	(575)	266,062	(11,090)
Foreign sovereign	8,472	(636)	3,460	(550)	11,932	(1,186)
Corporate securities	3,138,216	(113,931)	126,635	(11,838)	3,264,851	(125,769)
Residential mortgage-backed securities	145,908	(9,582)	13,287	(1,935)	159,195	(11,517)
Commercial mortgage-backed securities	90,956	(3,472)	51,807	(4,153)	142,763	(7,625)
Asset backed securities	186,933	(6,517)	43,867	(2,955)	230,800	(9,472)
Collateralized debt obligations	13,165	(812)	3,250	(200)	16,415	(1,012)
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	192,537	(5,415)	33,205	(232)	225,742	(5,647)
Total available-for-sale	4,554,311	(234,527)	1,071,841	(209,231)	5,626,152	(443,758)
Trading:						
U.S. Government and Agencies	$ 8,123	$ (102)	$ 65,851	$ (20,893)	$ 73,974	$ (20,995)
State and political subdivisions	7,834	(185)	14,474	(1,969)	22,308	(2,154)
Foreign sovereign	—	—	2,326	(642)	2,326	(642)
Corporate securities	88,424	(3,214)	378,519	(53,532)	466,943	(56,746)
Residential mortgage-backed securities	22,382	(514)	47,305	(8,039)	69,687	(8,553)
Commercial mortgage-backed securities	5,058	(120)	45,132	(5,861)	50,190	(5,981)
Asset backed securities	1,232	(14)	26,871	(2,459)	28,103	(2,473)
Collateralized debt obligations	—	—	10,755	(292)	10,755	(292)
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	1,607	(45)	13,455	(3,107)	15,062	(3,152)
Total trading	134,660	(4,194)	604,688	(96,794)	739,348	(100,988)
Total fixed maturities	4,688,971	(238,721)	1,676,529	(306,025)	6,365,500	(544,746)
Preferred stock	10,443	(160)	121,580	(25,678)	132,023	(25,838)
Common stock	—	—	—	—	—	—
Total fixed maturity and equity securities	$ 4,699,414	$ (238,881)	$ 1,798,109	$ (331,703)	$ 6,497,523	$ (570,584)

(Expressed in thousands of U.S. dollars, except share amounts)

	Less than 12 Months		12 Months or More		Total	
At December 31, 2023	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Fixed maturities:						
Available-for-sale:						
U.S. Government and Agencies	$ 1,349,785	$ (53,074)	$ —	$ —	$ 1,349,785	$ (53,074)
State and political subdivisions	28,530	(606)	—	—	28,530	(606)
Foreign sovereign	12,556	(518)	—	—	12,556	(518)
Corporate securities	842,974	(20,979)	—	—	842,974	(20,979)
Residential mortgage-backed securities	125,084	(6,550)	—	—	125,084	(6,550)
Commercial mortgage-backed securities	136,119	(11,799)	—	—	136,119	(11,799)
Asset backed securities	204,279	(17,256)	—	—	204,279	(17,256)
Collateralized debt obligations	19,922	(672)	—	—	19,922	(672)
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	160,224	(1,637)	—	—	160,224	(1,637)
Total available-for-sale	2,879,473	(113,091)	—	—	2,879,473	(113,091)
Trading:						
U.S. government and agencies	$ 7,996	$ (377)	$ 66,992	$ (18,171)	$ 74,988	$ (18,548)
State and political subdivisions	3,575	(133)	20,505	(2,053)	24,080	(2,186)
Foreign sovereign	—	—	2,330	(633)	2,330	(633)
Corporate securities	43,184	(1,385)	465,620	(53,546)	508,804	(54,931)
Residential mortgage-backed securities	11,433	(222)	55,992	(8,349)	67,425	(8,571)
Commercial mortgage-backed securities	3,934	(57)	53,429	(8,038)	57,363	(8,095)
Asset-backed securities	443	(5)	30,446	(3,305)	30,889	(3,310)
Collateralized debt obligations	—	—	29,986	(887)	29,986	(887)
Other Invested Assets (Surplus debentures and Debt portion of collateral loans)	4,038	(63)	14,295	(2,771)	18,333	(2,834)
Total trading	74,603	(2,242)	739,595	(97,753)	814,198	(99,995)
Total fixed maturities	2,954,076	(115,333)	739,595	(97,753)	3,693,671	(213,086)
Preferred stock	11,222	(71)	128,359	(28,127)	139,581	(28,198)
Common stock	—	—	—	—	—	—
Total fixed maturity and equity securities	$ 2,965,298	$ (115,404)	$ 867,954	$ (125,880)	$ 3,833,252	$ (241,284)

At December 31, 2024, 876 fixed-maturity investments with a total unrealized loss of $306,025 had been in an unrealized loss position for 12 months or more. Of those securities in an unrealized loss position for 12 months or more, 101 securities were below 70% of book value with an unrealized loss of $25,728.

At December 31, 2023, 898 fixed-maturity investments with a total unrealized loss of $97,753 had been in an unrealized loss position for 12 months or more. Of those securities in an unrealized loss position for 12 months or more, 59 securities were below 70% of book value with an unrealized loss of $16,795.

(Expressed in thousands of U.S. dollars, except share amounts)

The contractual maturities of the segregated portfolio—general account's fixed maturity securities supporting funds withheld at interest as of December 31, 2024, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
0 to 1 Year	$ 221,127	$ 221,729
1 to 5 years	716,324	711,031
5 to 10 years	983,241	988,844
10 to 20 years	3,161,041	3,119,220
> 20 years	4,827,514	4,489,040
Residential mortgage-backed securities	274,140	252,753
Commercial mortgage-backed securities	282,405	269,298
Asset-backed securities	627,732	630,961
Collateralized debt obligations	382,003	424,199
Total fixed maturities	$ 11,475,527	$ 11,107,075

Commercial Mortgage Loans

Commercial mortgage loans (CMLs) represented approximately 3.8% and 4.2% of the Company's segregated portfolio of assets—general account supporting the funds withheld at interest as of December 31, 2024 and 2023, respectively. The amortized cost, fair value and the related gross unrealized gain (loss) are as follows:

	Amortized Cost	Unrealized Gain	Unrealized Loss	Fair Value
December, 31 2024	$ 510,908	$ —	$ (40,286)	$ 470,622
December, 31 2023	$ 598,224	$ 29	$ (44,238)	$ 554,015

The unrealized loss and fair values by the duration of the CMLs in a continuous unrealized loss position are as follows:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
December, 31 2024	$ 13,518	$ (74)	$ 457,104	$ (40,212)	$ 470,622	$ (40,286)
December, 31 2023	$ —	$ —	$ 540,469	$ (44,238)	$ 540,469	$ (44,238)

No valuation allowances were recorded in 2024 or 2023.

