Risk Factors Comparison 2024-03-15 to 2023-03-15 Form: 10-K

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The risks and uncertainties described below are those the Company believes to be material. If any of the following actually occur, the Company' s business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected. Risks Related to the Company' s Business Restructuring of insurance operations may not yield the expected benefits. The ability to execute the Company' s restructuring initiative is subject to significant challenges, uncertainties, and risks. The restructuring initiative may not produce the anticipated benefits and may result in unintended consequences which could have a material adverse impact on the Company' s financial condition and results of operations. The restructuring initiative could result in an unexpected loss of key personnel. This could have a material adverse impact on the Company' s business due to the loss of skill, knowledge of the Company' s product offerings, years of industry experience, and in some cases, the difficulty of promptly finding qualified replacement personnel. In addition, the restructuring could harm the Company' s relationships with its agents or it may not be able to execute its strategies as efficiently as before the restructuring. **The Company may not be able to effectively start up or integrate new product opportunities. The Company' s ability to grow the business depends, in part, on the creation, implementation or acquisition of new insurance products that are profitable and fit within the Company' s business model. The Company' s ability to grow profitably requires the identification of market opportunities, which may include acquisitions, and the ability to attract and retain underwriting and claims expertise to support that growth. New product launches, as well as resources to integrate business acquisitions, are subject to many obstacles, including ensuring the Company has sufficient business and systems processes, determining appropriate pricing, obtaining reinsurance, assessing opportunity costs and regulatory burdens, and planning for internal infrastructure needs. The Company' s ability to grow profitably could be impaired if it cannot effectively overcome these obstacles or it improperly implement new insurance products.** If actual claims payments exceed the Company' s reserves for losses and loss adjustment expenses, the Company' s financial condition and results of operations could be adversely affected. The Company' s success depends upon its ability to accurately assess the risks associated with the insurance and reinsurance policies that it writes. The Company establishes reserves on an undiscounted basis to cover its estimated liability for the payment of all losses and loss adjustment expenses incurred with respect to premiums earned on the insurance policies that it writes. Reserves do not represent an exact calculation of liability. Rather, reserves are estimates of what the Company expects to be the ultimate cost of resolution and administration of claims under the insurance policies that it writes. These estimates are based upon actuarial and statistical projections, the Company' s assessment of currently available data, as well as estimates and assumptions as to future trends in claims severity and frequency, judicial theories of liability and other factors. The Company continually refines its reserve estimates in an ongoing process as experience develops and claims are reported and settled ~~. The Company' s insurance subsidiaries obtain an annual statement of opinion from an independent actuarial firm on the reasonableness of these reserves~~. Establishing an appropriate level of reserves is an inherently uncertain process. The following factors may have a substantial impact on the Company' s future actual losses and loss adjustment experience: • claim and expense payments; • frequency and severity of claims; • legislative and judicial developments; and • changes in economic conditions, including the effect of inflation. For example, as industry practices and legal, judicial, social and other conditions change, unexpected and unintended exposures related to claims and coverage may emerge. These exposures may either extend coverage beyond the Company' s underwriting intent or increase the frequency or severity of claims. As a result, such developments could cause the Company' s level of reserves to be inadequate. Actual losses and loss adjustment expenses the Company incurs under insurance policies that it writes may be different from the amount of reserves it establishes, and to the extent that actual losses and loss adjustment expenses exceed the Company' s expectations and the reserves reflected on its financial statements, the Company will be required to immediately reflect those changes by increasing its reserves. In addition, regulators could require that the Company increase its reserves if they determine that the reserves were understated in the past. When the Company increases reserves, pre- tax income for the period in which it does so will decrease by a corresponding amount. In addition to having an effect on reserves and pre- tax income, increasing or" strengthening" reserves causes a reduction in the Company' s insurance companies' surplus and could cause the rating of its insurance company subsidiaries to be downgraded or placed on credit watch. Such a downgrade could, in turn, adversely affect the Company' s ability to sell insurance policies. The **failure of any of the loss limitations or exclusions employed by the Company, or changes in other claims or coverage issues, could have a material adverse effect on the Company' s financial condition or results of operations. Although the Company seeks to mitigate its loss exposure through a variety of methods, the future is inherently unpredictable. It is difficult to predict the timing, frequency and severity of losses with statistical certainty. It is not possible to completely eliminate the Company' s exposure to unforecasted or unpredictable events and, to the extent that losses from such risks occur, the Company' s financial condition and results of operations could be materially adversely affected. For instance, various provisions within policies issued by the Company, such as limitations or exclusions from coverage or choice of forum, which have been negotiated to limit the Company' s risks, may not be enforceable in the manner intended by the Company. In addition, policy terms are designed to manage the Company' s exposure to expanding theories of legal liability like those which have given rise to claims for lead paint asbestos, mold, construction defects and environmental matters. Many of the policies issued by the Company also include conditions requiring the prompt reporting of claims to the Company and entitle the Company to decline coverage in the event of a violation of those conditions. Also, many of the Company' s policies limit the period during which a policyholder may**

bring a claim under the policy, which in many cases is shorter than the statutory period under which such claims can be brought against the Company' s policyholders. While these exclusions and limitations help the Company to assess and reduce its loss exposure and help eliminate known exposures to certain risks, it is possible that a court or regulatory authority could nullify or void an exclusion or legislation could be enacted modifying or barring the use of such endorsements and limitations. These types of governmental actions could result in higher than anticipated losses and loss adjustment expenses, which could have a material adverse effect on the Company' s financial condition or results of operations. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. An example is court decisions that read policy exclusions narrowly so as to expand coverage, thereby requiring insurers to create and write new exclusions. These issues may adversely affect the Company' s business by either broadening coverage beyond its underwriting intent or by increasing the number or size of claims. In some instances, these changes may not become apparent until sometime after the Company has issued insurance contracts that are affected by the changes. As a result, the full extent of liability under the Company' s insurance contracts may not be known for many years after a contract is issued. The occurrence of natural or man- made disasters ~~, including the COVID- 19 outbreak, could result in declines in business and increases in claims that~~ could adversely affect the Company' s business, financial condition and results of operations. The Company is exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods, landslides, tornadoes, typhoons, tsunamis, hailstorms, explosions, climate events or weather patterns ~~and~~ **,** public health crises ~~,~~ **such as** illness, epidemics or pandemic health events, as well as man- made disasters, including acts of terrorism, military actions, cyber- terrorism, explosions and biological, chemical or radiological events. The continued threat of terrorism and ongoing military actions may cause significant volatility in global financial markets, and a natural or man- made disaster could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increased claims from those areas. They could also result in reduced underwriting capacity making it more difficult for the Company' s agents to place business. **In addition, there could be unanticipated problems with the Company' s disaster recovery processes, or a support failure from external providers, that could have an adverse effect on the Company' s ability to conduct business if a significant number of employees were unable to work in the event of a disaster.