Roosevelt Road Re Ltd

Financial Condition Report
For the twelve-month (12) period ending 31st December 2025

Roosevelt Road Re Ltd. ("the Company") was incorporated as a Bermuda exempted company with limited liability by the Bermuda Monetary Authority (BMA) on December 18, 2014. It was registered as a Class 3A insurer on February 25, 2015, and re-registered as a Class 3B insurer on October 12, 2022 under the Insurance Act 1978. Additionally, the Company was registered as a Segregated Accounts Company on December 2, 2015 under the Segregated Accounts Companies Act 2000. On March 31, 2018, Insuratex Ltd. merged with the Company, with Roosevelt Road Re Ltd. continuing as the surviving entity.

1. BUSINESS AND PERFORMANCE

a. Name of Insurer

Roosevelt Road Re, Ltd. ("the Company')

b. Supervisors

Insurance Supervisor
Bermuda Monetary Authority
BMA House
43 Victoria Street, Hamilton Bermuda

c. Approved Auditor

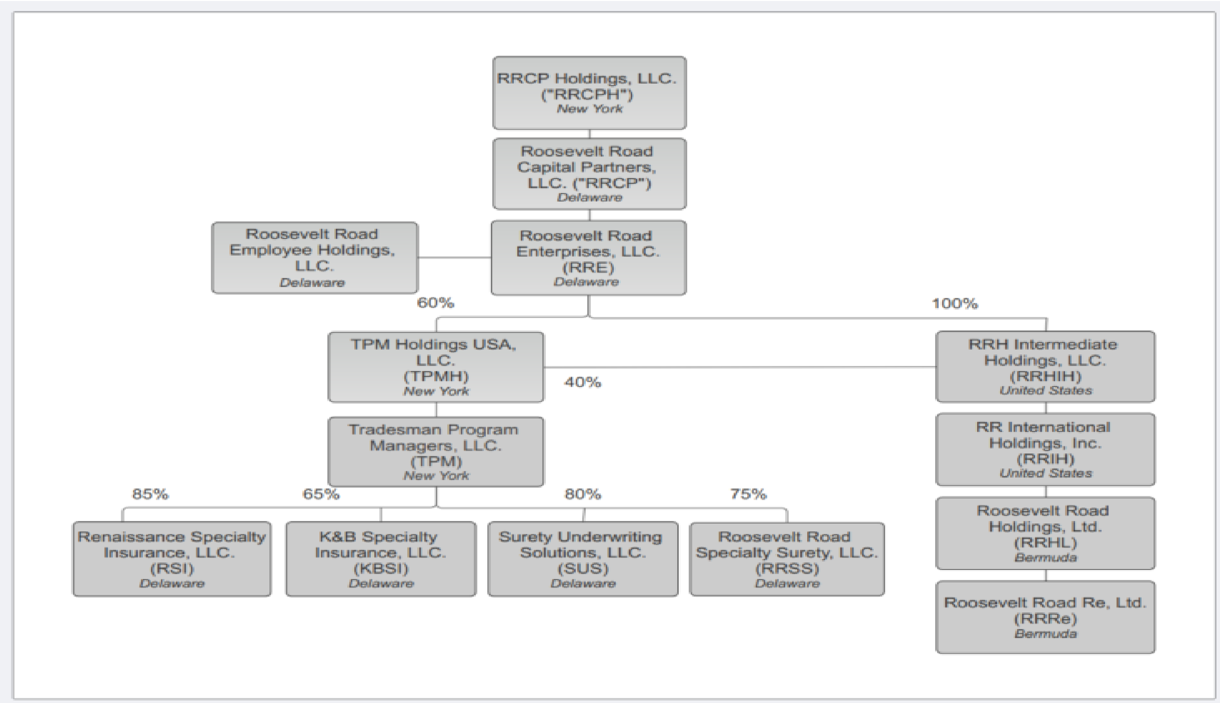
Statutory and GAAP Reporting
Mazars
A.S. Cooper Building, 4th Floor 26 Reid Street
Hamilton HM 11 Bermuda

d. Ownership Details

The Company is a wholly owned subsidiary of Roosevelt Road Holdings Ltd. ("RRHL"), a Bermuda based company. The Company's ultimate parent is RRCP Holdings, LLC ("RRCPH"), based in the United States of America. RRCPH also owns shares in Tradesman Program Managers LLC ("TPM").

e. Group Structure

The following provides details of the Company within the Group Structure:



f. Insurance Business Written

The Company reinsures U.S. property and casualty business from eight counterparties (2024 - seven), one of which is a related party (2024 - one). The Company is party to a quota share retrocession agreement with Multi-Strat Re Ltd. (“MSRe”) where the Company assumed a quota share percentage of five contracts reinsured by MSRe.

