



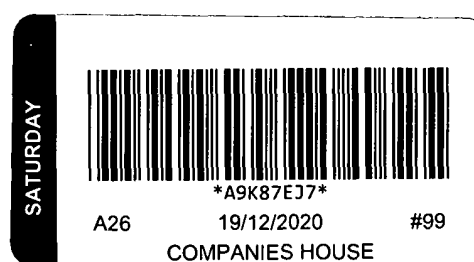
TOKIO MARINE
HCC

HCC SPECIALTY LTD

FINANCIAL STATEMENTS

Year ended 31 December 2019

1 Aldgate
London EC3N 1RE
Registered number: 04434904





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HCC SPECIALTY LTD
CONTENTS

	PAGE
Company information	2
Directors' report	3
Independent auditor's report	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in shareholder's equity	9
Notes to the financial statements	10-15



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COMPANY INFORMATION

DIRECTORS

P G Hall
W F Hubbard
M C Overlan

COMPANY SECRETARY

J L Holliday

REGISTERED NUMBER

04434904

REGISTERED OFFICE

1 Aldgate
London EC3N 1RE

INDEPENDENT AUDITORS

BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
Marylebone
London W1U 7EU



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DIRECTORS' REPORT

The directors present their Directors' Report and the audited financial statements of HCC Specialty Limited ('the Company') for the year ended 31 December 2019. The Company registered number is 04434904.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P G Hall (Chairman)

W F Hubbard

M C Overlan

Principal activity

The Company's principal activity is to act as underwriting manager on behalf of an underwriting consortium for which it receives commission income.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. (TMHD). TMHD's head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. As of 31 December 2019, TMHD had total assets of YEN ¥24.4 trillion (2018: YEN ¥23.3 trillion) and shareholders' equity of YEN ¥3.8 trillion (2018: YEN ¥3.5 trillion). TMHD and its subsidiary insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

Business review

Results and dividends

The Company made a profit after tax for the financial year of £1,790,752 (2018: £2,482,775), as stated on page 7. Shareholder's funds as at 31 December 2019 totalled £9,380,498 (2018: £7,589,746).

No dividend was declared as payable during the year (2018: £nil).

Key performance indicators

The directors monitor two key performance indicators for the Company:

	2019	2018
	£	£
Turnover	4,771,359	4,111,933
Profit on ordinary activities before taxation	2,608,262	2,268,413

Risk management

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company (see Note 4).

Future outlook

The directors will continue to seek growth in turnover and profitability for its shareholders through its industry focused response to problem solving and will keep under review opportunities to develop the business through growth of the existing customer base, or through the acquisition of suitable existing businesses. Whether or not dividends will be declared in the future is a strategic decision resting with the Company's ultimate parent company. See also Post balance sheet events below.

Disclosure in the strategic report

The directors consider that the Company is entitled to an exemption from the requirement to present a Strategic Report under section 414A(2) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 and, accordingly, have not prepared a Strategic Report.

Auditor

BDO LLP have expressed their willingness to continue in office as the Company's auditors. The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**TOKIO MARINE
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DIRECTORS' REPORT****Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2019 of which the auditors are unaware; and
- each of them has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

There have been no material events after the year end and up to the date of this report which require disclosure. The outbreak of the coronavirus pandemic (Covid-19) is unprecedented and will have a material impact on the global economy and the insurance market. Given this, management have been assessing and will continue to assess the impact of Covid-19 on the Company's current and future trading outlook and its ability to continue as a going concern.

The Company's IT infrastructure enables remote working so that the highly skilled and dedicated employees can continue normal operational processes without substantial disruption. The Company has substantial liquidity. Although it is early to complete a comprehensive assessment as to the impact on the Company, management has concluded that this post balance sheet event is a non-adjusting event and it will not have an impact on the ability of the Company to continue as a going concern.

On behalf of the board

DocuSigned by:
A stylized signature in black ink.
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J L Holliday

Company Secretary
1 Aldgate
London EC3N 1RE

10 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC SPECIALTY LIMITED

Opinion

We have audited the financial statements of HCC Specialty Limited (the 'company') for the year ended 31 December 2019 which comprise the Profit and Loss account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC SPECIALTY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

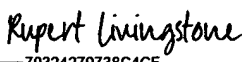
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Rupert Livingstone
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
Marylebone
London, W1U 7EU

10 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



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PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	5	4,771,359	4,111,933
Total revenue		4,771,359	4,111,933
Operating expenses		(2,163,097)	(1,843,520)
Profit on ordinary activities before taxation	6	2,608,262	2,268,413
Tax on profit on ordinary activities	9	(817,510)	214,362
Profit for the financial year		1,790,752	2,482,775
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,790,752	2,482,775

All amounts relate to continuing operations.