** Disasters also could disrupt public and private infrastructure, including communications and financial services, which could disrupt the Company' s ordinary business operations. A natural or man- made disaster **could** also ~~could~~ disrupt the operations of the Company' s counterparties or result in increased prices for the products and services they provide to the Company. **A** ~~Finally, a~~ natural or man- made disaster could increase the incidence or severity of E & O claims against the Company. **The** ~~For example, the~~ Company may **also** experience disruptions to its business as a result of **a** ~~the COVID- 19~~ pandemic and any associated protective or preventative measures including but not limited to: • clients choosing to limit purchases of insurance due to declining business conditions, which would inhibit the Company' s ability to generate earned premium; • travel restrictions and quarantines leading to a lack of in- person meetings, which would hinder the Company' s ability to establish relationships or originate new business; • cancellation, delays, or non- payment of premium could negatively impact the Company' s liquidity; • risk that legislation could be passed or there could be a court ruling which would require the Company to cover business interruption claims regardless of terms, exclusions or other conditions included in policies that would otherwise preclude coverage; • ~~alternative working arrangements, including colleagues working remotely, which could negatively impact the Company' s business; and •~~ significant volatility in financial markets affecting the market value and liquidity of the Company' s investment portfolio. ~~COVID~~ **As a result, it is possible that any, or a combination of all, of these factors related to natural or man** - **made disasters could have a material adverse effect** ~~19 continues to evolve. The extent to which COVID- 19 impacts the Company' s business will depend~~ on ~~future developments which are highly uncertain and cannot be predicted with confidence, including: • the ultimate severity of COVID- 19 and its associated variants; • the continued duration of the pandemic; • business closures, travel restrictions, social distancing and other actions taken to contain COVID- 19; and • the effectiveness of actions taken to contain and treat COVID- 19, including vaccine distribution and effectiveness. These and other disruptions related to COVID- 19 could materially and adversely affect~~ the Company' s business, financial condition **,** and results of operations. A decline in rating for any of the Company' s insurance subsidiaries could adversely affect its position in the insurance market; making it more difficult to market its insurance products and cause premiums and earnings to decrease. If the rating of any of the Company' s insurance companies is reduced from its current level of " A " (Excellent) by AM Best, the Company' s competitive position in the insurance industry could suffer, and it could be more difficult to market its insurance products. A downgrade could result in a significant reduction in the number of insurance contracts the Company writes and in a substantial loss of business; as such business could move to other competitors with higher ratings, thus causing premiums and earnings to decrease. These ratings are not an evaluation of, nor are they directed to, investors in Global Indemnity Group, LLC' s class A common shares and are not a recommendation to buy, sell or hold Global Indemnity Group, LLC' s class A common shares. Publications of AM Best indicate that companies are assigned" A" (Excellent) ratings if, in AM Best' s opinion, they have an excellent ability to meet their ongoing obligations to policyholders. These ratings are subject to periodic review by, and may be revised downward or revoked at the sole discretion of AM Best. A failure in the Company' s operational systems or infrastructure or those of third parties, including security breaches or cyber- attacks, could disrupt the Company' s business, its reputation, and / or cause losses which would have a material effect on the Company' s business operations and financial results. The Company' s business is dependent upon the secure processing, storage, and transmission of information over computer networks using applications, systems and other technologies. The business depends on effective information security and systems to perform accounting, policy administration, claims, underwriting, actuarial and all aspects of day- to- day operations necessary to service the Company' s customers and agents, to value the Company' s investments and to timely and accurately report the Company' s financial results. The information systems the Company relies upon must ensure confidentiality, integrity and availability of the data, including systems maintained by the Company as well as data in and assets held through third- party service providers and systems. The Company employs various measures, systems, applications and software to address data security. The Company reviews its existing security measures and systems on a continuing basis through internal and independent evaluations. The Company has implemented administrative and technical controls and takes protective actions in an attempt to reduce the risk of cyber incidents. The Company' s internal and external controls, processes, and the vendors used to protect networks, systems and applications, individually or together, may be insufficient to prevent a security incident. Employee or third- party vendor errors, malicious acts, unauthorized access, computer viruses, malware, the introduction of malicious code, system failures and disruptions, and cyber- attacks can result in business interruption, compromise of data and loss of assets. Complexity of the Company' s technology increases regularly and has increased the risk of a security incident involving data, network, systems and applications. **Third parties, including third party administrators and cloud- based systems, are also subject to cyber- attacks and breaches of confidential information, along with the other risks outlined above, any one of which may result in the Company incurring substantial costs and other negative consequences, including a material adverse effect on the Company' s business, reputation, financial condition, results of operations or liquidity. The Company' s increased use of open source software, cloud technology and software as a service can make it more difficult to identify and remedy such situations due to the disparate location of code utilized in its operations.** Security incidents have the potential to interrupt business, cause delays in processes and procedures directly affecting the Company, and jeopardize the Company' s, insureds', claimants', agents' and others' confidential data resulting in data loss, loss of assets, and reputational damages. If this occurs it could have a material adverse effect on the Company' s business operations and financial results. Security incidents could require significant resources, both internal and external, to resolve or remediate and could result in financial losses that may not be covered by insurance or not fully recoverable under any insurance. The Company may be subject to litigation and damages or regulatory action under data protection and privacy laws and regulations enacted by federal, state and foreign governments, or other regulatory bodies. As a result, the Company' s ability to conduct its business and its results of operations might be materially and adversely affected **. The Company' s business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology, particularly as the Company' s business processes become more digital. The Company depends in large part on its technology systems for conducting business and processing claims, as well as for providing the data and analytics the Company utilizes to manage its business. As a result, the Company' s business success is dependent on maintaining the effectiveness of existing technology systems and on continuing to develop and enhance technology systems that support the Company' s business processes and strategic initiatives in an efficient manner, particularly as business processes become more digital and certain of the Company' s products are more technology- based. Some system development projects are long- term in nature and may negatively impact the Company' s