On July 1, 2016, the Company entered into a contract to reinsure American Millennium Insurance Company (“AMIC”) for commercial automobile risk on a quota share basis. The contract was not renewed from December 18, 2018. The participation percentage in this contract varied from 23.75% to 33.75% between these dates.

Between 2017 and 2024, the Company has entered into various quota share reinsurance agreements with Accredited Surety and Casualty Company, Inc. (“ASCCI”), covering contractors’ general liability risks, habitational real estate general liability, automobile excess liability and workers compensation.

In 2022, the Company entered into a quota share reinsurance agreement with Knight Specialty Insurance Company covering business classified as professional liability, general liability and employee benefits liability for a senior living care program.

Between 2023 and 2025, the Company entered into various quota share reinsurance agreements with Clear Blue Insurance Company (“Clear Blue”), covering contractors’ general liability risks, habitational real estate general liability and professional liability, general liability and employee benefits liability for a senior living care program. In addition, the Company entered into various third-party insurance agreements with Clear Blue and Redstone Underwriters, LLC, Quantum Risk Solutions LLC and QEO Group, LLC covering general liability and automobile excess liability.

During 2024 and 2025, the Company entered into reinsurance agreements in the normal course of business with Klapton Insurance Limited ("Klapton") and Specialty Risk Re Limited ("SRRe"), covering contractors' general liability risks, habitational real estate general liability and professional liability, and commercial auto.

During 2025, the Company entered into a retroactive quota-share reinsurance agreement with Clear Blue. The agreement covers general liability risks, professional liability, automobile excess liability, property excess liability, and technology E&O general liability risks. The ceded loss of all the programs entered into are subject to an aggregate stop loss assumed by Clear Blue.

The net premium written by line of business for the year ended December 31, 2025 and 2024 is as follows:

Line of Business	**2025 $000's**	**2024 $000's**
Worker's Compensation	672	1,920
Contractor's General Liability	128,874	113,926
Commercial Auto Liability	37,627	83,071
Habitational	38,177	28,170
Event	18,311	31,157
Senior Living	29,067	13,269
Non-proportional reinsurance agreement	66,436	**-**
TOTAL	**$319,164**	**$271,513**

All premium written was related to US business.

g. Performance of Investments & Material Income & Expenses for the Reporting Period

Performance of Investments for the Reporting Period

As of December 31, 2025, the Company's cash and investments were as follows:

Investment type	**2025 $000's**	**2024 $000's**
CASH & CASH EQUIVALENTS	467,462	168,271
BONDS & DEBENTURES	65,452	101,764
EQUITIES	-	-
FIXED DEPOSITS	110,449	214,815
PRIVATE INVESTMENT	450	200
TOTAL	**$643,813**	**$485,050**

The Company's net investment income for the year ended December 31, 2025 was as follows:

	2025 $000's	**2024 $000's**
NET INVESTMENT INCOME/(LOSS)	25,303	18,839

Pursuant to its reinsurance agreements, the Company is required to provide its ceding companies with collateral to secure its obligations to them. The Company has satisfied such obligations with letters of credit and reinsurance trusts which are issued and held by three financial institutions, Bank of New York Mellon, Barclays Bank PLC and Comerica.

Material Income and Expenses for the Reporting Period
In 2025, the Company's primary sources of revenue were premiums and investment income. Premium income mainly came from contractors' general liability reinsurance, with additional premiums from commercial auto liability reinsurance and quota share treaties covering workers compensation. Net Investment income increased by $6.5 million, largely due to an increase of $6.1m bond coupon interest income.