The CML portfolio of the Company's segregated portfolio of assets—general account supporting the funds withheld at interest is collateralized by a variety of commercial real estate property types located across the United States. The principal geographic distribution as of December 31 is shown below. No other state represented more than 5% of the portfolio.

(Expressed in thousands of U.S. dollars, except share amounts)

Percentage of Loan Portfolio Fair Value	**2024**	**2023**
California	17.5 %	18.5 %
New York	16.1	15.9
Virginia	9.8	8.6
Tennessee	8.6	7.7
More than one state	5.9	2.3

The types of properties collateralizing the CMLs as of December 31 are as follows:

Percentage of Loan Portfolio Fair Value	**2024**	**2023**
Multifamily	50.4 %	38.5 %
Other commercial	19.5	33.5
Retail	15.6	14.2
Office buildings	5.6	7.4
Industrial	8.9	6.3
Health care / medical	—	0.1
Total	100.0 %	100.0 %

The contractual maturities of the CML portfolio as of December 31, 2024, are as follow:

	Number of Loans	**Fair Value**	**Percent**
2025	25	$ 88,201	18.7 %
2026	6	22,298	4.7
2027	4	7,660	1.6
2028	7	55,711	11.8
2029	7	32,358	6.9
Thereafter	38	264,394	56.3
Total	87	$ 470,622	100.0 %

Loan-to-value (LTV) and debt service coverage (DSC) ratios are measures commonly used to assess risk and quality of CMLs. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. An LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the value of the underlying collateral. There were no loans at December 31, 2024 with an LTV ratio greater than 75%. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of estimated cash flows from the property available to the borrower to meet principal and interest payment obligations. A DSC ratio of less than 1.0 indicates that property's operations do not generate sufficient cash flows to cover the debt payments. A loan can be considered performing and not a credit issue while experiencing a DSC below 1.0 for periods of time due to timing issues with regard to the receipt of income and payment of periodic expenses, such as taxes.

(Expressed in thousands of U.S. dollars, except share amounts)

The following table reflects the distribution of the Company's CMLs across these two risk and quality measures are as of December 31, 2024:

	Debt Service Coverage Ratio					
Loan-to-Value Ratios	**Less than 1.0**	**1.0 to 1.25**	**1.26 to 1.5**	**1.51 to 1.75**	**Above 1.75**	**Total**
Less than 50%	$ —	$ —	$ 5,832	$ 3,505	$ 286,745	$ 296,082
50% to 60%	—	—	13,341	83,726	35,289	132,356
60% to 75%	—	—	29,256	—	12,928	42,184
Total	$ —	$ —	$ 48,429	$ 87,231	$ 334,962	$ 470,622

The following table reflects the distribution of the Company's CMLs across these two risk and quality measures are as of December 31, 2023:

	Debt Service Coverage Ratio					
Loan-to-Value Ratios	**Less than 1.0**	**1.0 to 1.25**	**1.26 to 1.5**	**1.51 to 1.75**	**Above 1.75**	**Total**
Less than 50%	$ —	$ 3,030	$ 17,967	$ 42,312	$ 316,986	$ 380,295
50% to 60%	—	14,241	—	72,411	43,945	130,597
60% to 75%	—	25,230	—	5,103	12,790	43,123
Total	$ —	$ 42,501	$ 17,967	$ 119,826	$ 373,721	$ 554,015

7. CONCENTRATION OF CREDIT RISK

As of December 31, 2024, substantially all the Company's cash and cash equivalents were held in eight financial institutions that the Company considers to be of high quality. As of December 31, 2023, substantially all of the Company's cash and cash equivalents were held in seven financial institutions that the Company considers to be of high quality.

8. REINSURANCE ASSUMED

At December 31, 2024, the Company has five reinsurance agreements with Wilton Reassurance Company (WRAC) involving certain term exposures issued before the effect of the National Association of Insurance Commissioners' Model Regulation XXX, which is formally titled "The Valuation of Life Insurance Policies Model Regulation" (pre-XXX), as well as universal life, whole life and final expense exposures. The treaties were initially effective in 2005 and 2006 and have been amended periodically.

In 2017, WRAC reinsured closed blocks of non-par payout annuities (payouts) and corporate owned and bank owned life insurance business (COLI | BOLI) on a coinsurance and modified coinsurance basis. Concurrently, WRAC retroceded the blocks to the Company, with the retrocession on a 100% coinsurance funds withheld basis. Also in 2017, Wilcac Life Insurance Company, an Illinois domiciled affiliate (WCAC), ceded its block of payouts to the Company on a 100% coinsurance funds withheld basis.

(Expressed in thousands of U.S. dollars, except share amounts)

In 2020, WRAC retroceded 50% of a closed block of long-term care business as well as a 100% of a XXX term block, both on a coinsurance funds withheld basis.

The following table presents information for the Company's reinsurance liabilities as of December 31:

Reinsurance Liability Assumed	**2024**	**2023**
Affiliates	$ 20,065,514	$ 20,231,499
Non-affiliates	6,874,611	2,223,918
Total Reserve for future policy benefits and Interest sensitive contract liabilities	$ 26,940,125	$ 22,455,417

The effect of reinsurance on total premiums earned is as follows:

	2024	**2023**
Reinsurance assumed—affiliate	$ 112,434	$ 128,305
Reinsurance assumed—non-affiliate	2,614	2,290
Total premiums	$ 115,048	$ 130,595

The effect of reinsurance on total claims and policy benefits is as follows:

	2024	**2023**
Reinsurance assumed—affiliate	$ 439,249	$ 390,156
Reinsurance assumed—non-affiliate	(21,815)	(87,803)
Total claims and policy benefits	$ 417,434	$ 302,353

The effect of reinsurance on life insurance inforce is as follows:

	Direct	**Assumed**	**Ceded**	**Net**
December 31, 2024	$ 2,634	$ 42,760,171	$ —	$ 42,762,805
December 31, 2023	$ 3,114	$ 31,950,978	$ —	$ 31,954,092

Reinsurance and retrocession treaties do not relieve the Company from its obligations to counterparties. Failure of reinsurers or retrocessionaires to honor their obligations could result in losses to the Company. Expected credit losses recognized in the allowance for credit loss for the period along with the changes thereof from the prior period related to reinsurance recoverable balances and inuring reinsurance exposures are:

(Expressed in thousands of U.S. dollars, except share amounts)

	2024	2023
Balance, beginning of period	$ 13,125	$ —
Cumulative adjustment for adoption of credit loss accounting standard	—	13,661
Provision for credit losses	12,231	—
Write-offs	(10)	(536)
Balance, end of period	$ 25,346	$ 13,125

9. DEFERRED ACQUISITION COSTS AND VALUE OF BUSINESS ACQUIRED

The balances and changes in DAC for the years ended December 31 are as follows:

	2024	2023
Beginning of year	$ 24,725	$ 28,333
Capitalized	—	—
Amortized	(3,549)	(3,608)
End of year	$ 21,176	$ 24,725

The balances and changes in VOBA for the years ended December 31 are as follows:

	2024	2023
Beginning of year	$ 963,321	$ 1,060,753
Amortized	(39,904)	(60,243)
Attributable to realized / unrealized gains and losses	114,213	(67,277)
Impact of unlocking	(8,335)	30,088
End of year	$ 1,029,295	$ 963,321

The expected amortization of VOBA in the next five years is as follows:

2025	$ 28,519
2026	29,503
2027	30,088
2028	34,332
2029	34,780

10. INCOME TAXES

WREB became a US taxpayer as of January 1, 2018.

Under prior Bermuda law, the Company was not required to pay taxes in Bermuda on income or realized capital gains. The Company had received an undertaking from the Minister of Finance in Bermuda that, in the event of any taxes being imposed, the Company would be exempt from taxation in Bermuda until March 2035.

(Expressed in thousands of U.S. dollars, except share amounts)

The Corporate Income Tax 2023 was enacted in Bermuda on December 27, 2023. Following a five-year exclusion period, the Company's Bermuda entities expect to be subject to the new tax regime starting from January 1, 2030, at a rate of 15% reduced by creditable foreign taxes. The deferred taxes on the balance sheet have been calculated using the enacted rate for temporary differences that will be reversed once the regime comes into effect. However, a net deferred tax asset of approximately $480,996 and $571,469 for December 31, 2024 and 2023, respectively, related to transition tax adjustments has been reduced to zero by a valuation allowance to reflect that no incremental benefit is expected to be realized because of the availability of credits for US income taxes to offset the Bermuda tax liability.

On September 30, 2024, WROL merged into WREB with WREB surviving in the merger. The merger satisfied the requirements for a tax-free reorganization, and both WROL and WREB did not recognize any taxable gain or loss for US federal income purposes. WROL's pre-merger activities were not subject to US tax, therefore had been excluded from the tax provision.

At December 31, 2024, the Company had a net operating loss carryforward of $381,313, which does not have an expiration date and can be carried forward indefinitely. The Company expects to utilize all the net operating losses. In addition, the Company has a capital loss carryforward of $2,582, and no tax credits, which will begin to expire upon filing of the 2028 tax return. At December 31, 2023, the Company had a net operating loss carryforward of $6,922, a capital loss carryforward of $83, and no tax credits. In addition, a valuation allowance against the non-CIT net deferred tax asset was applied in the amount of $1,355, which has been released in 2024.

Income tax expense attributable to income from operations for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Current tax (benefit) expense	$ (213)	$ 4,725
Deferred tax (benefit) expense	(59,420)	76,461
Income tax (benefit) expense	$ (59,633)	$ 81,186

The income tax expense differs from applying the US federal income tax rate of 21% to income before taxation as a result of the following:

	2024	2023
Computed expected tax (benefit) expense	$ (28,013)	$ 83,234
WROL Merger	(57,710)	—
Valuation Allowance	35,793	(1,833)
Other	(9,703)	(215)
Income tax (benefit) expense	$ (59,633)	$ 81,186

(Expressed in thousands of U.S. dollars, except share amounts)

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities at December 31, 2024 and 2023, are presented in the following table:

	2024	2023
Deferred income tax assets:		
Differences between tax and financial reporting amounts concerning certain reinsurance transactions	$ 129,049	$ —
Reserve for future policy benefits	—	1,241,683
Investments	764,900	541,970
Net operating loss carryforwards	80,076	1,454
Capital loss carryforwards	542	18
Employee benefits	2,939	2,721
Nondeductible accruals	150	110
Bermuda Economic Transition Tax Adjustment	480,996	608,617
Total deferred tax assets	1,458,652	2,396,573
Deferred income tax liabilities:		
Differences between tax and financial reporting bases concerning certain reinsurance transactions	—	(840,214)
Reserve for future policy benefits	(50,497)	—
Deferred acquisition costs/value of business acquired	(28,408)	(191,800)
Other	(13)	(27)
Total deferred tax liabilities	(78,918)	(1,032,041)
Valuation allowance	(480,996)	(572,824)
Net deferred tax asset	$ 898,738	$ 791,708

The Company’s U.S. federal income tax returns for tax years 2020–2023 are open and subject to examination by the Internal Revenue Service.

As of December 31, 2024, the Company had no unrecognized tax benefits.

The Inflation Reduction Act enacted the Corporate Alternative Minimum Tax (CAMT) on August 16, 2022. For applicable corporations that report over $1 billion in profits to shareholders, the act includes a 15% CAMT based on net income. As of December 31, 2024 and December 31, 2023, the Company did not meet the average “adjusted financial statement income” threshold for CAMT purposes. As such, the Company was a non-applicable reporting entity and not subject to CAMT in 2024 and 2023, respectively.

11. STATUTORY REQUIREMENTS AND DIVIDEND RESTRICTIONS

The Company is subject to insurance laws and regulations of Bermuda by the Bermuda Monetary Authority (BMA). These regulations include restrictions that limit the amount of dividends or other distributions available to shareholders without prior approval of the insurance regulatory authorities.

Under Bermuda law, the following statutory conditions must all be met prior to a distribution to shareholders:

1. The value of the assets backing the Company's insurance liabilities, as certified by the Company's approved actuary, must be greater than the Company's reserves (also certified) after the distribution (Insurance Act, Section 24);
2. Company must be solvent after payment of the dividend, i.e. the realizable value of its assets must be greater than its liabilities (Companies Act, Section 54);
3. BMA approval is required for dividends exceeding 25% of the Company's statutory capital and surplus, per its previous year's statutory balance sheet (Insurance Act, Section 31B);
4. BMA approval is required for any distribution exceeding 15% of the Company's statutory capital, per its previous year's statutory financial statements (Insurance Act, Section 31C); and,
5. After the distribution, the Company's capital must be above regulatory margins (Insurance Act, Sections 31B and 31C).