expense ratios and may cost more than expected to complete. In addition, system development projects may not deliver the benefits or perform as expected, or may be replaced or become obsolete more quickly than expected, which could result in operational difficulties, additional costs or accelerated recognition of expenses. The Company' s ability to provide competitive services to, and conduct business with, new and existing customers in a cost effective manner as well as its ability to implement the Company' s strategic initiatives could be adversely impacted if the Company does not effectively and efficiently manage and upgrade its technology portfolio or if the costs of doing so are higher than expected** . Investment Related Risks The Company' s investment performance may suffer as a result of adverse capital market developments or other factors, which would in turn adversely affect its financial condition and results of operations. The Company derives a significant portion of its income from its invested assets. As a result, the Company' s operating results depend in part on the performance of its investment portfolio. The Company' s operating results are subject to a variety of investment risks, including risks relating to general economic conditions, market volatility, interest rate fluctuations, liquidity risk and credit and default risk. The fair value of fixed income investments can fluctuate depending on changes in interest rates and the credit quality of underlying issuers. Generally, the fair market value of these investments has an inverse relationship with changes in interest rates, while net investment income earned by the Company from future investments in fixed maturities will generally increase or decrease with changes in interest rates. Additionally, with respect to certain of its investments, the Company is subject to pre- payment or reinvestment risk. Credit tightening could negatively impact the Company' s future investment returns and limit the ability to invest in certain classes of investments. Credit tightening may cause opportunities that are marginally attractive to not be financed, which could cause a decrease in the number of bond issuances. If marginally attractive opportunities are financed, they may be at higher interest rates, which would cause credit risk of such opportunities to increase. If new debt supply is curtailed, it could cause interest rates on securities that are deemed to be credit- worthy to decline. Funds generated by operations, sales, and maturities will need to be invested. If the Company invests during a tight credit market, investment returns could be lower than the returns the Company is currently realizing and / or it may have to invest in higher risk securities. With respect to its longer- term liabilities, the Company strives to structure its investments in a manner that recognizes liquidity needs for its future liabilities. However, if the Company' s liquidity needs or general and specific liability profile unexpectedly changes, it may not be successful in continuing to structure its investment portfolio in that manner. To the extent that the Company is unsuccessful in correlating its investment portfolio with its expected liabilities, the Company may be forced to liquidate its investments at times and prices that are not optimal, which could have a material adverse effect on the performance of its investment portfolio. The Company refers to this risk as liquidity risk, which is when the fair value of an investment is not able to be realized due to low demand by outside parties in the marketplace. The Company is also subject to credit risk due to non- payment of principal or interest. Several classes of securities that the Company holds have default risk. As interest rates rise for companies that are deemed to be less creditworthy, there is a greater risk that they will be unable to pay contractual interest or principal on their debt obligations. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond the Company' s control. Although the Company attempts to take measures to manage the risks of investing in a changing interest rate environment, the Company may not be able to mitigate interest rate sensitivity effectively. A significant increase in interest rates could have a material adverse effect on the market value of the Company' s fixed maturities securities. The Company has investments in limited partnerships which are not liquid. For several limited partnership investments, the Company does not have the contractual option to redeem its interests but receives distributions based on the liquidation of the underlying assets. ~~For~~ **During the 3rd quarter of 2023, the Company provided the Global Debt Fund, LP with a formal withdrawal request in full. Going forward,** one **fifth of the partnership will be redeemed based on June 30th and December 31st fair values until the** limited partnership investment **is fully liquidated** ~~, up to one third of the partnership can be redeemed upon 90 days notice each June 30th or December 31st~~ . The Company does not have the ability to sell or transfer its limited partnership interests without consent from the general partner. The Company' s returns could be negatively affected if the market values of the limited partnerships decline. If the Company needs liquidity, it might be forced to liquidate other investments at a time when prices are not optimal. See Note ~~6~~ **5** of the notes to consolidated financial statements in Item 8 of Part II of this report for further information surrounding the Company' s investments as of December 31, **2023 and** 2022 ~~and 2021~~ . Risks Related to the Company' s Business Partners The Company cannot guarantee that its reinsurers will pay in a timely fashion, if at all, and as a result, the Company could experience losses. The Company cedes a portion of gross written premiums to third- party reinsurers under reinsurance contracts. Although reinsurance makes the reinsurer liable to the Company to the extent the risk is transferred, it does not relieve the Company of its liability to its policyholders. Upon payment of claims, the Company will bill its reinsurers for their share of such claims. The reinsurers may not pay the reinsurance receivables that they owe to the Company or they may not pay such receivables on a timely basis. If the reinsurers fail to pay it or fail to pay on a timely basis, the Company' s financial results would be adversely affected. Lack of reinsurer liquidity, perceived improper underwriting or claim handling by the Company, and other factors could cause a reinsurer not to pay. See" Business – Reinsurance of Underwriting Risk" in Item 1 of Part I of this report. See Note ~~11~~ **10** of the notes to consolidated financial statements in Item 8 of Part II of this report for further information surrounding the Company' s reinsurance receivable balances as of December 31, **2023 and** 2022 ~~and 2021~~ . Since the Company depends on wholesale general ~~agent~~ **agents** and **retail agents** ~~wholesale broker offices~~ as ~~well~~ **wells** as other insurance companies and reinsurance companies for a significant portion of its revenue, a loss of one or more could adversely affect the Company. The Company' s ~~Commercial Specialty~~ **Penn- America** products are distributed through approximately 360 wholesale general ~~agent~~ **agents** ~~and wholesale broker offices~~ that have specific quoting and binding authority and that in turn sell the Company' s insurance products to insureds through retail insurance brokers. **Penn- America also distributes its products through approximately 2, 400 retail agents.** The Company ~~also~~ markets and distributes its reinsurance products through third- party brokers, insurance companies and reinsurance companies. A loss of all or substantially all of the business produced by one or more of these wholesale general ~~agent~~ **agents** ~~and wholesale broker offices~~ **or larger retail agents** as well as other insurance companies or reinsurance companies could have an adverse effect on the Company' s results of operations. If market conditions cause reinsurance to be more costly or unavailable, the Company may be required to bear increased risks or reduce the level of its underwriting commitments. As part of the Company' s overall strategy of risk and capacity management, it purchases reinsurance for a portion of the risk underwritten by its insurance subsidiaries. Market conditions beyond the Company' s control determine the availability and cost of the reinsurance it purchases, which may affect the level of its business and profitability. The Company' s third- party reinsurance facilities are generally subject to annual renewal. The Company may be unable to maintain its current reinsurance facilities or obtain other reinsurance facilities in adequate amounts and at favorable rates. If the Company is unable to renew expiring facilities or obtain new reinsurance facilities, either the net exposure to risk would increase or, if the Company is unwilling to bear an increase in net risk exposures, it would