The Company's main expenses were as follows:

Expenses	2025 $000's	2024 $000's
LOSSES AND LOSS ADJUSTMENT	$323,338	$202,778
GENERAL AND ADMINISTRATION	$15,636	$10,057

Loss and loss adjustment expenses increased in 2025 due to the unfavorable development of prior loss estimates. The reserves for the Multi-Strat programs were already at aggregate limits. General and administrative expenses rose primarily due to higher D&O and employee expenses, management fees, and LOC costs.

h. Any Other Material Information

No additional material information to report.

2. GOVERNANCE STRUCTURE

The Company has established a governance structure proportionate to its business model's nature, scale, and complexity, aligned with its risk profile.

When functions are shared or outsourced from related companies, the Board retains overall responsibility for these "in-sourced" functions, regardless of the line manager within the Group. In exceptional cases, a Committee may assume this responsibility.

The Board of Directors recognizes the need to demonstrate to the BMA that a System of Governance is in place that:

- meets regulatory expectations.
- is proportionate to the nature of the business.
- complies with existing requirements.
- is flexible enough to be able to adapt to changes in the regulatory and statutory environment.

The Group System of Governance is based on a few principles to achieve this, sound and prudent management requiring:

- Clear Organizational Structure
- Effective Communication & Information
- Common Directors and Senior Managers wherever possible
- In relation to Roosevelt Road Re Ltd, the Board meets as required on an ad-hoc basis.

a. **Board and Senior Executive**

Board and Senior Executive Structure, role, responsibilities and segregation of responsibilities.

Roosevelt Road Re Ltd. is supported by a Board of 5 Executive Directors. The Board primarily oversees financial reporting, investment decisions, and regulatory compliance.

The Company's Governance framework, ensures sound oversight and effective operation of Board Committees.

The Board upholds principles of good governance, maintains an internal control and risk management framework, and utilizes the three lines of defense model to manage risk.

i. **Remuneration Policy**

In 2025, the Company had 3 full-time employees in Bermuda; Head of Reinsurance, SVP Underwriting, SVP, Head of Compliance & AVP, Risk Manager.

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

The Company did not provide any pension or early retirement schemes for its members or directors in 2025.

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

There are no material transactions to note.

b. **Fitness and Proprietary Requirements**

i. **Fit and Proper Process in assessing the Board and Senior Executive**

The Company ensures that it is directed and managed by sufficient persons who are fit and proper to hold their respective positions. Furthermore, those Directors are:

- professionally competent and capable to carry out their responsibilities and have demonstrated this through their experience & training; and have integrity and are reputable.

Individuals' management skills and technical competence are assessed based on their previous experience, knowledge, and professional standing, demonstrating due skill, care, diligence, and compliance with relevant standards. Director appointments also consider how the proposed appointment would enhance the overall fitness and propriety of the Board.

The assessment of reputation includes checks for any past conduct indicating a failure to discharge duties in line with applicable rules, regulations, and guidelines. Initial assessment occurs before appointment, with regular reassessment as part of an annual performance review process.

Board effectiveness and skills Composition assessments were completed in Q4 24, with results indicating a strong positive assessment of the Board's overall performance. The findings confirmed that the Board remains highly effective, and the diverse skill-set of its Directors, along with their proven integrity, sound judgment, regulatory knowledge, and commitment, demonstrates that they continue to meet the "fit and proper" standards required for their roles.

ii. **Board and Senior Executives Professional Qualifications, Skills and Expertise**

Below are details of the qualifications, skills and expertise of the Board members:

Daniel Hickey – Director

- Engaged in the Insurance and Reinsurance markets since 1990.
- CEO of Roosevelt Road Re and US MGA Tradesman Program Managers.
- Served as CEO and Chairman of Majestic Holdings, which he took public in 2005.
- Worked closely with AM Best to turn Majestic Insurance Company from a B++ company into an A- rated company.
- Deep understanding of Property and Casualty Insurance markets.
- Founder of a US MGA with a focus on Casualty Insurance.
- Graduated from Northeastern University in 1990 with a B.A. in Business Administration.

