Financial Condition Report

2019 Year End

International General Insurance Co. Ltd.

Table of Contents

1. Business and Performance

1.1. The Insurer

This report relates to International General Insurance Co. Ltd (‘the Company’ or ‘IGI Bermuda’).

The Company is a limited liability company registered and incorporated in Bermuda under the Companies Act of 1981 and licensed as a Class 3B insurer by the Bermuda Monetary Authority (‘BMA’) to write a range of specialty classes of general insurance and reinsurance business.

The Company operates from its headquarters in Amman, Jordan and through its branches, offices and subsidiaries in the United Kingdom, Malaysia, Dubai International Financial Centre (‘DIFC’) UAE and Morocco.

1.2. Supervisor

The Company is supervised by the Bermuda Monetary Authority as detailed below. Subsidiaries of the Company are subject to local supervision in their respective jurisdictions as detailed in Section 1.5 below.

Bermuda Monetary Authority

BMA House
43 Victoria Street
Hamilton
Bermuda

1.3. Auditors

BMA Supervisory Reporting

Ernst & Young Ltd
3 Bermudian Road
Hamilton, Bermuda

IFRS Accounts

Ernst & Young
P O Box 1140
Amman,11118, Jordan

1.4. Ownership Structure

The Company is fully owned by International General Insurance Holdings Limited (‘IGIH’). IGIH is a non-regulated company registered and domiciled in the Dubai International Financial Centre (‘DIFC’) for the purpose of considering the consolidated position of the IGI Group.

The IGI Group commenced operations in March 2002 and has emerged as a major participant within its specialised lines of business. The Group’s business by geography is widely diversified across MENA region, Asia, Central and South America and Europe and operates from several platforms worldwide, allowing it access to a broad spread of risks while providing appropriate jurisdictions to accept a wide range of policy types.

The Company acts as the principal underwriting entity for the IGI Group.

IGI Underwriting Co. Ltd (‘IGI Underwriting’) provides management, underwriting and operational support for all the subsidiaries of the IGI Group. It is a wholly owned subsidiary of IGIH.

North Star Underwriting Limited (‘North Star’) operates as an underwriting agency for IGI Bermuda and IGIUK. It is an approved Lloyd’s cover holder. It is a wholly owned subsidiary of IGIH.

International General Insurance Company (UK) Ltd. (‘IGIUK’) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is a wholly owned capitalised subsidiary of IGI Bermuda.

International General Insurance Company Ltd. - Labuan Branch (‘IGI Labuan’) is registered as a second-tier reinsurer regulated by the Labuan Financial Services Authority and acts as an offshore capitalised branch of IGI Bermuda. It is supported by a marketing office in Kuala Lumpur.

International General Insurance Company (Dubai) Ltd. (‘IGI Dubai’) is incorporated as a company limited by shares under the DIFC Companies Law. IGI Dubai is regulated by the Dubai Financial Services Authority (‘DFSA’) and engaged in the business of insurance intermediation and insurance management for IGI Bermuda. It is a wholly owned subsidiary of IGI Bermuda.

IGI Casablanca acts as the representative office of IGI Bermuda for Northern, Central and West African markets and is regulated by Casablanca Finance City (‘CFC’).

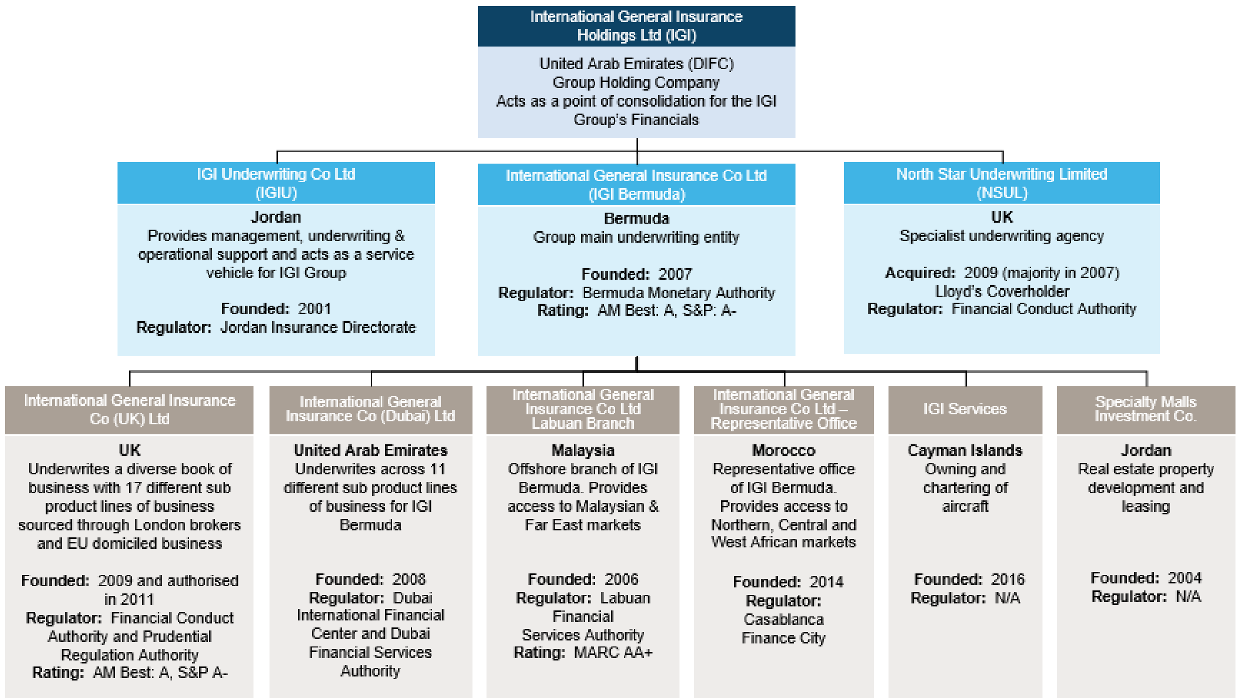
IGI Services Limited was established in the Cayman Islands on 27 October 2016 and is engaged in the business of owning and chartering of aircraft. The Company is a wholly owned subsidiary of IGI Bermuda.

Specialty Malls Investments Co. is a limited liability company registered and incorporated on 3 August 2004 under the Jordanian Companies Law No. (22) of 1997. The Company's head office is located in Jordan and the main business objectives of the Company are developing and leasing of real estate properties. The Company is a wholly owned subsidiary of IGI Bermuda.

The full YE 2019 corporate structure is detailed below.

1.5. Group Structure

The following YE 2019 chart shows the Group Structure including the fully owned subsidiaries of the Company and their respective local regulators:



On 17th March 2020, IGIH completed a business combination transaction with Tiberius Acquisition Corporation, a Nasdaq-listed company incorporated in Delaware in the United States ("Tiberius"). In this business combination transaction, a new Bermuda company was created, International General Insurance Holdings Ltd ("IGIC"), which wholly acquired both IGIH and Tiberius. IGIC then became a publicly traded company listed on Nasdaq in the United States. IGI Bermuda remains a wholly owned subsidiary of IGIH, and IGIUK remains a wholly owned subsidiary of IGI Bermuda.

1.6. Underwriting Performance

The IGI Group has adopted a careful and disciplined underwriting strategy since inception, which it continues to develop and enhance with emphasis on specialty lines. The Group focuses on the profitability of the business that it underwrites rather than on volume of business, relying on a team of experienced underwriters with strong, long standing relationships with brokers, cedants and reinsurers.

IGI conducts its worldwide operations through three reportable segments: Speciality Short-tail *comprising (Energy (upstream, downstream and renewable energy), Property, Construction and Engineering, Political Violence, General Aviation and Ports & Terminals),* Specialty long-tail *(comprising Professional Indemnity, Directors and Officers, Legal Expenses, Intellectual Property, other Casualty lines, Financial Institutions and Marine Liability)* and Reinsurance *(comprising Proportional and Non-proportional Reinsurance Treaty business)*. In total, the Company has exposures in over 200 countries and territories.

IGI Group operates from several platforms worldwide, allowing access to a broad spread of risks, while providing appropriate jurisdictions to accept a wide range of policy types (including Middle Eastern regional business, London market risks, African business, Islamic Insurance etc.). Underwriting is carried out across the platforms, with individual team members physically based in the relevant geographies.

The underwriting performance by business segments and geographical region for the years ended on 31st December 2019 and 2018 is provided below:

Underwriting Performance by Business Segment

US$ '000	Gross written premiums 2019	Concentration Percentage %	Gross written premiums 2018	Concentration Percentage %
Specialty Short tail:	***188,791***	***54***	***191,839***	***64***
Energy	72,110	21	81,377	27
Property	46,137	13	43,786	15
Ports & Terminals	22,361	6	19,080	6
Construction & Engineering	20,704	6	18,194	6
Aviation	19,182	6	17,996	6
Political Violence	8,297	2	11,406	4
Specialty Long tail:	***142,514***	***41***	***91,960***	***30***
Casualty	115,890	33	73,665	24
Financial Institutions	23,181	7	16,148	5
Marine Liability	3,443	1	2,147	1
Reinsurance	***17,986***	***5***	***17,819***	***6***
Total	**349,291**	**100**	**301,618**	**100**

Underwriting Performance by Geographical Region

US$ '000	Gross written premiums 2019	Concentration Percentage %	Gross written premiums 2018	Concentration Percentage %
Africa	16,492	5	13,601	4
Asia	32,809	9	27,842	9
Australasia	15,186	4	12,636	4
Central America	37,731	11	26,697	9
Europe	153,191	44	111,188	37
Middle East	36,883	11	32,381	11
North America	4,281	1	860	0
Caribbean Islands	8,334	2	15,099	5
South America	11,051	3	26,357	9
Worldwide	33,333	10	34,957	12
Total	**349,291**	**100**	**301,618**	**100**

The Gross Written Premium ('GWP') increased from US$ 301.6 million in December 2018 to US$ 349.3 million in December 2019, registering a growth of 15.8% from previous year. The Retained Premium at US$ 252.2 million was 24% higher than 2018 whilst net earned premium has risen by 17.6% from last year. Net acquisition cost ended 29.3% to net earned premium compared to 32% last year. Net incurred claims were 38.4% higher at US$ 118.1 million of which net underwriting profit of US$ 34.3 million was 12.7% lower than last year.

