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# **Supplementary Report of the Independent Actuary**

**Proposed transfer of business from AmTrust  
International Underwriters DAC to AmTrust  
Assicurazioni S.p.A.**

**6<sup>th</sup> March 2026**

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# 1 Introduction

An Independent Actuary's Report ("Report") dated 27 November 2025 has been prepared in order that the Irish High Court (the "High Court"), the Central Bank of Ireland ("CBI"), the policyholders and other affected parties may properly assess the impact of the proposed transfer of insurance business (the "Scheme"). The proposed Scheme involves the transfer of a portfolio of Italian business from AmTrust International Underwriters DAC ("AIU") to AmTrust Assicurazioni S.p.A ("AA") together known as the "Scheme Companies", in accordance with the provisions of Section 13 of the Assurance Companies Act 1909 (the "1909 Act"), Section 36 of the Insurance Act 1989 (the "1989 Act") and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (the "2015 Regulations").

Under the 1909 Act, a petition to the High Court for a transfer of long term (or life insurance) business must be accompanied by a report on the terms of the proposed transfer by an Independent Actuary. I understand that there is no equivalent legal requirement for any such report for the transfer of non-life insurance business.

Despite the fact that there is no requirement for such a report, the Scheme Companies have engaged me to act in a similar and broadly comparable manner for the transfer of non-life insurance business. This Report is a report prepared by me, the appointed Independent Actuary, in order to aid the High Court and the regulators in their deliberations.

The terms covering the proposed Transfer are set out in the Scheme document that was presented to the High Court for the Directions Hearing on 17 December 2025. I refer to that document as the "Scheme of Transfer". It is anticipated that the Scheme of Transfer will be presented to the High Court under Section 13 of 1909 Act, Section 36 of the 1989 Act and Regulation 41 of the 2015 Regulations on 24 March 2026 for final approval with a proposed effective date ("Effective Date") at 01:01 (ECT) on 1 April 2026 or such later date or time as may be specified by the High Court. The Scheme document has been prepared by AIU's legal advisors, William Fry, for the purposes of this process.

The Report describes the Scheme and considers the potential impact and benefits on all affected policyholders (of both Scheme Companies), including the security of their policy and the levels of service that policyholders should expect to receive after the transfer. The full Report is available free of charge to any policyholder of the Scheme Companies or any person having sufficient interest in the Scheme of Transfer, on the websites of AIU/AA.

In my Report I noted my intention to issue a Supplementary Report containing an update on any developments that may have occurred in the period since the Directions Hearing to clarify whether any changes have had any impact on the conclusions set out in the Report. This is my Supplementary Report.

## 2 About the Independent Actuary

I am a Partner in Deloitte Ireland ("Deloitte"), a global consultancy providing audit, tax and advisory services. I am a Fellow of the Society of Actuaries in Ireland ("FSAI") specialising in non-life insurance actuarial services having qualified as an actuary in 2001. I have previously conducted similar Independent Actuary roles with respect to businesses in Ireland. My full biography is included in the Report (available as detailed in the previous section).

### **3 Use and Limitations**

The Terms of Reference, Restrictions and Reliances and Limitations as set out in the Report also apply to this Supplementary Report except that this Supplementary Report is based on all information made available to me at or prior to the date of this Supplementary Report and takes no account of developments after that date.

This Supplementary Report should be read in conjunction with the Report. Both this Supplementary Report and the Report must be considered in their entirety. Individual sections, if considered in isolation, may be misleading.

All defined terms set out in the Report have the same meanings in this Supplementary Report.

Neither the Supplementary Report, nor any extract from it, may be published without my specific written consent having been given. Copies of the Report have been made available for inspection by policyholders and shareholders of the Scheme Companies and copies may be provided to any person requesting the same in accordance with legal requirements or any order of the High Court.

I can confirm that appropriate detailed information has been provided to me to enable me to form the opinions I express to the High Court in this Supplementary Report.

My Supplementary Report is set out below.

