

## Risk Factors Comparison 2025-03-04 to 2024-02-29 Form: 10-K

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

You should carefully consider the following risks, together with the cautionary statement under the caption “ Special Note Regarding Forward- Looking Statements ” above and the other information included in this Annual Report. The risks described below are not the only ones we face. Additional risks that are currently unknown to us or that we currently consider immaterial may also impair our business or materially adversely affect our financial condition or results of operations. If any of the following risks actually occurs, our business, financial condition or results of operation could be materially adversely affected.

**Summary Risks Related to Our Business and Industry**

- Reserving for losses is an inherently uncertain process, and our actual incurred losses may be greater than our loss and loss adjustment expense reserves, which could have a material adverse effect on our financial condition and results of operations.
- Our risk management is based on estimates and judgments that are subject to significant uncertainties.
- A decline in our financial strength rating may result in a reduction of new or renewal business.
- We may not be able to retain key management and employees or recruit other qualified personnel, and as a result we may not be able to grow our business and may also be materially adversely affected.
- Adverse economic factors could result in the sale of fewer policies than expected or an increase in frequency or severity of claims and premium defaults or both, which, in turn, could affect our growth and profitability.
- We distribute products through a select group of brokers and agents, several of which account for a significant portion of our business, and such relationships may not continue, or if they do continue, the relationship may not be on favorable terms to us.
- Brokers or agents that produce our business may not forward premiums to us that they collect from our policyholders, and as a result, we may not receive compensation for coverage set forth in the underlying policy.
- We rely on a select group of customers for a significant portion of our business, and the **continued** loss or termination of our relationship with any such customers, or a material reduction in their business, could materially adversely affect our rate of growth, results of operations and financial condition.
- We may be unable to obtain reinsurance coverage at reasonable prices or on terms that provide us adequate protection.
- We have primary liability on our insurance policies for losses, even if reinsurance counterparties or insurance companies with which we have a fronting arrangement fail to make any contractually obligated payments with respect to such loss, or if we do not receive indemnification payments pursuant to an arrangement we have with a former customer.
- If we are unable to underwrite risks accurately and charge and collect competitive yet profitable rates to our policyholders, our business, financial condition and results of operations will be materially adversely affected.
- The failure of any of the loss limitations or exclusions we employ, or changes in other claims or coverage issues, could result in higher than anticipated losses.
- The effect of emerging claim and coverage issues on our business is uncertain and may result in coverage of risks that we did not factor in our policy prices.
- Our investment portfolio is subject to significant market and credit risks, which could result in a material adverse impact on our financial condition or results of operations.
- We are subject to extensive regulation, and the cost of compliance with such regulation or new regulation, or the results of non-compliance, may materially adversely affect our ability to achieve our business objectives and additionally may materially adversely affect our financial condition and results of operations.
- We have exposure to losses arising from unpredictable natural disasters, terrorist acts, and other catastrophic events, the occurrence of which could result in an increase in the number or value of claims and could exceed the amount of reinsurance we purchased to protect us from such claims.
- **The effect of emerging claim and coverage..... condition and results of operations.**
- We, or agents we have appointed, may act based on inaccurate or incomplete information regarding the accounts we underwrite, ~~the result of which may be to~~ **misprice our policies**
- **misunderstand the level of risk we are insuring**.
- Agents may exceed their authority or commit fraud when binding policies on our behalf, ~~causing which may expose us to~~ **reputational harm** ~~make underwriting decisions on inadequate or inaccurate information.~~
- Our reinsurance business is subject to loss settlements made by ceding companies and fronting carriers over which we have no control that are binding upon us, which could materially **regulatory intervention or** adversely affect our ~~performance~~ **financial condition and results of operations**.
- We could be forced to sell investments to meet our liquidity requirements, causing us to incur losses on the investments.
- We may require additional capital in the future, which may not be available or available only on unfavorable terms.
- Our credit ~~agreements~~ **agreement** ~~contain~~ **contains** a number of financial and other covenants, the breach of which could result in acceleration of payment of amounts due under our credit ~~facilities~~ **facility**.
- **We operate in a highly competitive environment, and may not be able to continue to compete effectively with larger or more well- established rivals**.
- If we are unable to keep pace with the technological advancements in the insurance industry, our ability to compete effectively could be impaired.
- If actual renewals of our existing contracts do not meet expectations, our premiums written in future years and our future results of operations could be materially adversely affected.
- If California, ~~North Carolina~~, Ohio or any other state in which our insurance companies are admitted significantly increase the assessments our insurance companies are required to pay, our financial condition and results of operations will suffer.
- Our use of third- party claims administrators in certain lines of business may achieve less desirable results which could cause us to incur higher losses and loss adjustment expenses.

**Risks Related to Taxation**

- Changes in U. S. tax laws (including associated regulations) and the interpretation of certain provisions applicable to insurance ~~reinsurance~~ businesses with U. S. and non-U. S. operations, which may be retroactive, could have a significant impact on the Company and persons who own our shares.
- The Company, ~~JRG Re~~ and James River Group Holdings UK Limited (**“ James River UK ”**) may be **(and JRG Re, prior to its disposition, may have been)** subject to U. S. federal income taxation and our non- U. K. companies may be subject to U. K. taxation, which may have a material adverse effect on our operating results.
- Persons who own our shares may be subject to U. S. federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of shares; non-

corporate persons who own our shares may not qualify for the reduced tax rate for qualified dividend income on the dividends paid by us in the future, and tax- exempt organizations who own our shares may recognize unrelated business taxable income.

Risks Related to Ownership of Our Common Shares • **An adverse outcome of the disputes pertaining to the sale of JRG Re may have a material adverse effect on our financial position.** • Litigation and legal proceedings against us or our subsidiaries could have a material adverse effect on our business, financial condition and / or results of operations. ~~There is no guarantee that our evaluation of strategic alternatives will result in any particular outcome, and the perceived uncertainties related to the Company could adversely affect our business and our shareholders.~~ • The sale of JRG Re is subject to closing conditions and there can be no assurance that these conditions will be satisfied on the timeline we expect or at all, the sale of JRG may be terminated in certain circumstances, including the failure of the buyer to obtain required financing, and a portion of the consideration for the sale of JRG Re is a pre- closing dividend that is subject to the availability of unencumbered assets of JRG Re on the closing date. • The identification of material weaknesses or the failure to otherwise maintain effective internal controls may result in material misstatements in our financial reporting and / or cause us to fail to meet our periodic reporting obligations. • The amount **holder** of dividends that we may pay to our common shareholders is subject to restriction pursuant to the terms of **Series A Convertible Preferred Shares (the “ Series A Preferred Shares ”) holds 9.9 % of**, and we cannot assure you that we will declare or **our pay dividends on our aggregate voting power and may have significant influence over matters requiring shareholder approval, and additionally, any sales of a significant number of common shares in by the future holder may have an adverse affect on our share price**. • The conversion of the Series A Preferred Shares into common shares would dilute the ownership of common shareholders and may adversely affect the market price of our common shares. • **The amount of dividends that we may pay to our common shareholders is subject to restriction pursuant to the terms of the Series A Preferred Shares, and we cannot assure you that we will declare or pay dividends on our common shares in the future**. • Dividends paid by our U. S. subsidiaries to James River UK may not be eligible for benefits under the U. S.- U. K. income tax treaty, reducing the amount of funds that would be available for the payment of dividends. • Our bye- laws and provisions of Bermuda law may impede or discourage a change of control transaction, which could deprive our investors of the opportunity to receive a premium for their shares. • Bermuda law differs from the laws in effect in the United States and may afford less protection to holders of our shares. • There are regulatory limitations on the ownership and transfer of our common shares.

General Risk Factors • We rely on our systems and employees, and those of certain third- party vendors and service providers in conducting our operations, and certain failures, including internal or external fraud, operational errors, systems malfunctions, or cyber- security incidents, could materially adversely affect our operations. • Our operating results have in the past varied from quarter to quarter and may not be indicative of our long- term prospects. Our financial condition and results of operations depend upon our ability to assess accurately the potential losses and loss adjustment expenses under the terms of the insurance policies ~~or reinsurance contracts~~ we underwrite. Reserves do not represent an exact calculation of liability. Rather, reserves represent an estimate of what we expect the ultimate settlement and administration of claims will cost us, and our ultimate liability may be greater or less than current reserves. These estimates are based on our assessment of facts and circumstances then known, as well as estimates of future trends in claim severity, claim frequency, judicial theories of liability and other factors. These variables are affected by both internal and external events that could increase our exposure to losses, including changes in actuarial projections, claims handling procedures, inflation, climate change, economic and judicial trends, and legislative changes. **We believe that the insurance we write is subject to above- average variation in reserve estimates. The Excess and Surplus Lines market is subject to high policyholder turnover and changes in underlying mix of exposures. This turnover and change in underlying mix of exposures can cause actuarial estimates based on prior experience to be less reliable than estimates for more stable, admitted books of business.** We continually monitor reserves using new information on reported claims and a variety of statistical techniques. In the insurance ~~and reinsurance~~ industry, there is always the risk that reserves may prove inadequate, and actual results always differ from our reserve estimates. It is possible for insurance ~~and reinsurance~~ companies to underestimate the cost of claims. Our estimates could prove to be low, and this underestimation could have a material adverse effect on our financial strength. For example, in our ~~subsidiary~~ **JRG Re Excess and Surplus Lines segment**, we experienced adverse development on the reserves for losses and loss adjustment expenses of: \$ ~~35-76~~ **5-7** million for the calendar year ended December 31, ~~2023-2024~~ **;**, including a \$ ~~13-52~~ **4-2** million reserve charge upon execution of the E & S ADC (consideration paid in excess of initial reserves), and \$ ~~32.6~~ million for the calendar year ended December 31, ~~2023~~ **,** with adverse development in accident years 2020 and prior exceeding favorable development on accident years ~~2022~~ **and 2021**. We also previously experienced significant adverse development in our **commercial auto business in our Excess and Surplus Lines segment, including** \$ ~~137-200~~ **6-1** million for the calendar year ended December 31, 2021 primarily in underwriting years 2014 through 2018. In addition, for the commercial auto business in our ~~Excess and Surplus Lines in our former casualty reinsurance~~ segment, which we ~~disposed of~~ experienced adverse development on **April 16** the reserves for losses and loss adjustment expenses of: \$ ~~8.7~~ million for the calendar year ended December 31, ~~2023-2024~~ principally relating to 2021 and prior accident years; \$ ~~8.9~~ million for the calendar year ended December 31, 2022 principally relating to the 2020 and prior accident years; and \$ ~~200.1~~ million for the calendar year ended December 31, 2021 principally relating to the 2019 and prior accident years for Rasier and its affiliates. Our Core E & S business (excluding commercial auto) in the Excess and Surplus Lines segment experienced adverse development on the reserves for losses and loss adjustment expenses of \$ ~~23.9~~ million for the calendar year ended December 31, 2023 principally relating to the 2020 and prior accident years. We cannot assure you that we will not have further adverse development in our business. The uncertainties we encounter in establishing our reserves for losses and related expenses in connection with our insurance businesses include: • When we write “ occurrence ” policies, we are obligated to pay covered claims, up to the contractually agreed amount, for any covered loss that occurs while the policy is in force. Losses can emerge many years after a policy has lapsed. Accordingly, our first notice of a claim or group of claims may arise many years after a policy has lapsed.

Approximately 94-96% of our Excess and Surplus Lines net casualty loss reserves are associated with “ occurrence form ” policies at December 31, 2023-2024. • Even when a claim is received (irrespective of whether the policy is a “ claims made ” or “ occurrence ” basis form), it may take considerable time to fully appreciate the extent of the covered loss suffered by the insured and, consequently, estimates of loss associated with specific claims can increase over time. • New theories of liability are enforced retroactively from time to time by courts. See also “ The effect of emerging claim and coverage issues on our business is uncertain ” risk factor herein. • Volatility in the financial markets, economic events and other external factors may result in an increase in the number of claims and the severity of the claims reported. In addition, elevated inflationary conditions could, among other things, cause loss costs to increase. • If claims became more frequent, even if we had no liability for those claims, the cost of evaluating these potential claims could escalate beyond the amount of the reserves we have established. As we enter new lines of business, or as a result of new theories of claims, we may encounter an increase in claims frequency and greater claims handling costs than we had anticipated. • We occasionally enter new lines of insurance, and as a consequence, we sometimes have to make estimates of future losses for risk classes with which we do not have a great deal of loss experience. This lack of loss experience may contribute to making errors of judgment when establishing reserves. ~~In addition, reinsurance reserve estimates are typically subject to greater uncertainty than insurance reserve estimates, primarily due to reliance on the original underwriting decisions made by the ceding company. As a result, we are subject to the risk that our ceding companies may not have adequately evaluated the risks reinsured by us and the premiums ceded may not adequately compensate us for the risks we assume. Other factors resulting in additional uncertainty in establishing reinsurance reserves include: • The increased lapse of time from the occurrence of an event to the reporting of the claim and the ultimate resolution or settlement of the claim. • The diversity of development patterns among different types of reinsurance treaties. • The necessary reliance on the ceding company for information regarding claims.~~ If any of our insurance ~~or reinsurance~~ reserves should prove to be inadequate for the reasons discussed above, or for any other reason, we will be required to increase reserves, resulting in a reduction in our net income and shareholders’ equity in the period in which the deficiency is identified. Future loss experience substantially in excess of established reserves could also have a material adverse effect on future earnings and liquidity and financial rating, which could affect our ability to attract business, our cost of capital and our ability to retain or hire qualified personnel. Our approach to risk management relies on subjective variables that entail significant uncertainties. For example, we rely heavily on estimates of probable maximum losses for certain events that are generated by computer- run models. In addition, we rely on historical data and scenarios in managing credit and interest rate risks in our investment portfolio. These estimates, models, data and scenarios may not produce accurate predictions and consequently, we could incur losses both in the risks we underwrite and to the value of our investment portfolio. Small changes in assumptions, which depend heavily on our judgment and foresight, can have a significant impact on the modeled outputs. Although we believe that these probabilistic measures provide a meaningful indicator of the relative risk of certain events and changes to our business over time, these measures do not predict our actual exposure to, nor guarantee our successful management of, ~~risks future losses~~ that could have a material adverse effect on our financial condition and results of operations. Companies, insurers and reinsurance brokers use ratings from independent ratings agencies as an important means of assessing the financial strength and quality of insurers and reinsurers. A. M. Best has assigned a financial strength rating of “ A- ” (Excellent), which is the fourth highest of 13 ratings that A. M. Best issues, to each of James River Insurance, James River Casualty, Falls Lake Fire and Casualty, Falls Lake National and Stonewood Insurance. On December 20, 2023, A. M. Best announced that it revised the outlook on our financial strength rating from stable to negative on such entities. Also, on December 20, 2023, A. M. Best announced that it downgraded the financial strength rating of JRG Re ~~, our former reinsurance subsidiary,~~ from “ A- ” (Excellent) with a stable outlook to ~~“ B ”~~ (good) with a negative outlook. A. M. Best announced that the ratings actions ~~follow~~ **followed** our announcements in November 2023 that we identified a material weakness in our internal control over financial reporting, that we entered into an agreement to sell JRG Re **(which was completed on April 16, 2024)**, and that we ~~are were~~ exploring strategic alternatives for the Company **(which have since been completed as announced on November 11, 2024)**. **On January 30, 2025,** A. M. Best indicated that the ~~affirmed our “ A- ” (Excellent) financial strength rating. The~~ negative outlook **remained with a focus** reflects the uncertainty that the actions will have on **2025 plan** our organization, and reflects the execution risk associated with some of these initiatives. A. M. Best further announced that the ratings actions on JRG Re was based upon A. M. Best’s view that JRG Re is less integral to our strategic, operational and financial objectives, as a result of our determination to suspend underwriting in our former casualty reinsurance segment, and our agreement to sell JRG Re at 75% of the book value, valued at September 30, 2023. A. M. Best assigns ratings that are intended to provide an independent opinion of an insurance ~~or reinsurance~~ company’s ability to meet its obligations to policyholders and such ratings are not an evaluation directed to investors. A. M. Best periodically reviews our rating and may revise it downward or revoke it at its sole discretion based primarily on its analysis of our balance sheet strength (including capital adequacy and loss and loss adjustment expense reserve adequacy), operating performance and business profile. Factors that could affect such an analysis include but are not limited to: • if we change our business practices from our organizational business plan in a manner that no longer supports our A. M. Best’s rating; • if unfavorable financial, regulatory or market trends affect us, including excess market capacity; • if our losses exceed our loss reserves; • if we have unresolved issues with government regulators; • if we are unable to retain our senior management or other key personnel; • if our investment portfolio incurs significant losses; • if A. M. Best alters its capital adequacy assessment methodology in a manner that would adversely affect our rating; or • if A. M. Best reduces its assessment of our enterprise risk management. These and other factors could result in a downgrade of our rating. A downgrade of our rating could cause our current and future brokers and agents, retail brokers and insureds to choose other, more highly- rated competitors. A downgrade of this rating could also increase the cost or reduce the availability of reinsurance to us, ~~increase collateral required for our assumed reinsurance business,~~ trigger termination of ~~assumed and / or ceded~~ reinsurance contracts, trigger termination rights in certain of our agreements with MGAs in our Specialty Admitted segment, or ~~, as occurred upon the downgrade by A. M. Best of JRG Re~~