The Company is to obtain the BMA prior approval before paying any dividends based on Statutory Financials modifications approved under Section 6C(1) of the Insurance Act 1978.

12. SHAREHOLDERS' EQUITY

Dividends

On April 25, 2024, the Company declared a dividend of $200,000 payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on May 23, 2024.

On September 20, 2024, ahead of the merger of WROL with and into WREB, WROL declared a dividend of $22,546 and return of capital of $260,580. The dividend and return of capital was paid using cash on September 30, 2024.

On November 30, 2023, WROL declared a dividend of $65,000 payable to its shareholder WRL. The dividend was paid using cash on December 15, 2023.

On September 14, 2023, the Company declared a dividend of $50,000 payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on September 15, 2023.

13. RELATED PARTY TRANSACTIONS

The Company is party to a Service Agreement with its affiliate, Wilton Re Services, Inc., (Wilton Services) under which Wilton Services provides certain accounting, actuarial and administrative services to the Company (the Services Agreement). During 2024 and 2023, the Company incurred $6,869 and $5,692, respectively of expenses for these services. Amounts payable to parents, subsidiaries and affiliates of $17,841 and $16,059 at December 31, 2024 and 2023, respectively, were primarily related to the Services Agreement.

(Expressed in thousands of U.S. dollars, except share amounts)

14. COMMITMENTS AND CONTINGENCIES

Funding of Investments

	2024		2023	
	Commitment	Unfunded	Commitment	Unfunded
Limited Partnerships	$ 92,417	$ 16,622	$ —	$ —

The Company anticipates that the majority will be invested over the next five years; however, these commitments could become due any time at the request of the counterparties.

Collateral Arrangements

In November 2008, the Company entered into a reinsurance trust agreement with WRAC as beneficiary, for the purpose of collateralizing the Company's obligations under the terms of the reinsurance agreements between the Company and WRAC. At December 31, 2024 and 2023, the balance in the trust was $3,027 and $2,987, respectively.

The Company is required as a result of specific contractual undertakings, to maintain amounts in trust to secure performance of contract liabilities. These arrangements include trusts maintained in connection with indemnity reinsurance contracts. The Company retains investment management responsibility for these collateral assets subject to compliance with agreed investment guidelines. The aggregate market value of investments maintained by the Company pursuant to these arrangements as of December 31, 2024 and 2023, were $5,107,330 and $1,237,328, respectively.

Legal Proceedings

In the normal course of business, the Company is involved in litigation, principally from claims made under insurance policies and contracts. The ultimate disposition of such litigation is not expected to have a material adverse effect on the Company's financial condition, liquidity or results of operations. At the current time the Company is not a party to any pending litigation.

Capital Maintenance Agreement

Effective April 5, 2019, the Company entered into a Capital Maintenance Agreement (CMA) with WRL. Under the CMA terms, WRL agrees to maintain in the Company, "Available Statutory Economic Capital and Surplus" in excess of 125% of its "Enhanced Capital Requirement" at all times as defined in the Insurance (Prudential Standards) (Class C, D and Class E Solvency Requirement) Rules 2011, up to an aggregate amount of $400,000.

15. LONG-TERM AND OTHER DEBT

Liquidity Facilities

WRL obtains letter of credits (LOCs) for the benefit of various affiliated and unaffiliated insurance companies from which the Company assumes business. These LOCs represent guarantees of performance under the reinsurance agreements and allow ceding companies to take statutory reserve credits.

In September 2021, WRL, along with Wilton Re US Holdings, extended its existing five-year $500,000 senior revolving credit facility (Wells Fargo Facility I) by 3 years, with a new expiry in 2026 with a syndicate of lenders. The facility included a $100,000 letter of credit sublimit. The applicable margin for base rate loans ranged from 0.125% to 0.75%. The applicable margin for LIBOR loans/CDOR Loans/ SOFR Loans ranged from 1.125% to 1.75%. Any amounts borrowed could be repaid at any time without prepayment penalty. In September 2022, the Wells Fargo Facility I was amended to, among other things, remove the LIBOR rate option for Borrowings thereunder.

In September 2023, WRL along with its subsidiaries, renewed its 364-day $500,000 senior revolving credit facility (Wells Fargo Facility II) with a syndicate of lenders. Wells Fargo Facility II had the same financial covenant restrictions and rates as Wells Fargo Facility I. The applicable margin for base rate loans ranged from 0.125% to 0.75%. The applicable margin for SOFR Loans ranged from 1.125% to 1.75%.

In September 2024, WRL, along with Wilton Re US Holdings, amended and restated the existing the Wells Fargo Facility I and eliminated the Wells Fargo Facility II and the Term Loan by increasing the aggregate commitment available thereunder from $500,000 to $1,100,000 and extending the facility by 1 year, with a new expiry date in 2027 (Wells Fargo Facility III). Under the Wells Fargo Facility III, the full amount of commitment is available for the making of unsecured borrowings and for the issuance of secured and unsecured letters of credit. The Wells Fargo Facility III also requires WRL's combined leverage ratio not to be greater than 0.375 to 1.00 (which may increase to 0.40 to 1.00 during any two calendar quarters at WRL's election) and that WRL maintain a minimum adjusted consolidated tangible net worth. Borrowings under the Wells Fargo Facility III bear interest, at the applicable borrower's option, at either a base rate or a SOFR rate, in each case, plus an applicable margin that is determined according to a sliding scale based upon the financial strength ratings of WRAC and the Company. The applicable margin for base rate loans ranges from 0.125% to 0.75%. The applicable margin for SOFR Loans ranges from 1.125% to 1.75%. Any amounts borrowed may be repaid at any time without prepayment penalty. On and as of September 25, 2024, (i) Wilton Re US Holdings borrowed $250,000 under the Wells Fargo Facility III and used the proceeds of such borrowing to prepay in full the Term Facility and (ii) all borrowings and letters of credit outstanding under the Wells Fargo Facility I or the Well Fargo Facility II became borrowings and letters of credit outstanding under the Wells Fargo Facility III.

LOCs issued under the facilities may be collateralized by qualifying cash and securities (liquid collateral). December 31, 2024 and 2023, was $19,742 and $22,198, respectively. At December 31, 2024 and 2023, there were approximately $18,875 and $18,285, respectively of outstanding bank letters of credit issued by the Company under the facility in favor of non-affiliated companies.

