

Resolution Re

Resolution Re Ltd.

Financial Condition Report

2024

Executive summary

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This Financial Condition Report ('FCR') has been prepared in accordance with the Insurance (Public Disclosure) Rules as promulgated by the Bermuda Monetary Authority ('BMA') under the Bermuda Insurance Act 1978 (the 'Act'). This report outlines the financial condition of Resolution Re Ltd. ('Resolution Re' or the 'Company'), including information about its corporate governance, risk profile, solvency valuation and capital management for the reporting period January 1 to December 31, 2024.

The group of companies headed by Resolution Life Group Holdings Ltd. ('Resolution Life') was founded with a clear mission: to support the long-term growth of the primary life insurance industry and deliver on its commitments to its policyholders. Resolution Life acts as a global custodian to the life insurance and annuity industry by providing capital for growth through reinsurance; this mitigates long-term risk so the industry can continue to respond to the needs of policyholders.

Resolution Re is the Bermuda-domiciled arm of Resolution Life and supports primary life insurers in mature markets, including North America, the UK and Europe, and Asia. Resolution Re was incorporated on May 25, 2017 and registered as a Class E long-term insurer.

To provide a complete view of the current status of the Company, the FCR also describes material subsequent events that have occurred between the financial year ended 31 December 2024 and the declaration date of this FCR.

1.1 Key Highlights

In February 2024, the Company entered the flow reinsurance market, representing a strategic expansion of its business model beyond closed-book or block reinsurance transactions. As with all transactions undertaken, we performed extensive testing and review, subjected to independent review and approval by committees and, ultimately, the Board of Directors of Resolution Re Ltd. ('Board'). The ability to competitively engage in the reinsurance of new business premiums reflects the development of new capabilities which positions the Company to meet the growing demand for flexible reinsurance solutions and supports diversification of the Company's liability profile.

The broader strategic and competitive environment also continued to evolve, with increased focus on execution capability, expansion into new products and markets, and the need for careful alignment of resources to support growth. Regulatory developments, including Resolution Life's designation as an Internationally Active Insurance Group ('IAIG') and the introduction of the BMA's 2024 regulatory enhancements, were also closely monitored to assess potential impacts on the Company's strategic direction, risk management and governance, and business planning.

Executive summary

On December 11, 2024, we announced that Nippon Life Insurance Company ('Nippon Life'), Japan's largest life insurer by revenue, had agreed to acquire 100% of Resolution Life. This transaction completes a partnership that began in 2019, when Nippon Life first invested in Resolution Life. Following the acquisition, Resolution Re will continue to be a subsidiary of Resolution Life Group Holdings Ltd., which will become a wholly owned subsidiary of Nippon Life, providing the Company with greater access to capital and more opportunities for sustainable, value-enhancing growth. Following the announcement, Moody's placed Resolution Life's ratings on review for possible upgrade, while Fitch placed Resolution Life's ratings on rating watch positive.

Today, the in-force consolidation sector is large and still fast growing. While we have a leading position in this attractive market, global competition is increasing. Being part of Nippon Life will strengthen our position in the market and give us greater access to capital and more opportunities for stable, value-enhancing growth.

With global markets becoming more active, Resolution Life expanded its presence by establishing an office in Singapore earlier this year. The new office in Asia was a contributing factor to Resolution Re being able to successfully sign its first flow deal, with a Japanese cedant. Resolution Life carries good momentum going into 2025, as it sees increasing demand for its capabilities and capacity in the mature Asian markets. The relationship building work from 2024 is starting to pay off in the form of new opportunities in 2025. During April 2025, Resolution Re closed an in-force block reinsurance transaction with a US cedant and is continues to progress transactions in multiple markets.

1.2 Governance Structure

Resolution Re is committed to ensuring that an established, well maintained and robust corporate governance and Risk Management Framework ('RMF') exists within the Company, which meet the requirements set out by the BMA and are appropriate for the Company's business strategy and operations.

The Company has structured roles, responsibilities and accountability for risk taking in accordance with the three lines of defense principles, which ensures appropriate segregation of duties under the oversight and supervision of the Company's Board of Directors (the 'Board').

Further details of Resolution Re's governance structure are provided in [section 3](#).

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Executive summary

1.3 Risk Profile

The Company is exposed to a number of internal and external risks as a life and annuity reinsurer. To effectively manage these risks, the Board has formalized and approved the Company's Risk Appetite and RMF policies, which define the Company's total risk capacity, risk preferences and appetite, and governance arrangements for taking, mitigating and avoiding risk.