Underwriting Results

US$ '000	December 2019	December 2018	Variance
Gross Written Premiums	349,291	301,618	15.8%
Retained Premium	252,152	203,430	24%
Net Earned Premium	215,542	183,309	17.6%
Net Acquisition Cost	63,200	58,701	7.6%
Net Incurred Claims	118,063	85,288	38.4 %
Net Underwriting Profit	34,278	39,320	(12.8%)
Net Acquisition Cost to Net Earned Premium	29.3%	32.0%	
Net Incurred Claims to Net Earned Premium	54.7%	46.5%	

- The Company posted an overall increase of 15.8% in its GWP compared to last year. The increase was primarily due to 55% growth in the specialty long tail segment. This increase was partially offset by a decrease of 1.6% in the specialty short tail segment. Reinsurance segment also recorded a notional increase of 1% from last year. The increase in gross written premiums was the result of several factors, including new business generated and improved renewal pricing, all resulting from hardening markets and superior underwriting.

- The net earned premium increased 17.5% from $183.3 million in 2018 to $215.5 million in 2019 primarily due to an increase in gross earned premiums and a decrease in reinsurer's share of insurance premiums.

- Net acquisition cost to net premium earned works out to 29.3% for Year End 2019 versus 32.0% last year.

- On Year on Year ('YoY') basis, ratio of 'Net incurred claims' to 'Net earned premiums' works out to 54.7% vis-à-vis 46.5% of previous year. This was primarily due to building appropriate IBNR reserves across our growing business in the long tail segment and an increase in retention in the speciality short tail segment with consequentially lower claims recovery in 2019 as compared to 2018.

- The Company posted a net underwriting profit of US$ 34.3 million as against US$ 39.3 million in 2018. Decrease of 13.7% in underwriting profit is a result of 8.2% negative variance in net incurred claims on YoY basis.

1.7. Investment Performance

Investment Portfolio Composition

The Company maintains a highly liquid portfolio comprised primarily of cash and fixed income securities, which represented close to 81.4% of invested assets as at 31st December 2019.

A summary of the investment portfolio by asset class as at 31st December 2019 is given below:

Investment Portfolio by Asset Class

US$ '000	IGI Bermuda Consolidated Carrying Values	Composition %	IGI Group Carrying Values	Composition %
Short Term Deposits	144,445	33.0	144,445	33.0
Fixed Income Securities	211,494	48.4	211,494	48.4
Equity Shares	41,696	9.6	42,228	9.7
Real Estate	39,567	9	38,773	8.9
Total	**437,202**	**100**	**436,940**	**100**

The investment strategy of IGI Group is comprised of high-level objectives and guidelines, which govern assets allocation amongst other things. In support of these guidelines, the investment strategy prescribes investment allocation targets by asset class.

The actual asset allocation mix has broadly adhered to these targets throughout the year in 2019. The Company does not however actively change its investments in response to short-term factors such as increased volatility or changes in market sentiment.

The Company uses a panel of high-quality third-party investment advisors to implement the investment strategy set out by its Investment Committee of the Board of Directors. The Group's Chief Investment Officer is responsible for implementing the investment strategy and routinely monitors the portfolio to ensure that these parameters are being met and the portfolio is behaving appropriately with further independent oversight provided through the Risk Function and associated Board reporting.

Investment Portfolio Performance

The following table shows the Return on Investment ('ROI') by asset class achieved by the Company in FY 2019 against FY 2018:

Investment by Asset Class	31 December 2019			31 December 2018		
	Asset Allocation%	Return %	Return	Asset Allocation%	Return %	Return
Short Term Deposits	33	3.4	5,418	29.1	2.7	4,423
Fixed Income Securities	48.4	2.2	4,233	47.9	2.0	3,689
Equity Shares	9.6	12.0	3,686	9.6	7.1	1,949
Real Estate	9	(1)	(357)	13	(2.2)	(791)
Others	0.0	(6.5)	(78)	0.4	(0.8)	(9)
Total	100	3.1	12,902	100	2.3	9,261
Total Investment Assets per IFRS B/S US$ '000			**437,202**			**345,648**

The return on investments above represents the investment income recorded in the Profit & Loss account for the year.

Overall return on investment ended 3.1% for 2019 versus 2.3% for the previous year. Interest on short term deposits has risen from last year primarily due to deployment of available funds with a bank at the beginning of 2019 which earned higher than average yield within the overall bank deposit portfolio. Returns on fixed income securities showed 20 basis point improvement from last year. Despite average dividend yield on equity portfolio reducing from 2.9% last year to 2.2% in 2019, overall return on equity improved by 5% on YoY basis. This is due to unrealized fair value appreciation of US$ 1.6 million during the year 2019 compared to negative US$ 0.9 million last year.

Other material Income & Expenses

The main expenses and income outside of underwriting results are management and other expenses, impairment loss on insurance receivables, investment income and foreign exchange gain and losses as summarised below:

US$ '000	2019	2018
Management Expenses	(17,176)	(15,974)
Other Expenses	(766)	(684)
Impairment loss on insurance receivables	(629)	(472)
Investment Incomes	12,902	9,261
Forex Gain/(Loss)	5,716	(3,392)
Profit before tax	**34,325**	**28,058**

- Increase in management expenses by 7.5% from last year was primarily due to an increase in human resource costs in line with the planned growth.

- Net gain on foreign exchange amounted to US$ 5.7 million in 2019 compared to a loss of US$ 3.4 million in 2018. This was primarily led by an increase in Pound Sterling – USD foreign exchange rate by approximately 4% between 2018 and 2019 coupled with higher Pound Sterling denominated cash and insurance receivables in the balance sheet between the two periods.

Any Other Material Information

COVID-19

On 30th January 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the Company's results, operations or liquidity is uncertain. Management have performed a COVID-19 impact analysis as part of their going concern assessment using information available as at 31st March 2020. The key risk areas considered included investment and market risks including foreign exchange, potential insurance claims, counterparty credit risk in respect of reinsurance and premium receivables, liquidity in extreme scenarios, and operational risks. The analysis included modelling a number of adverse scenarios to assess the potential impact that COVID-19 may have on the Company's operations, liquidity, solvency and capital position. This analysis indicates that the solvency position is and will likely remain within the Company's 'Capital Management Framework' targets. Management believe the preparation of the financial statements on a going concern basis remains appropriate and that the Company will be able to meet its regulatory solvency requirements and liabilities with sufficient liquidity.

Management continues to monitor the impact that the COVID-19 pandemic has on the Company, the insurance industry and the economies in which the Company operates updating the impact analysis for any significant developments as they occur.

Following measures announced by the Government, the directors have made the decision to implement aspects of the Company's business continuity plan (BCP), specifically requiring staff at all levels and in all functions to work remotely wherever practicable, and to limit the need for gatherings of staff so far as possible. The Company's IT facilities are adequate to maintain operations on this basis for the foreseeable future. The directors are mindful of the differing pressures on individual members of staff, and also of the fact that these pressures will change as the position nationally and locally develops. The directors expect that these operational changes will continue to be required as the position develops. Notwithstanding the above, the Company continues to monitor the evolving regulatory landscape and ensures as a minimum it complies with government legislation and regulations.

Litigations

The IGI Group, which arranges reinsurance policies which cover the Company's underwriting, is currently engaged in an arbitration proceeding with certain reinsurers represented by an underwriting agent ("agent") with respect to certain matters related to the Group's outward reinsurance programme for the years 2012 to 2017.

The Group commenced the arbitration proceeding with the agent for these reinsurers after they failed to make payment of approximately US$ 5.7m which the Group believes is due from them (based on figures as at 30th June 2019). As at 31st December 2019, the Group is seeking to recover approximately US$ 6.9m from the reinsurers, plus interest and legal costs. In response, the agent alleges that certain matters were not adequately disclosed and is seeking to avoid the policies. The Group believes that the allegations are without merit and will vigorously defend itself in this matter.

Were the policies in question to be avoided, approximately US$ 33.2m of premiums paid by the Group to the reinsurers would be returned to the Group, and the Group would similarly return approximately US$ 29.6m of claims previously paid by the reinsurers and would not collect a further US$ 6.9m which the Group believes is due from the reinsurers as at 31st December 2019. In addition, the Group would be unable to make further recoveries under the policies in respect of claims it is yet to pay and would not be required to pay any further premiums to the reinsurers.