The Company is a borrower under both Wells Fargo Facility I and Wells Fargo Facility III. At December 31, 2024 and 2023, there was $0 borrowed under the facilities by the Company.

On February 3, 2023, the Company issued a $50,000 unsecured letter of credit to WCAC to provide reserve credit for certain 2023 activity.

16. FAIR VALUE

The Company has categorized its assets and liabilities recorded at fair value, based on the priority of the inputs to the valuation technique, into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded at fair value on the consolidated balance sheets are categorized as follows:

Level 1 Unadjusted quoted prices for identical assets or liabilities in an active market.

The types of financial investments included in Level 1 are listed equities, mutual funds, money market funds, US Treasury Securities and non-interest bearing cash. listed equities, mutual funds, money market funds, US Treasury Securities and non-interest-bearing cash.

Level 2 Pricing inputs other than quoted prices in active markets which are either directly or indirectly observable as of the reporting date, and fair value determined through the use of models or other valuation methods. Such inputs may include benchmarking prices for similar assets in active, liquid markets, quoted prices in markets that are not active and observable yields and spreads in the market. Level 2 valuations may be obtained from independent sources for identical or comparable assets or through the use of valuation methodologies using observable market-corroborated inputs. Prices from third-party pricing services are validated through analytical reviews.

The types of financial instruments included in Level 2 include publicly traded issues such as US and foreign corporate securities, residential and commercial mortgage-backed securities, preferred stocks and common stocks among others.

Level 3 Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. They reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. Market standard techniques for determining the estimated fair value of certain securities that trade infrequently may rely on inputs that are not observable in the market or cannot be derived from or corroborated by market observable data. Prices are determined using valuation methodologies such as discounted cash flow models and other techniques. Management believes these inputs are consistent with what other market participants would use when pricing similar assets.

The types of financial investments included in Level 3 primarily include privately placed fixed maturities or equities, equities with limited trading, certain asset-backed and mortgage-backed securities, commercial mortgage loans, collateral loans and the LLC or limited partnership interests that are not accounted for on an equity method.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value on a recurring basis and their placement in the fair value hierarchy, including those items for which the Company has elected the FVO, are summarized below at:

(Expressed in thousands of U.S. dollars, except share amounts)

December 31, 2024	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Invested assets:				
U.S. government and agencies	$ 1,275,251	$ 1,219,004	$ 56,247	$ —
State and political subdivisions	233,313	—	232,959	354
Foreign sovereign	76,406	—	76,406	—
Corporate securities	2,984,564	—	2,965,574	18,990
Residential mortgage-backed securities	172,623	—	172,623	—
Commercial mortgage-backed securities	197,988	—	197,988	—
Asset backed securities	87,376	—	83,579	3,797
Collateralized debt obligations	379,791	—	379,791	—
Total fixed maturity	5,407,312	1,219,004	4,165,167	23,141
Preferred stock	10,607	—	10,607	—
Total fixed maturity and equity securities	5,417,919	1,219,004	4,175,774	23,141
Other invested assets:				
Life settlement contracts - direct	101,774	—	—	101,774
All other[4]	10,318	—	10,318	—
Total other invested assets	112,092	—	10,318	101,774
Total invested assets	5,530,011	1,219,004	4,186,092	124,915
Funds withheld at interest:				
U.S. government and agencies	1,389,421	1,196,604	192,817	—
State and political subdivisions	529,640	—	522,501	7,139
Foreign sovereign	15,375	—	15,375	—
Corporate securities	7,163,235	—	6,472,325	690,910
Residential mortgage-backed securities	252,753	—	252,753	—
Commercial mortgage-backed securities	269,298	—	269,298	—
Asset backed securities	630,961	—	374,006	256,955
Collateralized debt obligations	424,199	—	424,199	—
Total fixed maturity	10,674,882	1,196,604	8,523,274	955,004
Preferred stock	151,735	—	143,326	8,409
Common stock	2	—	2	—
Total fixed maturity and equity securities	10,826,619	1,196,604	8,666,602	963,413
Commercial mortgage loans	470,622	—	—	470,622
Other invested assets[3]	795,277	—	379,087	416,190
Funds withheld at interest - segregated portfolio assets - general account	12,092,518	1,196,604	9,045,689	1,850,225
Funds withheld at interest - segregated portfolio of assets - separate account	4,031,842	—	4,031,842	—
Total funds withheld at interest[1 2]	16,124,360	1,196,604	13,077,531	1,850,225
Other liabilities - life settlement contracts - secured borrowing	26,365	—	—	26,365
Total	$ 21,680,736	$ 2,415,608	$ 17,263,623	$ 2,001,505

[1]Cash and short-term investments of $306,916 is a component of funds withheld at interest: segregated portfolio of assets—general account not measured at fair value on a recurring basis.

[2]Funds withheld at interest: Non segregated portfolio of assets of $417,851 are a component of Funds withheld at interest not measured at fair value on a recurring basis.

[3]Limited partnerships of $311,693 is a component of other invested assets not measured at fair value on a recurring basis

[4]Limited partnerships of $91,537 is a component of other invested assets not measured at fair value on a recurring basis

(Expressed in thousands of U.S. dollars, except share amounts)

December 31, 2023	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Invested assets:				
U.S. government and agencies	$ 297,557	$ 238,548	$ 59,009	$ —
State and political institutions	121,362	—	121,000	362
Foreign sovereign	802	—	802	—
Corporate securities	898,618	—	878,222	20,396
Residential mortgage-backed securities	131,497	—	131,497	—
Commercial mortgage-backed securities	186,300	—	186,300	—
Asset-backed securities	72,031	—	67,440	4,591
Collateralized debt obligations	38,471	—	38,471	—
Total fixed maturity	1,746,638	238,548	1,482,741	25,349
Preferred stock	10,666	—	10,666	—
Total fixed maturity and equity securities	1,757,304	238,548	1,493,407	25,349
Other invested assets:				
Life settlement contracts - direct	117,933	—	—	117,933
All other	11,230	—	11,230	—
Total other invested assets	129,163	—	11,230	117,933
Total invested assets	1,886,467	238,548	1,504,637	143,282
Funds withheld at interest:				
U.S. government and agencies	1,550,474	1,351,265	199,209	—
State and political subdivisions	562,740	—	555,444	7,296
Foreign sovereign	15,952	—	15,952	—
Corporate securities	7,559,460	—	6,866,470	692,990
Residential mortgage-backed securities	266,120	—	266,120	—
Commercial mortgage-backed securities	272,929	—	272,929	—
Asset-backed securities	558,324	—	328,574	229,750
Collateralized debt obligations	618,236	—	618,236	—
Total fixed maturity	11,404,235	1,351,265	9,122,934	930,036
Preferred stock	166,613	—	158,428	8,185
Common stock	6	—	—	6
Total fixed maturity and equity securities	11,570,854	1,351,265	9,281,362	938,227
Commercial mortgage loans	554,015	—	—	554,015
Other invested assets[3]	864,706	—	370,937	493,769
Funds withheld at interest - segregated portfolio assets - general account	12,989,575	1,351,265	9,652,299	1,986,011
Funds withheld at interest - segregated portfolio of assets - separate account	3,717,197	—	3,717,197	—
Total funds withheld at interest[1 2]	16,706,772	1,351,265	13,369,496	1,986,011
Other liabilities - life settlement contracts - secured borrowing	(30,626)	—	—	(30,626)
Total	$ 18,562,613	$ 1,377,834	$ 13,635,589	$ 2,084,613