described above, result in a default under our credit facilities **facility**. See the Risk Factor “ Our credit agreements **agreement** contain **contains a number of** financial and other covenants, the breach of any of which could result in acceleration of payment of amounts due under our credit facilities **facility**. ” In addition, in view of the earnings and capital pressures experienced by many financial institutions, including insurance companies, it is possible that rating organizations will heighten the level of scrutiny that they apply to such institutions, will increase the frequency and scope of their credit reviews, will request additional information from the companies that they rate and may increase the capital and other requirements employed in the rating organizations’ models for maintenance of certain ratings levels. It is possible that such reviews of us may result in adverse ratings consequences, which could have a material adverse effect on our financial condition and results of operations. A downgrade below “ A- ” or withdrawal of any rating could severely limit or prevent us from writing new and renewal insurance contracts **or entering into new programs in our Specialty Admitted segment**. See also “ Item 7. Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Ratings. ” If we are unable to retain key management and employees or recruit other qualified personnel, we may be materially adversely affected. We believe that our future success depends, in large part, on our ability to retain our experienced management team and key employees and on our ability to recruit additional qualified employees to support our growth. For instance, our specialty insurance operations require the services of a number of highly experienced employees, including underwriters, to source quality business and analyze and manage our risk exposure. There can be no assurance that we can attract and retain the necessary employees to conduct our business activities on a timely basis or at all. Our competitors may offer more favorable compensation and / or permanent remote work arrangements to our key management or employees to incentivize them to leave our Company, or alternatively, to make it more difficult for us to recruit and hire new employees. Further, ~~the transition to~~ remote work by employees has allowed competitors that are located in different states or parts of the country to solicit our employees without requiring their relocation. Although we have employment agreements with most members of our senior management team, which include certain post- employment restrictions on engaging in businesses competitive with the Company, we do not have employment agreements with our senior underwriters or claims personnel. ~~The November 2023 announcement that we are evaluating strategic alternatives caused uncertainty among our employees regarding our future operations or employment needs, which may limit our ability to retain or hire qualified personnel, and may contribute to the unplanned loss of highly skilled employees through attrition.~~ Our inability to attract and retain qualified personnel and the loss of services of key personnel could have a material adverse effect on our financial condition and results of operations. Adverse economic factors, including recession, inflation, periods of high unemployment or lower economic activity could result in the sale of fewer policies than expected or an increase in frequency or severity of claims and premium defaults or both, which, in turn, could affect our growth and profitability. Factors such as business revenue, economic conditions, the volatility and strength of the capital markets, inflation and pandemics can all affect the business and economic environment. These same factors affect our ability to generate revenue and profits. In an economic downturn that is characterized by higher unemployment, declining spending and reduced corporate revenues, the demand for insurance products is adversely affected, which directly affects our premium levels and profitability. Negative economic factors may also affect our ability to receive the appropriate rate for the risk we insure with our policyholders and may adversely affect the number of policies we can write, including with respect to our opportunities to underwrite profitable business. In an economic downturn, our customers may have less need for insurance coverage, cancel existing insurance policies, modify their coverage, self- insure their risks, or not renew with us. Existing policyholders may exaggerate or even falsify claims to obtain higher claims payments, or not pay premiums on our policies when due. These outcomes would reduce our underwriting profit to the extent these factors are not reflected in the rates we charge. We underwrite a significant portion of our insurance in (i) the Excess and Surplus Lines segment in Florida, California, Texas and New York, and (ii) the fronting and program business of the Specialty Admitted Insurance segment in **Texas**, California, ~~Texas~~, North Carolina, Florida, and **Illinois** ~~New York~~. Any economic downturn or reduced business activities in any such state, or other states where we conduct business, could have a material adverse effect on our financial condition and results of operations. Higher than expected inflation could adversely affect the adequacy of our reserves by increasing average loss costs over time, negatively impact the values of our investments and our investment returns, and may increase our compensation expenses. **Recent actions by the federal government, including without limitation with respect to international trade regulation, including tariffs, could lead to higher inflation.** We distribute products through a select group of brokers and agents, several of which account for a significant portion of our business, and such relationships may not continue, or if they do continue, the relationship may not be on favorable terms to us. In addition, reliance on brokers and agents subjects us to their credit risk. We distribute our products through a select group of brokers and agents. In **2023-2024**: • the Excess and Surplus Lines segment conducted business with three brokers that produced an aggregate of \$ **716-724**. **3-7** million in gross written premiums, or **71.1-3**% of that segment’ s gross written premiums for the year; and • the Specialty Admitted Insurance segment conducted business with two agencies that produced \$ **259-239**. **6-5** million in gross written premiums, representing **51-57**. **8-7**% of that segment’ s gross written premiums for the year. The relationship with any of these brokers or agents may not continue. Even if the relationships do continue, they may not be on terms that are profitable for us. The termination of a relationship with one or more significant brokers or agents could result in lower direct written premiums and could have a material adverse effect on our results of operations or business prospects. There is a continuing trend toward consolidation among retail and wholesale brokers and agents. As brokers and agents consolidate and competition among them declines, they may seek and receive higher commissions. Increases in commission expense could reduce our underwriting profit. Certain premiums from policyholders, where the business is produced by brokers or agents, are collected directly by the brokers or agents and forwarded to our insurance subsidiaries. In **certain most** jurisdictions, when the insured pays its policy premium to brokers or agents for payment on behalf of our insurance subsidiaries, the premiums **might will** be considered to have been paid under applicable insurance laws and regulations. Accordingly, the insured would no longer be liable to us for those amounts, whether or not we have actually received the premiums from that broker or agent.

Consequently, we assume a degree of credit risk associated with brokers and agents. Where necessary, we review the financial condition of potential new brokers and agents before we agree to transact business with them. Although failures by brokers and agents to remit premiums have not been material to date, there may be instances where brokers and agents collect premiums but do not remit them to us and we may be required under applicable law to provide the coverage set forth in the policy despite the absence of premiums. Because the possibility of these events depends in large part upon the financial condition and internal operations of our brokers and agents (which in most cases is not public information), we are not able to quantify the exposure presented by this risk. If we are unable to collect premiums from brokers and agents in the future, underwriting profits may decline and our financial condition and results of operations could be materially adversely affected. ~~We rely on a select group of customers for a significant portion of our business, and the loss or termination of our relationship with any of these customers, or a material reduction in business with any of these customers, could materially adversely affect our rate of growth, results of operations and financial condition.~~ Our largest customer, an agent for the Specialty Admitted Insurance segment, accounted for approximately \$ ~~163-175~~, **17** million (~~10-12~~, **8-3** %) of our consolidated gross written premium from continuing operations in **2024**. **This same agent was our largest customer in 2023, accounting for approximately \$ 163.1 million (10.8 %) of our consolidated gross written premium from continuing operations in 2023.** No other ~~insured customer~~ generated 10.0 % or more of consolidated gross written premiums from continuing operations ~~in 2024 for~~ ~~or in 2023~~. **As of December 31, 2024, this agent had given notice of its decision to non-renew or terminate its remaining programs with the Specialty Admitted Insurance segment, with the last program scheduled to end in mid-2025.** Our two largest customers in 2022, both agents for the Specialty Admitted Insurance segment, accounted for approximately \$ 120.9 million (8.6 %) and \$ 110.9 million (7.9 %) of our consolidated gross written premium from continuing operations in 2022. No ~~insured customer~~ generated 10.0 % or more of consolidated gross written premiums from continuing operations for 2022. ~~Our largest customer in 2021, an agent for the Specialty Admitted Insurance segment, accounted for approximately \$ 124.1 million of our gross written premium, representing 9.4 % of our consolidated gross written premium from continuing operations in 2021. No insured generated 10.0 % or more of consolidated gross written premiums from continuing operations for 2021.~~ The **continued** loss or termination of our relationship with ~~these our~~ ~~customers~~, ~~or another significant customer~~, or a material reduction in business with any such party, could materially adversely affect our rate of growth, results of operations and financial condition. We purchase reinsurance in many of our lines of business to help manage our exposure to insurance and reinsurance risks that we underwrite and to reduce volatility in our results. ~~In addition, JRG Re has managed its risk through retrocession arrangements with third-party reinsurers. A retrocession is a practice whereby a reinsurer cedes risk to one or more other reinsurers.~~ The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and available capacity, each of which can affect our business volume and profitability. The availability of reasonably affordable reinsurance is a critical element of our business plan. One important way we utilize reinsurance is to reduce volatility in claims payments by limiting our exposure to losses from large risks. Another way we use reinsurance is to purchase substantial protection against concentrated losses when we enter new markets. In addition, the ability to obtain reinsurance is critical to our ~~objective to grow our~~ fee-based fronting business. As a result, our ability to manage volatility and avoid significant losses, expand into new markets, grow by offering insurance to new kinds of enterprises, or grow our fronting business may be limited by the unavailability of reasonably priced reinsurance. We may not be able to obtain reinsurance on acceptable terms or from entities with satisfactory creditworthiness. In such event, if we are unwilling to accept the terms or credit risk of potential reinsurers, we would have to reduce the level of our underwriting commitments, which would reduce our revenues. Reinsurance capacity has become more restricted making reinsurance placements more challenging ~~during 2021, 2022 and 2023 than in prior~~ **recent** years. Many reinsurance companies have begun to exclude certain coverages from, or alter terms in, the reinsurance contracts we enter into with them. Some exclusions relate to risks that we cannot in turn exclude from the policies we write due to business or regulatory constraints. In addition, reinsurers are imposing terms, such as lower per occurrence and aggregate limits, and more exclusions, limiting the protection provided under the reinsurance contract. As a result, we, like other direct insurance companies, write insurance policies which to some extent do not have the benefit of reinsurance protection. These gaps in reinsurance protection expose us to greater risk and greater potential losses. For example, certain reinsurers have excluded coverage for terrorist acts or priced such coverage at unreasonably high rates. Many direct insurers, including us, have written policies without terrorist act exclusions and in many cases we cannot exclude terrorist acts because of regulatory constraints. We may, therefore, be exposed to potential losses as a result of terrorist acts. See also “Item 1. Business — ~~Business Segments~~ — Purchase of Reinsurance.” We are subject to credit risk with regard to our reinsurance counterparties, insurance companies with which we have a fronting arrangement and an indemnification arrangement we have with a former customer. Although reinsurance makes the assuming reinsurer liable to us to the extent of the risk ceded, we are not relieved of our primary liability to our insureds as the direct insurer. At December 31, **2023-2024**, reinsurance recoverables on unpaid losses from our three largest reinsurers was \$ ~~606-980~~, **36** million in the aggregate and represented ~~44-49~~, **6-1** % of the total balance. Additionally, prepaid reinsurance premiums ceded to three reinsurers at December 31, **2023-2024** was \$ ~~100-108~~, **2-5** million in the aggregate, or ~~34-36~~, **2-6** % of the total balance of prepaid reinsurance premiums. In addition to reinsurance purchased to manage our **ongoing prospective** business, we have ~~two-three~~ retroactive reinsurance arrangements on a legacy books of business **in the Excess & Surplus Lines segment**: the first, a loss portfolio transfer reinsurance transaction on our legacy commercial auto lines business **in our Excess & Surplus Lines segment** (the “Commercial Auto LPT”); **and the second, a combined loss portfolio transfer retrocession agreement and adverse development cover reinsurance contract** entered into by JRG Re **in July 2024** on February 23, **our Excess & Surplus Lines segment casualty portfolio losses attaching to premium earned 2010-2022-2023, excluding, among others, losses related to commercial auto policies issued to a former large insured or its affiliates** (the “Casualty-casualty Re LPT” subject business”) (the “E & S ADC”); **and the third, an adverse development cover reinsurance contract entered into in November 2024 also covering the casualty subject business** (the “E & S Top Up ADC”). At December 31, 2023