A formalized incident management reporting process exists within the Company to ensure timely and effective reporting of operational risks to the appropriate governance level.

1.4 Solvency

Assets and liabilities have been valued in accordance with the BMA's Economic Balance Sheet ('EBS') valuation principles.

Section 5 of this report further describes the bases, methods and assumptions used in the valuation of assets, technical provisions and other liabilities, to determine Resolution Re's regulatory solvency.

1.5 Capital Management

The principles and guidelines for governing the Company's capital management practices are established through a Board-approved Capital Management & Dividend Policy, which provides for the prudent and efficient management of capital resources in order to meet solvency capital requirements, ensure payment of policyholder and other obligations in defined stress scenarios and to maintain the confidence of stakeholders, as well as ensuring Resolution Re's compliance with the EBS rules set out by the BMA.

The Company recognizes that in order to maintain the confidence of stakeholders and to effectively pursue its business strategy, capital in excess of its minimum regulatory capital requirements needs to be maintained. As a result, the Company sets Target Capital Ratios ('TCR') that enable it to meet the expectations of rating agencies and shareholders. The TCRs are regularly reviewed to ensure their adequacy in light of potential/actual changes in the external and internal environment.

As at December 31, 2024 the Bermuda Solvency Capital Requirement ('BSCR') ratio is 197% as shown in the following table:

Capital Position (\$'s in thousands)	2024	2023
Actual Statutory Economic Capital and Surplus	1,819,302	2,041,667
ECR Requirement	921,115	930,343
MSM Requirement	407,384	420,514
BSCR Ratio	197%	219%
ECR Ratio	197%	219%

1.6 Subsequent Events

See section 7.

Business and performance

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2.1 Name of Insurer

Resolution Re Ltd.
Wessex House
2nd Floor, 45 Reid Street,
Hamilton, HM 12, Bermuda

2.2 Supervisor

Insurance Regulator:

Bermuda Monetary Authority
BMA House
43 Victoria Street,
Hamilton HM 12, Bermuda
+1 441 295 5278

2.3 Approved Auditor

Independent Auditor:

Deloitte & Touche Ltd.
Corner House
20 Parliament Street
Hamilton HM 12, Bermuda
+1 441 292 1500

2.4 Ownership Details

Resolution Re is a subsidiary of Resolution Life Group Holdings Ltd. ('RLGH'), a Bermuda domiciled holding company ultimately owned by Blackstone ISG Investment Partners – R (BMU) L.P ('Blackstone'), a Bermuda limited partnership fund comprising both private and institutional investors. RLGH, together with the Company and its affiliates, form the 'Resolution Life Group', also referred to as 'Resolution Life'.

2.5 Group Structure

The simplified structure for the Resolution Life Group, focusing on regulated entities as at December 31, 2024 is provided in the Appendix under [Resolution Life Group Structure](#).

Business and performance

2.6 Performance

2.6.1 Insurance Business Written

The Company is a wholesale provider of life and annuity reinsurance, and forms of reinsurance include co-insurance, with or without funds withheld, and modified coinsurance.

The life insurance contracts reinsured by the Company include single premium immediate annuities, structured settlements, traditional whole life, endowments and lifetime withdrawal benefit riders attaching to fixed and fixed-indexed annuities. The investment-type contracts reinsured by the Company include fixed and fixed-indexed annuities without life contingencies, and structured settlements without significant mortality risk.

The table below illustrates the geographical distribution of business written in the period ranging as of December 31, 2024 and 2023.

Gross Premiums Written ('000)	2024		
	GBP	JPY	CHF
Life	746,369	–	104,556
Annuities	–	2,053,654	9,715
Accident and Health	–	–	–
Total	746,369	2,053,654	114,282

Gross Premiums Written ('000)	2023		
	GBP	US\$	CHF
Life	2,846,519	–	100,368
Annuities	–	98	11,903
Accident and Health	–	–	–
Total	2,846,519	98	112,271

2.6.2 Performance of Investments

The Company invests in a combination of high quality, diversified fixed income securities, primarily fixed income bonds and loans, mortgage loans, mortgage-backed securities and asset-backed securities. The overarching investment principle of the Company is to invest available funds in a diversified portfolio of assets to ensure policyholder commitments are met while contributing to the overall growth and profitability of the Company.

Resolution Re employs an investment risk-based strategy consistent with insurance industry norms, driven by the nature and duration of liabilities and which reflects the constraints arising from its Risk Appetite Framework.