Richard Ecklord – Director

- Over 25+ years of experience managing risk assets.
- CFO of Roosevelt Road Re and US MGA Tradesman Program Managers.
- Experience running a Hedge Fund. Managing a book of Merger Arbitrage,
- Equity/Credit Assets and portfolio of delta-neutral equity options.
- Founded Sandell Re, predecessor company to Roosevelt Road Re.
- Managed a Bermuda Class 3a carrier and handled all operational aspects and sourcing of premium.
- Graduated from The Citadel, The Military College of South Carolina, with a BS in Business Administration concentrating in Finance.

Kenneth Randall – Director

- Ken has worked in the insurance industry for more than 45 years.
- In the 1980's Ken was head of regulation at Lloyd's, at the time a self-regulated institution.
- Founded Randall & Quilter in 1991 – a leading provider of run-off and legacy solutions to the insurance industry. This firm remains headquartered in Bermuda.
- In 2007 Ken led Randall & Quilters admission to the AIM exchange, part of the London Stock Exchange. In essence, he took R&Q public
- Ken possesses knowledge and insight unrivaled within the insurance industry.

Thomas Kelly - Director

- Tom has practiced law for over 35 years. A New York State attorney who is admitted to the Southern and Northern District Federal Courts as well as the 2nd Circuit Court of Appeals.
- Tom's expertise in personal injury litigation, insurance coverage disputes and regulatory compliance play an integral role in much of the casualty business our Carrier is writing.
- Tom has immense experience in handling Labor Law Claims again of paramount importance to RRRe's book of business.
- Tom has represented a number of insurance carriers including Main Street America, Liberty Mutual and Lloyd's of London. He has also represented several municipalities in defense of personal injury and constitutional violation claims including the City of Poughkeepsie Police, Town of Poughkeepsie and County of Duchess.

Michael Morrill - Director

- Michael has over 20 years of experience in the (re) insurance industry.
- Michael was a director for Ironshore Insurance Company and chaired the risk and underwriting committee.
- Michael served as the CEO and President of Axis Re US and Axis Capital Holdings Ltd from 2002 until 2011.

- From 2001 to 2002, Michael served as the President and CEO of Gerling Global Reinsurance Corporation of America. From 1996 to 2001, he served as the CUO for North America and SVP at Transatlantic Reinsurance Company.
- Michael has held senior management and underwriting positions at Munich American Reinsurance Company, Cologne Reinsurance Company of America and Christiania General Insurance Company

c. Risk Management & Solvency Self-Assessment

i. Risk management process and procedures to identify, measure, manage and report on risk exposures.

The Company's risk management system comprises the following iterative approach:

- **Identification**: Identify material risks that could impact the corporate objectives or financial position of the Company. Determine the risk appetite and include identified risks in the risk register.
- **Assessment**: Quantify and measure risks within the Company. Each risk exposure is assessed based on the organization's risk framework and appetite, detailing the inherent and residual exposures (e.g., exposure, solvency, liquidity).
- **Control/Mitigation:** Design risk mitigation strategies and controls in response to risk exposure, aligning with the Company's risk appetite, tolerances, and limits. Ensure controls are in place to manage risks.
- **Reporting**: Ensure the Risk Management function reports to the Board on material risk exposures. Monitor these against the Group's and Company's risk appetite and tolerances, and report any breaches to the Board.
- **Review**: Periodically review control and mitigation activities to ensure they are effective and that the risk and control assessments remain valid.

ii. Risk Management and Solvency Self-Assessment System Implementation

The Company's risk management framework is integrated into its operations through management-developed systems, processes, procedures, and controls. The Risk & Compliance

Committee oversees risk management activities, while the outsourced Internal Audit function reviews the effectiveness of these controls and provides recommendations to the Board and the Committee.
The Board oversees the capital required to support the Company's reinsurance business, conducting regular reviews to ensure capital adequacy and sufficient liquidity based on operational risks.

iii. Relationship Between Solvency Assessment, Solvency Needs & Capital, and Risk Management

The Company's solvency assessment shows the latest capital requirement as calculated in Bermuda Solvency Capital Requirement (BSCR) model.