2024, reinsurance recoverables on the Commercial Auto LPT were \$ 84.36 . 5-6 million (including \$ 78.1 million of unpaid recoverables and \$ 6.4 million of paid recoverables), and reinsurance recoverables on the Casualty Re-LPT E & S ADC were \$ 221.362 . 7-0 million . **There were no reinsurance recoverables on the E & S Top Up ADC at December 31, 2024** . At December 31, ~~2023-2024~~ , all of our material reinsurance recoverable amounts are from companies with A. M. Best ratings of “ A- ” (Excellent) or better , **or, if not rated by A. M. Best, have statutory surplus of \$ 100 million or more** , are collateralized by the reinsurer for our benefit through letters of credit or funds held in trust accounts, or represent recoverables from a state residual market for automobile insurance, but we cannot be sure that our reinsurers will pay all reinsurance claims on a timely basis or at all. Similarly, in our fronting business, which we conduct through our Specialty Admitted Insurance segment, we are primarily liable to the insureds because we have issued the policies. While we customarily require a collateral trust arrangement to secure the obligations of the insurance entity for which we are fronting, we do not obtain collateral in every instance. See also “ Item 1. Business — Business Segments — Specialty Admitted Insurance Segment — Fronting & Program Business. ” Reinsurers or fronting partners may default in their financial obligations to us as the result of insolvency, lack of liquidity, operational failure, fraud, asserted defenses based on agreement wordings or the principle of utmost good faith, asserted deficiencies in the documentation of agreements or for other reasons. The failure of a reinsurer or fronting partner to pay us does not lessen our contractual obligations to insureds. If a reinsurer or fronting partner fails to pay the expected portion of a claim or claims, our net losses might increase substantially and materially adversely affect our financial condition. Any disputes regarding reinsurance contracts, indemnification arrangements and related agreements could be time- consuming, costly and uncertain of success. Downgrades to the credit ratings of our reinsurance counterparties may result in the reduction of rating agency capital credit provided by those reinsurance contracts and could, therefore, result in a downgrade of our own credit ratings. In addition, under the reinsurance regulations, in many states where our U. S. insurance subsidiaries are domiciled, certain reinsurers are required to collateralize their obligations to us and to the extent they do not do so, our ability for regulators to recognize this reinsurance will be impaired. We evaluate each reinsurance claim based on the facts of the case, historical experience with the reinsurer on similar claims and existing case law and include any amounts deemed uncollectible from the reinsurer in our allowance for credit losses on reinsurance balances. See also “ Item 1. Business — ~~Business Segments —~~ Purchase of Reinsurance. ” We are exposed to credit risk relating to a set of insurance contracts previously issued to Rasier, under which the Company pays losses and loss adjustment expenses on the contracts. Rasier is contractually obligated to reimburse us for the losses and loss adjustment expenses paid on their behalf pursuant to indemnification agreements with it. This reimbursement obligation is supported by collateral posted for our benefit in a trust account from time to time. If Rasier fails to reimburse us, and the collateral posted for our benefit to support their reimbursement obligations is insufficient, our financial condition and results of operations could be materially adversely affected. See also “ Item 1. Business — ~~Business Segments —~~ Purchase of Reinsurance — Amounts Recoverable from an Indemnifying Party **and Reinsurer on Legacy Commercial Auto Book** . ” In situations where we manage our credit exposure to reinsurers or fronting partners with a collateral arrangement, which includes our Commercial Auto LPT and indemnification arrangements on the Rasier policies, it is possible that the collateral could be insufficient to cover all claims, either as a result of a decline in the value of the collateral, an increase in the obligations being collateralized, a failure of management to monitor the adequacy of the collateral held, or the refusal of the counterparty to post additional collateral. In that event, we would be contractually entitled to recovery from our reinsurer or the entity for which we are fronting, but, for a variety of reasons, the other party could default in its obligations. In general, the premiums for our insurance policies are established at the time a policy is issued and, therefore, before all of our underlying costs are known. Like other insurance companies, we rely on estimates and assumptions in setting our premium rates. Establishing adequate premium rates is necessary, together with investment income, to generate sufficient revenue to offset losses, loss adjustment expenses and other underwriting costs and to earn a profit. If we do not accurately assess the risks that we assume, we may not charge adequate premiums to cover our losses and expenses, which would materially adversely affect our results of operations and our profitability. Alternatively, we could set our premiums too high, which could reduce our competitiveness and lead to lower revenues. Pricing involves the acquisition and analysis of historical loss data and the projection of future trends, loss costs and expenses, and inflation trends, among other factors, for each of our products in multiple risk tiers and many different markets. In order to accurately price our policies, we: • collect and properly analyze a substantial volume of data from our insureds; • develop, test and apply appropriate actuarial projections and rating formulas; • closely monitor and timely recognize changes in trends; and • project both frequency and severity of our insureds’ losses with reasonable accuracy. We seek to implement our pricing accurately in accordance with our assumptions. Our ability to undertake these efforts successfully and, as a result, accurately price our policies, is subject to a number of risks and uncertainties, including: • insufficient or unreliable data; • incorrect or incomplete analysis of available data; • uncertainties generally inherent in estimates and assumptions; • our failure to implement appropriate actuarial projections and rating formulas or other pricing methodologies; • regulatory constraints on rate increases; • our failure to accurately estimate investment yields and the duration of our liability for loss and loss adjustment expenses; and • unanticipated court decisions, legislation or regulatory action. In addition to charging profitable rates on the insurance policies we issue, we also must be able to collect the premiums, deductibles, and self- insured retentions that our insureds agreed to pay at the inception of their policies. The inability or refusal of our insureds to pay the amounts owed by them pursuant to their policies undermines our goal of underwriting risk accurately and charging competitive yet profitable rates, and could adversely affect our results of operations and our profitability. The failure of any of the loss limitations or exclusions we employ, or changes in other claims or coverage issues, could have a material adverse effect on our financial condition or results of operations. Although we seek to mitigate our 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 our exposure to unforecasted or unpredictable events and, to the extent that losses from such risks occur, our financial condition and results of operations could be materially

adversely affected. For instance, various provisions of our policies, such as limitations or exclusions from coverage or choice of forum, which have been negotiated to limit our risks, may not be enforceable in the manner we intend. At the present time, we employ a variety of endorsements to our policies that limit exposure to known risks. In addition, we design our Excess and Surplus Lines segment's policy terms to manage our 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 we issue also include conditions requiring the prompt reporting of claims to us and entitle us to decline coverage in the event of a violation of that condition. Also, many of our 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 our policyholders. While these exclusions and limitations help us assess and reduce our 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 our financial condition or results of operations. In some instances, these changes may not become apparent until sometime after we have issued insurance policies that are affected by the changes. As a result, the full extent of liability under our insurance contracts may not be known for many years after a contract is issued. We have exposure to losses arising from unpredictable natural disasters, terrorist acts, and other catastrophic events. Claims from these events could reduce our earnings and cause volatility in our results of operations. We have exposure to losses arising from unpredictable natural disasters, terrorist acts, and other catastrophic events. These events can cause losses in a variety of our property- casualty lines and generally result in an increase in the number of claims filed as well as the amount of compensation sought by claimants. The incidence and severity of natural disasters, terrorist acts, and other catastrophic events are inherently unpredictable. The extent of losses from catastrophes is a function of the frequency of loss events, the total amount of insured exposure in the area affected by each event and the severity of the events. Claims from catastrophic events could exceed our amount of reinsurance purchased to protect us from such events, cause us to pay reinstatement premiums, reduce our earnings and cash flows, cause volatility in our results of operations and cash flows for any fiscal period or materially impact our financial condition. For example, for the third quarter ending September 30, 2022, we incurred \$ 5. 0 million in net catastrophe losses related to Hurricane Ian. A large- scale pandemic, the continued threat or occurrence of terrorism, within the United States and abroad, or military and other actions, and heightened security measures in response to these types of threats may cause significant volatility and losses in our investment portfolio from declines in the equity markets and from interest rate changes in the United States, Europe and elsewhere, and result in loss of life, property damage, disruptions to commerce and reduced economic activity. Some of our assets in our investment portfolio may be adversely affected by declines in the equity markets and reduced economic activity caused by a large- scale pandemic or the continued threat of terrorism. Additionally, a large- scale pandemic or terrorist act could have a material effect on sales, profitability, competitiveness, marketability of product offerings, liquidity and operating results. For example, the COVID- 19 pandemic presented, and other future pandemics could present, inflation, supply chain disruptions, labor shortages, backlogs in the court system, responsive regulatory actions and mandates, financial market disruptions, and economic downturn, among other things. The effect of emerging claim and coverage issues on our business is uncertain. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may materially adversely affect our business by either broadening coverage beyond our underwriting intent or by increasing the number or size of claims. In some instances, these changes may not become apparent until sometime after we have issued insurance or reinsurance contracts that are affected by the changes. As a result, the full extent of liability under our insurance or reinsurance contracts may not be known for many years after a contract is issued. **Four examples of unanticipated risks that affected these insurance industry claims and coverage issues include, but are not limited to:**

- **Asbestos- Judicial or Legislative Expansion of Coverage Terms or Theories of Liability — Evolving regulations, potential new legislation and emerging expanded theories of liability can adversely impact applied to manufacturers of products and contractors who installed those — the products; application of policy terms, coverage requirements, potential liability, and claims handling processes.**
- **Economic and Political Factors, Social Inflation and Litigation Trends — Economic conditions, Apportionment of liability for settlement assigned to subcontractors who may have been involved in mundane tasks (such as installing sheetrock inflation, interest rate fluctuations, and market volatility and changes in the stability of the political environment can influence claim frequency and severity. For example, evolving legal interpretation and a home- rise in large jury awards can extend coverage beyond our initial underwriting intent, resulting in increased claim costs. Similarly, general economic inflation can increase medical, repair and replacement costs, leading to higher claim payouts.**
- **Technological Advancements Leading to Changes in Insured's Business Model — The rapid adoption of technology has caused the continued evolution of business models and fundamental changes in consumer and human behavior leading to unintended and unanticipated expansions in exposure. One such recent example of this phenomenon is claims arising out of the use of personal property in commercial transactions related to the so- called" sharing economy."**
- **Advancements in Bioengineering, Life and Food Sciences — The continued rapid advancement in bioengineering, life, food and other sciences may lead to the ingestion of and / or implantation of new compounds into the human body resulting in long- term unintended consequences. Previous and current examples of such exposures include asbestos, benzene, Diethylstilbestrol (DES) ;**

• **Court decisions, such as the 1995 Montrose decision in California implantable medical devices (e. g., metal- on- metal hips) that read policy exclusions narrowly so as to expand coverage, Nanotechnology thereby requiring insurers to create and write new exclusions; and**

- **Social inflation trends, including higher Bisphenol A (BPA) and Per- more frequent claims, more favorable judgments and legislated increases Polyfluoroalkyl Substances (PFAS).**

In addition, the passage of new legislation designed to expand the right to sue, to remove limitations on recovery, to deem by statute the existence of a covered occurrence, to extend or eliminate the statutes

of limitations or otherwise to repeal or weaken tort reforms could have a material and adverse effect on our results of operations and / or financial position. Our results of operations depend, in part, on the performance of our investment portfolio. We seek to hold a diversified portfolio of investments that is managed by professional investment advisory management firms in accordance with our investment policy and periodically reviewed by our Investment Committee. However, our investments are subject to general economic conditions and market risks as well as risks inherent to particular securities. Our primary market risk exposures are to changes in interest rates and equity prices. See also “Item 7A. Quantitative and Qualitative Disclosures About Market Risk.” **A decline in interest rates reduces the return available on short- term investments and new fixed maturity investments (including those purchased for re- investment), thereby negatively impacting our net investment income on a going forward basis, while rising interest rates reduce the market value of existing fixed maturity investments, thereby negatively impacting our book value.** Prior to 2022, interest rates had been at or near historic lows, limiting yields on fixed income investments and negatively impacting investment income. Increases in interest rates ~~during~~ **since** 2022 ~~and for much of 2023~~, while generating higher investment yields, led to declines in the fair values of our fixed income securities, influenced by the duration of our fixed income investments and the extent of interest rate increases. For example, for the year ended December 31, 2022, we experienced unrealized losses on fixed maturity investments of \$ 193. 0 million, which were recognized in other comprehensive loss. During 2023, the fair values of our fixed maturity securities recovered some of the unrealized losses with signs of inflation easing and optimism about future Federal Reserve interest rate cuts. ~~The Unrealized gains of \$ 99. 3 million reduction were recognized in accumulated other comprehensive loss in income for~~ **the year ended December 31, 2023. In 2024, interest rates rose moderately and** reflects the increase in fair values of our fixed maturity securities as well as ~~\$ 53-6. 2 3 million of unrealized losses were recognized on JRG Re's fixed maturities. The Company entered into a definitive agreement on November 8, 2023 to sell JRG Re. The sale is expected to close in the other first quarter of comprehensive loss for the year ended December 31, 2024 and the Company no longer has the intent or ability to hold securities in an unrealized loss position until a recovery of their fair value could occur.~~ Some fixed income securities have call or prepayment options, which represent possible reinvestment risk in declining rate environments. Other fixed income securities such as mortgage- backed and asset-backed securities carry prepayment risk or, in a rising interest rate environment, may not pre- pay as quickly as expected. In addition, individual securities in our fixed income securities portfolio are subject to credit risk and default. Downgrades in the credit ratings of fixed maturities can have a significant negative effect on the market valuation of such securities. In the event of a financial crisis **, return to a high inflationary environment,** or severe downturn in public debt and equity markets, we could incur substantial realized and unrealized investment losses in future periods, which could have a material adverse impact on our financial condition, results of operations, debt and financial strength ratings, insurance subsidiaries’ capital liquidity and ability to access capital markets. The value of our investment portfolio is subject to the risk that certain investments may default or become impaired due to deterioration in the financial condition of one or more issuers of the securities held, or due to deterioration in the financial condition of an insurer that guarantees an issuer’ s payments of such investments. Such defaults and impairments could reduce our net investment income and result in realized investment losses. We hold investments in bank loans (7. 9-4 % of the carrying value of our cash and invested assets (excluding restricted cash equivalents) as of December 31, ~~2023-2024~~ . Most of these loans are issued to sub- investment grade borrowers. While this class of investment has been profitable for us, a severe downturn in the markets could materially adversely affect the value of these investments, including the possibility that we would suffer substantial losses on this portfolio. As of December 31, ~~2023-2024~~ , the fair value of our investments in bank loans was \$ ~~156-142. 2-4~~ million. As of December 31, ~~2023-2024~~ , we held equity investments of \$ ~~8-7. 4 7~~ million in non- public limited liability companies that have invested in renewable energy investments. We invested in the equity of these projects because we anticipate earning attractive risk- adjusted returns from these investments. However, our investments in these projects are illiquid and the ultimate results from these investments may be unknown for some time. We also invest in marketable equity securities. These securities are carried on the balance sheet at fair market value and are subject to potential losses and declines in market value. Our invested assets also include interests in limited partnerships and privately held debt investments totaling \$ ~~24-29. 8-0~~ million at December 31, ~~2023-2024~~ . These investments were designed to provide diversification of risk and enhance the return on the overall portfolio. However, these investments entail substantial risks and are generally illiquid. Our investment portfolio is subject to increased valuation uncertainties when investment markets are illiquid. The valuation of investments is more subjective when markets are illiquid, thereby increasing the risk that the estimated fair value (i. e., the carrying amount) does not reflect prices at which actual transactions would occur. Risks for all types of securities are managed through application of our investment policy, which establishes investment parameters that include (but are not limited to) maximum percentages of investment in certain types of securities and minimum levels of credit quality, which we believe are within guidelines established by the NAIC ~~, BMA~~ and various state insurance departments, as applicable. Although we seek to preserve our capital, we cannot be certain that our investment objectives will be achieved, and results may vary substantially over time. In addition, although we seek to employ investment strategies that are not correlated with our insurance and reinsurance exposures, losses in our investment portfolio may occur at the same time as underwriting losses and, therefore, exacerbate the adverse effect of the losses on us. We may become subject to additional government or market regulation which may have a material adverse impact on our business. Market disruptions like those experienced during the credit- driven financial market collapse in 2008, as well as the **significant amount of dramatic increase in the** capital allocated to alternative asset management ~~during recent years~~, have led to increased governmental as well as self- regulatory scrutiny of the insurance industry in general. In addition, certain legislation proposing greater regulation of the industry is periodically considered by governing bodies of some jurisdictions as well as the U. S. federal government. The credit- driven **equity financial** market collapse in 2008 or other significant market disruptions may increase the likelihood that some increased regulation of the industry is mandated. Because we are a Bermuda company, we are subject to changes in Bermuda law and regulation that may have a material adverse impact on our operations, including through the imposition of tax liability or

increased regulatory supervision. In addition, we will be exposed to any changes in the political environment in Bermuda. Our business could be materially adversely affected by changes in state laws, including those relating to asset and reserve valuation requirements, surplus requirements, limitations on investments and dividends, enterprise risk and risk-based capital requirements and, at the federal level, by laws and regulations that may affect certain aspects of the insurance industry, including proposals for preemptive federal regulation. The U. S. federal government generally has not directly regulated the insurance industry except for certain areas of the market, such as insurance for flood, nuclear and terrorism risks. However, the U. S. federal government has undertaken initiatives or considered legislation in several areas that may affect the insurance industry, including tort reform, corporate governance and the taxation of reinsurance companies. The Dodd- Frank Act also established the Federal Insurance Office, which is authorized to study, monitor and report to Congress on the insurance industry and to recommend that the FSOC designate an insurer as an entity posing risks to U. S. financial stability in the event of the insurer's material financial distress or failure. In December 2013, the Federal Insurance Office issued a report on alternatives to modernize and improve the system of insurance regulation in the United States, including increasing national uniformity through either a federal charter or effective action by the states. Any additional regulations established as a result of the Dodd- Frank Act or actions in response to the Federal Insurance Office Report could increase our costs of compliance or lead to disciplinary action. In addition, legislation has been introduced from time to time that, if enacted, could result in the U. S. federal government assuming a more direct role in the regulation of the insurance industry, including federal licensing in addition to or in lieu of state licensing and reinsurance for natural catastrophes. We are unable to predict whether any legislation will be enacted or any regulations will be adopted, or the effect that any such developments could have on our business, financial condition or results of operations.