The table below summarizes the total investment income by asset class as of December 31, 2024 and 2023. The increase in investment income over 2023 is mainly attributed by the onboarding of new business as well as higher yields being earned in the higher interest rate environment.

Investment Income (US\$'s in thousands)	2024	2023
Fixed maturity securities	165,250	112,191
Funds withheld asset	1,144,750	791,107
Cash, cash equivalents and short-term investments	22,385	21,870
Equity securities at fair value	(4,540)	10,559
Investment expenses	(42,330)	(43,632)
Net investment income	1,285,515	892,095

Investment Income (US\$'s in thousands)	2024	2023
Realized gains on fixed maturity securities	9,025	(9,795)
Unrealized gains on equity securities at fair value	7,756	(6,043)
Funds withheld asset:		
Realized gains	452,746	(283,303)
Change in embedded derivative	(719,528)	946,382
Realized gain on derivative instruments	60,053	57,706
Investment related gains, net	(189,948)	704,947

2.6.3 Material Income & Expenses for the Reporting Period

Resolution Re's main sources of income are derived from investment activities and premiums from reinsurance contracts. The Company's main expenses arise from the cost of operations, reinsurance settlements and acquisition expenses.

For further details, please refer to the Company's audited financial statements for the reporting period.

2.7 Other Material Information

In September 2024, Fitch affirmed Resolution Re's A- Insurance Financial Strength (IFS) rating and subsequently placed that rating and other Resolution Life ratings on Rating Watch Positive on December 11, 2024, following the announcement of Nippon Life's planned acquisition. Moody also affirmed Resolution Re's A3 IFSR in October 2024 and subsequently, on December 16, 2024, placed the ratings of Resolution Re and other Resolution Life ratings on review for possible upgrade.

Governance structure

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The Company has established a corporate governance structure to support its core values by ensuring:

- the Company is managed in the interests of all its stakeholders;
- robust protection of the Company through a system of controls, aligned within the Resolution Life Group based on the risks it carries;
- the promotion of transparency and accountability; and
- the Company operates in an efficient and effective manner with appropriately high standards of Enterprise Risk Management ('ERM').

The underpinnings of the governance structure are rooted in the principles of fairness, independence, honesty, integrity and responsibility.

3.1 Three Lines of Defense

To support the execution of its risk management processes Resolution Re has adopted a 'three lines of defense' model.

- First Line of Defense ('1LOD'): Business owners are responsible for identifying, assessing, managing, and reporting risks within their areas. They are accountable for the control environment and day-to-day risk management.
- Second Line of Defense ('2LOD'): The Risk function, supported by the Compliance function, is responsible for maintaining and monitoring the RMF, providing independent challenge, and reporting risk exposures relative to risk appetite. These functions design and implement the risk framework and recommend the Company's risk appetite to the Board. Furthermore, they assess the effectiveness of the control environment and report thereon to the Management Risk Committee ('MRC') and Board Risk Committee ('BRC').
- Third Line of Defense ('3LOD'): Internal Audit provides independent assurance over the effectiveness of risk management and control practices.

Together, these layers provide a strong risk culture and robust governance environment that promotes accountability, transparency, and timely risk escalation.

Governance structure

3.2 Board and Senior Executive Structure, Roles, Responsibilities, and Segregation of Responsibilities

3.2.1 Board of Directors & Board Committees

The Board and management have established the appropriate organisation, processes and corporate controls to measure and manage risk across the Company. Corporate governance begins with the Board providing general oversight and stewardship of Resolution Re, and delegating matters to senior executives. The Board and management provide oversight and direction to the implementation of the Company’s RMF and have established the appropriate processes and controls to measure and manage risk across the Company.

To assist in exercising its responsibilities, the Board has established three Board committees as detailed below:

Resolution Re Board

The role of the Board is to provide oversight and effective guidance and stewardship of the Company’s business, strategy, performance, governance and risk management framework.