This model looks in detail at the capital requirements of the Company and the amount, quality and quantity of capital needed to support its business. The solvency assessment seeks to identify and measure all material risks, and aids in the decision-making process regarding those risks it can eliminate, transfer or retain within its agreed risk appetite and tolerance.

iv. Solvency Self-Assessment Approval Process

The Company's solvency assessment is prepared by management in consultation with relevant functions, including risk management and the outsourced actuarial function. This assessment is reviewed and approved by the Risk Committee, with a focus on the Company's capital position, significant changes, risk exposures, and mitigation strategies within the risk management framework. The Board ensures these exposures align with the Company's risk appetite, following the 'Three Lines of Defense' model.

d. Internal Controls

The Company is aligning its evolving internal control processes with the company's compliance, actuarial, risk management, and internal audit assurance functions.

i. Internal Control System

The Company is progressing systems, processes, procedures, and controls to ensure data reliability and accurate financial reporting. Any identified deficiencies or material weaknesses are documented and reported to the Board, which monitors progress on remediation plans through internal and external audit reporting.

- The Company is dedicated to establishing an effective internal control system with the following objectives:
- Ensuring effective and efficient operations aligned with its risks and objectives
- Providing available and reliable financial and non-financial reporting
- Ensuring compliance with relevant legislation and regulations

An effective internal control system is essential for the successful operation and daily functioning of Roosevelt Road Re Ltd.

- **Constituent Elements of the Internal Control Framework**

  The Group has an Internal Control Framework for the identification, measurement, management and monitoring of internal controls.

- **Linkage with Risk Management Framework**

  The Internal Control Framework is linked with the Risk Management Framework through each Risk in the Risk Register being allocated a series of mitigating controls, to bring the overall risk ratings to a level which are acceptable to the organization, i.e., are within Risk Appetite and tolerance limits.

- **Roles and Responsibilities**

  Roles and responsibilities of committees are set out in detail in their respective Terms of Reference ("TOR").

  Roles and responsibilities of the Risk and Control Owners (being the key players within the Internal Control Framework) are, detailed in the Roles and Responsibilities Document, as well as the Delegation of Authorities document signed by each risk and control owner.

- **Review of On-Going Appropriateness**

  The Internal Control Framework, along with the Risk Management Framework, is reviewed at least annually by the Risk & Compliance Committee.

- **Operating Policies and Procedures**

  The Company has a comprehensive suite of Policy and Procedural documentation for each of its functional areas. The Governance Structure owns these documents and is responsible for reviewing these regularly (at least annually and/or whenever there is a material change if this occurs within the year).

- **Risk Governance Structure**

  The Risk Governance Structure follows the three lines of defense model.

- **Administrative and Accounting Procedures**

  Administrative and Accounting procedures are documented within the Controls Registers. Furthermore, the overall Governance Requirements cover internal and external reporting.

ii. Compliance Function

The SVP, Head of Compliance (HOC) and local corporate secretarial advisors are tasked with monitoring regulatory changes and ensuring compliance with existing laws, including regulatory reporting and public disclosure requirements. Further, the HOC oversees compliance with organizational policies, procedures, and the BMA's Insurance Code of Conduct. Any compliance breaches are promptly reported to the Board.

e. <u>Internal Audit</u>

The Company has appointed PWC to fulfill the role of the internal audit function.

f. <u>Actuarial Function</u>

The Company has appointed Lewis & Ellis, LLC to provide actuarial support to the Company. Glenn Toblerman from Lewis and Ellis, LLC is the approved Loss Reserve Specialist (LRS). Lewis and Ellis, LLC establish the technical provisions for both premium and loss reserve best estimates and risk margin.

The key actuarial services include:

- Calculation of regulatory capital requirements.
- Capital modelling to meet regulatory requirements and quantitative analysis for risk management purposes; and
- Developing technical provisions for Economic Balance Sheet (EBS) reporting.

g. Outsourcing

i. & ii Outsourcing policy and key functions that have been outsourced and Material intra-group outsourcing.

The Company outsources actuarial and finance functions. The actuarial and finance functions are outsourced to external service providers. The Company has oversight responsibility for these outsourced functions and the Board takes full responsibility for the work produced.

The services outsourced to external service providers are subject to formal outsourcing arrangements, with formal oversight from the Chief Finance Officer.

h. Other Material Information

No other material information to report.