have to reduce the amount of risk it underwrites. The Company' s financial and business results may fluctuate as a result of many factors, including cyclical changes in the insurance industry. Historically, the results of companies in the property and casualty insurance industry have been subject to significant fluctuations and uncertainties. The industry' s profitability can be affected significantly by: • competition; • capital capacity; • rising levels of actual costs that are not foreseen by companies at the time they price their products; • volatile and unpredictable developments, including man- made, weather- related and other natural catastrophes or terrorist attacks; • changes in loss reserves resulting from the general claims and legal environments as different types of claims arise and judicial interpretations relating to the scope of insurers' liability develop; and • fluctuations in interest rates, inflationary pressures and other changes in the investment environment, which affect returns on invested assets and may affect the ultimate payout of losses. The demand for property and casualty insurance and reinsurance can also vary significantly, rising as the overall level of economic activity increases and falling as that activity decreases. The property and casualty insurance industry historically is cyclical in nature. These fluctuations in demand and competition could produce underwriting results that would have a negative impact on the Company' s consolidated results of operations and financial condition. The Company faces significant competitive pressures in its business that could cause demand for its products to fall and adversely affect the Company' s profitability. The Company competes with a large number of other companies in its selected lines of business. The Company competes, and will continue to compete, with major U. S. and non- U. S. insurers and other regional companies, as well as mutual companies, specialty insurance companies, reinsurance companies, underwriting agencies and diversified financial services companies. ~~The Company' s competitors include, among others: American International Group, Argo Group International Holdings, Ltd., Ategrity Specialty Holdings LLC, Atlantic Casualty Insurance Company, Berkshire Hathaway, Canopius US Insurance, Inc., CapSpecialty Insurance Group, Everest Re Group, Ltd., Great American Insurance Group, Hallmark Financial Services, Inc., HCC Insurance Holdings, Inc., IFG Companies, James River Group Holdings, Kinsale Capital Group, Inc., Markel Corporation, Nationwide Insurance, RLI Corporation, RSUI Group, Selective Insurance Group, Inc., The Hartford, The Travelers Companies, Inc., Westchester Surplus~~

~~Lines Insurance Co, and W. R. Berkley Corporation.~~ Some of the Company’ s competitors have greater financial and marketing resources than the Company does. The Company’ s profitability could be adversely affected if it loses business to competitors offering similar products at or below the Company’ s prices. Many of the Company’ s general agencies pay the insurance premiums on business they have bound to the Company on a monthly basis. This accumulation of balances due to the Company exposes it to credit risk. Insurance premiums generally flow from the insured to their retail broker, then into a trust account controlled by the Company’ s professional general agencies. Several of the Company’ s professional general agencies are required to forward funds, net of commissions, to the Company following the end of each month. Consequently, the Company assumes a degree of credit risk on the aggregate amount of these balances that have been paid by the insured but have yet to reach the Company. Brokers, insurance companies and reinsurance companies typically pay premiums on reinsurance treaties written with the Company on a quarterly basis. This accumulation of balances due to the Company exposes it to credit risk. Assumed premiums on reinsurance treaties generally flow from the ceding companies to the Company on a quarterly basis. In some instances, the reinsurance treaties allow for funds to be withheld for longer periods as specified in the treaties. Consequently, the Company assumes a degree of credit risk on the aggregate amount of these balances that have been collected by the reinsured but have yet to reach the Company. Because the Company provides its general agencies with specific quoting and binding authority, if any of them fail to comply with pre- established guidelines, the Company’ s results of operations could be adversely affected. The Company markets and distributes its insurance products through professional general agencies that have limited quoting and binding authority and that in turn sell the Company’ s insurance products to insureds through retail insurance brokers. These professional general agencies can bind certain risks without the Company’ s initial approval. If any of these wholesale professional general agencies fail to comply with the Company’ s underwriting guidelines and the terms of their appointment, the Company could be bound on a particular risk or number of risks that were not anticipated when it developed the insurance products or estimated losses and loss adjustment expenses. Such actions could adversely affect the Company’ s results of operations. Risks Related to Regulation of the Company Global Indemnity Group, LLC’ s holding company structure and regulatory constraints limit its ability to receive dividends from subsidiaries in order to meet its cash requirements. Global Indemnity Group, LLC is a holding company and, as such, has no substantial operations of its own. Global Indemnity Group, LLC’ s assets primarily consist of cash, an investment portfolio, and ownership of the shares of its direct and indirect subsidiaries. Investment income generated by its investment portfolio as well as dividends and other permitted distributions from insurance subsidiaries are expected to be Global Indemnity Group, LLC' s ~~sole~~ **main** source of funds to meet ongoing cash requirements ~~, including debt service payments, if any,~~ and other expenses. Due to its corporate structure, most of the dividends that Global Indemnity Group, LLC receives from its subsidiaries must pass through Penn- Patriot Insurance Company (“ Penn-Patriot ”). The inability of Penn- Patriot to pay dividends in an amount sufficient to enable Global Indemnity Group, LLC to meet its cash requirements at the holding company level could have a material adverse effect on its operations. In addition, the inability of Penn- Patriot’ s insurance subsidiaries to pay dividends to GBLI Holdings, LLC could limit GBLI Holdings, LLC’ s ability to meet its debt obligations and corporate expense obligations and could have a material adverse effect on its operations. See" Regulation – U. S. Regulation ” in Item 1 of Part I of this report and “ Liquidity and Capital Resources ” section in Item 7 of Part II of this report for more information on state dividend limitations. Also, see Note ~~22~~ **21** of the notes to consolidated financial statements in Item 8 of Part II of this report for the maximum amount of dividends that could be paid by the Company’ s U. S. insurance subsidiaries in ~~2023~~ **2024** . The Company’ s businesses are heavily regulated and changes in regulation may limit the way it operates. The Company is subject to extensive supervision and regulation in the U. S. states in which it operates. This is particularly true in those states in which the Company’ s insurance subsidiaries are licensed, as opposed to those states where its insurance subsidiaries write business on a surplus lines basis. The supervision and regulation relate to numerous aspects of the Company’ s business and financial condition. The primary purpose of the supervision and regulation is the protection of the Company’ s insurance policyholders and not its investors. The extent of regulation varies, but generally is governed by state statutes. These statutes delegate regulatory, supervisory, and administrative authority to state insurance departments. This system of regulation covers, among other things: • standards of solvency, including risk- based capital measurements; • restrictions on the nature, quality and concentration of investments; • restrictions on the types of terms that the Company can include or exclude in the insurance policies it offers; • restrictions on the way rates are developed and the premiums the Company may charge; • standards for the manner in which general agencies may be appointed or terminated; • credit for reinsurance; • certain required methods of accounting; • reserves for unearned premiums, losses and other purposes; and • potential assessments for the provision of funds necessary for the settlement of covered claims under certain insurance policies provided by impaired, insolvent or failed insurance companies. The statutes or the state insurance department regulations may affect the cost or demand for the Company’ s products and may impede the Company from obtaining rate increases or taking other actions it might wish to