2. Governance Structure

2.1. System of Governance

The IGI Group Board of Directors is supported by its Risk and Audit Committee ('RAC'), Nomination and Remuneration Committee ('NRC') and Investment Committee ('IC'). All these committees also provide support to other Group entities.

The following Management Committees support both the Group and the management in its day to day functioning:

- Management Committee
- Enterprise Risk Management Committee
- Delegated Authority Committee (including Product Oversight Group)
- Reinsurance Committee
- Reserving Committee

IGI has adopted a 'Group Code of Conduct and Ethics' and which applies to its Board of Directors, its committees, the senior and executive management and the staff members of all IGI Group operational entities. The Code ensures that the Board of Directors acts in the best interest of the Company while maintaining full compliance with the laws, rules and regulations of the jurisdictions in which it operates. In addition, IGI has in place a Group Corporate Governance Manual which outlines Board responsibilities and duties.

The Code was revised to reflect certain provisions of the 2018 UK CG Code. The overall governance structure of the Group has not changed materially in 2019.

2.2. Structure

IGI Group maintains an efficient and sound organisational structure commensurate with its operational requirement and with a view to governing and managing its business efficiently and effectively. All major changes in the organisation's structure are approved by the Nomination and Remuneration Committee of its Board.

The governance structure is based on well-defined lines of responsibility ('three lines of defence') spanning front line Functions, Risk, Compliance and Internal Audit Functions which are governed by the Board in order to provide independent oversight and challenge.

The executive management team consists of experienced insurance industry professionals with extensive international market experience and long histories of success in their respective specialist areas.

2.3. Board and Senior Executive

The following table shows the Board and Senior Executive of 'the Company' and 'IGI Group' as at YE 2019:

Board Members:

Name	Board Position (IGI Bermuda)	Board Position (IGI Group)
Wasef Jabsheh	CEO and Executive Director	CEO and Vice Chairman
Walid Jabsheh	President and Executive Director	-
Pervez Rizvi	CFO and Executive Director	-
Andreas Loucaides	Non-executive Director	-
Paul Gatutha	Non-executive Director	-
David Ezekiel	Non-executive Director	-
David D.Anthony	Non-executive Director	Non-executive Independent Director
Mohammad Abu Gazaleh	-	Chairman and Non-executive Director
Khalifa Al Mulhem	-	Non-executive Director
Anwar Al Jabri	-	Non-executive Director
Hani Jabsheh	-	Non-executive Director
David King	-	Non-executive Director

Officers:

Name	Board Position (IGI Bermuda)	Officers Position (IGI Group)
Wasef Jabsheh	Executive Director	Chief Executive Officer
Walid Jabsheh	Executive Director	President
Pervez Rizvi	Executive Director	Chief Financial Officer
Hatem Jabsheh	-	Chief Operating Officer / Chief Investment Officer
Tim Deardon	-	Senior Vice President, Group Head of Claims
Simon Spurr	-	Group Head of Risk Management
Stephen Rix	-	Chief Actuary
Michael Farah	-	Senior Vice President - Operations
Nasser Al Zagha	-	Chief Technology Officer
Rawan Alsulaiman	-	Chief Legal and Compliance Officer
Simon Levy	-	Senior Vice President - Reinsurance

Board and its committees Role, Responsibilities

The Board of Directors is responsible for directing the activities of the Company and for setting the goals and strategies necessary to operate and provide oversight for the implementation of those strategies carried out by the Executive Management. Potential conflicts of interest are discussed and disclosed at the start of every Board meeting.

The Board fulfils its duties and obligations through its following committees:

Risk and Audit Committee ('RAC')

The Committee meets at least quarterly and at such other times as deemed necessary by the Board. The Committee is comprised solely of Non-executive Directors and is chaired by an Independent Non-executive Director who has significant experience in risk, finance and compliance. The other two members bring extensive experience in the areas of Underwriting, Corporate, IT and Financial management. The Committee is attended by members of the Group executive and senior management team from the specific subject matter expertise and input as required.

The Committee's objective is to assist the Board in fulfilling its financial and statutory reporting, controls and compliance responsibilities to achieve the Company's goals while protecting shareholder interest. These oversight responsibilities span key functions including risk management, business continuity management, compliance including financial crime and whistleblowing, internal audit and reserving. The Committee also oversees the appointment and engagement of the Company's external auditors.

The Committee is authorised to investigate any matter within its remit, seek any information from the Directors and/or employees which is necessary to satisfactorily discharge its duties and make recommendations to the Board where action or improvement is needed.

Nomination and Remuneration Committee

This Committee provides oversight and support to the Group and its subsidiaries including IGIUK, meeting at least twice a year. Its objective is to assist Boards of Directors in the appointment of Board members, review and recommend on the skills and capabilities required of Board members and review the structure of the Boards including evaluation of the independence criteria for independent members.

The Committee is also responsible for setting remuneration and compensation for all Executive Directors and the Group Chairman and recommending and monitoring the level and structure of remuneration for the Executive Management of the Company.

Investment Committee

This Committee provides oversight to the Group and all the subsidiaries for investment management, meeting at least four times every year. The main objective of the Committee is to assist Boards in fulfilling their oversight responsibility for the investment assets of the Company.

The Board sets the investment risk appetite with the Committee is responsible for formulating the overall investment policies, establishing investment guidelines and monitoring the management of the investment portfolio in compliance with the policy and guidelines set in this regard and also for meeting performance objective over time.

The Committee provides specific recommendations and support to the Board.

As at 17th March 2020 the Group Board was restructured, therefore there is currently no investment committee in place with the oversight responsibilities for the investment assets of the Company transferred to the Board.

Changes During the Period

There have been no material changes in the system of governance of the Company over the 2019 period.

As at 17th March 2020, IGIC established a standing Audit Committee, which replaces the IGI Group Risk and Audit Committee. IGIC also established a standing Compensation Committee to replace the previous Nomination and Renumeration Committee and a standing Nomination/Governance Committee.

Remuneration Policy

In accordance with the Corporate Governance Manual, the Remuneration and Nomination Committee of the Board of Directors is responsible for setting remuneration and compensation for Executive Directors and the CEO and recommending the same to the Board for approval. The current remuneration structure of the Non-executive Directors of IGI Group consists of two aspects 1) annual retainer 2) fees based on attendance of meetings.

Remuneration policies and practices in respect of executives and employees are designed to compensate employees equitably based on their performance, consistent with IGI's business needs and financial strength and in a way that does not discriminate against anyone based on race, religion, colour, marital status, gender, age or disability.

The structure of remuneration for all employees including senior executives is comprised of:

- Basic salary plus defined allowances and benefits as per the terms of employment.
- Discretionary cash bonuses (rewarded annually at the Company's discretion based on a combination of individual and Company performance and not constituting a contractual right).
- Contribution to Social security as per local labour laws of land where IGI Offices are domiciled.
- Coverage under Medical and Life insurance as per Group Medical and Life Insurance Scheme.

The senior management team (including senior underwriters) also participated in a discretionary 'Phantom share option plan' linked to the book value of the Company's shares from the date of granting to the date of exercise and subject to a five-year vesting period.

In connection with the consummation of the business combination between IGIH and Tiberius, the 'Phantom share option plan' was terminated as of 17th March. The 2020 Omnibus Equity Incentive Plan (the '2020 Plan') was adopted by IGIC as of 17th March. The 2020 Plan provides for grants of stock options, share appreciation rights, restricted shares, other share-based awards, and other cash-based awards. Directors, officers, and all other employees are eligible for grants under the 2020 Plan.

Pension or Early Retirement Schemes for Members, Board and Senior Employees

There is no pension or early retirement schemes for Directors. For senior executives and employees, pension contributions are in line with the local labour laws of land where IGI Offices are domiciled.

Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executive Material Transactions

None.

2.4. Fitness and Proprietary Requirements

Fit and Proper Process in assessing the Board and Senior Executive

The Company carries out an extensive range of background checks before making any senior appointment. The 'fit and proper' checks include amongst other things:

- The declaration form to be completed by the applicant
- The undertaking of credit checks to determine the status of the person's credit record
- The checking of qualifications and work experience
- The undertaking of background checks for violation of any regulations
- Undertaking of checks via the internet or any other means for any other adverse information relating to the person

A person will only be deemed fit and proper if it can be shown that:

- The person possesses the level of competence, knowledge, experience, qualifications, and has or has undertaken the required training
- The person acts with integrity, due skill, care, diligence, honesty, and has sound judgement to properly perform their duties
- The person's past conduct and performance reflects high standards
- The person is not disqualified from acting in their position or performing their duties in terms of any legislation
- The person complies with Conduct Standards/Rules

Board and Senior Executives Professional Qualifications, Skills and Expertise

Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board.

The Nomination and Remuneration Committee reviews the qualifications of potential Director candidates and makes recommendations to the Board.

The Board of the IGI Group currently consists of members from various backgrounds and qualifications that serve IGI's business.

Biographies of IGIH Board of Directors are set out below as at Year End 2019:

Mohammad Abu Ghazaleh

Chairman of the Board, Non-executive Director

Mohammad serves as Chairman of the Board of Directors and Chief Executive Officer of Fresh Del Monte Produce Inc. in the United States. He also serves as the chairman and chief executive officer of National Poultry Jordan, Royal Jordanian Air Academy in Jordan and Queen Noor Technical College, as chairman of Arab Wings and as a member of the boards of directors of Bank Misr Liban in Egypt and United Cable Industries Company in Jordan. Mohammad also serves on the board of trustees of the American University in Cairo. Previously, Mohammad served as chairman and chief executive officer of IAT Group and as chief executive officer of United Trading Company in the United Arab Emirates from 1986 to 1996.