3. RISK PROFILE

a. Material Risks the Insurer is Exposed to During the Reporting Period

The Company's main risk categories are:

1. Insurance Underwriting Risk
2. Investment, Liquidity and Concentration Risk
3. Market Risk
4. Credit Risk
5. Systems, cyber and operations Risk (Operational Risk)
6. Group Risk
7. Strategic Risk (including Emerging Risks)
8. Systemic and Reputational Risk
9. Legal/Litigation Risk
10. Environmental, Social, and Governance Risk (ESG risk)

As of November 12, 2024, the company implemented Risk Management Guidelines. The Risk Management Guidelines determines the appropriate risk appetite for Roosevelt Road Re, Ltd ('the Company') across all major activities, as well as considers the overall strategy of the Company, its future, other internal information, and the external environment, including economic, political and industry information. On an annual basis, the Risk Manager oversees and challenges the design and execution of stress and scenario testing, ensuring that a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity and reputation), and that procedures are in place to identify emerging risks and provide advice on the management and mitigation of those risks.

The Risk Manager has done a robust assessment of the risk environment since starting and has since implemented a structured, organized, and formal Risk Management Framework, which is operational. The details and particulars on exposures on underwriting risk, market risk including off balance sheet exposures, credit risk, liquidity risk, operational risk and other material risks have been provided with the annual CISSA submission as an appendix item (Appendix II), in report form including: Risk Register, Controls Register, KRIs report and Appetite report. The reports provide an overview of how these risks are measured and mitigated. Noting that the risk monitoring and measurement focuses on how well the internal controls are operating. RRRe have in place a Risk Control Framework, which is underpinned by the three-lines-model.

b. **Risk Mitigation in the Organization**
The Company has implemented a comprehensive risk management framework using a three line defense model. Operational Risk owners are clearly identified, Risk oversight is facilitated by the Risk and Compliance committee which reports directly to the board. The Internal audit function provides independent assurance.

c. **Material Risk Concentrations**
The Company follows policies governing risk concentrations in relation to counterparties, credit quality, concentration and geographical locations. As at December 31, 2025, the Company had no material risk concentrations.

d. **Investment in Assets in Accordance with the Prudent Person Principles of the Code of Conduct**
In summary, the Company's overall investment objectives are to maximize total return through investment income and capital appreciation on its investment float consistent with moderate - negligible risk of principal, while providing adequate liquidity and complying with internal and regulatory guidelines. These amounts have been invested in accordance with the Company investment guidelines. These guidelines are designed to ensure that liquid and low volatility investments are made to support technical provisions, which will ensure that claims can be paid as they fall due. The investment policy and guidelines are reviewed on an annual or ad hoc basis if any significant developments have occurred that affect the financial markets.

e. **Stress Testing and Sensitivity Analysis to Assess Material Risks**
The Company performs various stress tests on an annual basis to determine the adequacy of capital/solvency/liquidity to ensure regulatory requirements are met. The two main stress tests performed relate to underwriting risk exposures, investment risk including interest rate risk and credit risk.

f. **Any other material information.**

No other material information to report.

4. SOLVENCY VALUATION

a. **Valuation Bases, Assumptions and Methods to Derive the Value of Each Asset Class** The Company has used the Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime" for the statutory filing. Assets and liabilities are measured on a fair value basis, defined as the value received from selling an asset or paid to transfer a liability in an orderly market transaction on the measurement date. The fair value principles applied to the assets are as follows:

- Cash and Cash Equivalents – includes cash time deposits and investments maturing within three months. The fair value of these holdings is determined by using mark to market valuation, or quoted market prices in active markets for similar assets with adjustments to reflect differences if mark to market valuation is not possible, or mark to model valuation otherwise.
- Accounts Receivable and Premium Receivable – are recorded at a fair value and balances due in more than one year have been discounted at the relevant risk-free rate.
- Derivative instruments - are valued at quoted market prices. In the absence of an active

market, prices are based on observable market inputs.

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

Insurance technical provisions are valued based on best estimate cash flows, adjusted for the time value of money using a risk-free discount rate term structure with an appropriate illiquidity adjustment. A risk margin, calculated using the cost of capital approach, reflects the uncertainty in the cash flows. The Bermuda Monetary Authority prescribes the discount rate term structures for each reporting period.