## 4 Developments since 27 November 2026 Report

### Changes to Scheme

Aside from updating the proposed effective date of the scheme from 23:59 on 31 March 2026 to 01:01 (ECT) on 1 April 2026, there are no other changes to the Scheme since the Directions Hearing.

#### 4.1 Directions Hearing

I note that other than producing this Supplementary Report the High Court had no further directions for me in my capacity as the Independent Actuary to the Scheme.

#### 4.2 Transferring Portfolio

In section 4.2.2 of my Report I included detail as at 30 June 2025, of 174 policies with case reserves of €10.2m, relating to the Transferring Portfolio, across the 5 classes of business.

I have been provided with the following update as at 31 December 2025 detailing development of open claims and case reserves since preparing my Report.

| Line of Business<br>€'000's   | Original June 2025 |                                 | Revised June 2025 |                                 | December 2025    |              |                                 |
|-------------------------------|--------------------|---------------------------------|-------------------|---------------------------------|------------------|--------------|---------------------------------|
|                               | Case Reserve       | Policy Count with Case Reserves | Case Reserve      | Policy Count with Case Reserves | Unearned Premium | Case Reserve | Policy Count with Case Reserves |
| Accident                      | 388                | 8                               | 388               | 7                               | -                | 368          | 7                               |
| Sickness                      | 494                | 74                              | 494               | 64                              | -                | 434          | 64                              |
| General Liability             | 5,990              | 51                              | 5,990             | 60                              | -                | 5,932        | 60                              |
| Miscellaneous Financial Loss  | -                  | -                               | -                 | -                               | -                | -            | -                               |
| Legal Expenses Insurance      | 3,321              | 41                              | 3,321             | 41                              | -                | 3,248        | 41                              |
| Credit & Suretyship Insurance | -                  | -                               | -                 | -                               | 1,711            | -            | -                               |
| <b>Total</b>                  | <b>10,193</b>      | <b>174</b>                      | <b>10,193</b>     | <b>172</b>                      | <b>1,711</b>     | <b>9,982</b> | <b>172</b>                      |

Following the finalisation of my Report, AIU's Finance Function received updated data in relation to the Transferring Portfolio and revised the policy count with case reserves as at 30 June 2025, from an overall count of 174 to 172.

Between 30 June 2025 and 31 December 2025, the policy count is unchanged while the case reserves have reduced marginally from €10.2m to €10.0m. The Transferring Portfolio is therefore broadly unchanged and the conclusions I reached in my Report remain valid as at the date of this supplementary report.

I have also been provided with details of the unearned premium of €1.7m in respect of the transferring Credit & Suretyship business. AIU commenced underwriting this business in March 2025 at an expected ultimate loss ratio of 56%. As at 31 December 2025, the average remaining term of the underlying CQS policies is 7.9 years and there have been no claims reported. Given the small size of this line of business relative to the overall premium and claims reserves of both

AIU and AA, the assessment and conclusions reached in my Report remain valid as at the date of this supplementary report.

### 4.3 Financial Statement and Solvency II Reserving Levels

The following table summarises AIU and AA audited reserving levels on FRS102 / FRS103 and Italian GAAP basis respectively as at 31 December 2024 and most recent available unaudited management information 31 December 2025.

| GAAP Reserves €'000s                                | AIU          |              | AA           |              |
|---|--------------|--------------|--------------|--------------|
|   | 31-Dec-25    | 31-Dec-24    | 31-Dec-25    | 31-Dec-24    |
| <i>Reserves for unpaid losses and loss expenses</i> |              |              |              |              |
| Gross of Reinsurance                                | 535.1        | 525.3        | 1,165.2      | 1,207.2      |
| Ceded   | (480.4)      | (475.8)      | (978.0)      | (1,017.1)    |
| <b>Net of Reinsurance</b>                           | <b>54.7</b>  | <b>49.6</b>  | <b>187.2</b> | <b>190.1</b> |
| <i>Reserves for unearned premiums</i>               |              |              |              |              |
| Gross of Reinsurance                                | 254.3        | 238.5        | 129.3        | 110.0        |
| Ceded   | (161.3)      | (162.5)      | (64.8)       | (55.0)       |
| <b>Net of Reinsurance</b>                           | <b>93.0</b>  | <b>76.0</b>  | <b>64.5</b>  | <b>55.0</b>  |
| Total Gross of Reinsurance                          | 789.5        | 763.9        | 1,294.5      | 1,317.1      |
| <b>Total Net of Reinsurance</b>                     | <b>147.7</b> | <b>125.6</b> | <b>251.7</b> | <b>245.1</b> |