Wasef S. Jabsheh

Vice Chairman and Chief Executive Officer

Wasef worked in oil, petrochemicals and construction account management roles at Kuwait Insurance Company from 1967 to 1971, and as a branch manager for Kuwait Insurance Company in Abu Dhabi and Al Ain City. Wasef served as the general manager of Abu Dhabi National Insurance Co. from 1976 to 1989. He established Middle East Insurance Brokers in 1989, and founded International Marine & General Insurance Co. in 1991, which was ultimately purchased in 1994 by Houston Casualty Insurance Holdings, Inc. From 1995 to 1997, Wasef was a director of Houston Casualty Insurance Holdings, Inc. As a result of a non-compete clause with Houston Casualty Insurance Holdings, Inc. Wasef was involved in non-insurance related businesses from 1997 to 2001. Wasef founded IGI in 2001. From 2001 to 2005, Wasef served as the Company's Chairman and Chief Executive Officer. After the Company's capital increase in 2005, in compliance with international corporate governance standards, he became Vice Chairman and Chief Executive Officer. Wasef also serves as a board member of Saudi United Cooperative Insurance Co.

Wasef holds a B.A. degree in Economics and Business Administration from the American University of Cairo.

Anwar Al Jabri

Non-executive Director

Anwar has over 19 years' experience in investment, banking and financial services. He holds the position of an Investment Director at Oman Investment Fund (OIF), a Sovereign Wealth Fund of the Sultanate of Oman. He serves in various public and non-public company boards locally and internationally. Previously, he worked for Oman Refinery Company and the Central Bank of Oman holding various senior posts in investment and financial fields.

Anwar holds Bachelor of Science in Accounting Degree (BS. A), Master of Business Administration (MBA), and he is a Certified Public Accountant (CPA).

David King

Non-executive Director

David currently serves as non-executive Chairman of IGIUK Board of Directors and is also Chairman of the Risk and Audit Committee of IGIH. Additionally, he serves as Non-executive Chairman of their Board, and member of their audit committee and remuneration committee. From 2010 to 2012, he was executive Director of Middle East business development at China Construction Bank International. Prior to that, David held the positions of Director of finance and administration and chief executive officer of The London Metal Exchange from 1987 to 2001, Managing Director and acting chief executive of the Dubai Financial Services Authority from 2003 to 2005 and Managing Director of global banking in the MENA division of HSBC Bank Middle East Limited from 2005 to 2009. David is a fellow in the Association of Chartered Certified Accountants and holds a Master of Business Administration from Cranfield University.

David D. Anthony
Non-executive Director
David is an independent, self-employed insurance consultant working under the DA Research & Analysis (DARAA) trading name. In this role, David provides many forms of analytical support to insurance and reinsurance companies, particularly in respect of the Middle Eastern and North African regions. During the period from March 1994 to June 2018, David was a Director and senior analyst with S&P Global Ratings (formerly Standard & Poor's). He headed the S&P Insurance Interactive Rating Practice for Europe and the Middle East until 1999 before becoming S&P Regional Practice Leader for Insurance Rating Criteria. Throughout his time with S&P, David remained an active lead rating analyst, and a Chair of the Insurance Rating Committee. David has been involved in insurance and reinsurance for over 30-years, in a ratings context with Standard & Poor's in London and with Moody's Investors Service in New York, and also with Citibank N.A., London, where he was European Insurance Risk Manager, and Senior Relationship Manager (V.P.) for Nordic insurance banking. Prior to this, he was involved in international corporate and correspondent banking, working with Lloyd's Bank International, Al Saudi Banque and Credit Lyonnais in London, Brussels, Antwerp, Dubai, Bahrain, Cairo, Alexandria and Paris. David holds a Bachelor's degree in Political Science from the University of Birmingham and a Master's degree - MSc. (Econ.) in Economic History from the University of London.
Khalifa Al Mulhem
Non-executive Director
Khalifa has 32 years of experience in the construction of industrial projects industries. Previously, Khalifa worked for the Saudi Industrial Development Fund in Saudi Arabia. Khalifa holds a B.A. degree in Business Administration with a Finance Major from the University of Colorado, Boulder.
Hani Jabsheh
Non-executive Director
Hani is the co-founder and current chief executive officer of Al-Bawaba.Com Inc, based in Jordan, an online digital content provider and online media platform for the Arab world and greater Middle East. Prior to entering the online media industry in 2000, Hani was a broker at Lloyd's in London for two years, employed by Aon Group's energy division. Hani holds an Honors Bachelor of Business Administration from Wilfred Laurier University.

Biographies of IGI Bermuda Board of Directors, Officers and Senior Management are set out below:

Wasef S. Jabsheh
CEO and Executive Director
Biography as above
Walid Jabsheh
President and Executive Director
Walid has over 21 years of experience in the (re) insurance industry, he began his career at Manulife Reinsurance in Toronto, Canada and later joined LDG Reinsurance Corporation, a subsidiary of Houston Casualty Co., in 1998 where he served as Senior Underwriter managing a USD 30 million book of treaty and facultative business. Waleed joined International General Insurance Co. Ltd. at the time of its foundation in 2002. As President of the company, he has played a pivotal role in the growth and development of IGI now writing approximately USD 300 million in Gross Written Premium worldwide across 16 classes of business within a network of 5 offices.

Pervez Rizvi

Chief Financial Officer and Executive Director

Pervez has over 30 years of experience in Insurance and Banking. He obtained Bachelor of Commerce in Accounts and Management followed by CA (India) and CPA (USA) certificates.

Pervez is a fellow member of Institute of Chartered Accountants of India. Pervez began his Insurance career with Life Insurance Corporation of India in 1989 and later joined Oman National Insurance Company in Oman.

He worked with HSBC Bank in UAE and Malaysia and Zurich Financial Services in DIFC in the senior management role. His last assignment was with an Islamic Insurance Company in Abu Dhabi, UAE as CFO.

Andreas Loucaides

Non-executive Director

Andreas has over 47 years of experience in the insurance industry, he began his career in the insurance industry in 1971, joining Syndicate 702 at Lloyd's which was sold to Markel in 2000.

He later founded a start-up insurance company, PRI Group Plc (an FSA licensed A- rated AIM listed with a cap of £120m) in 2002 as Chief Executive Officer. Following the profitable sale to Brit Holdings, Andreas joined Catlin UK in 2004 as the Chief Executive Officer. In 2008, he joined Jubilee Group at Lloyd’s as the CEO overseeing the sale to Ryan Specialty Group in 2011. In 2012, Andreas joined Lloyd’s Syndicate 2526 assisting the sale to AmTrust and supporting AmTrust in the purchase of Sagicor at Lloyd’s. In 2014, Andreas joined IGI as CEO of IGIUK.

Paul Gatutha

Non-executive Director

Paul joined Marsh in 1999 as a Finance Manager responsible for the day-to-day operations of a number of captives. He was promoted to Senior Vice President in 2010. Prior to joining the company, Paul worked at Ernst & Young in London for four years where he was involved in a variety of audits in the financial services division.

Paul received a Bachelor of Commerce degree from the University of Nairobi in 1993. Paul was admitted as a member to the Institute of Chartered Accountants in England and Wales in 1998. He qualified as a Chartered Financial Analyst in 2004.

David Ezekiel

Non-executive Director

David was educated at Sherwood College, Nainital, India and undertook his articles of clerkship in London. He was admitted as a Member of the Institute of Chartered Accountants in England and Wales in 1971 and was admitted to Fellowship in 1978.

In 1972/73 he attended the Graduate Business Centre of the City University, London and received his Master of Science degree in Business Administration majoring in Investment Analysis.

Before establishing International Advisory Services Ltd (‘IAS’) in April 1981, David was a Partner with one of the leading accounting practices in Bermuda - Moore, Stephens & Butterfield (the Bermuda arm of KPMG Pear Marwick). While at KPMG he was responsible, along with one other Partner, for the firm’s rapidly expanding insurance auditing department and was responsible for much of the staff training in this area.

IAS grew to be the largest independent Management Company in the Bermuda insurance sector and in September of 2009 IAS was acquired by Marsh McLennan at which time IAS has some 160 clients and 95 staff. David assumed the position of Chairman & Managing Director of the combined entity, Marsh IAS until his retirement from Marsh at the end of 2015.

David has also served as Chairman of ABIC (Association of Bermuda International Companies) for a period of 13 years and has played a key role in the International Business sector in Bermuda over that period. In 2005 David was named as ‘Insurance Person of the Year’ by the Bermuda Insurance Institute (BII) and 5 years later was presented with the BII’s ‘Lifetime Achievement Award’.

David is currently President of Valor Group Ltd, which operates in the high net worth Life Insurance sector. Valor is headquartered in Bermuda and has subsidiaries in Europe, Bermuda and Barbados.