The best estimate for the loss and loss expense provision starts with United States Generally Accepted Accounting Principles (US GAAP) reserves and includes a series of adjustments:

- Removal of prudence margins.
- Incorporation of events not in data (ENID).
- Discounting of cash flows.

At 31st December 2025, the total Net Technical Provisions amounted to $548.0 million comprising of the following:

- Best Estimate Loss and Loss Expense Provision $488.3 million
- Best Estimate Premium Provision $2.1 million
- Risk Margin $57.6 million

c. Description of Recoverables from Reinsurance Contracts

The Company bills deductible recoverables quarterly, on a paid loss basis.

d. Valuation Bases, Assumptions and Methods to Derive the Value of Other Liabilities The Company's liabilities are valued at fair value per Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime." Other liabilities are valued on a GAAP basis and discounted using prescribed rates for settlements beyond one year as of December 31, 2025. In the absence of an active market, valuations rely on observable market inputs.

e. Any Other Material Information

No additional material information to report.

5. CAPITAL MANAGEMENT

a. Eligible Capital

i. <u>Capital Management Policy and Process for Capital Needs. How Capital is Managed and Material Changes During the Reporting Period</u>

The Company's primary capital management objective is to maintain a strong capital base to support business development and meet regulatory requirements. It aims for an efficient capital structure that aligns risk with capital.

To achieve this, the Company identifies, assesses, manages, and monitors various risk sources, both current and anticipated. This process determines the necessary capital to maintain targeted solvency given the firm's risk profile.

The Company expects future cash flows from earnings to be accretive to its Tier 1 capital.

ii. **Eligible Capital Categorized by Tiers in Accordance with the Eligible Capital Rules**

At the end of the reporting period, the Company's Eligible Capital was categorized as follows:

		$000's
Tier 1 Capital	Share Capital	120
	Contributed Surplus and retained earnings	213,894
Total Eligible Capital		214,014

iii. **Eligible Capital Categorized by Tiers in Accordance to the Eligible Capital Rules Used to Meet ECR and MSM Requirements of the Insurance Act**

At the end of the reporting period, the Company's Eligible Capital for its Minimum Margin of Solvency (MSM) and Enhanced Capital Requirement (ECR) was categorized as follows:

	Minimum Solvency Margin	Enhanced Capital Requirement
Tier 1	83,361	259,430

iv. **Confirmation of Eligible Capital That is Subject to Transitional Arrangements**

Not Applicable.

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

The Company has entered contracts with cedants that require the Company to collateralize estimates of its obligations calculated by the cedant. Assets are held in trust accounts for the benefit for the cedant. These assets are released to the Company upon payment of the obligations.

vi. **Identification of Ancillary Capital Instruments Approved by the Authority**

Not Applicable.

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

Other than the impact of employing statutory-based technical provision valuation techniques, there are no significant differences between GAAP shareholder equity and available statutory capital and surplus.

b. Regulatory capital requirements

i. ECR and MSM Requirements at the End of the Reporting Period

At the end of the reporting period, the Company's regulatory capital requirements were assessed as follows:

Requirement $000's (exc. %)	
Minimum Solvency Margin	83,361
Enhanced Capital Requirement	259,430
Statutory Economic Capital & Surplus	214,041
Enhanced Capital Requirement ratio	82%

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

The Company was non-compliant with the 2025 ECR year end requirement.

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

The Company is subject to the Enhanced Capital Requirement ("ECR") under the Bermuda Insurance Act 1978. In September 2025, the Bermuda Monetary Authority ("BMA") notified the Company of a material misstatement in the calculation of Premium Provisions within the Company's Economic Balance Sheet. The BMA concluded that correcting the misstatement reduced the Company's solvency ratio as of December 31, 2024 from 132% to approximately 82%, which is below the minimum 100% ECR threshold applicable to Class 3B insurers. The Company reviewed the matter and accepted the BMA's findings.