~~The Bermuda insurance and reinsurance regulatory framework has become subject to increased scrutiny in many jurisdictions. The BMA sought "regulatory equivalency" which enables Bermuda's commercial insurers to transact business with the European Union on a "level playing field". In connection with its initial efforts to achieve equivalency under Solvency II, the BMA implemented and imposed additional requirements on the companies it regulates, such as JRG Re. On November 26, 2015, via delegated act, the European Commission granted Bermuda's commercial insurers full equivalence in all areas of Solvency II for an indefinite period of time. The European Commission's act was reviewed and approved by the European Parliament and Council. On March 4, 2016, the delegated act was published in the official journal of the European Union. The grant of full equivalence came into force on March 24, 2016 and applies from January 1, 2016.~~

Additionally, the regulatory environment surrounding information security and privacy is increasingly demanding. We are subject to numerous U. S. federal and state laws governing the protection of personal and confidential information of our clients and employees, and new privacy laws have been adopted or are being considered at the state and federal level that may be applicable to us. The NAIC adopted an Insurance Data Security Model Law on October 24, 2017, which requires licensed insurance entities to comply with detailed information security requirements. **Most** ~~To date, the following~~ states have either adopted the NAIC Insurance Data Security Model Law or similar laws that govern the cybersecurity and data protection practices of insurers, insurance agents, and other licensed entities registered under state insurance laws: ~~Alabama, California, Connecticut, Delaware, Indiana, Iowa, Louisiana, Maine, Michigan, Minnesota, Mississippi, New Hampshire, New York, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia and Wisconsin~~. It is not yet known whether, and to what extent, ~~other~~ **additional** state legislatures or insurance regulators where we operate will enact the NAIC Insurance Data Security Model Law in whole or in part, or in a modified form. Such enactments, especially if inconsistent between states or with existing laws and regulations, could raise compliance costs or increase the risk of noncompliance, with the attendant risk of being subject to regulatory enforcement actions and penalties, as well as reputational harm. Further, several states have enacted privacy laws requiring specific disclosures regarding privacy practices and granting certain rights to consumers with respect to the use by companies of their personally identifiable information. There has also been proposed privacy legislation at the federal level. These new privacy laws may impose compliance costs, and ambiguities surrounding their applicability and interpretation may increase the risk of noncompliance, with the attendant risk of being subject to regulatory enforcement actions and penalties, as well as class action litigation. Any such events could potentially have an adverse impact on our business, financial condition or results of operations.

**In addition to the complexity of existing laws and regulations, the development of new laws and regulations and changes in application or interpretation of current laws and regulations also increase our legal and regulatory compliance obligations and costs. The new presidential administration has to date proposed or promulgated numerous changes to laws and regulations that may impact our business and operations, the direct or indirect effect of which are not yet known.** It is impossible to predict what, if any, changes in the regulations applicable to us, the markets in which we operate, trade and invest or the counterparties with which we do business may be instituted in the future. Any such regulation could have a material adverse impact on our business. We are subject to extensive regulation, which may materially adversely affect our ability to achieve our business objectives. In addition, if we fail to comply with these regulations, we may be subject to penalties, including fines and suspensions, which may materially adversely affect our financial condition and results of operations. Our admitted insurance ~~and reinsurance~~ subsidiaries are subject to extensive regulation, primarily by California (the domiciliary state for Falls Lake Fire and Casualty ~~Company~~), Ohio (the domiciliary state for James River Insurance, James River Casualty, **Stonewood Insurance** and Falls Lake National ), ~~North Carolina (the domiciliary state for Stonewood Insurance), Bermuda (the domicile of JRG Re)~~, and to a lesser degree, the other jurisdictions in the United States in which we operate. Most insurance regulations are designed to protect the interests of insurance policyholders, as opposed to the interests of shareholders. These regulations generally are administered by a department of insurance in each state and ~~in the case of JRG Re, the BMA in Bermuda, and~~ relate to, among other things, authorizations to write certain lines of business, capital and surplus requirements, reserve requirements, rate and form approvals, investment and underwriting limitations, affiliate transactions, dividend limitations, cancellation and non-renewal of policies, changes in control, solvency, receipt of reinsurance credit, accounting principles and a variety of other financial and non-financial aspects of our business. These laws and

regulations are regularly re-examined and any changes in these laws and regulations or new laws or interpretations thereof may be more restrictive, could make it more expensive to conduct business or otherwise materially adversely affect our financial condition or operations. State insurance departments and the BMA also conduct periodic examinations of the affairs of insurance companies and reinsurance companies and require the filing of annual and other reports relating to financial condition, holding company issues and other matters. These regulatory requirements may impose timing and expense or other constraints that could materially adversely affect our ability to achieve some or all of our business objectives. Failure by any of our insurance subsidiaries to comply with applicable regulations could result in a requirement for that subsidiary to cease writing business. In addition, regulatory authorities have broad discretion to deny or revoke licenses for various reasons, including the violation of regulations. ~~For example, an insurer's registration may be cancelled by the BMA on certain grounds specified in the Insurance Act, including failure by the insurer to comply with its obligations under the Insurance Act, or if the BMA believes that the insurer has not been carrying on business in accordance with sound insurance principles.~~ In some instances, where there is uncertainty as to applicability, we follow practices based on our interpretations of regulations or practices that we believe are generally followed by the industry. These practices may turn out to be different from the interpretations of regulatory authorities. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, insurance regulatory authorities could preclude or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us. This could materially adversely affect our ability to operate our business. The admitted market is subject to more state regulation than the E & S market, particularly with regard to rate and form filing requirements, restrictions on the ability to exit lines of business, premium tax payments and membership in various state associations, such as guaranty funds. Some states have deregulated their commercial insurance markets. We cannot predict the effect that further deregulation would have on our business, financial condition or results of operations. The NAIC has developed a system to test the adequacy of statutory capital of U. S.- based insurers, known as risk- based capital or "RBC," that many states have adopted. This system establishes the minimum amount of risk- based capital necessary for an insurer to support its overall business operations. It identifies property-casualty insurers that may be inadequately capitalized by looking at certain inherent risks of each insurer's assets and liabilities and its mix of net written premiums. Insurers falling below a calculated threshold may be subject to varying degrees of regulatory action, including supervision, rehabilitation or liquidation. Failure to maintain adequate risk- based capital at the required levels could materially adversely affect the ability of our insurance subsidiaries to maintain regulatory authority to conduct their business. For additional information, see "Item 1. Business — Regulation — U. S. Insurance Regulation — State Regulation." In addition, the various state insurance regulators have increased their focus on risks within an insurer's holding company system that may pose enterprise risk to the insurer. In 2012, the NAIC adopted the NAIC Amendments. The NAIC Amendments, when adopted by the various states, are designed to respond to perceived gaps in the regulation of insurance holding company systems in the United States. One of the major changes is a requirement that an insurance holding company system's ultimate controlling person submit annually to its lead state insurance regulator an "enterprise risk report" that identifies activities, circumstances or events involving one or more affiliates of an insurer that, if not remedied properly, are likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole. Other changes include (i) requiring a controlling person to submit prior notice to its domiciliary insurance regulator of a divestiture of control, (ii) having detailed minimum requirements for cost sharing and management agreements between an insurer and its affiliates and (iii) expanding the types of agreements between an insurer and its affiliates to be filed with its domiciliary insurance regulator. The NAIC Amendments must be adopted by a state legislature and such state's insurance regulator in order to be effective in that state. Each of California, ~~North Carolina~~ and Ohio, the states in which our U. S. insurance subsidiaries are domiciled, adopted the NAIC Amendments, including the enterprise risk report requirement. In 2012, the NAIC also adopted the ORSA Model Act. The ORSA Model Act, when adopted by the various states, requires an insurance holding company system's Chief Risk Officer to submit annually to its lead state insurance regulator an ORSA. The ORSA is a confidential internal assessment appropriate to the nature, scale and complexity of an insurer of the material and relevant risks identified by the insurer associated with an insurer's current business plan and the sufficiency of capital resources to support those risks. The ORSA Model Act must be adopted by a state legislature in order to be effective in that state. Each of California, ~~North Carolina~~ and Ohio, the states in which our U. S. insurance subsidiaries are domiciled, adopted the ORSA Model Act and require an ORSA filing. We cannot predict with certainty the effect any enacted, proposed or future state or federal regulation or NAIC initiative may have on the conduct of our business. Furthermore, there can be no assurance that the regulatory requirements applicable to our business will not become more stringent in the future or result in materially higher cost than current requirements. Changes in regulation of our business may materially reduce our profitability, limit our growth or otherwise materially adversely affect our operations. Changing climate conditions may increase the frequency and severity of catastrophic events and thereby adversely affect our financial condition and results of operations. Over the past several years, changing weather patterns and climatic conditions, such as global warming, appear to have contributed to the unpredictability, frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. There is a **growing substantial scientific consensus opinion** that global warming and other climate changes are increasing the frequency and severity of catastrophic weather and other events, such as hurricanes, fires, tornadoes, windstorms, floods and other natural disasters. Such changes make it more difficult for us to predict and model catastrophic events, reducing our ability to accurately price our exposure to such events and mitigate our risks. Any increase in the frequency or severity of natural disasters may adversely affect our financial condition and results. We may have exposure to losses from terrorism for which we are required by law to provide coverage. U. S. insurers are required by state and federal law to offer coverage for terrorism in certain commercial lines, including workers' compensation. As discussed under "Item 1. Business — ~~Regulation~~ — U. S. Insurance Regulation — Federal Regulation," the Terrorism Acts require commercial property and casualty insurance companies to offer coverage for acts of terrorism, whether foreign or domestic, and established a federal assistance program through the end of

2027 to help cover claims related to future terrorism- related losses. The impact of any terrorist act is unpredictable, and the ultimate impact on us would depend upon the nature, extent, location and timing of such an act. We, or agents we have appointed, may act based on inaccurate or incomplete information regarding the accounts we underwrite, or such agents may exceed their authority or commit fraud when binding policies on our behalf. We, and our MGAs and other agents who have the ability to bind our policies, rely on information provided by insureds or their representatives when underwriting insurance policies. While we may make inquiries to validate or supplement the information provided, we may make underwriting decisions based on incorrect or incomplete information. It is possible that we will misunderstand the nature or extent of the activities or facilities and the corresponding extent of the risks that we insure because of our reliance on inadequate or inaccurate information. In addition, in the Specialty Admitted Insurance segment, MGAs and other agents have the authority to bind policies on our behalf within prescribed underwriting guidelines, and third party administrators manage and pay claims on our behalf and advise us with respect to case reserves. If any such agents exceed their authority, breach their obligations to us, fail to maintain proper licenses, have weak internal controls, or engage in fraudulent activities, our reputation could suffer, we may experience regulatory intervention, or our financial condition and results of operations could be materially adversely affected. Although we are continually monitoring these agents and administrators, our monitoring efforts may not be adequate. The insurance business is historically cyclical, and we may experience periods with excess underwriting capacity and unfavorable premium rates, which could materially adversely affect our business. Historically, insurers have experienced significant fluctuations in operating results due to competition, frequency and severity of catastrophic events, levels of capacity, adverse trends in litigation, regulatory constraints, general economic conditions and other factors. We have experienced these types of fluctuations since the Company's inception. The supply of insurance is related to prevailing prices, the level of insured losses and the level of capital available to the industry that, in turn, may fluctuate in response to changes in rates of return on investments being earned in the insurance industry. As a result, the insurance business historically has been a cyclical industry characterized by periods of intense price competition due to excessive underwriting capacity as well as periods when shortages of capacity increased premium levels. Demand for insurance depends on numerous factors, including the frequency and severity of catastrophic events, levels of capacity, the introduction of new capital providers, general economic conditions and underwriting results of primary insurers. All of these factors fluctuate and may contribute to price declines generally in the insurance industry. We cannot predict with certainty whether market conditions will improve, remain constant or deteriorate. Negative market conditions may impair our ability to underwrite insurance at rates we consider appropriate and commensurate relative to the risk assumed, **and we may determine to exit lines or classes of business that are affected.** If we cannot underwrite insurance at appropriate rates, our ability to transact business will be materially adversely affected. Any of these factors could lead to a material adverse effect on our business, financial condition and results of operations. ~~Our reinsurance business is subject to loss settlements made by ceding companies and fronting carriers over which we have no control, which could materially adversely affect our performance. Where JRG Re enters into assumed reinsurance contracts with third parties, all loss settlements made by the ceding company will be unconditionally binding upon us, provided they are within the terms of the underlying policies and within the terms of the relevant contract. While we believe the ceding companies will settle such claims in good faith, we are bound to accept the claims settlements agreed to by the ceding companies. Under the underlying policies, each ceding company typically bears the burden of proving that a contractual exclusion applies to a loss, and there may be circumstances where the facts of a loss are insufficient to support the application of an exclusion. In such circumstances, we assume such losses under the reinsured policies, which could materially adversely affect our performance.~~ We could be forced to sell investments to meet our liquidity requirements. We invest the premiums we receive from our insureds ~~and ceding companies~~ until they are needed to pay policyholder claims or until they are recognized as profits. Consequently, we seek to manage the duration of our investment portfolio based on the duration of our loss and loss adjustment expense reserves to ensure sufficient liquidity and avoid having to liquidate securities to fund claims. Risks such as inadequate loss and loss adjustment expense reserves or unfavorable trends in litigation could potentially result in the need to sell investments to fund these liabilities. Such sales could result in significant realized losses depending on the conditions of the general market, interest rates and credit issues with individual securities. Our employees could take excessive risks, which could negatively affect our financial condition and business. As an insurance enterprise, we are in the business of binding certain risks. The employees who conduct our business, including executive officers and other members of management, underwriters, claims professionals, and other employees, do so in part by making decisions and choices that involve exposing us to risk. These include decisions such as setting underwriting guidelines and standards, product design and pricing, determining which business opportunities to pursue, claims management decisions, and other decisions. Although we employ controls and procedures designed to monitor employees' business decisions and prevent us from taking excessive risks, these controls and procedures may not be effective. If our employees take excessive risks, the impact of those risks could have a material adverse effect on our financial condition and business operations. Our future capital requirements depend on many factors, including our ability to write new and renewal business successfully and to establish premium rates and reserves at levels sufficient to cover losses. Our ability to underwrite depends largely upon the expected quality of our claims paying process and our perceived financial strength as estimated by potential insureds, brokers, other intermediaries, independent rating agencies, and our regulators. To the extent that our existing capital is insufficient to fund our future operating requirements, cover claim losses, satisfy ratings agencies in order to maintain a satisfactory rating, or meet the capital requirements of our regulators in order to maintain our insurance licenses, we may need to raise additional capital in the future through offerings of debt, hybrid or equity securities or through suspension or reduction of dividends, or otherwise to: • fund liquidity needs caused by underwriting or investment losses; • replace capital lost in the event of ~~significant reinsurance losses or~~ adverse reserve developments; • satisfy letters of credit or guarantee bond requirements that may be imposed by our clients or by regulators; • meet rating agency or regulatory capital requirements; or • respond to competitive pressures. Any equity or debt financing, if available at all, may be on terms that are unfavorable to us. Further, any