[1]Cash and short-term investments of $189,279 is a component of funds withheld at interest: segregated portfolio of assets—general account not measured at fair value on a recurring basis.

[2]Funds withheld at interest: Non segregated portfolio of assets of $436,908 are a component of Funds withheld at interest not measured at fair value on a recurring basis.

[3]Limited partnerships of $295,428 is a component of other invested assets not measured at fair value on a recurring basis. Another component of Other invested assets not measured at fair value on a recurring basis is equity method investment life settlement contracts of $40,316.

Fixed Maturity and Equity Securities

Publicly traded fixed maturity securities included in fixed maturity and equity securities and funds withheld at interest are valued based on quoted market prices or broker prices. Private placement securities included in fixed maturity and equity securities and funds withheld at interest are valued based on the credit quality and duration of marketable securities deemed comparable by the Company's investment advisor, which may be of another issuer. In some cases, discounted cash flow analysis may be used.

U.S. Government and Agencies, State and Political Subdivisions, Foreign Sovereign and Corporate Securities

US Treasury securities, which trade based on quoted prices for identical assets in an active market, are included in Level 1.

The fair value of Level 2 bonds and securities is predominantly priced by third-party pricing services and broker quotes. Their pricing models typically utilize the following inputs: principal and interest payments, treasury yield curve, credit spreads from new issue and secondary trading markets, early redemption or call features, benchmark securities and reported trades.

Level 3 bonds and securities primarily represent investments in privately placed bonds, credit tenant loans and other less liquid corporate and municipal bonds for which prices are not readily available. To determine a fair value, the Company may rely on modeling for market valuation using both observable and unobservable inputs. These inputs are entered into industry standard pricing models to determine the final price of the security. These inputs typically include: projected cash flows, discount rate, industry sector, underlying collateral, credit quality of the issuer, maturity, embedded options, recent new issuance, comparative bond analysis, and seniority of debt.

The extent of the use of each market input depends on the asset class, market conditions and the relevant market data available. Depending on the security, these inputs may change, some market inputs may not be relevant or additional inputs may be necessary.

The fair value of corporate bonds classified as Level 3 is sensitive to changes in the interest rate spread over the corresponding US Treasury rate. This spread represents a risk premium that is affected by company-specific and market factors. An increase in the spread can be caused by a perceived increase in credit risk of a specific issuer and/or an increase in the overall market risk premium associated with similar securities.

Mortgage-Backed Securities, Asset-Backed Securities and Collateralized Debt Obligations

This category consists of residential mortgage-backed securities, commercial mortgage-backed securities, and other asset-backed securities, such as credit card and automobile receivables, home equity loans, manufactured housing bonds and collateralized debt obligations. Level 2 securities are priced from information provided by third-party pricing services and independent broker quotes. For mortgage-backed and asset-backed securities, valuation is based primarily on matrix pricing or other similar techniques using standard market inputs including spreads for actively traded securities, spreads off benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, credit rating, weighted average coupon, weighted average maturity, average delinquency rates, geographic region, debt-service coverage ratios and issuance-specific information including, but not limited to: collateral type, payment terms of the underlying assets, payment priority within the tranche, structure of the security, deal performance, vintage of loans and insurance guarantees.

The Company has included mortgage-backed and asset-backed securities with less liquidity in Level 3, these securities are primarily privately placed transactions with little transparency to the market or other securities with limited or inactive trading markets. Significant inputs cannot be derived principally from or corroborated by observable market data. The significant unobservable inputs used in the fair value measurement of these securities typically include: discounted cash flows, credit rating of issuer, debt coverage ratios, type and quality of underlying collateral, prepayment rates, probability of default and loss severity in the event of default.

Included in the pricing of mortgage-backed and asset-backed securities are estimates of the rate of future prepayments of principal over the remaining life of the securities. Such estimates are derived based on the securities' underlying structure and rates of prepayments previously experienced at the interest rate levels projected for the underlying collateral. Changes in significant inputs used in the fair value measurement, such as the paydown rate (the projected annual rate of principal reduction), may affect the fair value of the securities. For example, a decrease in the paydown rate would increase the projected weighted average life and increase the sensitivity of the fair value to changes in interest rates.

Preferred and Common Stock

The fair values of preferred and common stocks are primarily based upon quoted market prices in active markets and are classified within Level 1 in the fair value hierarchy. The fair values of preferred and common stocks, for which quoted market prices are not readily available, are based on prices obtained from independent pricing services and are generally classified within Level 2 in the fair value hierarchy. Privately placed transactions with little transparency to the market or other equities with limited or inactive trading markets may rely on modeling for market valuation using both observable and unobservable inputs. These are generally classified within Level 3 in the fair value hierarchy.

Commercial Mortgage Loans

The Company elects the FVO for CMLs. The loans are valued using a net present value calculation of future cash flows. The calculation uses a credit spread plus a liquidity spread and is added to an interpolated Treasury yield to determine the discount rate. Credit and liquidity spreads are derived from industry spread curve data provided by third parties that are considered market-makers in commercial mortgage loans.

The CMLs are considered Level 3 in the fair value hierarchy due to the limited transaction activity and unobservable inputs.

Derivatives

Over-the-counter derivatives, are valued using models that rely on inputs such as interest rate yield curves, implied volatilities and credit spreads that are observable for substantially the full term of the contract.

(Expressed in thousands of U.S. dollars, except share amounts)

Other Invested Assets

Surplus Debentures

Surplus debentures are similar to corporate securities. The fair values of surplus debentures are primarily based on prices obtained from independent pricing services or may be obtained from independent third-party dealers in the absence of quoted market prices. They are generally classified within Level 2 in the fair value hierarchy.