The overall level of net booked reserves in AIU has increased by €22.1m, largely driven by:

- Claims reserve increase from volume of new business written (e.g. Payment Protection) and further reserve strengthening in respect of Run-off classes.
- Unearned premium reserve increases due to growth in Warranty business which also has a lower cession rate, and therefore the overall ceded percentage reduces.

The overall level of net booked reserves in AA has increased by €6.6 million, largely driven by:

- Increase in unearned premium reserve as a result of higher 2025 premium volume in AA's core General Liability segment.
- Increase to unearned premium reserves was offset by a reduction to claims reserves due to favourable claims development across the Legal Protection segment together with claim payments in respect of the General Liability segment.

The following table summarises AIU and AA's reserving levels on a Solvency II basis as at 31 December 2024 and using the latest available quarterly QRTs as at 31 December 2025.

| Solvency II reserves €'000s (excl. Risk Margin) | AIU          |              | AA             |                |
|---|--------------|--------------|----------------|----------------|
|   | 31-Dec-25    | 31-Dec-24    | 31-Dec-25      | 31-Dec-24      |
| Claims Provision                                | 519.9        | 525.7        | 937.6          | 951.5          |
| Premium Provision                               | 92.3         | 84.2         | 91.4           | 73.7           |
| <b>Total Gross Best Estimate</b>                | <b>612.2</b> | <b>609.9</b> | <b>1,029.0</b> | <b>1,025.2</b> |
| Recoverable from Reinsurance contracts          | (517.7)      | (526.6)      | (828.9)        | (833.5)        |
| <b>Total Net Best Estimate</b>                  | <b>94.5</b>  | <b>83.3</b>  | <b>200.1</b>   | <b>191.7</b>   |
| Risk Margin                                     | 14.6         | 16.0         | 41.7           | 41.6           |
| <b>Technical Provisions</b>                     | <b>109.0</b> | <b>99.4</b>  | <b>241.8</b>   | <b>233.3</b>   |

The level of AIU's technical provisions has increased by €9.6m from 31 December 2024, driven by:

- Claims Provision reduces due to an increase in future premium cashflow in respect of earned Payment Protection business, which is included in Solvency II claims reserves.
- Similarly, ceded reserves reduce on a Solvency II basis due to increased future ceded premium cashflows.

The level of AA's technical provisions has increased by €8.5m from 31 December 2024, driven by:

- Higher volume of General Liability business underwritten in 2025.
- Partially offset by a reduction to Claims Provision, which decrease at a lower rate than Italian GAAP claims reserves due to lower assumed recoveries.

#### 4.4 Solvency Capital Requirement

The following table summarises AIU's and AA's SCR calculations as at 31 December 2024 and 31 December 2025 based on the latest available quarterly regulatory submissions.