The notes on pages 10 to 15 form part of these financial statements



TOKIO MARINE
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BALANCE SHEET
As at 31 December 2019

	Note	2019 £	2018 £
Non-Current assets			
Deferred tax asset	10	994,114	510,066
Total Non-Current assets		994,114	510,066
Current assets			
Debtors	11	3,166,757	3,102,102
Cash at bank		6,489,725	5,228,929
Total current assets		9,656,482	8,331,031
Creditors: amounts falling due within one year	12	(1,270,098)	(1,251,351)
Net current assets		8,386,384	7,079,680
Net assets		9,380,498	7,589,746
Capital and reserves			
Called up share capital	13	1	1
Capital contribution		506,950	506,950
Profit and loss account		8,873,547	7,082,795
Total shareholder's funds		9,380,498	7,589,746

The financial statements on pages 7 to 15 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

Philip Hall

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P G Hall
Director

10 December 2020

The notes on pages 10 to 15 form part of these financial statements



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STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 December 2019

	Called up share capital	Capital contribution	Profit and loss account	Total shareholder's funds
Capital and reserves	£	£	£	£
At 1 January 2019	1	506,950	7,082,795	7,589,746
Profit for the year	-	-	1,790,752	1,790,752
At 31 December 2019	1	506,950	8,873,547	9,380,498

	Called up share capital	Capital contribution	Profit and loss account	Total shareholder's funds
Capital and reserves	£	£	£	£
At 1 January 2018	1	506,950	4,600,020	5,106,971
Profit for the year	-	-	2,482,775	2,482,775
At 31 December 2018	1	506,950	7,082,795	7,589,746

The notes on pages 10 to 15 form part of these financial statements



TOKIO MARINE
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HCC SPECIALTY LTD
NOTES TO THE FINANCIAL STATEMENT

1. General information

The Company's principal activity is to act as an underwriter manager on behalf of an underwriting consortium for which it received commission income. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Aldgate, EC3N 1RE, London.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. ('TMHD') whose head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. TMHD's major insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006. There are no areas of the Company's accounting which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with UK GAAP and the Companies Act 2006 and on the historical cost basis. The financial statements have been prepared in pound sterling which is the functional currency of the Company. The Company has obtained its shareholder approval to take advantage of the exemptions conferred by FRS 102 listed in (b) below, as the Company is a wholly owned subsidiary and the ultimate parent company's financial statements, in which the Company is included, are publicly available.

b) Exemptions for qualifying entities under FRS 102.

As allowed by FRS 102, the Company has applied certain exemptions as follows:

- i. preparing a statement of cash flows
- ii. related party disclosures
- iii. share based payments.
- iv. key management personnel compensation.

c) Going concern

Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

d) Turnover

Turnover represents commission income, net of value added tax and discounts. Commission income is calculated based on a percentage of premiums written by the underwriting consortium, net of brokerage, and is recognised at the later of the date of inception of the policy or the date it is bound. Profit commission income is calculated as a percentage of the estimated profit, net of consortium expenses and is recognised on an accruals basis over the risk exposure period. Profit commission accruals are adjusted for subsequent experience up to four years after the start of the consortium year as estimates of consortium profitability are revised.

e) Interest receivable

Interest on deposits is credited as it is earned.



TOKIO MARINE
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NOTES TO THE FINANCIAL STATEMENT

f) Taxation

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowed for taxation purposes. The company is also liable for US Federal Income Tax as a result of it being treated for US tax purposes as a branch of its immediate parent, HCC Specialty Underwriters Inc.

g) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the rates at which it is expected that the tax will arise. Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of other comprehensive income. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax balances are not discounted. US deferred tax is calculated under US tax law and represents the additional effects arising from the US tax rate.

h) Dividends

Dividends are accounted for in the year in which they are approved and declared as payable.

i) Provisions and contingencies

Provisions

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation, and
- the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. Provisions for levies are recognised on the occurrence of the event identified by legislation that triggers the obligation to pay the levy.

Contingencies

Contingent liabilities arise as a result of past events when:

- it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or
- when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Contingent assets stop being recognised as contingent at the point it is determined the benefit is virtually certain.

j) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors, trade and other creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

Financial assets - classified as basic financial instruments

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision



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NOTES TO THE FINANCIAL STATEMENT

for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities - classified as basic financial instruments

Trade and other creditors

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

4. Risk management

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company. The directors have assessed the risks to which the Company is exposed and consider the following as the material risks:

- *Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company acts as an agent, not principal, in its insurance transactions. The Company seeks to minimise credit risk by ensuring that its credit control procedures are applied effectively.

- *Currency risk*

The Company is exposed to currency risk in respect of assets and liabilities denominated in currencies other than Sterling. The risk is controlled by matching assets with liabilities in the relevant currency.