As a result, the Company was not in compliance with its required ECR ratio as of December 31, 2024 and remained out of compliance as of December 31, 2025, with an ECR ratio of 82%. Management is actively pursuing capital management and remediation initiatives to restore compliance, including additional capital of $9.8m contributed post notification (total of $35.9m added in the year ended December 31, 2025) and $22m contributed in Q1 2026. Management continues to maintain ongoing communication with the BMA regarding its remediation efforts. Management believes that these actions will improve the Company's capital position; however, no assurance can be provided regarding the timing of a return to full compliance.

iv. Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance (amount in $'000s)

As at December 2025 the Statutory capital was $214,014, and the ECR requirement was $259,430 a shortfall of $45,416.

c. Approved Internal Capital Model

i. Description of the Purpose and Scope of the Business and Risk Areas Where the Internal Model is Used

Not applicable - the Company have not applied to have its internal capital model approved to determine regulatory capital requirements.

ii. Where a Partial Internal Model is Used, Description of the Integration with the BSCR Model

Not applicable.

iii. Description of Methods Used in the Internal Model to Calculate the ECR

Not applicable.

iv. Description of Aggregation Methodologies and Diversification Effects

Not applicable.

v. Description of the Main Differences in the Methods and Assumptions Used for the Risk Areas in the Internal Model Versus the BSCR Model

Not applicable.

vi. Description of the Nature & Suitability of the Data Used in the Internal Model

Not applicable.

vii. Any Other Material Information

Not applicable.

6. SIGNIFICANT EVENTS

Regulatory Matters

On February 6, 2026, the Bermuda Monetary Authority ("BMA") imposed additional conditions on the Company's registration pursuant to Section 4(3) of the Insurance Act 1978. The conditions were imposed following ongoing discussions between the Company and the BMA regarding the Company's reserving processes and solvency position.

The conditions require prior written approval from the BMA before the Company may:

- write, renew, or extend insurance business;
- declare dividends or make capital distributions;
- increase advances to affiliates;
- enter into, vary, or terminate outward reinsurance arrangements; and
- appoint or remove officers or directors.

The Company remains subject to these conditions as of the date of this report. Management continues to engage constructively with the BMA and is undertaking actions intended to strengthen the Company's capital position, reserving framework and overall governance processes. These measures form part of the Company's broader remediation strategy designed to support the restoration of full regulatory compliance.

Capital Support

In March 2026, the Company's parent, Roosevelt Road Holdings Ltd. ("RRHL"), contributed additional capital of $22.0 million to the Company. The capital contribution was made to strengthen the Company's financial resources and support its ongoing capital management and remediation initiatives.

Management expects the contribution to enhance the Company's liquidity and capital position; however, the contribution alone was not sufficient to restore full compliance with applicable regulatory capital requirements.

Reinsurance and Collateral Arrangements

During 2026, the Company resolved two arbitration proceedings with Accredited Insurance relating to reinsurance and collateral arrangements.

The first matter concerned the timing of payments under certain quota share reinsurance agreements. The parties reached a settlement pursuant to which Accredited agreed to continue funding monthly liabilities through established collateral mechanisms, while the Company agreed to replenish collateral balances when such balances fall below defined thresholds. The arbitration was dismissed on April 27, 2026.

The second matter concerned collateral requirements supporting various reinsurance programs. The dispute was resolved through a settlement under which the Company agreed to provide an additional $37.0 million of collateral. The arbitration was dismissed on February 27, 2026.

Management believes that the settlements provide greater certainty regarding operational and collateral arrangements with a key counterparty and reduce the risk associated with ongoing legal proceedings.

Risk Transfer and Capital Management Initiatives

On January 1, 2026, the Company established a segregated account, RRRe Convergence, for the purpose of participating in a collateralized quota share retrocession arrangement relating to business produced by Tradesman Program Managers, LLC and insured by Clear Blue Insurance Company and its affiliates. The arrangement is supported by related subscription, shareholder, administration and trust agreements.

Management has evaluated this event and concluded that it does not adversely affect the Company's capital position, liquidity, or solvency at the reporting date. The impact of the arrangement will be reflected in future reporting periods.

Appendix 2 – Declaration

To the best of my knowledge and belief, Roosevelt Road Re Ltd.'s Financial Condition Report for the year ended December 31, 2025 fairly represents the financial condition of the insurer in all material respects.

Daniel Hickey Jr. – Director

July 31st, 2026

Richard Ecklord – Director

July 31st, 2026