additional capital raised through the sale of equity could dilute shareholders' ownership interest in the Company and would likely cause the value of our shares to decline. For example, in May 2021, we raised \$ 192. 1 million in equity capital (the " May Equity Offering ") to protect our balance sheet after experiencing \$ 170. 0 million of adverse development on our commercial auto business in the first quarter of 2021 almost entirely related to a previously canceled account that has been in run- off since 2019. In the May Equity Offering, we announced the offering of 6, 497, 500 shares at \$ 31. 00 per share the day after our shares had a closing market price equal to \$ 46. 50. **Additionally Also**, on March 1, 2022 we issued 150, 000 Series A Perpetual Cumulative Convertible Preferred Shares, par value \$ 0. 00125 per share (the " Series A Preferred Shares"), for an aggregate purchase price of \$ 150 million, primarily to protect our balance sheet after experiencing \$ 115. 0 million of adverse reserve development in our former casualty reinsurance segment in the fourth quarter of 2021. The Series A Preferred Shares, among other things, have the right to receive a payment on account of the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company before any payment may be made to holders of any other class or series of capital shares, pay dividends to the security holders at the initial rate of 7 % of their liquidation preference of \$ 1, 000 per share per annum, include restrictions that may limit our ability to pay dividends to common shareholders and may not be redeemed at our election. See **also the Risk Factors** " The Series A Preferred Shares have rights, preferences and privileges that are not held by, and are preferential to the rights of, our common shareholders, which could adversely affect our liquidity and financial condition" and" The amount of dividends that we may pay to our common shareholders is subject to restrictions pursuant to the terms of the Series A Preferred Shares, and we cannot assure you that we will declare or pay dividends on our common shares in the future." **Additionally, on November 11, 2024 we entered into (i) an amendment of the investment agreement with the holder of the Series A Preferred Shares, which provided for the conversion of 37, 500 Series A Preferred Shares, having a liquidation value of \$ 37. 5 million, into common shares, and (ii) a subscription agreement to issue common shares with a value of \$ 12. 5 million. The price per share utilized for the share issuances pursuant to the two agreements was \$ 6. 40, resulting in the issuance of 7, 812, 500 common shares in the aggregate. The closing price of our common shares on November 11, 2024, the last completed trading day prior to our announcement of the share issuances was \$ 6. 62 per share. We also announced on November 11, 2024 that our quarterly dividend would be reduced to \$ 0. 01 per common shares from the \$ 0. 05 per common share that we had paid since March 2022.** Further, our ability to raise debt and certain types of equity capital may be constrained by covenants in our existing credit ~~facilities~~ **facility**. See the Risk Factor " Our credit ~~agreements~~ **agreement contain contains** financial and other covenants, the breach of which could result in acceleration of payment of amounts due under our credit ~~facilities~~ **facility** " below. Additional capital raised through the issuance of debt would most likely result in creditors having rights, preferences and privileges senior or otherwise superior to those of ~~the holders of our shares~~ **shareholders** and may limit our flexibility in operating our business and make it more difficult to obtain capital in the future. Disruptions, uncertainty, or volatility in the capital and credit markets may also limit our access to capital required to operate our business. If we are not able to obtain adequate capital, or obtain it on favorable terms, our business, financial condition and results of operations could be materially adversely affected. ~~Our credit agreements contain financial and other covenants, the breach of any of which could result in acceleration of payment of amounts due under our credit facilities.~~ As of December 31, ~~2023~~ **2024**, we had an outstanding unsecured balance of approximately \$ ~~207~~ **185**. ~~3-8~~ million in the aggregate under our ~~two~~ bank credit ~~agreements~~ **agreement**. The ~~agreements~~ **agreement contain contains** certain financial covenants that require us to maintain consolidated net worth in excess of a specified minimum amount and a leverage ratio as of the end of any fiscal quarter not in excess of 0. 35 to 1. The ~~agreements~~ **agreement contain contains** other covenants which, among other things, require ongoing compliance with applicable insurance regulations and require each of our regulated insurance subsidiaries to maintain ratings from A. M. Best not lower than an A-. **Breaches** ~~At December 31, 2023, we were in default of the financial strength rating covenant due to the downgrade of JRG Re by A. M. Best on December 20, 2023 from " A " (Excellent) to " B " (good), which default has been waived by our lenders until March 1, 2025. See the Risk Factor " A decline in the financial strength rating may result in a reduction of new or renewal business" above. This breach or any other breach~~ of any of the covenants could result in acceleration of our obligations to repay our outstanding indebtedness under such agreement if we are unable to obtain a waiver or amendment from our ~~lenders~~ **lender**, and otherwise could impair our ability to borrow funds or result in higher borrowing costs. We operate in a highly competitive environment and we may not continue to be able to compete effectively against larger or more well- established business rivals. We face competition from other specialty insurance companies, standard insurance companies and underwriting agencies, as well as from diversified financial services companies that are larger than we are and that have greater financial, marketing and other resources than we do. Some of these competitors also have longer experience and more market recognition than we do in certain lines of business. In addition, it may be difficult or prohibitively expensive for us to implement technology systems and processes that are competitive with the systems and processes of these larger companies. In particular, competition in the insurance industry is based on many factors, including price of coverage, the general reputation and perceived financial strength of the company, relationships with brokers, terms and conditions of products offered, ratings assigned by independent rating agencies, speed of claims payment and reputation, and the experience and reputation of the members of our underwriting team in the particular lines of insurance we seek to underwrite. See also " Item 1. Business — Competition. " A number of new, proposed or potential legislative or industry developments could further increase competition in our industry. These developments include: • An increase in capital- raising by companies in our lines of business, which has resulted in new entrants to our markets and an excess of capital in the industry; • The deregulation of commercial insurance lines in certain states and the possibility of federal regulatory reform of the insurance industry, which could increase competition from standard carriers for our E & S lines of insurance business; and • Changing practices facilitated by the Internet may lead to greater competition in the insurance business. Among the possible changes are shifts in the way in which commercial insurance is purchased, which could affect both admitted and E & S lines. We currently depend largely on the wholesale distribution model for our Excess and Surplus

Lines segment's premiums. If the wholesale distribution model were to be significantly altered by changes in the way E & S lines risks are marketed, including, without limitation, through use of the internet, it could have a material adverse effect on our premiums, underwriting results and profits. There is no assurance that we will be able to continue to compete successfully in the insurance market. Increased competition in the market could result in a change in the supply and / or demand for insurance, affect our ability to price our products at risk-adequate rates, affect our ability to retain business with existing customers, or underwrite new business on favorable terms. If this increased competition so limits our ability to transact business, our operating results could be materially adversely affected. We are committed to developing and maintaining information technology systems and data analytics that will allow our insurance subsidiaries to compete effectively. There can be no assurance that the development of current technology or data analytics for future use will not result in our being competitively disadvantaged, especially with those carriers that have greater resources. If we are unable to keep pace with the advancements being made in technology and data analytics **(including the use of artificial intelligence to create efficiencies in the conduct of our business)**, our ability to compete with other insurance companies who have advanced technological or data analytics capabilities will be negatively affected. Further, if we are unable to effectively execute and update or replace our key legacy technology systems as they become obsolete or as emerging technology renders them competitively inefficient, our competitive position and our cost structure could be adversely affected. Most of our contracts are written for a one- year term. In our financial forecasting process, we make assumptions about the renewal of our prior year's contracts. The insurance industry has historically been a cyclical business with intense competition, often based on price. If actual renewals do not meet expectations or if we choose not to write a renewal (including in connection with the early termination of insurance policies), our premiums written in future years and our future operations could be materially adversely affected. We may change our underwriting guidelines or our strategy without shareholder approval. Our management has the authority to change our underwriting guidelines or our strategy without notice to our shareholders and without shareholder approval. As a result, we may make fundamental changes to our operations without shareholder approval, which could result in our pursuing a strategy or implementing underwriting guidelines that may be materially different from the strategy or underwriting guidelines described in the section titled "**Item 1. Business**" or elsewhere in this Annual Report. ~~Our ability to implement our business strategy could be delayed or adversely affected by Bermuda employment restrictions relating to the ability to obtain and retain work permits for key employees in Bermuda. Under Bermuda law, non-Bermudians (other than spouses of Bermudians and holders of permanent residents' certificates) may not engage in any gainful occupation in Bermuda without a valid government work permit. A work permit may be granted or renewed upon showing that, after proper public advertisement, no Bermudian, spouse of a Bermudian or a holder of a permanent resident's certificate who meets the minimum standards reasonably required by the employer has applied for the job. A work permit is issued with an expiry date (up to five years) and no assurances can be given that any work permit will be issued or, if issued, renewed upon the expiration of the relevant term. If work permits are not obtained or are not renewed for our key employees, we would lose their services, which could materially affect our business.~~ If California, North Carolina or any other state in which our insurance companies are admitted significantly increases the assessments our insurance companies are required to pay, our financial condition and results of operations will suffer. Our insurance companies are subject to assessments in California (the domiciliary state for Falls Lake Fire and Casualty **Company**), North Carolina (the domiciliary state for Stonewood Insurance), Ohio (the domiciliary state for James River Insurance, James River Casualty, **Stonewood Insurance** and Falls Lake National) and other states in which our insurance companies may be admitted, for various purposes, including the provision of funds necessary to fund the operations of the various insurance departments and the state funds that pay covered claims under certain policies written by impaired, insolvent or failed insurance companies. These assessments are generally set based on an insurer's percentage of the total premiums written in the insurer's state within a particular line of business. As our insurance subsidiaries grow, our share of any assessments may increase. We cannot predict with certainty the amount of future assessments because they depend on factors outside our control, such as insolvencies of other insurance companies. Significant assessments could result in higher than expected operating expenses and have a material adverse effect on our financial condition or results of operations. Our use of third- party claims administrators in certain lines of business may result in higher losses and loss adjustment expenses. Historically, our Excess and Surplus Lines and Specialty Admitted Insurance segments handled all claims using employed staff. As we have entered new lines of business, we now use third- party claims administrators and contract employees to administer claims subject to the supervision of our employed staff. It is possible that these contract employees and third- party claims administrators may achieve less desirable results on claims than has historically been the case for our internal staff, which could result in significantly higher losses and loss adjustment expenses in those lines of business. Changes in tax law may have a significant impact on the Company. ~~Tax Act. The Tax Act, enacted on December 22, 2017, introduced significant changes to the Internal Revenue Code of 1986, as amended (the "Code"). The Tax Act contained many provisions that impact us and our shareholders, including provisions that impose a base erosion and anti- abuse tax ("BEAT") on income of a U. S. corporation determined without regard to certain otherwise deductible payments made to certain foreign affiliates (including premium or other consideration paid or accrued to a related foreign reinsurance company for reinsurance), broaden the definition of United States shareholder for purposes of the controlled foreign corporation ("CFC") rules, and make it more difficult for a foreign insurance company to avoid being treated as a passive foreign investment company ("PFIC"). There is continued uncertainty regarding how these and other provisions of the Tax Act will be interpreted, although guidance in proposed and final forms has been released with respect to certain provisions of the Tax Act, including certain BEAT and PFIC provisions, that may impact the Company. The ultimate impact of the Tax Act may differ from the Company's description below due to changes in interpretations, as well as additional regulatory guidance that may be issued. Given the complexity of the Tax Act, you are strongly encouraged to consult your own tax advisor regarding its potential impact on the U. S. federal income tax consequences to you considering your particular circumstances.~~ BEAT. The Tax Act's BEAT provision imposes a minimum tax on "applicable taxpayers," which are generally corporations

that are part of a group with at least \$ 500 million of applicable annual gross receipts and that make certain payments to related foreign persons, including payments that are deductible for U. S. tax purposes, payments to purchase depreciable or amortizable property, and reinsurance payments. BEAT subjects the “ modified taxable income ” of an applicable taxpayer to tax at a rate of 10 % in 2020- 2025, and 12. 5 % in 2026 and thereafter. In general, modified taxable income is calculated by adding back to a taxpayer’s regular taxable income the amount of certain “ base erosion tax benefits ” with respect to certain “ base erosion payments ” to foreign affiliates, as well as the “ base erosion percentage ” of any net operating loss deductions. BEAT applies to the extent it exceeds a taxpayer’s regular corporate income tax liability (determined without regard to certain tax credits). We have analyzed the regulations released by the U. S. Internal Revenue Service (the “ IRS ”) and U. S. Department of the Treasury regarding BEAT and have concluded that we will be subject to additional tax if regular U. S. income tax does not exceed a minimum amount. The applicability of BEAT depends on a number of factors and the extent to which we may be subject to BEAT in future periods as a result of changes in interpretations, as well as additional regulatory guidance that may be issued, is currently unknown. IRA. The Inflation Reduction Act of 2022 (the “ IRA ”) contains a number of tax- related provisions, including a 15 % corporate alternative minimum tax imposed on certain corporations that meet an income- based test, as well as a 1 % nondeductible excise tax on certain stock repurchases. It is unclear how these provisions of the IRA will be applied and what impact the IRA will have on our tax liability. We will continue to evaluate the IRA’s impact as further information becomes available. BEPS. In recent years, the Organization for Economic Co- operation and Development ( “ OECD ”), with the support of the G20, has developed proposals to address perceived base erosion and profit shifting ( “ BEPS ”). BEPS generally refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to locations with low or no tax and little or no economic activity, for the purpose of reducing a multinational group’s aggregate tax liability. In 2021, the OECD / G20 Inclusive Framework on BEPS published a statement updating and finalizing the key components of a “ two pillar ” plan for global tax reform, as agreed among a number of countries across the globe. Pillar I addresses tax nexus and the allocation of profits for tax purposes. Under Pillar II, a global minimum tax at the rate of 15 % would be imposed on certain companies whose revenues exceed a threshold. In December 2022, the member states of the European Union unanimously voted to adopt the OECD’s minimum tax rules and phase them into national law, and in February 2023 the OECD released technical guidance on the global minimum tax which was agreed by consensus of the BEPS 2. 0 (Pillars I and II) signatory jurisdictions. Under the European Union’s minimum tax directive, member states are to adopt domestic legislation implementing the minimum tax rules effective for periods beginning on or after December 31, 2023, with the “ under- taxed profit rule ” to take effect for periods beginning on or after December 31, 2024. Legislatures in multiple countries outside of the European Union have also drafted legislation to implement the OECD’s minimum tax proposal. As a result of these developments, the tax laws of certain countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes, including the adoption of the global minimum tax rules, could subject us to additional taxes and costs for tax compliance. **The Company, JRG Re and James River Group Holdings UK Limited may be subject to U.S.federal income taxation.The Company and JRG Re are each incorporated under the laws of Bermuda and James River UK is incorporated under the laws of England and Wales.** In general, a corporation organized under the laws of a foreign country or U.S.possession is subject to U.S.federal income tax on its net income only if it is considered as engaged in a U.S.trade or business.We believe that the activities of each of the Company’s non- U.S.holding companies and ~~the historic activities of JRG Re , prior to its disposition~~, as contemplated, will not cause them to be treated as engaging in a U.S.trade or business and as such, will not be subject to current U.S.federal income taxation on their net income.However, there are no definitive standards provided by the Internal Revenue Code of 1986, as amended (the “ Code ”), regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and any such determination is essentially factual in nature and must be made annually. The IRS could assert that ~~(1) our non- U.S.holding companies~~ **or JRG Re (or both)** are engaged in a trade or business in the United States or, under the applicable income tax treaty, are engaged in a trade or business in the United States through a permanent establishment, and thus are subject to current U.S.federal income taxation. ~~If or our (2) non- U.S.holding companies or JRG Re , prior to its disposition, was engaged in a trade or business in the United States or, under the applicable income tax treaty, was engaged in a trade or business in the United States through a permanent establishment, and thus was subject to current U.S.federal income taxation.If our non- U.S.holding companies or JRG Re, prior to its disposition, were deemed to be engaged in a trade or business in the United States (or, under the applicable income tax treaty, were deemed to be so engaged through a permanent establishment), our non- U.S.holding companies or JRG Re , prior to its disposition, as applicable, would become subject to U.S.federal income tax on income “ effectively connected ” (or treated as effectively connected) with the U.S.trade or business and would become subject to the “ branch profits ” tax on earnings and profits that are both effectively connected with the U.S.trade or business and deemed repatriated out of the United States.Any such federal tax liability could materially affect our results of operations.U.S.tax- exempt organizations who own our shares may recognize unrelated business taxable income.A U.S.tax- exempt organization may recognize unrelated business taxable income if a portion of any subpart F insurance income we may have is allocated to it.In general, subpart F insurance income will be allocated to a tax- exempt organization owning (or treated as owning) our shares if we are a CFC (as **discussed above** defined below) and it is a U.S.10 % Shareholder (as defined below) or we earn related person insurance income and we satisfy the RPII Test (as defined below).We cannot assure you that U **.S.persons holding our shares (directly or indirectly) will not be allocated subpart F insurance income.U.S.tax- exempt organizations should consult their own tax advisors regarding the risk of recognizing unrelated business taxable income due to their ownership of our shares.** U. S. persons who own our shares ~~tax that may have a material adverse effect on our~~ operating results.We intend to operate in such a manner so that none of our companies other than our intermediate holding company incorporated in the United Kingdom, James River UK, should be resident in the U.K.for tax purposes or have a permanent establishment in the U.K.Accordingly, we expect that none of our companies other than James River UK should be~~