- *Liquidity risk*

Liquidity risk arises where cash may not be available to pay obligations when due at reasonable cost. The Company's policy is to hold sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss to settle its liabilities as they fall due thus minimising its exposure to liquidity risk.

5. Turnover

Turnover totalling £4,771,359 (2018: £4,111,933) represents the value of commission income earned, net of VAT. All turnover derives from services provided in the United Kingdom.

6. Profit on ordinary activities before taxation

This is stated after charging:

	2019	2018
	£	£
Fees payable for the audit of the Company's financial statements	12,500	10,400
Fees payable to the Company's auditor for tax compliance services	-	925
Foreign exchange loss	184,998	78,193



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NOTES TO THE FINANCIAL STATEMENT

7. Directors' emoluments

	2019	2018
	£	£
Aggregate emoluments	404,008	357,419
Pension contributions	10,000	10,000
	<u>414,008</u>	<u>367,419</u>

Pension benefits accrued to one director (2018: one) under the group's defined contribution pension scheme.

Highest paid director	2019	2018
	£	£
Aggregate emoluments	404,008	357,419
Pension contributions	10,000	10,000

8. Staff costs

All staff are employed by HCC Service Company Inc. (UK branch). The disclosures below relate to underwriting management staff only. The costs of other staff providing central services for group entities are allocated and recharged to the Company as a management fee. These other staff are not included in the salary costs and average staff numbers below as it is not practical to allocate the amounts to the underlying entities to which the staff provide services.

	2019	2018
	£	£
Salaries and wages	1,400,838	1,044,373
Social security costs	143,675	128,187
Pension costs	63,941	53,828
	<u>1,608,454</u>	<u>1,226,388</u>

The average number of underwriting management staff (including executive directors) during the year was 8 (2018: 7)



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NOTES TO THE FINANCIAL STATEMENT

9. Tax on profit on ordinary activities

	2019	2018
	£	£
UK corporation tax - current tax on income for the year	518,973	433,630
US federal tax - current tax on income for the year	588,676	88,221
Tax in respect of prior years	213,691	(639,909)
Current tax charge for the year	1,321,340	(118,058)
Deferred tax - origination and reversal of timing differences	(503,830)	(96,304)
Tax on profit on ordinary activities	817,510	(214,362)

The tax assessed for the year is higher (2018: lower) than the standard rate of tax in the UK. The differences are explained below.

	2019	2018
	£	£
Profit before ordinary activities before taxation	2,608,262	2,268,413
UK tax on profit on ordinary activities at standard rate of 19.00% (2018: 19.00%)	495,570	430,998
Expenses not deductible for tax purposes	15,687	2,632
US federal tax	91,863	88,221
Tax in respect of prior years	213,691	(639,909)
Other	699	(96,304)
Tax charge/(credit) on profit on ordinary activities	817,510	(214,362)

10. Deferred tax asset

	2019	2018
	£	£
At 1 January	510,066	379,189
Temporary differences	484,048	130,877
At 31 December	994,114	510,066

The deferred tax asset consists of the following amounts:

Timing differences on deferred income	994,114	510,066
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The deferred tax asset arises on timing differences relating to the taxation of unearned commission income in the US.

11. Debtors: amounts fall due within one year

	2019	2018
	£	£
Amounts owed by group undertakings	3,166,757	2,556,191
Allowance for doubtful accounts	-	(125,326)
Tax debtor	-	671,237
	3,166,757	3,102,102



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NOTES TO THE FINANCIAL STATEMENT

12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Corporation tax payable	384,607	267,631
Amounts owed to group undertakings	386,469	658,920
Accruals and deferred income	499,022	324,800
	<u>1,270,098</u>	<u>1,251,351</u>

13. Called up share capital

	2019	2018
	£	£
Issued and fully paid		
1 (2018: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

14. Ultimate parent company

Tokio Marine Holdings, Inc. (TMHD), incorporated in Japan and with its head office in Tokyo, is regarded by the directors as the Company's ultimate parent company and controlling party. HCC Specialty Underwriters Inc., incorporated in the USA is the immediate parent company. Copies of the consolidated financial statements of TMHD can be obtained from its website at http://www.tokiomarinehd.com/en/ir/library/annual_report.

15. Post balance sheet events

There have been no material events after the year end and up to the date of this report which require disclosure. The outbreak of the coronavirus pandemic (Covid-19) is unprecedented and will have a material impact on the global economy and the insurance market. Given this, management have been assessing and will continue to assess the impact of Covid-19 on the Company's current and future trading outlook and its ability to continue as a going concern.

The Company's IT infrastructure enables remote working so that the highly skilled and dedicated employees can continue normal operational processes without substantial disruption. The Company has substantial liquidity. Although it is early to complete a comprehensive assessment as to the impact on the Company, management has concluded that this post balance sheet event is a non-adjusting event and it will not have an impact on the ability of the Company to continue as a going concern.