David D. Anthony
Non-executive Director
Biography as above

Hatem Jabsheh
Chief Operating Officer / Chief Investment Officer
Hatem has over 18 years of experience in the financial services industry, he began his career in 2001 with Spear, Leads & Kellogg, a subsidiary of Goldman Sachs. He managed several pits as a Chicago Board Options Exchange and Chicago Mercantile Exchange primary market maker. Hatem then moved to Amman, Jordan to set up Indemaj Brokerage, an asset management and brokerage company. After successfully selling it in 2009 to a publicly traded investment bank, Hatem joined IGI to head their investment department. In 2017 he became IGI's Group Chief Operating Officer. He is a graduate of Marquette University.
Tim Deardon
Senior Vice President, Group Head of Claims
Tim has over 35 years of experience in international insurance markets and claims management. He previously served as head international claims consultant for the energy business of Marsh Ltd and was also the international head of claims for its political risk business. Prior to that, Tim worked as a marine and energy claims manager at a major Lloyd's syndicate. He has first-hand knowledge of the requirements of IGI's customers and business partners and has built up a network of professional service providers that understand the high servicing standards required by IGI's claims team and who support the strategy of IGI's pro-active and transparent approach to claims management.
Simon Spurr
Group Head of Risk Management
Simon joined IGI during 2016 bringing over 7 years of risk and capital management experience and 19 years of broader experience across underwriting, pricing & portfolio management and change management. He is a Chartered Insurer with a BA (Hons) degree in Banking, Insurance and Finance. Before joining IGI, Simon spent 13 years as a self-employed consultant with his recent engagements including supporting the launch of Fidelis Insurance and implementing risk and capital frameworks in Liberty Mutual, Randall & Quilter (Lloyd's), Lancashire Insurance and Aspen.
Stephen Rix
Chief Actuary
A commercial, technical, and experienced Actuary, Stephen has held a broad range of executive roles including Chief Actuary (20 years), Underwriter (Structured Finite Insurance and Reinsurance) and Head of Analytics at a variety of Lloyd's and London Market Insurers. Stephen has an extensive, hands-on experience of a wide range of commercial insurance and reinsurance lines of business and utilises IT and state of the art data management to develop pricing, reporting, analytical and business planning solutions. Stephen qualitied as a Fellow of the Institute and Faculty of Actuaries in 1989 and is also a Fellow of the Society of Actuaries in Ireland. Stephen obtained a Bachelor of Science in Mathematics at the University of Manchester.

Michael Farah
Senior Vice President – Operations
Michael has over 20 years extensive experience of providing financial and operational control audit services to customers in Jordan and the Middle East. Michael joined IGI in 2011 to lead its internal audit function after having worked with PricewaterhouseCoopers and Ernst & Young, gaining a solid foundation in accounting and auditing particularly in Financial Services industry. Due to his all-encompassing experience and knowledge within IGI's operations and financial accounts he was promoted to SVP Operations in January 2018. He has a Bachelor's Degree in Accounting, US Certified Public Accountant "CPA" license, and Certified Internal Auditor "CIA" license.
Nasser Zagha
Chief Technology Officer
Nasser has over 20 years of experience in the financial services industry, he has been tasked with leveraging cutting-edge technology to enhance IGI's overall business capabilities. Nasser focuses on complimenting IGI's corporate objectives with an enhanced digital strategy to streamline business processes. Before joining IGI, Nasser worked for the Bank of Jordan, where as Head of Information Technology, he spearheaded initiatives in areas such as; Enterprise Digital Transformation, Business Process Management, Mobility, Financial ERP, CRM, EDMS implementations, Web Services, Open Banking, Architecture design, ITIL, Software Quality and Performance and Automation. Previously he worked for Bank of America, where he was a Systems Engineer, Technology Manager, and most recently Vice President.
Rawan Alsulaiman
Group Legal and Compliance Officer
Rawan has over 15 years of experience in the insurance industry, she joined IGI in December 2007 as head of its Legal Department and was promoted in 2014 to Chief Legal Officer, and in 2018 to Chief Legal and Compliance Officer. She also holds the position of Company Secretary of the Board of Directors. Rawan started her career in 2005 with Abu Ghazaleh Intellectual Property (AGIP) where she established the Special Customers Department to handle key customers and oversaw their intellectual property rights, anti-counterfeiting, infringement and IP enforcement actions across the MENA region. Rawan obtained her Master's degree in International & Comparative Public Law from the University of Exeter.
Simon Levy
Senior Vice President – Reinsurance
Simon has over 33 years of experience in the (re) insurance industry, he worked within the reinsurance industry since 1985 with DG Durham and subsequently for EW Payne (London). In 1996, Simon left the UK and worked for Alliance Re (latterly Flagstone Re) as an Underwriter concentrating on a WWX USA/Canada Proportional and Non-Proportional inwards treaty portfolio. Simon joined IGI in 2010 and is responsible for underwriting and managing the inwards treaty reinsurance portfolio of IGI, whilst also being a main member of the management team responsible for all group outwards purchases.

2.5. Risk Management and Solvency Self-Assessment

Risk Management Process & Procedures to Identify, Measure, Manage and Report on Risk Exposures

IGI's Risk Management approach starts from a clear articulation of the universe of risks to which the Company is exposed against which we establish a series of Board approved appetites / tolerances. The risk tolerances are calibrated to provide scope for the profitable pursuit of core risks (insurance underwriting and investment) whilst protecting against risks of significant capital erosion and ensuring adequate liquidity and financial flexibility is maintained at all times. Risk appetites are cascaded down to the first line risk taking functions through the use of detailed underwriting, reinsurance purchasing and investment authorities.

First line functions operate virtually continuous exposure monitoring of core risk exposures with the second line Risk Function collating, validating and challenging risk exposure metrics on at least a quarterly basis and providing detailed narrative reporting to Boards including detailed Key Risk Indicator 'KRI' reports against each element of the risk appetite.

In addition to the use of internal systems (including Sequel Impact) to identify and aggregate underwriting risk exposures, the company employs the services of RMS India to model elementary catastrophe exposures using RMS RiskLink - the results of which are aggregated by IGI using stochastic modelling tools and reported in detail to Boards quarterly. These modelled exposures, combined with the use of deterministic 'realistic disaster' style scenarios, provide a comprehensive picture of the primary risks to which the Company is exposed.

In addition to the monitoring and modelling of these 'financial' or 'intrinsic' risks, the Company monitors and manages 'operational risk' (being the potential impacts arising from a failure of people, processes or systems) through the use of a risk register and risk / control owner evaluations.

Risk Management and Solvency Self-Assessment Systems Implementation

The Company's risk and capital appetite forms a key input in to both the business and strategic planning processes, the consideration of alternative strategies being informed by their risk / return profile within the bounds of the aggregate levels of risk the Company is willing to accept and its capacity from the perspective of capital sufficiency in light of the requirement to satisfy the requirements of its prudential regulators and the more stringent requirements to maintain its AM Best and S&P ratings.

To date, the collation and reporting of the aggregate narrative reporting has been driven by regulatory filing timescales however the underlying elements are considered at appropriate points in the business lifecycle - the regulatory returns effectively being 'after the event' whereas the underlying process of monitoring and projecting the risk / capital profile is considered on a rolling quarterly basis and at other points as required in response to a projected or actual significant change in the risk / capital profile.

Relationship between Solvency Self-Assessment, Solvency Needs & Capital, and Risk Management

The three dimensions of risk / capital / solvency are inter-related and as such are considered alongside each other. As an example, the quarterly report of the Risk Function to the Board - the "Risk & Capital Review" considers regulatory capital, rating agency capital, intrinsic / financial risk exposures, operational and emerging / strategic risk.

This approach is reflected in the composition and work plan of the Risk Function itself.

Solvency Self-Assessment Approval Process

On at least a quarterly basis, the Risk Function provides its "Risk & Capital Review" encompassing the full range of risk and capital metrics to management and to the Risk and Audit Committee of the Board. This approach operates at both the level of the consolidated Group and in parallel at the IGIU UK entity.

In addition to review and challenge of this quarterly aggregate report, the Committees provide specific challenge and sign-off of deterministic capital model assessments (the BMA BSCR and PRA Standard Formula SCR) supported by appropriate expert and external review / audit.

2.6. Internal Controls

The system of internal control encompasses:

Control environment which sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

Risk assessment to identify and analyses relevant risks to the achievement of objectives, forming a basis for determining how the risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change. Risks are assigned to Risk and Control owners and this is recorded in the consolidated Group Risk Register that reflects entity specific issues.

Control activities which reflect policies and procedures to help ensure that management directives are carried out and necessary actions are taken to address risks to achievement of the entity's objectives. The Risk Register records the ownership of controls. The Risk Management team assesses the effectiveness of controls on a regular basis and provides feedback to the Risk and Audit Committee of the Board.

Information and Communication whereby the results of the Control Activities are communicated across the Company.

Monitoring whereby internal control effectiveness is monitored on a regular basis, making use of exception reporting and variance analysis as part of its management information.

2.7. The Compliance Function

The is independent and reports to the Risk and Audit Committee of the Board.

The Function ensures that the business of the Company complies with regulatory compliance requirements with a key role in the management of risks relating to financial crime (including Money Laundering, Sanctions and Anti Bribery & Corruption). The responsibility for the identification, assessment and measurement of regulatory risks rests with Compliance. Compliance is involved in identifying and assessing regulatory risks in day-to-day business activities both directly and through providing assistance, support, and challenge to line management.

2.8. Internal Audit

The Internal Audit function is responsible for auditing the group's processes and has an approved internal audit policy and charter outlining their responsibilities and reporting lines.

To achieve the degree of independence necessary to carry out its responsibilities effectively, the team has direct and unrestricted access to senior management and the Board achieved through a dual-reporting relationship. The internal audit department is free from interference in determining the scope of internal auditing, performing work, and communicating results and discloses any interference to the board together with its implications.