take to increase profitability. Further, the Company may be unable to maintain all required licenses and approvals and its business may not fully comply with the wide variety of applicable laws and regulations or the relevant authority' s interpretation of the laws and regulations. Also, regulatory authorities have discretion to grant, renew or revoke licenses and approvals subject to the applicable state statutes and appeal process. If the Company does not have the requisite licenses and approvals (including in some states the requisite secretary of state registration) or do not comply with applicable regulatory requirements, the insurance regulatory authorities could stop or temporarily suspend the Company from carrying on some or all of its activities or monetarily penalize the Company. The U. S. insurance regulatory framework has come under increased federal scrutiny and some state legislators have considered or enacted laws that may alter or increase state regulation of insurance and reinsurance companies and holding companies. Moreover, the NAIC, which is an association of the insurance commissioners of all 50 U. S. States and the District of Columbia, and state insurance regulators regularly re- examine existing laws and regulations. Changes in these laws and regulations or the interpretation of these laws and regulations could have a material adverse effect on the Company’ s business. Although the U. S. federal government has not historically regulated the insurance business, there have been proposals from time to time to impose federal regulation on the insurance industry. The Dodd- Frank Act establishes a Federal Insurance Office within the U. S. Department of the Treasury. The Federal Insurance Office initially has limited regulatory authority and is empowered to gather data and information regarding the insurance industry and insurers, including conducting a study for submission to the U. S. Congress on how to modernize and improve insurance regulation in the U. S. Further, the Dodd- Frank Act gives the Federal Reserve supervisory authority over a number of financial services companies, including insurance companies, if they are designated by a two- thirds vote of a Financial Stability Oversight Council as" systemically important." While the Company does not believe that it is" systemically important," as defined in the Dodd- Frank Act, it is possible that the Financial Stability Oversight Council may conclude that it is. If the Company were designated as" systemically important," the Federal Reserve' s supervisory authority could include the ability to impose heightened financial regulation and could impact requirements regarding the Company' s capital, liquidity, leverage, business and investment conduct. As a result of the foregoing, the Dodd- Frank Act, or other additional federal regulation that is adopted in the future, could impose significant burdens on the Company, including impacting the ways in which it conducts business, increasing compliance costs and duplicating state regulation, and could result in a competitive disadvantage, particularly relative to smaller insurers who may not be subject to the same level of regulation. The Company' s business practices with respect to data could give rise to liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to consumer privacy and data protection. ~~In June 2018, California enacted the California Consumer Privacy Act of 2018 (the " CCPA "), which went into effect on January 2020. The CCPA, among other things, requires covered companies to provide new disclosures to California consumers and afford such consumers with the rights to opt- out of certain sales of personal information. The CCPA creates a private right of action for statutory damages for certain breaches of information.~~ If the Company fails to protect the privacy of third- party data or implement practices and procedures deemed necessary by regulators or consumers ~~or to comply with the CCPA or other applicable regimes~~ , the Company may be subject to fines, penalties, litigation, and reputational harm and its business may be seriously harmed. In addition, various government and consumer agencies and public advocacy groups have called for new regulation and changes in industry practices. It is possible that new laws, regulations, standards, recommendations, best practices or requirements will be adopted that would affect the Company' s business. To the extent that the Company is subject to new laws or recommendations or chooses to adopt new standards, recommendations, or other requirements, the Company may have greater compliance burdens. If the Company is perceived as not operating in accordance with industry best practices or any such guidelines or codes with regard to privacy, the Company' s reputation may suffer, and the Company could lose relationships with customers or partners. Risks Related to Ownership of Global Indemnity Group, LLC' s Shares and Certain Limited Liability Company Agreement (" LLCA ") Provisions The interests of holders of class A common shares may conflict with the interests of Global Indemnity Group, LLC' s controlling shareholder. Fox Paine Capital Fund II International L. P. (the " Fox Paine Fund "), an investment fund managed by Fox Paine & Company, LLC, together with Fox Mercury Investments, L. P. and certain of its affiliates (the " FM Entities "), and Fox Paine & Company LLC (collectively, the " Fox Paine Entities ") beneficially own shares representing approximately 83. ~~2~~ **8** % of Global Indemnity Group, LLC' s total voting power. The percentage of Global Indemnity Group, LLC' s total voting power that the Fox Paine Entities may exercise is greater than the percentage of Global Indemnity Group, LLC' s total shares that the Fox Paine Entities beneficially own because the Fox Paine Entities beneficially own all of Global Indemnity Group, LLC' s class B common shares, which are entitled to ten votes per share as opposed to class A common shares, which are entitled to one vote per share. The class A common shares and the class B common shares generally vote together as a single class on matters presented to Global Indemnity Group, LLC' s shareholders. As a result, the Fox Paine Entities have and will continue to have control over the outcome of certain matters requiring shareholder approval, including the power to, among other things: • elect any of Global Indemnity Group, LLC' s directors not otherwise appointed by the Fox Paine Entities pursuant to the provisions of the LLCA (as defined below) (which entitles the Fox Paine Entities, in their collective capacity as the " Class B Majority Shareholder " (as defined in the LLCA), to certain Director appointment rights); • approve changes to the LLCA that require shareholder approval; and • ratify the appointment of Global Indemnity Group, LLC' s auditors. Subject to certain exceptions, the Fox Paine Entities may also be able to prevent or cause (either by way of a sale of their own stake or by approving the merger or sale of Global Indemnity Group, LLC as a whole) a change of control of Global Indemnity Group, LLC. The Fox Paine Entities' control over Global Indemnity Group, LLC, and the Fox Paine Entities' ability in certain circumstances to prevent or cause a change of control of Global Indemnity Group, LLC, may delay or prevent a change of control, or cause a change of control to occur at a time when it is not favored by other shareholders. As a result, the trading price of Global Indemnity Group, LLC' s class A common shares could be adversely affected. In addition, Global Indemnity Group, LLC has agreed to pay Fox Paine & Company, LLC an annual management fee which is adjusted annually to reflect change in the consumer price index published by the US Department of Labor Bureau of Labor Statistics " CPI- U ", in exchange for management services. The current fee charged ~~in~~ **for the twelve month period beginning September 5,** ~~2022~~ **2023** was $ 3. ~~0~~ **2** million. Global Indemnity Group, LLC has also agreed to pay a termination fee of cash in an amount to be agreed upon, plus reimbursement of expenses, upon the termination of Fox Paine & Company, LLC' s management services in connection with the consummation of a change of control transaction that does not involve Fox Paine & Company, LLC and its affiliates. Global Indemnity Group, LLC has also agreed to pay Fox Paine & Company, LLC a transaction advisory fee of cash in an amount to be agreed upon, plus reimbursement of expenses upon the consummation of a change of control transaction that does not involve Fox Paine & Company, LLC and its affiliates in exchange for advisory services to be provided by Fox Paine & Company, LLC in connection therewith. These management services arrangements may make a change of control transaction for Global Indemnity Group, LLC less attractive to a potential acquiror and may affect any economic allocation of proceeds that a potential acquiror may pay in any such transaction as between the Fox Paine Entities and the holders of class A common shares. The Fox Paine Entities may in the future