subject to U.K. taxation. However, since applicable law and regulations do not conclusively define the activities that constitute conducting business in the U.K. through a permanent establishment, the U.K. HM Revenue & Customs might contend successfully that one or more of our other companies is conducting business in the U.K. through a permanent establishment in the U.K., and therefore such entities could become subject to U.K. taxation. ~~U.S. persons who owned~~ **We may become subject to taxes in Bermuda, which may have a material adverse effect on** our may be subject to U. S. federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of shares. If we are considered a PFIC ~~(as defined in Section 1297 (a) of the Code)~~ for U. S. federal income tax purposes, a U. S. person who ~~owns~~ **owns** any of our shares **prior to January 1, 2025**, could be subject to adverse tax consequences, including becoming subject to a greater tax liability than might otherwise apply and to tax on amounts in advance of when tax would otherwise be imposed, in which case your investment could be materially adversely affected. The PFIC rules include provisions intended to provide an exception for qualifying insurance corporations (“ QIC ”) engaged in the active conduct of an insurance business. Generally, a QIC is a company (i) that would be subject to tax under special provisions related to insurance companies if the company was a U. S. entity, and (ii) the applicable insurance liabilities of which constitute more than 25 % of its total assets as reported on the company’ s applicable financial statement. On January 15, 2021, the IRS and U. S. Department of the Treasury issued final regulations and proposed regulations that provide guidance regarding the PFIC rules and the QIC exception. More specifically, the complex regulations provide, among other things, clarity on the application of “ applicable insurance liabilities ” and the “ applicable financial statement, ” as well as the requirements to be engaged in the “ active conduct ” of an insurance business. The IRS has requested comments on several aspects of the proposed regulations, which are not effective until adopted in final form. It is uncertain when the proposed regulations will be finalized, and whether the provisions of any final or temporary regulations will vary from the proposed regulations. We believe that we ~~are were~~ **are were** not ~~and have not been~~, and ~~currently do not expect to become~~, a PFIC for U. S. federal income tax purposes **while we owned JRG Re, through which we conducted our casualty reinsurance business**. Our belief that we ~~are were~~ **are were** not ~~and have not been~~ a PFIC is based, in part, on the fact that we believe that we ~~are were~~ **are were** a QIC engaged in the active conduct of an insurance business. New regulations or pronouncements interpreting or clarifying these rules may be forthcoming. We cannot predict what impact, if any, such guidance would have on an investor that is subject to U. S. federal income taxation. As a result, we cannot assure you that we, or one of our subsidiaries, will not ~~be have been~~ **be have been** deemed a PFIC by the IRS. If we, or one of our subsidiaries, were considered a PFIC, it could have material adverse tax consequences for an investor that is subject to U. S. federal income taxation. A non- U. S. corporation generally will be classified as a CFC if U. S. persons, each of whom owns, directly, indirectly, or constructively, at least 10 % of the voting power or value of such corporation’ s stock (“ U. S. 10 % Shareholders ”), own in the aggregate more than 50 % of the voting power or value of the stock of such corporation. ~~The Tax Act~~ **legislation enacted in 2017** eliminated the prohibition on “ downward attribution ” from non- U. S. persons to U. S. persons under the CFC constructive ownership rules. As a result, our U. S. subsidiaries ~~are were~~ **are were** deemed to own all of the stock of our **non- U. S. subsidiaries prior to the disposition or dissolution of such** non- U. S. subsidiaries (other than James River ~~Group Holdings-UK Limited (“ James River UK ”)~~), for purposes of classifying those non- U. S. subsidiaries as CFCs. The legislative history under ~~the Tax Act~~ **such tax legislation** indicates that this change to the CFC constructive ownership rules was not intended to cause our ~~then~~ **then** non- U. S. subsidiaries to be treated as CFCs with respect to a 10 % U. S. Shareholder that is not related (within the meaning of Section 954 (d) (3) of the Code) to our U. S. subsidiary. However, it is not clear whether the IRS or a court would interpret the change made by the ~~Tax Act~~ **tax legislation** in a manner consistent with such indicated intent. Under these rules, if a foreign corporation is a CFC, each U. S. 10 % Shareholder who owns directly or indirectly shares of the CFC on the last day of the CFC’ s taxable year must annually include in its taxable income its pro rata share of the CFC’ s “ subpart F income, ” even if no distributions are made. Subpart F income typically includes “ foreign personal holding company income ” (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income). In general (subject to the special rules applicable to “ related person insurance income ” described below), for purposes of taking into account insurance income, a foreign insurance company will be treated as a CFC if U. S. 10 % Shareholders collectively own more than 25 % of the voting power or value of the company’ s shares at any point during any year. As discussed above, we cannot assure you that we ~~are were~~ **are were** not ~~previously and will not become~~ a CFC. If you are a U. S. person, we strongly urge you to consult your own tax advisor concerning the CFC rules. Related Person Insurance Income. Under proposed regulations, if (i) our gross income attributable to insurance or reinsurance policies pursuant to which the direct or indirect insureds are our direct or indirect U. S. shareholders or persons related to such U. S. shareholders equals or exceeds 20 % of our gross insurance income in any taxable year; and (ii) direct or indirect insureds and persons related to such insureds own directly or indirectly 20 % or more of the voting power or value of our shares (together, the “ RPII Test ”), a U. S. person who ~~owns~~ **owns** any of our shares directly or indirectly on the last day of such taxable year would most likely be required to include its allocable share of our related person insurance income for such taxable year in its income, even if no distributions are made. We do not believe that the 20 % gross insurance income threshold ~~was has been, or will be, met~~ **was has been, or will be, met** ~~while~~. However, we ~~owned JRG Re~~ **owned JRG Re** cannot ~~assure you that this will continue to be the case~~. Additionally, certain proposed regulations would expand the scope of related person insurance income **for the time in which we owned non- U. S. operating companies** to potentially include all of the insurance income ~~any~~ of our non- U. S. operating companies ~~earn~~ **earn** from reinsuring affiliates if such companies ~~are were~~ majority owned (directly, indirectly or by application of certain constructive ownership rules) by U. S. persons. It is not certain whether any of these proposed regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the related person insurance income rules by the IRS, the courts, or otherwise, might have retroactive effect. Consequently, we cannot assure you that a person who ~~is was~~ **is was** a direct or indirect U. S. shareholder will not be required to include amounts in its income in respect of related person insurance income in any taxable year **in which we owned non- U. S. operating companies**. Dispositions of Our

Shares. If a U. S. shareholder is treated as disposing of shares in a CFC of which it is a U. S. 10 % Shareholder, or of shares in a foreign insurance corporation that has related person insurance income and in which U. S. persons collectively own 25 % or more of the voting power or value of the company' s shares, any gain from the disposition will generally be treated as a dividend to the extent of the U. S. shareholder' s portion of the corporation' s undistributed earnings and profits, as the case may be, that were accumulated during the period that the U. S. shareholder owned the shares. In addition, the shareholder will be required to comply with certain reporting requirements. **The Company, JRG Re and James..... to their ownership of our shares.** We may become subject to U. S. withholding and information reporting requirements under the Foreign Account Tax Compliance Act (" FATCA ") provisions. The FATCA provisions of the Code generally impose a 30 % withholding tax **taxes in Bermuda regime** with respect to (i) certain U. S. source income (including interest and dividends) (" withholdable payments ") and (ii) " passthru payments " (generally, withholdable payments and payments that are attributable to withholdable payments) made by foreign financial institutions (" FFIs "). Under proposed regulations promulgated by the U. S. Department of the Treasury, on which taxpayers may rely until final regulations are..... to U. K. tax that may have a material adverse effect on our **operating results.** **We intend to operate..... have a material adverse effect on our results of operations and your investment. As discussed above, the OECD** The Organization for Economic Co-operation and Development is coordinating a global effort to reform certain aspects of the international tax system. This effort included the December 2021 release of model rules for a 15 % global minimum tax regime. If these model rules are partially or fully implemented globally, we could be subject to additional taxes and costs for tax compliance. In response to this initiative, Bermuda **has recently** introduced the Corporate Income Tax Act 2023 ( " CIT Act " ) which **is will be** fully effective for tax years beginning on or after January 1, 2025. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi- national groups. A multi- national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least € 750 million for two of the four previous fiscal years. If Bermuda constituent entities of a multi- national group are subject to tax under the CIT Act, such tax is charged at a rate of 15 % **per cent** of the net income of such constituent entities (as determined in accordance with the CIT Act, including after adjusting for any relevant foreign tax credits applicable to the Bermuda constituent entities). No tax is chargeable under the CIT Act until tax years starting on or after January 1, 2025. Provided that the Company is not part of a multi- national group, it is not currently expected to be subject to tax under the CIT Act and, under current Bermuda law, there is no other income, corporate or profits tax or withholding tax, capital gains tax or capital transfer tax payable by the Company. The Company has obtained from the Minister of Finance under The Exempted Undertaking Tax Protection Act of 1966, as amended ( " EUTP Act " ) **as an** assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to the Company or to any of its operations or its shares, debentures or other obligations, until March 31, 2035. The Company could be subject to taxes in Bermuda after that date. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to any property leased to the Company. In the event the Company is subject to tax under the CIT Act, this would supersede the assurance received from the Minister of Finance under the EUTP Act. The trading price of our common shares has been, and may continue to be, volatile, and you could lose all or part of your investment. Volatility in the market price of our common shares may prevent you from being able to sell your common shares at or above the price you paid. The market price for our common shares has, and may continue to, fluctuate significantly for various reasons, including, without limitation: • our operating and financial performance and prospects; • our quarterly or annual earnings or earnings estimates, or those of other companies in our industry; • failure to meet external expectations or management guidance; • market reaction to adverse loss reserve development, **or**; • **market reaction to any strategic alternative transaction that we enter- entry into a loss portfolio,** rumors regarding the same, **or our- or adverse development cover determination to terminate the review of strategic alternatives without entering into a** transaction; • the loss of one or more individually large clients, and its impact on our growth rate, profitability and financial condition; • adverse regulatory or rating agency action; • exposure to capital market risks related to changes in interest rates, realized investment losses, credit spreads, equity prices, foreign exchange rates and performance of insurance- linked investments; • our creditworthiness, financial condition, performance and prospects; • termination of payment of dividends on our common shares, or payment of a reduced amount of dividends; • actual or anticipated growth rates relative to our competitors; • perceptions of the investment opportunity associated with our common shares relative to other investment alternatives; • speculation by the investment community regarding our business; • future announcements concerning our business or our competitors' businesses; • the public' s reaction to our press releases, other public announcements and filings with the SEC; • changes in accounting standards, policies, guidance, interpretations or principles; • market and industry perception of our success, or lack thereof, in pursuing our strategy; • strategic actions by us or our competitors, such as acquisitions, dispositions, restructurings, significant contracts or joint ventures; • catastrophes that are perceived by investors as impacting the insurance **and reinsurance** market in general; • changes in laws or government regulation, including tax or insurance laws and regulations; • potential characterization of us as a PFIC **for periods prior to the dispositions of JRG Re**; • general market, economic and political conditions; • changes in conditions or trends in our industry, geographies or customers; • arrival and departure of key personnel; • the number of common shares that are publicly traded; • the offering and issuance of common shares or other securities by us, sales of common shares by our directors or executive officers, or sales of a significant number of common shares issued upon conversion of **the additional** Series A Preferred Shares; and • adverse resolution of litigation against us. In addition, stock markets, including the NASDAQ Stock Market (the market on which our common shares are traded), have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities issued by many companies, including companies in our industry. In the past, some companies that have had volatile market prices for their securities have been subject to class action or derivative lawsuits. The

filing of a lawsuit against us, regardless of the outcome, could have a negative effect on our business, as it could result in substantial legal costs and a diversion of management's attention and resources. The Company had such a lawsuit filed against it following our May 2021 equity offering and another regarding the restatement of our financial statements in November 2023. The filing of these lawsuits against us, or any future filings of a lawsuit against us, regardless of the outcome, could have a negative effect on our business, as it could result in substantial legal costs and a diversion of management's attention and resources. See "Item 3. Legal Proceedings" for more information. As a result of the factors described above, shareholders may not be able to resell their common shares at or above their purchase price or may not be able to resell them at all. These market and industry factors may materially reduce the market price of our common shares, regardless of our operating performance. We **are involved** cannot assure you that our evaluation of strategic alternatives will result in **disputes** any particular outcome, and the perceived uncertainties related to the Company could adversely affect our business and our shareholders. On November 10, 2023, we announced that our board of directors initiated an exploration of strategic alternatives for the Company, including consideration of a wide range of options including, among other things, a potential sale, merger, or other strategic transaction. We have not set a deadline or definitive timetable for the completion of the strategic review process, nor have we made any decisions relating to any strategic alternative at this time. No assurance can be given as to the outcome of the process, including whether the process will result in any particular outcome. Any potential transaction may be dependent on a number of factors that may be beyond our control, for example, market conditions, industry trends or acceptable terms. The process of reviewing potential strategic alternatives may be time consuming, distracting and disruptive to our business operations. In addition, given that the exploration of strategic alternatives may eventually result in a potential sale, merger or other -- **the Stock Purchase Agreement** strategic transaction, any perceived uncertainty regarding our future operations or employment needs may limit our ability to retain or hire qualified personnel and may contribute to unplanned loss of highly skilled employees through attrition, and result in the loss of brokers, agents or customers with whom we do business. We may ultimately determine that no transaction is in the best interest of our shareholders. We do not intend to comment further regarding the review of strategic alternatives until we determine disclosure is necessary or advisable. Accordingly, speculation regarding any developments associated with our review of strategic alternatives and any perceived uncertainties related to the Company or its business could cause the price of our shares to fluctuate significantly. The sale of JRG Re is subject to **Fleming**, conditions to closing over which **closed** we do not have control, and a portion of the consideration is comprised of a pre-closing dividend that is subject to the availability of unencumbered assets at JRG Re. The sale of JRG Re announced on November 8 **April 16, 2023-2024**. An **adverse outcome** (the "Transaction") is subject to a number of closing conditions and there can be no assurance that these **matters** conditions will be satisfied on the timeline we expect or at all. The Transaction may also be terminated in certain circumstances, including termination (A) by either the Company or the Buyer if the Transaction is not completed by June 3, 2024 (subject to one two-month extension in the event closing has not occurred solely because one or more required governmental approvals have not been obtained), or (B) by the Company if (i) all closing conditions have been met, (ii) the Company is ready, willing and able to consummate the closing, and (iii) the Buyer fails to complete the closing solely as a result of the failure to obtain debt financing or alternate financing that is sufficient to finance the consummation of the Transaction. In addition, a portion of the consideration pursuant to the Transaction is comprised of a \$139 million dividend or return of capital or surplus by JRG Re to the Company prior to the closing date of the Transaction, which dividend or return of capital or surplus is subject to the availability of unencumbered assets at JRG Re on the closing date. A number of factors may impact the availability of unencumbered assets at JRG Re prior to the closing date, including collateral requirements of JRG Re's covenants. While the Transaction is pending or if the Transaction is not completed, we may be subject to several risks including: • The current trading price of our common stock may reflect a market assumption that the Transaction will be completed, and may decline if the Transaction is not completed; • We have incurred and expect to incur significant transaction costs in connection with the Transaction whether or not the Transaction is completed; • Under the definitive agreements for the Transaction, we are subject to certain restrictions on the conduct of JRG Re's business prior to the closing date of the Transaction, which restrictions could adversely affect our ability to realize certain business strategies or take advantage of certain business opportunities; • The negative perception of investors, vendors, trading partners, or employees if the Transaction is not completed; • The attention of our management may be directed toward the completion of the pending Transaction and related matters, and their focus may be diverted from our day-to-day business operations; and • Our inability to cure the financial strength rating default under our credit agreements prior to the expiration of the waiver of such default provided by our lenders (see "Our credit agreements contain financial and other covenants, the breach of any of which could result in accelerations of payment of amounts due under our credit facilities"). Any of these risks could have a material adverse effect on our **financial position. In accordance with the Stock Purchase Agreement, the cash portion of the purchase price (the "Closing Date Purchase Price") received by the Company for the sale of JRG Re on April 16, 2024 (the "Closing Date") was calculated based on an estimated closing statement, which in turn was based on an estimated balance sheet of JRG Re. Under the Stock Purchase Agreement, the estimated closing statement is subject to a post-closing adjustment process between the Company and Fleming to produce a final closing statement based on a final balance sheet of JRG Re as of the Closing Date. Fleming delivered a closing statement to the Company, and pursuant to the procedures in the Stock Purchase Agreement, the Company has given notice of its disagreement with Fleming's closing statement. In its notice of disagreement, the Company (i) agreed with an \$11.4 million downward adjustment to the Closing Date Purchase Price due to the losses recorded on JRG Re's operations between the date of the balance sheet used to produce the estimated closing statement and the Closing Date, which downward adjustment was included in "Other Liabilities" on the Company's Balance Sheet at September 30, 2024 (and was paid to Fleming on October 18, 2024), and (ii) disputed \$54.1 million in aggregate downward adjustments to the Closing Date Purchase Price claimed by Fleming, which the Company believes are unsupported by the facts known to the Company and the terms of the Stock Purchase Agreement. The Stock Purchase Agreement**