Funds Withheld

The fair value of embedded derivatives associated with funds withheld reinsurance treaties is determined based upon a total return swap methodology with reference to the fair value of the investments held by the ceding company that support the Company’s funds withheld at interest asset. The fair value of the underlying assets is generally based on market observable inputs using market valuation methodologies.

Changes of Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company obtains its Level 3 fair value measurements from independent, third-party pricing sources. The Company does not develop the significant inputs used to measure the fair value of these assets and liabilities, and the information regarding the significant inputs is not readily available to the Company. Independent broker-quoted fair values are non-binding quotes developed by market makers or broker-dealers obtained from third-party sources recognized as market participants. The fair value of a broker-quoted asset or liability is based solely on the receipt of an updated quote from a single market maker, or a broker-dealer recognized as a market participant as the Company does not adjust broker quotes when used as the fair value measurement for an asset or liability. In addition, some prices are determined based on discounted cash flow models.

The Company’s policy is to recognize transfers into and out of levels within the fair value hierarchy at the end of the period in which the actual event or change in circumstances that caused the transfer occurs.

For all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3), the following table presents select activity for the years ended December 31, 2024 and 2023:

	2024			2023		
Invested Assets	**Purchases**	**Transfer**	**Transfer Out**	**Purchases**	**Transfer**	**Transfer Out**
Corporate securities	$ 383	$ —	$ —	$ 595	$ —	$ —
Commercial mortgage-backed securities	—	—	—	—	—	—
Asset-backed securities	307	540	—	185	—	—
Total invested assets	$ 690	$ 540	$ —	$ 780	$ —	$ —

(Expressed in thousands of U.S. dollars, except share amounts)

17. OTHER COMPREHENSIVE INCOME

The following table presents the components of the Company's other comprehensive income (loss) for the years ended December 31, 2024 and 2023:

	2024		
	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Unrealized investment gains (losses):			
Unrealized investment gains (losses) arising during the year [1]	$ (427,847)	$ 91,896	$ (335,951)
Less: reclassification adjustment for (gains) losses realized in net income [2]	(252)	54	(198)
Unrealized investment gains (losses) net of reclassification adjustments	(427,595)	91,841	(335,753)
Adjustments for changes in policyholder liabilities	205,932	(44,231)	161,701
Other comprehensive income	$ (221,662)	$ 47,610	$ (174,052)

	2023		
	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Unrealized investment gains (losses):			
Unrealized investment gains (losses) arising during the year [1]	$ 32,806	$ (2,484)	$ 30,322
Less: reclassification adjustment for (gains) losses realized in net income [2]	(519)	39	(480)
Unrealized investment gains (losses) net of reclassification adjustments	33,325	(2,523)	30,802
Adjustments for changes in policyholder liabilities	(7,400)	560	(6,839)
Other comprehensive income	$ 25,926	$ (1,963)	$ 23,963

[1] Unrealized gains (losses) arising during the period is presented net of a valuation allowance of $0 and $0 for years ended December 31, 2024 and 2023, respectively.

[2] Reclassifications from AOCI into earnings are recognized within investment earnings-net on the Statement of Comprehensive Income.

The balance of and changes in each component of accumulated other comprehensive income (AOCI), net of income taxes, were as follows:

	Unrealized investment gains (losses)
Balance at December 31, 2022	$ —
Other comprehensive income before reclassifications	25,522
Amounts reclassified from AOCI	404
Deferred income tax benefit (expense)	(1,963)
Balance at December 31, 2023	23,963
Other comprehensive income before reclassifications	(221,796)
Amounts reclassified from AOCI	131
Deferred income tax benefit (expense)	47,610
Balance at December 31, 2024	$ (150,093)

(Expressed in thousands of U.S. dollars, except share amounts)

The following table presents the amount of AOCI reclassifications for the years ended December 31, 2024 and 2023:

	Amount Reclassified from AOCI		Affected Line Item on Statement of Comprehensive Income (Loss)
For the year ended December 31:	**2024**	**2023**	
Net unrealized investment gains (losses):			
Realized gains (losses) on available-for-sale securities	$ (100)	$ (146)	Investment earnings, net
Credit losses on available-for-sale securities	(31)	(258)	Investment earnings, net
Total before tax	(131)	(404)	
Income tax benefit (expense)	28	31	
Net unrealized investment gains, net of tax	$ (103)	$ (373)	

18. SUBSEQUENT EVENTS

The Company has evaluated the impact of subsequent events through April 22, 2025, representing the date at which the consolidated financial statements were available to be issued. The following events occurred subsequent to December 31, 2024:

On January 20, 2025, the Company declared a dividend of $50,000 which was paid in cash to its shareholders, WRL and Wilton Re US Holdings on January 31, 2025.

On February 5, 2025 the Company reduced the unsecured letter of credit issued to WCAC from $220,000 to $200,000.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Wilton Reinsurance Bermuda Limited:

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating balance sheets as of December 31, 2024 and 2023, and the supplementary consolidating statements of comprehensive income (loss) for the years then ended ("supplementary information") are presented for the purpose of additional analysis and are not a required part of the financial statements. This supplementary information is the responsibility of Wilton Reinsurance Bermuda Limited and Subsidiary's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion such supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte & Touche LLP

April 22, 2025

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2024

(Amounts in thousands of U.S. dollars)

	WREB	Mills Creek	Eliminations	WREB Consolidated
Assets				
Investments:				
Fixed maturity securities available-for-sale at fair value	$ 5,407,312	$ —	$ —	$ 5,407,312
Equity securities	10,607	—	—	10,607
Policy loans	38,316	—	—	38,316
Funds withheld at interest	17,147,749	—	—	17,147,749
Other invested assets	101,854	101,775	—	203,629
Total investments	22,705,838	101,775	—	22,807,613
Cash and cash equivalents	480,967	3,449	—	484,416
Accrued investment income	54,320	—	—	54,320
Premiums receivable	14,541	—	—	14,541
Other reinsurance receivables	135,355	—	—	135,355
Net deferred acquisition costs	21,176	—	—	21,176
Value of in-force business acquired	1,029,295	—	—	1,029,295
Net deferred income taxes	898,738	—	—	898,738
Other assets	587,481	280	(101,126)	486,635
Total assets	$ 25,927,711	$ 105,504	$ (101,126)	$ 25,932,089
Liabilities and shareholder's equity				
Liabilities:				
Reserves for future policy benefits	$ 10,919,753	$ —	$ —	$ 10,919,753
Interest sensitive contract liabilities	16,020,372	—	—	16,020,372
Other reinsurance liabilities	27,635	—	—	27,635
Other liabilities	417,048	4,378	—	421,426
Total liabilities	27,384,808	4,378	—	27,389,186
Shareholder's equity:				
Class A-1 common shares	32	—	—	32
Class A-2 common shares	11	—	—	11
Class B common shares	218	—	—	218
Additional paid-in capital	806,110	12,584	(12,584)	806,110
Accumulated other comprehensive (loss) income	(150,093)	—	—	(150,093)
Retained deficit	(2,113,375)	88,542	(88,542)	(2,113,375)
Total shareholder's deficit	(1,457,097)	101,126	(101,126)	(1,457,097)
Total liabilities and shareholder's equity	$ 25,927,711	$ 105,504	$ (101,126)	$ 25,932,089