make significant investments in other insurance or reinsurance companies. Some of these companies may compete with Global Indemnity Group, LLC or its subsidiaries. The Fox Paine Entities are not obligated to advise Global Indemnity Group, LLC of any investment or business opportunities of which they are aware, and they are not prohibited or restricted from competing with Global Indemnity Group, LLC or its subsidiaries. Global Indemnity Group, LLC' s controlling shareholder has the right to appoint a certain number of the members of the Board of Directors proportionate to such shareholder' s ownership in Global Indemnity Group, LLC and also otherwise controls the election of Directors due to its share ownership. While the Fox Paine Entities have the right under the terms of the LLCA to appoint a certain number of directors of the Board of Directors, equal in aggregate to the pro rata percentage of the voting power in Global Indemnity Group, LLC beneficially held by the Fox Paine Entities for so long as the Fox Paine Entities beneficially own (i) a majority of the outstanding class B common shares and (ii) shares representing, in the aggregate, at least 25 % or more of the voting power in Global Indemnity Group, LLC, it also controls the election of all directors to the Board of Directors due to its controlling share ownership. The Board of Directors currently consists of ~~six~~ **seven** directors, all of whom were either identified and proposed for consideration for the Board of Directors by the Fox Paine Entities or appointed by the Fox Paine Entities. Global Indemnity Group, LLC' s LLCA contains an exclusive forum provision that may discourage lawsuits against the Company or Global Indemnity Group, LLC' s directors and officers. Global Indemnity Group, LLC' s LLCA requires that, unless Global Indemnity Group, LLC otherwise consents, the United States District Court for the District of Delaware shall be the sole and exclusive forum for any federal securities laws claims brought under the Securities Act or the Exchange Act, although, for the avoidance of doubt, all claims accompanying any such federal securities laws claim will be subject to the mandatory arbitration provisions of Global Indemnity Group, LLC' s LLCA. Any person or entity purchasing or otherwise acquiring any interest in Global Indemnity Group, LLC' s capital stock is deemed to have received notice of and consented to these provisions. Global Indemnity Group, LLC believes that these provisions are enforceable under both state and federal law. Nevertheless, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce this provision. These provisions may increase costs to bring a claim, discourage claims or limit a shareholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with Global Indemnity Group, LLC or Global Indemnity Group, LLC' s directors, officers or other employees, which may discourage such lawsuits against Global Indemnity Group, LLC or Global Indemnity Group, LLC' s directors, officers or other employees. If a court were to find Global Indemnity Group, LLC' s choice of forum provision to be inapplicable or unenforceable in an action, Global Indemnity Group, LLC may incur additional costs associated with resolving such action in other jurisdictions. Because the Company relies on certain services provided by Fox Paine & Company, LLC, the loss of such services could adversely affect its business. Fox Paine & Company, LLC provides certain management services to the Company. To the extent that Fox Paine & Company, LLC is unable or unwilling to provide similar services in the future, and the Company is unable to perform those services itself or is unable to secure replacement services, the Company' s business could be adversely affected. The Company' s share repurchase program may affect or increase the volatility of the price of its class A common shares. Since October 2022 and through March 15, ~~2023~~ **2024** , Global Indemnity Group, LLC repurchased and retired an aggregate of 1, ~~157~~ **357** , 082 shares of its class A common shares in the open market and in privately negotiated transactions at an aggregate price of $ ~~28~~ **34** . ~~4~~ **0** million or an average of $ ~~24~~ **25** . ~~54~~ **05** per share. As of such date, under its share repurchase program ~~(which was increased by its Board of Directors to $ 60. 0 million in January 2023)~~ , Global Indemnity Group, LLC had a remaining authorization to purchase up to an additional $ ~~31~~ **101** . ~~6~~ **0** million of its class A common shares. Although Global Indemnity Group, LLC' s Board of Directors has determined that the repurchase program is in the best interests of its shareholders, the repurchases expose the Company to risks including: • the use of a substantial portion of the Company' s cash reserves, which may reduce its ability to engage in significant cash acquisitions or to pursue other business opportunities that could create significant value to its shareholders; • the risk that the Company may not be able to replenish its cash reserves by raising debt or equity financing in the future on terms acceptable to the Company, or at all; and • the risk that these repurchases have reduced the Company' s " public float, " which is the number of Global Indemnity Group, LLC shares owned by non- affiliate shareholders and available for trading in the securities markets, and likely reduced the number of its shareholders, which may reduce the volume of trading in Global Indemnity Group, LLC shares and may result in lower share prices and reduced liquidity in the trading of Global Indemnity Group, LLC shares. The existence of a share repurchase program may cause the Company' s class A share price to be higher than it would be in the absence of the program. In addition, the program may be suspended or discontinued at any time, which could cause the market price of the Company' s class A common shares to decline. Risks Related to Taxation Legislative and regulatory action by the U. S. Congress or other tax authorities in the jurisdictions in which we operate could materially and adversely affect the Company. The Company' s tax position could be adversely impacted by changes in tax laws or tax regulations or the interpretation or enforcement thereof. Legislative action may be taken by the U. S. Congress or other tax authorities in the jurisdictions in which we operate which, if ultimately enacted, could, among other things, adversely affect the Company' s effective tax rate and cash tax position. The Company may be subject to adverse foreign taxes related to its historic non- US subsidiaries. Although the Company and its subsidiaries have eliminated most of their historic foreign subsidiaries, the statute of limitations remains open in certain foreign jurisdictions, and it is possible that the Company could be subject to materially adverse foreign taxes with respect to its historic operations. Such adverse foreign taxes could also potentially arise as a result of retroactive changes in law. Holders of Global Indemnity Group, LLC' s common shares may be subject to U. S. federal income tax and state and local income taxes on their share of Global Indemnity Group, LLC' s taxable income, regardless of whether they receive any cash distributions from Global Indemnity Group, LLC. Under current law, so long as Global Indemnity Group, LLC is not required to register as an investment company under the Investment Company Act and 90 % of Global Indemnity Group, LLC' s gross income for each taxable year constitutes " qualifying income " within the meaning of the Internal Revenue Code on a continuing basis, Global Indemnity Group, LLC currently expects that it has been and will continue to be treated, for U. S. federal income tax purposes, as a partnership and not as an association or publicly traded partnership taxable as a corporation. Holders of Global Indemnity Group, LLC' s common shares may be subject to U. S. federal, state and local taxation on their allocable share of Global Indemnity Group, LLC' s items of income, gain, loss, deduction and credit, for each of Global Indemnity Group, LLC' s taxable years ending with or within their taxable year, regardless of whether they receive any cash distributions from Global Indemnity Group, LLC. Such holders may not receive cash distributions equal to their allocable share of Global Indemnity Group, LLC' s net taxable income or even the tax liability that results from that income. Accordingly, such holders may be required to make tax payments in connection with their ownership of Global Indemnity Group, LLC' s common shares that significantly exceed cash distributions received by them in any specific year. Income earned by the subsidiaries of Global Indemnity Group, LLC is subject to corporate tax in the United States and certain foreign jurisdictions and, therefore, is not taxable to Global Indemnity Group, LLC' s shareholders until the income is distributed by the subsidiaries to Global Indemnity Group, LLC. There can be no assurance that amounts paid as distributions on Global Indemnity Group, LLC' s common shares will be