provides procedures for resolving disputes between the parties regarding the closing statement and it is possible that the resolution of these disputes could result in a significant reduction to the amount of the purchase price beyond the \$ 11.4 million downward adjustment already paid by the Company to Fleming. As described in the Risk Factor below “**Litigation and legal proceedings against us or our subsidiaries could have a material adverse effect on our business, financial condition and / or results of operations ,”** we are involved in litigation with Fleming regarding the **Stock Purchase Agreement** and **prospects-related matters**. The outcome of the disputes over the post- closing adjustment and the litigation with Fleming cannot be predicted and, if determined adversely, could require us to repay a significant portion of the purchase price paid by Fleming on the Closing Date, as well as significant damage amounts, which could have a material adverse effect on our financial position . We or our subsidiaries are or may be named as defendants in various legal actions, including commercial matters and litigation regarding insurance claims which arise in the ordinary course of business. In addition, the Company is involved from time to time in legal actions which seek extra- contractual damages, punitive damages or penalties, including claims alleging bad faith in handling of insurance claims. On July 9, 2021, a purported class action lawsuit was filed in the US District Court, Eastern District of Virginia on behalf of Employees’ Retirement Fund of the City of Fort Worth against the Company and certain of its present and former officers, alleging claims under Section 10 (b) of the Securities Exchange Act of 1934. On December 7, 2023 we reached an agreement in principle to settle this purported securities class action lawsuit and on December 22, 2023 the parties submitted the stipulation of settlement to the Court for approval. On January 26, 2024 the Court issued its preliminary approval order of the settlement and scheduled a final settlement hearing for May 24, 2024. A final, non- appealable closure of the litigation could take several months. See “ Item 3. Legal Proceedings ” for more information. On November 13, 2023, a purported class action lawsuit was filed in the US District Court, Southern District of New York, on behalf of Paul Glantz against the Company and certain of its officers, asserting claims under Sections 10 (b) and 20 (a) of the Securities Exchange Act of 1934. Mr. Glantz alleges that he purchased James River common stock between August 7, 2023 and November 7, 2023, inclusive, that the Company failed to disclose that it lacked effective internal controls regarding the recognition of reinstatement premiums for reinsurance causing the Company to overstate its net income, and that, as a result, Plaintiff suffered unspecified damages. See “ Item 3. Legal Proceedings ” for more information. We believe that the ~~outcomes~~ **outcome** of these matters and other presently pending matters, individually and in the aggregate, ~~will be~~ **are not reasonably likely to** have a material adverse effect on our consolidated financial position. However, the outcomes of lawsuits cannot be predicted and, if determined adversely, could require us to pay significant damage amounts or to change aspects of our operations, which could have a material adverse effect on our financial results. In the future we may identify ~~additional~~ **additional** material weaknesses or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations. The occurrence of any such event may have a material adverse effect on our business and common share price. ~~We previously~~ **In November 2023, we** identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. ~~As previously disclosed, in preparing our unaudited consolidated financial statements for the three and nine months ended September 30, 2023, the Company became aware that the unaudited consolidated financial statements for the six months ended June 30, 2023 contained material misstatements related to unrecorded reinstatement premium as more fully described in Note 1 to the condensed consolidated financial statements of the 10- Q / A filed with the SEC on November 14, 2023. Management of the Company concluded that because the controls to evaluate the accounting and disclosure of the reinstatement premium did not operate effectively, and resulted in the failure to detect the misstatement, the deficiencies were a material weakness in the Company’s internal control over financial reporting. Our internal controls did not detect the error related to the unrecorded reinstatement premium during the period ending June 30, 2023. This control deficiency resulted in the restatement of the Company’s unaudited consolidated financial statements contained in its Quarterly Report on Form 10- Q for the quarter ended June 30, 2023 and if it was not remediated, could have resulted in a material misstatement to future annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management determined that this control deficiency constituted a material weakness. To address this material weakness, we took actions designed to improve our internal control over financial reporting and remediate the control deficiencies that led to the material weakness, including (i) implementing additional review procedures within our accounting department, (ii) implementing additional training of accounting personnel, and (iii) enhancing our existing process and internal control documentation and financial statement preparation process, specifically including updates to accounting policies for reinstatement premium, to ensure completion of financial reporting and proper accounting in accordance with U. S. GAAP. As of the year ended December 31, 2023, we concluded that our remediation efforts have been successful and that the previously identified material weakness in internal control over financial reporting has been remediated. However, while ~~While~~ **While** the material weakness has ~~since~~ **since** been remediated, ~~it is possible~~ **it is possible** we continue to seek improvements to enhance our control environment and to strengthen our internal controls to provide reasonable assurance that ~~additional material weaknesses may~~ **additional material weaknesses may** our financial statements continue to be ~~identified~~ **identified** fairly stated in all material respects.~~ If we discover additional weaknesses in our system of internal financial and accounting controls and procedures, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. Any failure to implement and maintain effective internal control over financial reporting could cause investors to lose confidence in our reported financial and other information, adversely impact our stock price, cause us to incur increased costs to

remediate any deficiencies, and attract regulatory scrutiny or additional lawsuits that could be costly to resolve and distract management's attention, limit our ability to access the capital markets or cause our stock to be delisted from The Nasdaq Global Select Market. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. The holders of the Series A Convertible Preferred Shares are entitled to vote up to 9.9% of the aggregate voting power of our then-outstanding common shares on an as converted basis or of the outstanding voting securities of the Company, and have rights to approve certain actions, which may allow such holders to exercise significant influence over matters requiring shareholder approval. Additionally, GPC Partners may exercise influence over us through their ability to designate a nominee for election to our board of directors. The holders of the Series A Preferred Shares are entitled to vote up to 9.9% of the aggregate voting power of the then-outstanding common shares on an as converted basis or of the outstanding voting securities of the Company with the holders of our common shares on all matters submitted for a vote of holders of common shares (voting together as one class). As a result, such holders may be able to exercise significant influence over all matters requiring shareholder approval. Pursuant to the Investment Agreement dated February 24, 2022, **as amended on November 11, 2024 (as so amended,** the "Investment Agreement") by and between the Company and GPC Partners Investments (Thames) LP ("GPC Partners"), an affiliate of Gallatin Point Capital LLC, GPC Partners has the right to designate one candidate for nomination for election to our board of directors for so long as GPC Partners and its Permitted Transferees (as defined in the Investment Agreement) continue to beneficially own Series A Preferred Shares and / or common shares issued or issuable upon conversion of such Series A Preferred Shares that represent in the aggregate at least 50% of the number of common shares beneficially owned by the Investors, on an as-converted basis, as of the issuance date of the Series A Preferred Shares. Notwithstanding the fact that all directors ~~are will be~~ subject to fiduciary duties to us and to applicable law, the interests of the director designated by GPC Partners for nomination may differ from the interests of our security holders as a whole or of our other directors. Additionally, holders of the Series A Preferred Shares are entitled to a separate class vote with respect to amendments to the Company's organizational documents that have an adverse effect on the Series A Preferred Shares, including authorizations or issuances by the Company of securities that are senior to or pari passu with the Series A Preferred Shares, increases or decreases in the number of authorized Series A Preferred Shares, or the issuance of any additional Series A Preferred Shares other than in payment of dividends on the outstanding Series A Preferred Shares. As a result, the holders of the Series A Preferred Shares may have the ability to influence the outcome of certain matters affecting our governance and capitalization. The conversion of the Series A Preferred Shares into common shares would dilute the ownership of common shareholders and could adversely affect the market price of our common shares. The conversion of our Series A Preferred Shares into common shares or payment of dividends on the Series A Preferred Shares in common shares would dilute the ownership interest of existing holders of our common shares. ~~Further~~ **On November 11, common shares issuable upon conversion of 2024, pursuant to an amendment to the Investment Agreement, we converted 37,500 Series A Preferred Shares, or as payment with a liquidation value of dividends on the Series A Preferred \$ 37.5 million, into 5,859,375 common Shares shares,** may be sold by GPC Partners or its Permitted Transferees after the second anniversary of the Series A Preferred Shares issuance date. Any sale of ~~these~~ **common shares, or additional common shares obtained** following conversion of the Series A Preferred Shares or payment of dividends on the Series A Preferred Shares in common shares, would increase the number of common shares available for public trading, and may adversely affect prevailing market prices of our common shares. The Series A Preferred Shares have rights, preferences and privileges that are not held by, and are preferential to the rights of, our common shareholders, which could adversely affect our liquidity and financial condition. The holders of our Series A Preferred Shares have the right to receive a payment on account of the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company before any payment may be made to holders of any other class or series of capital shares. In addition, dividends on the Series A Preferred Shares accrue and are cumulative at the initial rate of 7.0% of the \$1,000 per share liquidation preference per annum, paid in cash, in-kind in common shares or in Series A Preferred Shares, at our election. ~~Pursuant to~~ **On March 1, 2027 (the five-year anniversary Amended and Restated Certificate of Designation pertaining to the issuance date of the Series A Preferred Shares), on October 1, 2029,** and each five-year anniversary thereafter, the dividend rate on the liquidation preference will reset to a rate equal to the five-year U.S. treasury rate (calculated as set forth in the Certificate of Designations designating the Series A Preferred Shares (the "Certificate of Designations")) plus 5.2%, **up to a maximum dividend rate of 8.0%**. The holders of the Series A Preferred Shares also have certain repurchase rights. Upon prior written notice of certain change of control events (a "Fundamental Change"), each holder of outstanding Series A Preferred Shares may, at its election, (i) effective as of immediately prior to the Fundamental Change, convert all or a portion of its Series A Preferred Shares into common shares, or (ii) require the Company to repurchase any or all of such holder's Series A Preferred Shares in cash at a purchase price per Series A Preferred Share equal to the liquidation preference of such Series A Preferred Share plus accrued and unpaid dividends. These dividend and share repurchase obligations could impact our liquidity and reduce the amount of cash flows available for working capital, capital expenditures, growth opportunities, acquisitions and other general corporate purposes, as well as for the payment of dividends to our common shareholders. Our obligations to the holders of the Series A Preferred Shares could also limit our ability to obtain additional financing, which could have an adverse effect on our financial condition. The preferential rights could also result in divergent interests between the holders of the Series A Preferred Shares and common shareholders. Our by-laws permit non-employee members of our board of directors and their affiliates to compete with us, which may result in conflicts of interest. Our by-laws provide that members of our board of directors (other than those who are our officers, managers or employees) and their affiliates do not have any duty to (i) communicate or present to the Company any investment or business opportunity or prospective transaction or arrangement in which the Company may have any interest or expectancy or (ii) refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Our by-laws will not restrict our non-

employee directors, or their affiliates from acquiring and holding interests in businesses that compete directly or indirectly with us. Our non-employee directors and their affiliates may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations or prospects if we are unable to pursue attractive corporate opportunities because they are allocated by our non-employee directors to themselves or their affiliates instead of being presented to us. The Certificate of Designations limits our ability to pay dividends to our shareholders. If we pay cash dividends of more than \$ 0.05 per common share per quarter, without the consent of at least the majority of the Series A Preferred Shares then outstanding, we will be required to reduce the conversion price of the Series A Preferred Shares. Additionally, the payment of cash dividends in excess of \$ 0.10 per common share per quarter is not permitted if the dividends on the Series A Preferred Shares for that quarter are not paid in cash, unless the Company's U. S.-based insurance subsidiaries and direct Bermuda-based insurance subsidiary satisfy certain capital requirements. Share dividends payable on the common shares also trigger a reduction of the conversion price applicable to the Series A Preferred Shares. Additionally, the declaration, payment and amount of dividends is further subject to the discretion of our board of directors. Our board of directors may take into account a variety of factors when determining whether to declare any dividends, including (1) our financial condition, liquidity, results of operations (including our ability to generate cash flow in excess of expenses and our expected or actual net income), retained earnings and collateral and capital requirements, (2) general business conditions, (3) legal, tax and regulatory limitations, (4) contractual prohibitions and other restrictions, in addition to those related to our Series A Preferred Shares, (5) the effect of a dividend or dividends upon our financial strength ratings and (6) any other factors that our board of directors deems relevant. See also "Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases Of Equity Securities- Dividends." We cannot assure you that we will continue to pay dividends in the future, or that the amount of any such dividend will not decline from prior dividends we have paid. We depend upon dividends and distributions from our subsidiaries, and we may be unable to distribute dividends to our shareholders to the extent we do not receive dividends from our subsidiaries. We are a holding company that has no substantial operations of our own. Accordingly, we rely primarily on cash dividends or distributions from our operating subsidiaries to pay our operating expenses and any dividends that we may pay to shareholders. The payment of dividends by our insurance and reinsurance subsidiaries is limited under the laws and regulations of the applicable domicile. These regulations stipulate the maximum amount of annual dividends or other distributions available to shareholders without prior approval of the relevant regulatory authorities. As a result of such regulations, we may not be able to pay our operating expenses as they become due and our payment of future dividends to shareholders may be limited. The payment of dividends by our subsidiaries to us is limited by statute. In general, the laws and regulations applicable to our U. S. insurance subsidiaries limit the aggregate amount of dividends or other distributions that they may declare or pay within any 12 month period without advance regulatory approval. In Ohio, the domiciliary state of Falls Lake National, **Stonewood Insurance**, James River Insurance and James River Casualty, this limitation is the greater of statutory net income for the preceding calendar year or 10 % of the statutory surplus at the end of the preceding calendar year, provided that such dividends may only be paid out of earned surplus of each of the companies, without obtaining regulatory approval. In **California** ~~North Carolina~~, the domiciliary state of ~~Stonewood Insurance~~, respectively **Falls Lake Fire and Casualty**, this limitation is the greater of statutory net income ~~excluding realized capital gains~~ for the preceding calendar year or 10 % of the statutory surplus at the end of the preceding calendar year, provided that such dividends may only be paid out of unassigned surplus without obtaining regulatory approval. In ~~California~~, the domiciliary state of ~~Falls Lake Fire and Casualty Company~~, this limitation is the greater of statutory net income for the preceding calendar year or 10 % of the statutory surplus at the end of the preceding calendar year, provided that such dividends may only be paid out of unassigned surplus without obtaining regulatory approval. In addition, insurance regulators have broad powers to prevent reduction of statutory surplus to inadequate levels and could refuse to permit the payment of dividends calculated under any applicable formula. See "Item 1. Business — Regulation — U. S. Insurance Regulation — State Regulation" for more information. In addition, dividends paid by our U. S. subsidiaries to our U. K. holding company are subject to a 5 % withholding tax by the IRS. Under U. K. domestic law, no withholding tax is applied to dividends paid by U. K. tax resident companies. ~~JRG Re, which is domiciled in Bermuda, is registered as a Class 3B insurer under the Insurance Act. The Insurance Act, the conditions listed in the insurance license and the applicable approvals issued by the BMA provide that JRG Re is required to maintain a minimum statutory solvency margin of approximately \$ 31.1 million as of December 31, 2023. See "Item 1. Business — Regulation — Bermuda Insurance Regulation — Minimum Solvency Margin and Enhanced Capital Requirements" for more information. A Class 3B insurer is prohibited from declaring or paying a dividend if it fails to meet, before or after declaration or payment of such dividend, its: (i) requirements under the Companies Act, (ii) minimum solvency margin, (iii) enhanced capital requirement or (iv) minimum liquidity ratio. If a Class 3B insurer fails to meet its minimum solvency margin or minimum liquidity ratio on the last day of any financial year, it is prohibited from declaring or paying any dividends during the next financial year without the approval of the BMA. In addition, JRG Re, as a Class 3B insurer, is prohibited from declaring or paying in any financial year dividends of more than 25 % of its total statutory capital and surplus (as shown on its previous financial year's statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the BMA an affidavit signed by at least two directors (one of whom must be a Bermuda resident director if any of the insurer's directors are resident in Bermuda) and the principal representative stating that it will continue to meet its solvency margin and minimum liquidity ratio. Where such an affidavit is filed, it shall be available for public inspection at the offices of the BMA. See "Item 1. Business — Regulation — Bermuda Insurance Regulation — Restrictions on Dividends and Distributions" for more information.~~ The inability of our subsidiaries to pay dividends or make distributions to us, including as a result of regulatory or other restrictions or capital needs, may prevent us from paying our expenses or paying dividends to our shareholders. Dividends paid by our U. S. subsidiaries to James River UK may not be eligible for benefits under the U. S.- U. K. income tax treaty. Under U. S. federal income tax law, dividends