Internal Audit is objective in performing audits and does not subordinate judgment on audit matters to that of others. Individual objectivity is achieved through performing audits in such a manner that no significant quality compromises are made, and must have an impartial, unbiased attitude and avoid conflicts of interest and impairment of independence.

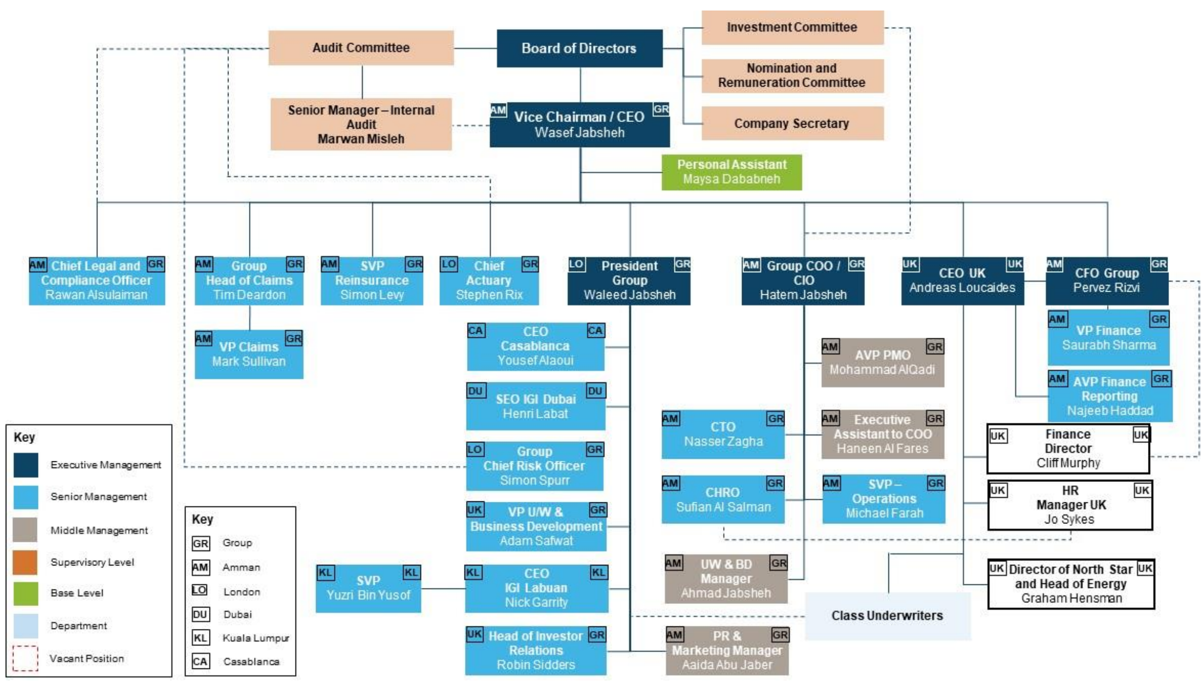
2.9. Actuarial Function

The Actuarial Function operates across pricing and reserving. Reserving analyses are carried out quarterly, providing a range of best estimate results be each line of business and accident year. Results are presented to and discussed by the Reserving Committee for the purpose of IFRS reserves and forming the basis for regulatory provisions.

By maintaining a set of internally agreed and governed un-margined actuarial best estimate ultimate claims provisions we are able to ensure consistency between reserving, pricing, planning, performance management, and capital model calibration.

2.10. Organization Structure

The following diagram outlines the IGI reporting structure by function as at May 2020:



2.11. Outsourcing

Outsourcing Policy and Key Functions that have been outsourced

The Company does not outsource any key or material functions, relying instead on its significant resources employed in both its Jordan hub and UK offices.

A degree of service provision in respect of functions is provided by the following:

- Marsh Management Services (Bermuda) Ltd. acts as an Insurance Manager for the company for the purposes of the Insurance Act, 1978 and the amendments & regulations made thereunder
- Etiqa Offshore Insurance Ltd acts as a resident principal agent of the company in Labuan
- Moorepay and Marsh IAS for payroll management in respect of UK and Bermuda respectively
- IMPENDULO for insurance premium tax computation and submission of returns in respective jurisdictions
- TDM for UK and Dubai based IT hardware, software support and back up
- RMS India for Catastrophe Modelling

The Company takes a risk-based approach to all these activities with robust contracts and service level agreements in place with all parties subject to regular review and audit consistent with the Company's Outsourcing Policy.

Material Intra-Group Outsourcing

The Company operates a hub approach to service provision with a number of functions and services outsourced to IGI Underwriting Co. Ltd (Jordan) administrative functions such as underwriting administration, claims administration, servicing insurance and reinsurance contracts, Internal Audit Function and procedures, IT services, Compliance, Risk, Actuarial, Investment Management, Company Secretarial, Exposure Management, Legal and some low level Finance Administration function under the terms of a signed Service Level Agreement.

2.12. Other Material Information

Not applicable.

3. Risk Profile

3.1. Material Risks the Insurer is exposed to in the Period

The Company's primary risk exposures are to the core risks of Underwriting and Investments and this is reflected in the frequency and scope of the risk monitoring and reporting to Boards.

Material underwriting risk exposures are to Catastrophes (Natural and Man Made) which are monitored through a combination of third-party models (Sequel Impact and RMS RiskLink) and, where appropriate models do not exist, through a range of deterministic scenarios.

These are reported in detail in the "Catastrophe Risk Return" schedule and associated "IGI Catastrophe Management and RDS Scenarios" of the Company's filings to the BMA. The Company's exposures in this regard have remained relatively stable over the period and we note that in comparison to peers, IGI's catastrophe risk exposures remain prudent reflecting its well diversified portfolio, immaterial exposures to peak zone atmospheric perils and prudent line sizes / reinsurances.

Material investment risk exposures are to counterparty default in respect of term deposits and interest rate volatility / counterparty risk in respect of fixed income securities and are monitored through regular investment portfolio reporting including quarterly review by the Investment and Risk Committees. The Company has relatively modest exposures to Equities (7%) and Real Estate Investments (6%) across a diverse portfolio and de-minimis exposure to alternative assets (<1%).

3.2. Risk Mitigation in the Organization

The Company mitigates risk through the use of extensive controls and prudent risk limits and tolerances, cascading these down to the front-line operations combined with '3 lines of defence' monitoring supported by the Risk Function and the Internal Audit Function.

Underwriting Risk

- Underwriting criteria and maximum line sizes for each business line with compliance monitored by Group Underwriting Management and breaches reported to Board.
- Prudent risk aggregation limits applied at individual and combined portfolio levels with metrics reported to management at least quarterly, reported in aggregate to the Risk and Audit Committee and significant movements analysed.

Liquidity Risk

- Maintenance of a highly liquid asset portfolio sufficient to cater for a combination of a significant pay out of reserves plus gross underwriting stress loss.

Market & Credit Risk

- Clear investment guidelines with limited exposure to non-traditional investment classes and requirements as to minimum investment counterparty quality monitored by the Investment Function and reported to both the Investment Committee and, in aggregate, to the Risk and Audit Committee.
- Minimum credit quality criteria in respect of outwards reinsurance counterparties coupled with concentration limits to contain exposures in extremis - any breaches being reported to the Risk and Audit Committee.

Operational Risk

- A series of 'zero tolerance' appetite statements for controllable risks and a risk management process focusing on the adequacy of the control environment.

3.3. Material Risk Concentrations

On the assets side, the Group has 8 exposures excess of US$ 10m to investment counterparties of which one comprises an investment in US treasury bonds of US$ 38.6m, and the remainder comprise current account / term deposits to individual banks - the most material being US$ 62.2m in term deposits placed with Standard Chartered Bank. A full schedule of exposures is reported quarterly in the Company's returns to the BMA.

On the liabilities side, risk concentrations exist through the Company's underwriting exposures where man-made or natural catastrophe events have the potential to impact across multiple contracts of insurance / reinsurance. In common with its peers, the Company considers catastrophe losses in terms of the potential for loss at a 1/250 return period for earthquake losses, a 1/100 return period for atmospheric perils and a range of deterministic scenarios in respect of man-made events.

As an enhancement to the monitoring of the Underwriting portfolio, IGI now monitors Aggregate Exceedance Probability (‘AEP’) All Natural Perils (ANP) metrics by country at 1 in 100 year return period (the most material exposure being Mexico at $21.9m which represents 7% of Shareholder Equity) and at a 1 in 250 year return period for worldwide regions. This allows IGI to also account for the frequency of losses as this is considered to be a key driver of risk, particularly given the frequency of losses experienced during 2017.

In addition, IGI now monitors the Worldwide ANP 1 in 250 year return period OEP metric, being the single occurrence target IGI aims to cover by the XOL Reinsurance Treaty programme.

3.4. Investment in Assets in Accordance With the Prudent Person Principles

The Company is required to invest the assets used to cover its policyholder obligations and capital requirement in accordance with the ‘prudent person principle’. The prudent person principle defines that the decision to invest assets must be in a manner that is generally accepted as being sound for the average person.

In addition to adhering to a prudent series of investment portfolio limits designed to contain risk through a combination of diversification and quality of assets, the Company ensures that adequate liquidity is maintained at all times sufficient to cover projected payouts of existing reserves plus potential stress losses - cash and (quoted and highly liquid) fixed income securities comprising >80% of invested assets at 31st December 2019.