sufficient to cover the tax liability arising from ownership of the common shares. Any distributions paid on Global Indemnity Group, LLC' s common shares will not take into account a holder' s particular tax situation and, therefore, because of the foregoing as well as other possible reasons, may not be sufficient to pay their full amount of tax based upon such holder' s share of Global Indemnity Group, LLC' s net taxable income. In addition, the actual amount and timing of distributions will always be subject to the discretion of Global Indemnity Group, LLC' s board of directors. Even if Global Indemnity Group, LLC does not distribute cash in an amount that is sufficient to fund a holder' s tax liabilities, such holder will still be required to pay income taxes on their share of Global Indemnity Group, LLC' s taxable income. If Global Indemnity Group, LLC is treated as a corporation for U. S. federal income tax purposes, the value of the shares could be adversely affected. The value of an investment in Global Indemnity Group, LLC' s common shares may depend in part on Global Indemnity Group, LLC being treated as a partnership for U. S. federal income tax purposes. A publicly traded partnership will be treated as a partnership, and not as a corporation, for U. S. federal income tax purposes so long as 90 % or more of its gross income for each taxable year constitutes " qualifying income " within the meaning of the Internal Revenue Code, and it is not required to register as an investment company under the Investment Company Act of 1940 and related rules. Qualifying income generally includes dividends, interest, capital gains from the sale or other disposition of stocks and securities and certain other forms of investment income. Although Global Indemnity Group, LLC believes that it has met in previous taxable years, and intends to manage its affairs so that it will continue to meet in the current and subsequent taxable years, the 90 % test described above in each taxable year, no assurance can be given as to the types of income that will be earned in any given year. Global Indemnity Group, LLC may not meet these requirements or Global Indemnity Group, LLC may determine it is prudent to change Global Indemnity Group, LLC' s structure. In either case, Global Indemnity Group, LLC may be treated as a corporation for U. S. federal income tax purposes in the future. Global Indemnity Group, LLC has not requested, and does not plan to request, a ruling from the Internal Revenue Service (the " IRS ") on its treatment as a partnership for U. S. federal income tax purposes, or on any other matter affecting the taxation of Global Indemnity Group, LLC and its subsidiaries. Global Indemnity Group, LLC' s interests in certain businesses are held through entities that are treated as corporations for U. S. federal income tax purposes; such corporations may be liable for significant taxes and may create other adverse tax consequences, which could potentially adversely affect the value of an investment in Global Indemnity Group, LLC. In light of the publicly traded partnership rules under U. S. federal income tax law and other requirements, Global Indemnity Group, LLC currently holds interests in certain businesses through entities that are treated as corporations for U. S. federal income tax purposes, including, in particular, each of Global Indemnity Group, LLC' s insurance company subsidiaries. Each such corporation could be liable for significant U. S. federal income taxes and applicable state, local and other taxes, which could adversely affect the value of an investment in Global Indemnity Group, LLC. Furthermore, it is possible that the IRS or other tax authority could challenge the manner in which such corporation' s taxable income is computed by the Company. Taxable gain or loss on a sale or other disposition of Global Indemnity Group, LLC' s common shares could be more or less than expected. If a sale or other disposition of Global Indemnity Group, LLC' s common shares by a holder of such shares is taxable in the United States, the holder will recognize gain or loss equal to the difference between the amount realized by such holder on the sale or other disposition and such holder' s adjusted tax basis in those shares. A holder' s adjusted tax basis in the shares at the time of sale or other disposition will generally be lower than the holder' s original tax basis in the shares to the extent that prior distributions to such holder exceed the total taxable income allocated to such holder. A holder of Global Indemnity Group, LLC' s common shares may therefore recognize a gain on a sale or other disposition of Global Indemnity Group, LLC' s common shares if the shares are sold or disposed of at a price that is less than their original cost. In addition, a portion of the amount realized, whether or not representing gain, may be treated as ordinary income to such holder to the extent attributable to the holder' s allocable share of unrealized gain or loss in Global Indemnity Group, LLC' s assets that consist of certain unrealized receivables or inventory (if any). Global Indemnity Group, LLC cannot match transferors and transferees of Global Indemnity Group, LLC' s common shares, and therefore, Global Indemnity Group, LLC has adopted certain income tax accounting conventions that may not conform with all aspects of applicable tax requirements. The Internal Revenue Code provides that items of partnership income and deductions must be allocated between transferors and transferees of Global Indemnity Group, LLC' s common shares. Because Global Indemnity Group, LLC cannot match transferors and transferees of Global Indemnity Group, LLC' s common shares, Global Indemnity Group, LLC will apply certain assumptions and conventions in an attempt to comply with applicable tax rules and to report income, gain, loss, deduction and credit to holders in a manner that reflects such holders' beneficial shares of Global Indemnity Group, LLC' s items. These conventions are designed to more closely align the receipt of cash and the allocation of income between holders of Global Indemnity Group, LLC' s common shares, but these assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. In addition, as a result of such allocation method, holders may be allocated income even if they do not receive any distributions. If Global Indemnity Group, LLC' s conventions are not allowed by the Treasury Regulations (or only apply to transfers of less than all of a holder' s shares) or if the IRS otherwise does not accept Global Indemnity Group, LLC' s conventions, the IRS may contend that Global Indemnity Group, LLC' s income or losses must be reallocated among the holders of Global Indemnity Group, LLC' s common shares. If such a contention were sustained, certain holders' respective tax liabilities would be adjusted to the possible detriment of certain other holders. Tax- exempt shareholders may face certain adverse U. S. tax consequences from owning Global Indemnity Group, LLC' s common shares. Global Indemnity Group, LLC is not required to manage its operations in a manner that would minimize the likelihood of generating income that would constitute " unrelated business taxable income " (" UBTI ") to the extent allocated to a tax- exempt shareholder. Although Global Indemnity Group, LLC' s insurance operations are conducted by subsidiaries that are treated as corporations for U. S. federal income tax purposes and the operations of such corporation would generally not result in an allocation of UBTI to a shareholder on account of the activities of those subsidiaries, Global Indemnity Group, LLC may make certain investments other than through a corporate subsidiary. Moreover, UBTI also includes income attributable to debt- financed property, and Global Indemnity Group, LLC is not prohibited from incurring debt to finance its investments, including investments in subsidiaries. Furthermore, Global Indemnity Group, LLC is not prohibited from being (or causing a subsidiary to be) a guarantor of loans made to a subsidiary. If Global Indemnity Group, LLC (or certain of Global Indemnity Group, LLC' s subsidiaries) were treated as the borrower for U. S. tax purposes on account of such guarantees, some or all of Global Indemnity Group, LLC' s investments could be considered debt- financed property. The potential for income to be characterized as UBTI could make Global Indemnity Group, LLC' s common shares an unsuitable investment for a tax- exempt entity. Tax- exempt shareholders are urged to consult their own tax advisors regarding the tax consequences of an investment in Global Indemnity Group, LLC' s common shares. The IRS Schedules K- 1 Global Indemnity Group, LLC provides to holders of Global Indemnity Group, LLC' s common shares each year are more complicated than the IRS Forms 1099 provided by corporations to their stockholders. In addition, Global Indemnity Group, LLC may not be able to furnish to each holder of Global Indemnity Group, LLC' s common shares specific tax information within 90 days after the close of each calendar year and such holders