paid by a U. S. corporation to a non- U. S. shareholder are generally subject to a 30 % withholding tax, unless reduced by treaty. The income tax treaty between the United Kingdom and the United States (the “ U. K. Treaty ”) reduces the rate of withholding tax on certain dividends to 5 %. Were the IRS to contend successfully that James River UK is not eligible for benefits under the U. K. Treaty, any dividends paid by James River Group, Inc., our U. S. holding company, to James River UK would be subject to the 30 % withholding tax. Such a result would substantially reduce the amount of dividends that our shareholder may receive. If securities or industry analysts do not continue to publish research or publish misleading or unfavorable research about our business, our common share price and trading volume could decline. The trading market for our common shares depends in part on the research and reports that securities or industry analysts publish about our business. If one or more of these analysts downgrades our shares or publishes misleading or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our shares could decrease, which could cause our share price or trading volume to decline. Future sales of our common shares, or the possibility of such sales, may cause the trading price of our common shares to decline and could impair our ability to raise capital through subsequent equity offerings. Future sales of substantial amounts of our common shares in the public market, or the perception that these sales could occur, could cause the market price of our common shares to decline and impair our ability to raise capital through the sale of additional shares. In the future, we may issue additional common shares or other equity or debt securities convertible into common shares in connection with a financing, acquisition or employee arrangement or otherwise. Any of these issuances could result in substantial dilution to our existing shareholders and could cause the trading price of our common shares to decline. Our bye- laws and provisions of Bermuda law to which we are subject contain provisions that could discourage, delay or prevent “ change of control ” transactions or changes in our board of directors and management that certain shareholders may view as beneficial or advantageous. These provisions include, among others: • our board of directors has the authority to issue preferred shares without shareholder approval, which could be used to dilute the ownership of a potential hostile acquirer; • our shareholders may only remove directors for cause; **and** • there are advance notice requirements for shareholders with respect to director nominations and actions to be taken at annual meetings ; **and** • ~~under Bermuda law, for so long as JRG Re is registered under the Insurance Act, the BMA may object to a person holding more than 10 %, 20 %, 33 % or 50 % of our common shares if it appears to the BMA that the person is not or is no longer fit and proper to be such a holder (See “ There are regulatory limitations on the ownership and transfer of our common shares. ” risk factor herein)~~. The foregoing factors could impede a merger, takeover or other business combination, which could reduce the market value of our shares. We may repurchase your common shares without your consent. Under our bye- laws and subject to Bermuda law, we have the option, but not the obligation, to require a shareholder to sell to us at fair market value the minimum number of common shares which is necessary to avoid or cure any adverse tax consequences or materially adverse legal or regulatory treatment to us, our subsidiaries or our shareholders, if our board of directors reasonably determines, in good faith, that failure to exercise this option would result in such adverse consequences or treatment. We are organized under the laws of Bermuda. As a result, our corporate affairs are governed by the Companies Act, which differs in some material respects from laws typically applicable to U. S. corporations and shareholders, including the provisions relating to interested directors, amalgamations, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Generally, the duties of directors and officers of a Bermuda company are owed to the company only. Shareholders of Bermuda companies typically do not have rights to take action against directors or officers of the company and may only do so in limited circumstances. Class actions are not available under Bermuda law. The circumstances in which derivative actions may be available under Bermuda law are substantially more proscribed and less clear than they would be to shareholders of U. S. corporations. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company’ s memorandum of association or bye- laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company’ s shareholders than that which actually approved it. When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company’ s affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company. Additionally, under our bye- laws and as permitted by Bermuda law, each shareholder has waived any claim or right of action against our directors or officers for any action taken by directors or officers in the performance of their duties, except for actions involving fraud or willful misconduct. In addition, the rights of holders of our common shares and the fiduciary responsibilities of our directors under Bermuda law are not as clearly established as under statutes or judicial precedent in existence in jurisdictions in the United States, particularly the State of Delaware. Therefore, holders of our common shares may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction within the United States. Common shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 and the Exchange Control Act 1972 and related regulations of Bermuda, which regulate the sale of securities in Bermuda. In addition, the permission of the BMA is required under the provisions of the Exchange Control Act 1972 and related regulations for all issuances and transfers of shares of Bermuda companies to or from a non- resident of Bermuda for exchange control purposes, other than where the BMA has granted a general permission. The BMA, in its notice to the public dated June 1, 2005 has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and / or to a non- resident of Bermuda for exchange control purposes for so long as any “ equity securities ” of such company are listed on an appointed stock exchange, which includes the NASDAQ Stock Market. This general permission will apply to our common shares, but would cease to apply if we were to cease to be listed on the NASDAQ Stock Market. In connection with the IPO, we received consent from the BMA to

issue and transfer freely any of our shares, options, warrants, depository receipts, rights loan notes, debt instruments or other securities to and among persons who are either residents or non-residents of Bermuda for exchange control purposes. ~~The Insurance Act requires that where the shares of the registered insurer, or the shares of its parent company, are traded on a recognized stock exchange, and a person becomes a 10 %, 20 %, 33 % or 50 % shareholder controller of the insurer, that person shall, within 45 days, notify the BMA in writing that he has become such a controller. In addition, a person who is a shareholder controller of a Class 3B insurer whose shares or the shares of its parent company (if any) are traded on a recognized stock exchange must serve on the BMA a notice in writing that he has reduced or disposed of his holding in the insurer where the proportion of voting rights in the insurer held by him will have reached or has fallen below 10 %, 20 %, 33 % or 50 % as the case may be, not later than 45 days after such disposal. This requirement will apply to us as long as our shares are listed on the NASDAQ Stock Market or another stock exchange recognized by the BMA. The BMA may, by written notice, object to a person holding 10 %, 20 %, 33 % or 50 % of our common shares if it appears to the BMA that the person is not fit and proper to be such a holder. The BMA may require the holder to reduce its shareholding in us and may direct, among other things, that the voting rights attaching to its shares shall not be exercisable. A person that does not comply with such a notice or direction from the BMA will be guilty of an offense. JRG Re is also required to notify the BMA in writing in the event any person has become or has ceased to be a controller or an officer of it (an officer includes a director, chief executive or senior executive performing duties of underwriting, actuarial, risk management, compliance, internal audit, finance or investment matters).~~ Except in connection with the settlement of trades or transactions entered into through the facilities of the NASDAQ Stock Market, our board of directors may generally require any shareholder or any person proposing to acquire our common shares to provide the information required under our bye-laws. If any such shareholder or proposed acquiror does not provide such information, or if our board of directors has reason to believe that any certification or other information provided pursuant to any such request is inaccurate or incomplete, our board of directors may decline to register any transfer or to effect any issuance or purchase of our common shares to which such request is related. In addition, the insurance holding company laws and regulations of the states in which our insurance companies are domiciled generally require that, before a person can acquire direct or indirect control of an insurer domiciled in the state, and in some cases prior to divesting its control, prior written approval must be obtained from the insurer's domiciliary state insurance regulator. These laws may discourage potential acquisition proposals and may delay, deter or prevent an investment in or a change of control involving us, or one or more of our regulated subsidiaries, including transactions that our management and some or all of shareholders might consider desirable. Pursuant to applicable laws and regulations, "control" over an insurer is generally presumed to exist if any person, directly or indirectly, owns, controls, holds the power to vote or holds proxies representing, 10 % or more of the voting securities of that reinsurer or insurer. Indirect ownership includes ownership of the Company's common shares. We are exposed to many types of operational risk, including the risk of fraud by employees and outsiders, clerical and recordkeeping errors and computer or telecommunications systems malfunctions. Our business depends on our ability to process a large number of increasingly complex transactions. If any of our operational, accounting, or other data processing systems fail or have other significant shortcomings, we could be materially adversely affected. Similarly, we depend on our employees and could be materially adversely affected if one or more of our employees causes a significant operational breakdown or failure, either as a result of human error, intentional sabotage or fraudulent manipulation of our operations or systems. Third parties with whom we do business, including vendors that provide services or security solutions for our operations, could also be sources of operational and information security risk to us, including from breakdowns, failures, or capacity constraints of their own systems or employees. Any of these occurrences could diminish our ability to operate our business, or cause financial loss, potential liability to insureds, inability to secure insurance, reputational damage or regulatory intervention, which could materially adversely affect us. We rely on a combination of contractual rights and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Although we seek to protect our intellectual property rights, third parties may infringe or misappropriate intellectual property. We may have to litigate to enforce and protect intellectual property and to determine its scope, validity or enforceability, which could divert significant resources and prove unsuccessful. We may be subject to claims by third parties for patent, trademark or copyright infringement or breach of usage rights. Any such claims and any resulting litigation could result in significant expense and liability. If third party providers or we are found to have infringed a third party intellectual property rights, either of us could be enjoined from providing certain products or services or from utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licenses. Alternatively, we could be required to enter into costly licensing arrangements with third parties or implement a costly work-around. Any of these scenarios could have a material effect on our business or results of operations. We rely on multiple proprietary operating systems as well as operating systems of third-party providers to issue policies, pay claims, run modeling functions and complete various internal processes. We may be subject to disruptions of such operating systems arising from events that are wholly or partially beyond our control, which may include, for example, electrical or telecommunications outages, natural or man-made disasters, such as earthquakes, hurricanes, floods or tornados, or events arising from criminal or terrorist acts. Such disruptions may give rise to losses in service to insureds and loss or liability to us. In addition, there is the risk that our controls and procedures as well as our business continuity, disaster recovery and data security systems prove to be inadequate. The computer systems and network systems we and others use could be vulnerable to unforeseen problems. These problems may arise in both our internally developed systems and the systems of third-party service providers. In addition, our computer systems and network infrastructure present security risks and could be susceptible to hacking, computer viruses, data breaches, or ransomware attacks. Any such failure or security incident could affect our operations and could materially adversely affect our results of operations by requiring us to expend significant resources to correct the defect or incident, as well as by exposing us to litigation or losses not covered by insurance. Although we have disaster recovery plans and other safeguards in place, our business operations may be materially adversely affected by significant and widespread disruption to our physical infrastructure or operating systems and those of third-party service

providers that support our business. Our operations rely on the secure processing, transmission and storage of confidential information in our computer systems and networks. Our technologies, systems and networks may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our insureds', reinsureds' or claimants' confidential, proprietary and other information, or otherwise disrupt our or our insureds', reinsureds', claimants' or other third parties' business operations, which in turn may result in legal claims, regulatory scrutiny and liability, reputational damage, the incurrence of costs to eliminate or mitigate further exposure and the loss of customers. This risk may be heightened as a result of the current remote and hybrid work environment. Although to date we have not experienced any material losses relating to cyber- attacks or other information security breaches, there can be no assurance that we will not suffer such losses in the future. While we make efforts to maintain the security and integrity of our information technology networks and related systems, and we have implemented various measures and an incident response protocol to manage the risk of, or respond to, a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. In addition, our results of operations could be materially adversely affected if one of our business partners, such as brokers, general agents, third party claims administrators or vendors, experiences disruptions to their operating systems and / or a cybersecurity breach, as such disruption or breach could reduce submission flow, policy issuance, claims settlement, and / or make us more vulnerable to a cybersecurity breach ourselves. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats and the outsourcing of some of our business operations. As a result, cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber-threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. Disruptions or failures in the physical infrastructure or operating systems that support our business and customers, or cyber- attacks or security breaches of the networks, systems or devices that our customers use to access our products and services could result in customer attrition, regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensation costs, and / or additional compliance costs, any of which could materially adversely affect our financial condition or results of operations. Our operating results are subject to fluctuation and have historically varied from quarter to quarter. We expect our quarterly results to continue to fluctuate in the future due to a number of factors, including the general economic conditions in the markets where we operate, the frequency of occurrence or severity of catastrophic or other insured events, fluctuating interest rates, claims exceeding our loss reserves, competition in our industry, deviations from expected renewal rates of our existing policies and contracts, adverse investment performance and the cost of reinsurance and retrocessional coverage. In particular, we seek to underwrite products and make investments to achieve favorable returns on tangible equity over the long term. In addition, our opportunistic nature and focus on long- term growth in tangible equity may result in fluctuations in total premiums written from period to period as we concentrate on underwriting contracts that we believe will generate better long- term, rather than short- term, results. Accordingly, our short- term results of operations may not be indicative of our long- term prospects. We may not be able to manage our growth or other changes effectively. We intend to continue to grow our excess and surplus and specialty admitted businesses -- **business**, may attempt to enter new business lines, and may also face changes from market, legal or regulatory developments. Such growth, new business lines, and changes could require additional capital, systems development and skilled personnel. We cannot assure you that we will be able to meet our capital needs, expand and maintain our systems and our internal controls effectively, allocate our human resources optimally, identify and hire qualified employees or incorporate effectively the components of any businesses we may acquire in our effort to achieve growth. The failure to manage our growth and other changes effectively could have a material adverse effect on our business, financial condition and results of operations. Changes in accounting practices and future pronouncements may materially affect our reported financial results. Developments in accounting practices may require us to incur considerable additional expenses to comply, particularly if we are required to prepare information relating to prior periods for comparative purposes or to apply the new requirements retroactively. The impact of changes in current accounting practices and future pronouncements cannot be predicted but may affect the calculation of net income, shareholders' equity and other relevant financial statement line items. Further, our ~~U. S.~~ insurance subsidiaries are required to comply with statutory accounting principles ("SAP"). SAP and various components of SAP (such as actuarial reserving methodology) are subject to constant review by the NAIC and its task forces and committees, as well as state insurance departments, in an effort to address emerging issues and otherwise improve financial reporting. At any given point in time, various proposals are pending before committees and task forces of the NAIC, some of which, if enacted, could have negative effects on insurance industry participants. The NAIC continuously examines existing laws and regulations in the United States. We cannot predict whether or in what form such reforms will be enacted and, if so, whether the enacted reforms will positively or negatively affect us. In addition, the NAIC Accounting Practices and Procedures manual provides that state insurance departments may permit insurance companies domiciled in their jurisdiction to depart from SAP by granting them permitted accounting practices. We cannot predict whether or when the insurance departments of the states of domicile of our competitors may permit them to utilize advantageous accounting practices that depart from SAP, the use of which may not be permitted by the insurance departments of the states of domicile of our ~~U. S.~~ insurance subsidiaries. Further, we cannot assure that future changes to SAP or components of SAP or the grant of permitted accounting practices to our competitors will not have a negative impact on us.