3.5. Stress Testing and Sensitivity Analysis to Assess Material Risks

The primary stress testing performed by the Company is in respect of underwriting risk which, given the overall risk profile of the Company, provides the greatest potential to generate losses that could materially impact its capital and solvency profile.

In addition to the stochastic modelling of elemental catastrophes and the deterministic modelling of Realistic Disaster Scenarios ('RDS') the Company considers the potential for these to aggregate in a given year and potentially be exacerbated by correlated reinsurer defaults. In addition to considering underwriting risk scenarios, the Company considers the potential for these to coincide with losses on the asset side of the balance sheet arising from significant economic shocks.

In the Company's 2019 Year End return to the BMA, the BMA defined “Worst Case Annual Aggregate Loss Scenario” represented an aggregate potential loss of US$ 110.5m (32% of IFRS capital of US$ 348m) and remains comfortably within the level of headroom held over the Company's regulatory capital requirements.

The “Worst Case Annual Aggregate Loss Scenario” is comprised as the total of the “Combined Financial Market Stress Scenario” and the “Worst Case Annual Aggregate Catastrophe Loss Scenario” defined by the BMA guidance.

The “Combined Financial Market Stress Scenario” is in itself a combination of following 4 individual stresses – the total impact being calculated on the basis that it assumes independence between the events i.e. diversified on a square root of the sum of squares approach as prescribed in the BMA guidance.

The impact of this combined scenario is US$ 44.5m

- 40% peak to trough decline in equities consistent with the Black Monday event of 1987. The stress is considered to occur and be realised instantaneously i.e. allows no credit for markets’ tendency to revert towards the mean over time
- An equivalent stress loss applied to the alternative investments and real estate portfolios
- A significant widening of credit spreads impacting the bond portfolio being parameterised by the BMA to a level that is representative of a 1/100 return period shock
- An extreme widening of the US yield curve

The “Worst Case Annual Aggregate Catastrophe Loss Scenario” assumes the simultaneous occurrence of the 3 most significant events from the BMA defined event catalogue which in respect of this return are an Aviation Collision, a Japan EQ, and an Indian Wind 04 Western event totalling US$ 66m.

4. Solvency Valuation

4.1. Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class

Under the Economic Balance Sheet ('EBS') framework, the consolidated Statutory Financial Statements ('SFS') form the starting point for the preparation of the EBS.

Below is a reconciliation of amounts reported in total assets and liabilities under the Statutory Financial Statements against the IFRS financial statements:

Adjustments / Reclassifications *US$ '000*	**Assets**	**Liabilities**	**Net Assets**
IFRS Financial Statements	**1,048,791**	**700,754**	**348,037**
Adjustments:			
Prepaid Expenses	(1,300)	-	(1,300)
Intangible Assets	(3,886)	-	(3,886)
Reclassifications:			
Reinsurance Assets & Deferred XOL Cost	(225,302)	(225,302)	-
Unearned Commissions	(8,909)	(8,909)	-
Off balance sheet items - Contingent liabilities other than insurance related own contracts	-	325	(325)
SFS	**809,394**	**466,868**	**342,526**

The table below shows the amounts of total assets and liabilities reported under the Economic Balance Sheet against the Statutory Financial Statements:

Adjustments / Reclassifications *US$ '000*	**Assets**	**Liabilities**	**Net Assets**
SFS	809,394	466,868	342,526
Adjustments:			
EBS – Net General Business Technical Provisions	-	290,784	(290,784)
Risk Margin	-	25,482	(25,482)
SFS – Net General Business Technical Provisions	-	(393,965)	393,965
Not Due Insurance Payables	-	(24,021)	24,021
Unquoted Investments	(24)	-	(24)
Deferred Acquisition Cost "DAC"	(44,955)	-	(44,955)
Not Due Insurance Receivables	(65,917)	-	(65,917)
Property, premises & equipment	267	-	267
EBS	**698,765**	**365,148**	**333,617**

The valuation principles applied to each material asset class under the EBS framework are explained below:

Cash and Cash Equivalents

Recorded at fair value based on the balances confirmed by the relevant banks and financial institution at the end of the year. Furthermore, the Non-USD cash balances are translated into equivalent USD using the Year End exchange rate available from Bloomberg terminal.

There are no material estimations or judgments made due to the nature of these assets.

Quoted Investments

Recorded at fair value reflecting market prices traded on securities exchange at the reporting date.

Unquoted Investments

Recorded at fair value using other techniques for which all inputs that have a significant effect on the recorded market value are observable either directly or indirectly. These techniques are consistent with the EBS framework fair valuation hierarchy principles.

Investment in Affiliates

Recorded in accordance with the equity method as prescribed in International Accounting Standards. Economic balance sheet valuation principles are applied to the investment in affiliates where appropriate before deriving the investment values.

Investment in Property & Real Estate Occupied by the Company

Recorded at fair value based on recent external valuation report performed by an accredited professional third-party valuer at the reporting date.

Deferred Acquisition Cost

There is no concept of deferred acquisition cost ('DAC') under the EBS framework. The DAC is implicitly included in the premium provisions valuation and not reflected as an asset.

Deferred Tax Assets

Recognition of deferred tax assets is subject to a degree of estimation and judgment. The Company makes use of all available evidence when determining the future taxable profits. There is no difference between the recognised deferred tax asset in the IFRS financial statements and the deferred tax asset recognised in the economic balance sheet.

Accounts and Premium Receivable

Valued based on the best estimate of the recoverable value, discounted to present value where the expected recovery is greater than one year in accordance with the EBS framework. The outstanding premiums that relate to future collection dates are included in the EBS best estimate premium provision calculation.

Property, Plant and Equipment

Recorded at fair value using relevant observable market inputs according to the EBS valuation hierarchy.

Other Assets

Recorded at the carrying value stated in the IFRS financial statement which deemed to approximate the fair value due to the short-term nature of these assets. The only exceptions are prepayments and deferred expenses which do not meet the EBS valuation criteria with the caveat that prepayments could not be exchanged between knowledgeable willing parties in an arm's length transaction.

There are no material estimations or judgments made due to the nature of these assets.

4.2. Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

Claims Provision

The Company evaluates both outstanding ('O/S') individual claim case reserves and IBNR bulk claims estimates. IBNR includes an allowance for the likely run-off of case reserves.

The IBNR reserve is estimated according to a range of widely used actuarial methods including evaluation of run-off patterns of paid and incurred claims (both internal and external), and evaluation of expected loss ratios (again both internal and external) having regard to the impact of the underwriting cycle. This analysis takes place separately for each material line of business.

The total starting point for Claims Provision is then O/S+IBNR. This is estimated both gross and net of reinsurance, having regard to how the reinsurance program should respond on known claims, historical recovery rates from reinsurance contracts and considering current gross:net ratios for each line of business, accident year and reinsurance contract type. This is estimated without margins for prudence as required by the regulations.

Using the patterns of claims payments and risk-free interest rates a discount factor is applied to allow for the likely income on invested claims reserves. Provision is made for Events Not In Data ('ENID') by making an allowance for possible adverse outcomes that may not yet have occurred during the Company's trading history.

There is a further loading for Reinsurance Default ('RI Default') which is calculated on a different basis from IFRS bad debt provisions: this takes account of the amount of total expected recoveries within the claims reserve banded by the credit ratings of the reinsurers.

The Claims Provision is then: O/S+IBNR ***less*** Discount ***plus*** ENID ***plus*** RI Default.

Premium Provision

This component takes account of future payments for claims yet to occur on policies that have already been underwritten, including 'bound but not yet incepted' policies which the Company is contractually committed to but which are not yet on-risk.

The approach is to estimate likely future claims and remove future premium to be received. Likely future claims are estimated according to IFRS Unearned Premium Reserves multiplied by appropriate loss ratios which vary by line of business and are consistent with the loss ratios adopted in the Claims Provision calculations.

Future premiums are estimated according to the actual payment terms of the policies. Both components are calculated gross and net of reinsurance, with assumptions where appropriate that future reinsurance terms will be consistent with projections within the Company's business plan. The future reinsurance recoveries allowed for in the net loss ratios take account of historical recovery rates from reinsurance contracts and consider current gross to net ratios for each line of business, accident year and reinsurance contract type.

Where the allowance for future reinsurance anticipates recoveries on reinsurance contracts that are to be paid for after the valuation date allowance is made for this cost. The largest element of this is likely to be for the renewal of Treaties purchased on a Losses Occurring During (‘LoD’) basis.

The starting point for Premium Provision is then: future claims ***less*** future premiums.

A further allowance is calculated for additional expense reserves, being an estimate of future expenses that would be required to manage the claims without regard for future underwriting and which is calculated on a different basis from the allowance for claims management expenses in IFRS reserves. A single loading across Claims and Premium Provisions is calculated and split between Premium and Claims Provisions.

As with the Claims Provision calculation above, allowance is made for discounting, ENID, and RI Default. The calculation methods are the same but the results are different to allow for different claim payment timings and different exposure to reinsurers. The Premium Provision is then:

Future claims ***less*** future premiums ***less*** Discount, ***plus*** Future cost of Reinsurance, ***plus*** ENID, ***plus*** RI Default, ***plus*** total additional expense reserves.