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2023

(Amounts in thousands of U.S. dollars)

	WREB[1]	Mills Creek	Eliminations	WREB Consolidated
Assets				
Investments:				
Fixed maturity securities available-for-sale at fair value	$ 1,746,638	$ —	$ —	$ 1,746,638
Fixed maturity securities trading and equity securities	10,666	—	—	10,666
Policy loans	27,038	—	—	27,038
Funds withheld at interest	17,628,387	—	—	17,628,387
Other invested assets	51,546	117,933	—	169,479
Total investments	19,464,275	117,933	—	19,582,208
Cash and cash equivalents	280,989	4,838	—	285,827
Accrued investment income	14,741	—	—	14,741
Premiums receivable	15,601	—	—	15,601
Other reinsurance receivables	45,492	—	—	45,492
Net deferred acquisition costs	24,725	—	—	24,725
Value of in-force business acquired	963,321	—	—	963,321
Net deferred income taxes	791,708	—	—	791,708
Other assets	284,342	45	(122,502)	161,885
Total assets	$ 21,885,194	$ 122,816	$ (122,502)	$ 21,885,508
Liabilities and shareholder's equity				
Liabilities:				
Reserves for future policy benefits	$ 11,276,071	$ —	$ —	$ 11,276,071
Interest sensitive contract liabilities	11,179,346	—	—	11,179,346
Other reinsurance liabilities	96,642	—	—	96,642
Other liabilities	59,287	314	—	59,601
Total liabilities	22,611,346	314	—	22,611,660
Shareholder's equity:				
Class A common shares	250	—	—	250
Class A-1 common shares	32	—	—	32
Class A-2 common shares	11	—	—	11
Class B common shares	218	—	—	218
Additional paid-in capital	1,066,440	32,050	(32,050)	1,066,440
Accumulated other comprehensive (loss) income	23,963	—	—	23,963
Retained deficit	(1,817,066)	90,452	(90,452)	(1,817,066)
Total shareholder's deficit	(726,152)	122,502	(122,502)	(726,152)
Total liabilities and shareholder's equity	$ 21,885,194	$ 122,816	$ (122,502)	$ 21,885,508

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts in thousands of U.S. dollars)

	WREB	Mills Creek	Eliminations	WREB Consolidated
Revenues				
Net premiums	$ 115,048	$ —	$ —	$ 115,048
Policy fees and charges—net	275,559	—	—	275,559
Inuring third-party reinsurance commissions	833	—	—	833
Investment earnings—net	977,228	(1,910)	—	975,318
Net change in unrealized gains (losses) on investments classified as trading and other	333	—	—	333
Change in value of embedded derivatives—net	(811,307)	—	—	(811,307)
Total revenues	557,694	(1,910)	—	555,784
Benefits and expenses				
Claims and policy benefits	417,434	—	—	417,434
Interest credited to interest sensitive contract liabilities	249,101	—	—	249,101
Acquisition costs and other insurance expenses	(14,234)	—	—	(14,234)
Operating expenses	35,731	—	—	35,731
Interest expense	741	—	—	741
Total benefits and expenses	688,773	—	—	688,773
Net income (loss) before income taxes	(131,079)	(1,910)	—	(132,989)
Income tax (benefit) expense	(59,633)	—	—	(59,633)
Net (loss) income before equity in net (loss) income of subsidiary	(71,446)	(1,910)	—	(73,356)
Equity in net (loss) income of subsidiary	(2,317)	—	1,910	(407)
Net income (loss)	$ (73,763)	$ (1,910)	$ 1,910	$ (73,763)
Other comprehensive income, net of tax				
Net unrealized investment losses	(174,056)	—	—	(174,056)
Total other comprehensive loss, net of tax	(174,056)	—	—	(174,056)
Comprehensive income (loss)	$ (247,819)	$ (1,910)	$ 1,910	$ (247,819)

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in thousands of U.S. dollars)

	WREB[1]	Mills Creek	Eliminations	WREB Consolidated
Revenues				
Net premiums	$ 130,595	$ —	$ —	$ 130,595
Policy fees and charges—net	27,777	—	—	27,777
Inuring third-party reinsurance commissions	921	—	—	921
Investment earnings—net	888,044	7,533	—	895,577
Net change in unrealized gains (losses) on investments classified as trading and other	568	—	—	568
Change in value of embedded derivatives—net	314,940	—	—	314,940
Total revenues	1,362,845	7,533	—	1,370,378
Benefits and expenses				
Claims and policy benefits	302,353	—	—	302,353
Interest credited to interest sensitive contract liabilities	243,806	—	—	243,806
Acquisition costs and other insurance expenses	144,035	—	—	144,035
Operating expenses	40,916	—	—	40,916
Total benefits and expenses	731,110	—	—	731,110
Net income (loss) before income taxes	631,735	7,533	—	639,268
Income tax expense (benefit)	81,186	—	—	81,186
Net income (loss) before equity in net income (loss) of subsidiary	550,549	7,533	—	558,082
Equity in net income (loss) of subsidiary	8,007	—	(7,533)	474
Net income (loss)	$ 558,556	$ 7,533	$ (7,533)	$ 558,556
Other comprehensive income, net of tax				
Net unrealized investment gains	23,963	—	—	23,963
Total other comprehensive income, net of tax	23,963	—	—	23,963
Comprehensive income (loss)	$ 582,519	$ 7,533	$ (7,533)	$ 582,519

[1] Year end 2023 has been retrospectively adjusted to represent the combined financials of WREB and WROL. See Note 1 for further details.