| SCR €'m                                 | AIU          |              | AA           |              |
|---|--------------|--------------|--------------|--------------|
|   | 31-Dec-25    | 31-Dec-24    | 31-Dec-25    | 31-Dec-24    |
| Health Underwriting                     | 11.6         | 1.7          | 2.7          | 2.7          |
| Non-Life Underwriting                   | 78.5         | 88.0         | 93.2         | 87.0         |
| Market                                  | 24.0         | 23.5         | 21.0         | 16.8         |
| Counterparty Default                    | 16.1         | 23.7         | 27.5         | 20.8         |
| <b>Undiversified Basic SCR ("BSCR")</b> | <b>130.1</b> | <b>136.9</b> | <b>144.5</b> | <b>127.2</b> |
| Diversification Credit                  | (31.3)       | (26.0)       | (27.0)       | (22.1)       |
| <b>Basic SCR ("BSCR")</b>               | <b>98.7</b>  | <b>110.9</b> | <b>117.4</b> | <b>105.1</b> |
| Operational                             | 18.4         | 18.3         | 30.9         | 30.8         |
| <b>SCR</b>                              | <b>117.1</b> | <b>129.2</b> | <b>148.3</b> | <b>135.9</b> |
| <b>MCR</b>                              | <b>29.8</b>  | <b>32.3</b>  | <b>40.2</b>  | <b>37.8</b>  |

AIU's SCR reduces from €129.2m at year-end 2024 to €117.1m at year-end 2025, driven by:

- Lower Counterparty Default Risk due to a reduction in debtors overdue by more than 90 days.
- AIU has unbundled Nordic Payment Protection business into Income Protection and Miscellaneous Financial Loss resulting in the change to Health and Non-Life Underwriting Risk between year-end 2024 and 2025.

AA's SCR increases from €135.9m at year-end 2024 to €148.3m at year-end 2025, driven by:

- Increased Counterparty Default Risk due greater exposure to reinsurance recoverable not fully covered by eligible collateral.

#### 4.5 Policyholder queries, complaints, and objections in relation to the Scheme

As at the date of this Supplementary Report there have been no policyholder queries, complaints and objections in relation to the Scheme.

## 5 Assessment of financial position at 31 December 2025

In this section I provide an update on the financial position of the Scheme Companies pre and post transfer.

### 5.1 Current Capital Position

The 31 December 2025 capital and solvency positions of the Scheme Companies pre and post transfer are set out in the table below.

| Solvency II Coverage €'millions | AIU           |               | AA            |               |
|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | Pre transfer  | Post transfer | Pre transfer  | Post transfer |
| SCR                             | 117.1         | 116.4         | 148.3         | 149.8         |
| Eligible funds to meet SCR      | 207.8         | 207.8         | 255.4         | 254.0         |
| <b>SCR Coverage %</b>           | <b>177.5%</b> | <b>178.6%</b> | <b>172.3%</b> | <b>169.6%</b> |

This compares to the positions, based on figures projected to 31 December 2025, shown below and presented in my Report.

| Solvency II Coverage €'millions | AIU           |               | AA            |               |
|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | Pre transfer  | Post transfer | Pre transfer  | Post transfer |
| SCR                             | 144.5         | 144.0         | 150.5         | 151.0         |
| Eligible funds to meet SCR      | 218.0         | 218.0         | 264.3         | 264.3         |
| <b>SCR Coverage %</b>           | <b>151.0%</b> | <b>151.4%</b> | <b>175.6%</b> | <b>173.0%</b> |

AIU's pre and post-Transfer solvency ratio is consistent with the assessment detailed in my Report i.e. the Transfer will result in a marginal increase to the SCR coverage ratio. The actual 31 December 2025 SCR is significantly lower the projected SCR that I considered in my Report. This is driven by the unbundling of the Nordic Payment Protection business, noted in section 4.4, which wasn't allowed for in the SCR projections and I am satisfied that this does not impact my assessment and conclusions reached in my Report.

AA's pre and post-Transfer solvency coverage ratio is consistent with the assessment detailed in my Report i.e. the Transfer will result in a marginal decrease to the SCR coverage ratio.

*I note for the Transferring Policyholders of AIU:*

In assessing the impact of the transfer on the Transferring Policyholders, I reviewed the position of the Transferring Policyholders before and after the Transfer. The impact on the financial security of the Transferring Policyholders, using the SCR coverage ratio analysis of the Scheme Companies as at 31 December 2025, is as follows:

- Pre-Transfer: The Transferring Policyholders are in a company with own funds of €207.8m and an SCR coverage ratio of 177.5%.
- Post-Transfer: The Transferring Policyholders will be in a company with own funds of €254.0 and an SCR coverage ratio of 169.6%.