Risk Margin

The risk margin has been considered to ensure that the value of the Technical Provisions is equivalent to the amount that would be expected to have to be paid to a third party insurance company in order to take over and meet the insurance obligations.

As at 31st December 2019 the total EBS Technical Provisions including above mentioned risk margin amounted to US$ 316,267K which is comprised of:

US$ ‘000	
Best Estimate Loss and Loss Expense Provision	**239,296**
Best Estimate Premium Provision	51,488
Risk Margin	25,482
Total	**316,266**

Uncertainties

The key areas of uncertainty in the Technical Provisions are:

Outstanding Case Reserves: As a specialty insurer IGI is exposed to large individual claims which can change over time as new information emerges and negotiations take place. This risk is managed through regular claims reviews, consistent reserving philosophy and the allowance in IBNR for expected future movements on case reserves.

IBNR Claims: Uncertainty in the estimate of IBNR is usually greater than for outstanding claims because much of the IBNR is in respect of claims that have not yet been reported. Regular Reserve Review meetings are held with the Claims Department and Underwriters in which movements in the account are discussed and differences in the Actual-to-Expected critically examined to identify random timing or fluctuations as distinct from clear reserving signals. A formal Reserving Committee containing representatives of; Underwriting, Claims, Finance, Management and Actuarial meet at least quarterly provides robust reserving governance.

Estimation of claims on future exposures: Estimation of future claims are generally more uncertain than reserves for claims that have already taken place. The Company has a formal Business Planning process to derive expected loss ratios for future exposures which considers attritional, large and catastrophe claims separately and takes account of historical and expected future movements in premium rates. These loss ratios, which are consistent with the IBNR reserving analysis, inform the Company's annual corporate plan and are used for future claims estimates in the Premium Provision.

Catastrophe losses: The Claims Provision incorporates known natural catastrophe events, whereas the future claims part of the Premium Provision is exposed to potential future catastrophes. The Company models its catastrophe exposure and incorporates the findings into its reinsurance purchases, risk capital and expected future loss ratios.

Market environment: IGI operates through brokers and is subject to uncertainties including rating environment, customer retention and broking trends such as creation of automatic-acceptance facilities. Each line of business is affected differently. The Company responds to these uncertainties by regular monitoring of these trends and incorporating up to date insight in its forward-looking business plan and projections.

While there remains uncertainty in the other components of the Technical Provisions (ENID, ULAE, discount factors, RI Default and Risk Margin) it is of lower materiality than the claim reserves. We estimate net Technical Provisions variability (standard deviation) to be approximately 5% of the total Provisions.

4.3. Description of Recoverable from Reinsurance Contracts

Reinsurance recoveries are provided on the basis of paid and incurred for each Line of Business ('LoB')/Accident Year by type (Facultative, external Quota Share and Excess of Loss Treaty) as factual inputs to the IBNR assessment process.

Reserves for outward reinsurance recoveries on estimated IBNR claims are determined by the application of reinsurance recovery ratios to the estimated gross IBNRs. Specifically, IBNR by line of business and year is apportioned by policy and Facultative and Proportional Treaty (excluding the Bermuda Reinsurance Treaty ('BRT'), a proportional reinsurance IGI Bermuda provides to IGIUK) covers are applied.

The resulting IBNR is then subdivided between Pure IBNR and Incurred But Not Enough Reported ('IBNER'). Pure IBNR is netted down using the Initial Expected reinsurance recovery ratio, derived in the business planning exercise and IBNER netted down by applying a judgementally selected net to gross ratio, based on the ratio of net to gross incurred claims for each line of business, year.

Having allocated gross and net (pre-BRT reinsurance) IBNR by policy, results for each risk-taking entity of IGI Group are readily derived. The BRT is then applied to IGIUK (pre-BRT) net position and the post BRT IGIUK and IGI Bermuda values derived.

4.4. Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities

There are no material differences in the EBS valuation of the liabilities other than Technical Provisions except for the reinstatement premium payables, excess of loss minimum and deposit premium payable and the undue insurance premium payables which form part of the EBS best estimate Technical Provision calculation.

The amounts held under IFRS measurement principles are deemed to be approximations the fair value. Moreover, and based on the management experience, the final settled amount of these liabilities does not typically deviate materially from the original valuation.

4.5. Any Other Material Information

None.

5. Capital Management

5.1. Eligible capital

Capital Management Policy and Process for Capital Needs

The primary driver of the capital required at the level of the Group is the level of capitalisation required to maintain its A/A- ratings provided by both AM Best and S&P - this being significantly higher than that required to satisfy the minimum requirements of prudential regulation that might typically be considered as providing a BBB level of protection.

The Company at least on an annual basis (and at other times in response to a significant planned or actual change in the risk / capital profile) assesses the capital required under the S&P, AM Best, BMA BSCR and UK Standard Formula SCR deterministic models based upon its opening balance sheet and projected business plan.

At end 2019, the capitalisation of the Group is in excess of level that would equate to an A/A- rating under both the S&P and AM Best models and consequently provides significant headroom over the levels required by to satisfy its regulatory requirements.

Eligible Capital Categorised by Tiers in Accordance with the Eligible Capital Rules

The total Eligible Capital is shown below by Tiers and detailed further in the following section:

Tier *US$ '000*	
Tier 1	331,292
Tier 2	2,325
Tier 3	-
Total	**333,617**

Eligible Capital Categorised by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act

The Company has two components of eligible capital, all of which are Tier 1 and 2 basic capital.

A summary of the eligible capital categories is shown below:

Tier 1 basic capital

Type **US$ '000**	
a. Fully paid common shares	120
b. Fully paid contributed surplus	144,690
c. Statutory economic surplus	188,807
d. Excess encumbered assets transferred to Tier 2	(2,325)

Total Tier 1 basic capital	**331,292**

Tier 2 basic capital

Type *US$ '000*	
a. Excess encumbered assets transferred from Tier 1	2,325

Total Eligible Capital

Measure *US$ '000*	
Available Statutory Economic Capital & Surplus (a)	333,617
Transition Enhanced Capital Requirement (b) * (ECR)	137,052
Full Enhanced Capital Requirement (c) * (ECR)	155,584
Minimum Margin of Solvency (MSM)	31,981

* The Bermuda Monetary Authority revised the Bermuda Solvency Capital Requirements (BSCR) model and rules for commercial insurers effective 1st January 2019. The new changes will be linearly graded in over three

reporting years beginning with the 2019 Year End filings.

As at the reporting date, Company reflects a healthy Transition BSCR/ECR ratio' (a/b) of 243% and "Full BSCR/ECR ratio' (a/c) of 214%. Furthermore, the Company enjoys close to 10 times buffer in available economic capital over MSM.

The BMA requires every Class 3B insurer to maintain available statutory capital and surplus of an amount that is equal to or exceeds the value of its minimum margin of solvency and enhanced capital requirement respectively by following certain criteria and thresholds as described in the eligible capital rules.

As illustrated above, the Company's Tier 1 capital comprises 99% of the available eligible capital against a regulatory minimum requirement of 80% and 60% for the MSM and ECR respectively, hence Tier 1 capital by itself covers the Enhanced Capital Requirement ('ECR') and the Minimum Margin of Solvency.

Accordingly, the Company is in compliance with BMA eligible capital rules and requirements.

Confirmation of Eligible Capital That is Subject to Transitional Arrangements

None.

Identification of Any Factors Affecting Encumbrances on the Availability and Transferability of Capital to Meet the ECR

None.

Identification of Ancillary Capital Instruments Approved by the Authority

None.

Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus

Total equity as per the IFRS financial statements was US$ 348,037k as at 31st December 2019.

The economic available statutory capital and surplus calculated under the EBS framework was US$ 333,617k.

The difference of US$ 14,420k between the net assets of the Company in the financial statements and the economic balance sheet is due to adjustments made through the valuation process of the assets and liabilities undertaken in accordance with the EBS framework requirements.

The following table analyses the differences between the equity in the IFRS financial statements and the economic available statutory capital and surplus as at 31st December 2019:

Description *US$ '000*	
Total Shareholder Equity in IFRS financial statement	348,037
Difference in the valuation of assets as per IFRS financial statements and EBS framework	(139,897)
Difference in the valuation of technical provisions	92,871
Difference in the valuation of other liabilities	32,606
Economic statutory capital as per EBS framework	333,617

There are no differences between ordinary share capital and contributed surplus in the financial statements and the amount reported in the economic balance sheet.

5.2. Regulatory Capital Requirements

ECR and MSM Requirements at the End of the Reporting Period

Identification of Any Non-Compliance with the MSM and the ECR

There have been no instances of non-compliance of ECR and MSM capital requirement. The Company holds significant headroom over its regulatory capital requirements.

A Description of the Amount and Circumstances Surrounding the Non-Compliance, the Remedial Measures and Their Effectiveness

None.

Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance

Not applicable.

5.3. Approved Internal Capital Model

Whilst the Company uses stochastic capital modelling to support its decision making and pricing processes, it uses the BSCR Model for the purpose of calculating its regulatory capital requirements.

6. Declaration

We declare that to the best of our knowledge and belief, the information in this Financial Condition Report fairly represents the financial condition of the Company in all material respects.

Signatory:

Print Name: Wasef Jabsheh

Role: Chief Executive Officer & Executive Director

Date: May 28TH, 2020

Signatory:

Simon D Spurr

Print Name: Simon Spurr

Role: Chief Risk Officer

Date: May 28TH, 2020