may be required to request an extension of time to file their tax returns. Holders of Global Indemnity Group, LLC' s common shares are required to take into account their allocable share of Global Indemnity Group, LLC' s items of income, gain, loss, deduction and other items of the partnership for Global Indemnity Group, LLC' s taxable year ending within or with their taxable year, regardless of whether they received cash distributions. As a publicly traded partnership, Global Indemnity Group, LLC' s operating results, including distributions of income, dividends, gains, losses or deductions and adjustments to carrying basis, for each year will be reported on IRS Schedules K- 1 (and, if applicable, Schedules K- 2 and K- 3). Income earned by the subsidiaries of Global Indemnity Group, LLC is subject to corporate tax in the United States and certain foreign jurisdictions and, therefore, is not taxable to Global Indemnity Group, LLC' s shareholders until the income is distributed by the subsidiaries to Global Indemnity Group, LLC. Global Indemnity Group, LLC intends to furnish holders of the common shares, as soon as reasonably practicable after the close of each calendar year, with tax information (including IRS Schedules K- 1), which describes their allocable share of gross ordinary income for Global Indemnity Group, LLC' s preceding taxable year. However, it may require longer than 90 days after the end of Global Indemnity Group, LLC' s calendar year to obtain the requisite information so that IRS Schedules K- 1 (and, if applicable, Schedules K- 2 and K- 3) may be prepared by Global Indemnity Group, LLC. Consequently, holders of Global Indemnity Group, LLC' s common shares who are U. S. taxpayers may need to file annually with the IRS (and certain states) a request for an extension past the April 15 or the otherwise applicable due date of their income tax return for the taxable year. In addition, holders of Global Indemnity Group, LLC' s common shares are required to report for all tax purposes consistently with the information provided by Global Indemnity Group, LLC for each taxable year. As a result, it is possible that a holder of Global Indemnity Group, LLC' s common shares will be required to file amended income tax returns as a result of adjustments to items on the corresponding income tax returns of the partnership. Any obligation for a holder of Global Indemnity Group, LLC' s common shares to file amended income tax returns for that or any other reason, including any costs incurred in the preparation or filing of such returns, are the responsibility of each such holder. Finally, because holders are required to report their allocable share of gross ordinary income, tax reporting for holders of Global Indemnity Group, LLC' s common shares is more complicated than for shareholders of a regular corporation. Holders of Global Indemnity Group, LLC' s common shares may be subject to an additional U. S. federal income tax on net investment income allocated to such holder by Global Indemnity Group, LLC and on gain on the sale of Global Indemnity Group, LLC' s common shares. Individuals, estates and trusts are currently subject to an additional 3. 8 % tax on " net investment income " (or undistributed " net investment income, " in the case of estates and trusts) for each taxable year, with such tax applying to the lesser of such income or the excess of such person' s adjusted gross income (with certain adjustments) over a specified amount. Net investment income includes net income from interest, dividends, annuities, royalties and rents and net gain attributable to the disposition of investment property. It is anticipated that net income and gain attributable to an investment in Global Indemnity Group, LLC will be included in a holder of Global Indemnity Group, LLC' s common share' s " net investment income " subject to this additional tax. The ability of Global Indemnity Group, LLC' s corporate subsidiaries to use their net operating loss carryforwards to offset their future taxable income may be subject to limitations. The ability of Global Indemnity Group, LLC' s corporate subsidiaries to use their federal net operating losses and built- in losses (" NOLs ") to offset potential future taxable income and related income taxes may be limited. The Internal Revenue Code imposes an annual limitation on the amount of taxable income that may be offset by loss carryforwards of a " loss corporation " if the corporation experiences an " ownership change " (generally, a cumulative change in ownership that exceeds 50 % of the value of a corporation' s stock over a rolling three- year period). Global Indemnity Group, LLC' s corporate subsidiaries may experience an ownership change as a result of issuances or other changes in ownership of Global Indemnity Group, LLC' s shares. In addition, certain anti- avoidance rules could result in the application of similar limitations on the ability of Global Indemnity Group, LLC' s corporate subsidiaries to use their NOLs. To the extent Global Indemnity Group, LLC' s corporate subsidiaries experience an ownership change or the above rules otherwise become applicable, the ability of Global Indemnity Group, LLC' s corporate subsidiaries to utilize their federal NOLs could be significantly limited, and similar limitations may apply at the state level. Risks Related to Employees The Company is dependent on its senior executives and the loss of any of these executives or the Company' s inability to attract and retain other key personnel could adversely affect its business. The Company' s success depends upon its ability to attract and retain qualified employees and upon the ability of senior management and other key employees to implement the Company' s business strategy. The Company believes there are a limited number of available, qualified executives in the business lines in which it competes. The success of the Company' s initiatives and future performance depend, in significant part, upon the continued service of the senior management team and transitions of senior management when new members come on and / or existing members leave. The future loss of any of the services of members of the Company' s senior management team or the inability to attract and retain other talented personnel could impede the further implementation of the Company' s business strategy, which could have a material adverse effect on its business. In addition, the Company does not currently maintain key man life insurance policies with respect to any of its employees. General Risk Factors If the Company is unable to maintain effective internal control over financial reporting, the Company' s business may be adversely affected, investors may lose confidence in the accuracy and completeness of the Company' s financial reports and the market price of Global Indemnity Group, LLC' s common stock could be adversely affected. The Company is required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. The Sarbanes- Oxley Act requires that the Company evaluate and determine the effectiveness of its internal control over financial reporting, provide a management report on internal control over financial reporting and requires that the Company' s internal control over financial reporting be attested to by its independent registered public accounting firm. The Company may discover material weaknesses in the future which may lead to its financial statements being materially misstated. As a result, the market price of Global Indemnity Group, LLC' s common stock could be adversely affected, and Global Indemnity Group, LLC could become subject to investigations by the stock exchange on which its securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. The cost of remediating a potential material weakness could materially adversely affect the Company' s business and financial condition. The Company' s operating results and shareholders' equity may be adversely affected by currency fluctuations. The Company' s functional currency is the U. S. dollar. The **Company** ~~Reinsurance Operations~~ conducts business with some customers in foreign currencies and several of the Company' s U. S. and non- U. S. subsidiaries maintain cash accounts in foreign currencies. At period- end, the Company re- measures non- U. S. currency financial assets to their current U. S. dollar equivalent. The resulting gain or loss on foreign denominated cash accounts is reflected in income during the period. Financial liabilities, if any, are generally adjusted within the reserving process. However, for known losses on claims to be paid in foreign currencies, the Company re- measures the liabilities to their current U. S. dollar equivalent each period end with the resulting gain or loss reflected in income during the period. Foreign exchange risk is reviewed as part of the Company' s risk management process. The Company may experience losses resulting from fluctuations in the values of non- U. S. currencies relative to the strength of the U. S. dollar, which could adversely impact the Company' s results of operations and financial condition.