The Transferring Policyholders will be in a company with an SCR coverage ratio well in excess of the regulatory coverage requirement.

Based on the calculations shown above AA post-Scheme is expected to remain well capitalised and the Transfer has a limited impact on the financial security of the Transferring Policyholders.

*I note for the Remaining Policyholders of AIU:*

- The SCR will decrease marginally following the Transfer. The impact is marginal as the amount of policies and claims transferred is an immaterial component of the overall reserves.

The marginal reduction to SCR means that the security of the Remaining Policyholders will be slightly improved when measured on a solvency II regulatory capital basis as a result of the Transfer.

*I note for the Existing Policyholders of AA:*

- The SCR will increase marginally following the Transfer. The impact is marginal, given the relative immaterial size of the transferred portfolio. This results in an immaterial change in the SCR ratio.

The marginal increase to SCR means that the security of the Remaining Policyholders will be slightly reduced when measured on a solvency II regulatory capital basis as a result of the Transfer.

## **5.2 Conclusion**

Based on the updated financial analysis provided, my assessment of the Scheme in respect of policyholder security is unchanged in the period, namely that, in my opinion, the risk to policyholder security is remote. Therefore, in my view, policyholders will not be adversely affected by the proposed Scheme.

## **6 Assessment of Scheme on policyholder reasonable expectations**

I set out in my Report consideration of the likely effects of the Scheme on matters such as investment management, new business strategy, administration, expense levels and valuation bases insofar as they might affect the ability of the Scheme Companies to meet the reasonable expectations of policyholders. I also considered the cost of the Scheme and the tax effects of the Scheme insofar as they might impact on the security of policyholders' contractual rights.

I have reviewed changes to the proposed management of the business post transfer and in my opinion, there are no changes insofar as they might impact on the security of policyholders' contractual rights. Therefore, my assessment of the Scheme on the reasonable expectations of policyholders is unchanged in the period.

## 7 Update on other developments and matters

In this section I provide an update on any other developments or matters in the period since the Directions Hearing.

In Section 2.1.7 of the Report, I set out areas where I would consider further given the passage of time and activities the Scheme Companies were undertaking. These include the following:

- I have confirmed with AIU and AA that the CBI and IVASS have not raised any issues with the proposed Transfer;
- Have reviewed business performance in the period and updated financial and regulatory information detailed in management accounts and quarterly regulatory returns as at 31 December 2025;
- I have considered any relevant market developments in the period and from discussion with AIU and AA I understand that there has been nothing of note;
- I have confirmed with AIU and AA that Policyholders have not raised any issues with the proposed Transfer; and
- I have reviewed updated regulatory capital figures and forecast projections.


I comment below on other material matters including regulatory matters that I have considered as part of issuing this Supplementary Report:

- I have confirmed with AIU and AA that the Scheme is not expected to have tax implications that would materially adversely affect any policyholders impacted by the portfolio transfer under the Scheme. I note again that I am not a tax expert and am relying on advice provided by the Scheme Companies.

## 8 Conclusion update

Based on the proforma financial analysis presented above and my consideration of developments since 27 November 2025, my conclusions remain unchanged from Section 2.2 of the Report; namely that, in my opinion:

- The security of benefits to the Policyholders will not be materially adversely affected by the implementation of the Scheme on the Effective Date;
- The Scheme will not have a material adverse effect on the reasonable benefit expectations of the Policyholders; and
- The Scheme will not have an adverse impact on the policy servicing levels currently experienced by the Policyholders.

  
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**Garvey, FSAI**  
*Independent Actuary Deloitte in Ireland*

6 March 2026  
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**Date**

## **Appendix 1 – Data**

In addition to a number of telephone conversations, email exchanges and meetings I have received a large amount of information. A summary of the key documents is shown below:

- Regulatory returns QRTs as at 31 December 2025
- Management accounts as at 31 December 2025
- Completed query logs



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