Board members: John Hele (Chair), Jason Carne, Deborah Gero, Barbara Stymiest, Jonathan Moss, Nick Bailey¹

Resolution Re Board			
The role of the Board is to provide oversight and effective guidance and stewardship of the Company’s business, strategy, performance, governance and risk management framework.			
Board members: John Hele (Chair), Jason Carne, Deborah Gero, Barbara Stymiest, Jonathan Moss, Nick Bailey ¹			
Board Committees	Audit	Investment	Investment
	<ul style="list-style-type: none"> Oversees the integrity of consolidated financial statements and financial and accounting processes. Oversees the compliance with audit, accounting and internal controls requirements. Oversees the independent auditor. Oversees internal control over financial reporting. Reviews and monitors legal and regulatory compliance and ethical standards. 	<ul style="list-style-type: none"> Develops and maintains an applicable investment strategy. Appoints or terminates investment managers and investment advisors. Monitors the performance of investment managers and investment advisors. Reports on investment related matters to the Board. 	<ul style="list-style-type: none"> Assists the Board and other Board committees in overseeing the identification and review of risks that could have a material impact on the Company. Oversees the development and implementation of sound risk management systems and processes. Oversees risk management exposure, policies and guidelines. Reviews the operating environment to assess and monitor material risks and to approve appropriate risk appetite and risk mitigation strategies. Reviews and assesses the design and effectiveness of risk management systems.
Members			
Jason Carne (Chair) John Hele Jonathan Moss Deborah Gero Barbara Stymiest	Deborah Gero (Chair) John Hele Jason Carne Barbara Stymiest Jonathan Moss	Deborah Gero (Chair) John Hele Jason Carne Barbara Stymiest Jonathan Moss	

¹ Nick Bailey was appointed as a director with effect from April 1, 2025.

Governance structure

3.2.2 Management Committees

Resolution Re also operated the following management committees for the year ended December 31, 2024:

- The Management Executive Committee ('MEC'), chaired by the Company's CEO, oversees the day-to-day management of the Company, including monitoring the effectiveness of its operations, controls and governance. The MEC supports the CEO in his role and assists the Board in executing corporate strategies; monitoring and managing operational and financial performance of the Company; and monitoring the Company's compliance, risk management and internal control frameworks.
- The Underwriting and Pricing Committee ('UPC'), the key forum for underwriting and pricing decision-making, which assists the Board in its oversight responsibilities as to the selection of reinsurance counterparties and the execution of reinsurance transactions that align with the strategic objectives set out by the Company's Board, together with the Rate Setting Committee ('RSC'), a sub-committee of the UPC, which is the key forum for rate setting required in regular flow reinsurance pricing.
- The Management Investment Committee ('MIC'), chaired by the Company's CEO, which is responsible for monitoring the management of the Company's investments in relation to their performance, execution and compliance with the investment strategy of the Company.
- The Management Risk Committee ('MRC'), chaired by the Company's CRO, which is the main forum for the monitoring of the Company's risk profile, exposures and trends. The MRC is supported by the Assumption Review Working Group ('ARWG'), as described in section 3.7 Actuarial Function, and the Model Change and Review Committee ('MCRC') whose purpose is to assist the MRC in fulfilling its responsibilities as to model risk management by providing oversight and guidance to effectively manage the Company's exposure to Model Risk, and the Information Security Committee, which monitors, manages and provides recommendations to management on information security compliance and cyber-security risk mitigation efforts undertaken by the Company.

3.2.3 Remuneration Policy and Practices

The Company's practice regarding remuneration aims to build a competitive and innovative environment that attracts, retains, motivates and rewards high-performing employees, promotes an ethical culture by ensuring remuneration is based on qualitative, not just quantitative assessment and promote the achievement of strategic objectives. This practice follows the Resolution Life Group's remuneration policy, also designed to attract and retain highly qualified employees thereby ensuring effective and inclusive leadership qualities in its managers. The Company's remuneration framework addresses the need to provide competitive wages and benefits; ensure enhanced communication; and foster a culture that encourages collaboration, growth and progress.

The Company's remuneration framework provides for a fixed base salary and an annual discretionary, performance-based bonus, which varies in accordance with the performance of the individual and Company. Participation in the Resolution Life Group's long-term incentive plans is also available for selected members of staff.

In addition to quarterly performance reviews conducted at local level, reviews of compensation levels are conducted by the Resolution Re HR team in conjunction with those done by the Resolution Life Group HR team, at least annually, to ensure remuneration is in line with standard market practices and appropriate for the risk profile and performance of the Company.

Independent Board members receive fees for their work as directors; they do not receive bonuses. Executive Directors are not entitled to additional compensation for services rendered as members of the Board.

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

The Company provides all employees with pension benefits through a defined contribution pension scheme, administered by a third party. The Company provides matching contributions, consistent with the employee's level of contribution, up to a pre-determined amount. There is no pension plan for Board members.

The Company does not have an early retirement scheme.

3.2.5 Material Transactions with Shareholder Controllers, Persons who Exercise Significant Influence, the Board or Senior Executives

No material transactions were executed during the reporting period January 1 to December 31, 2024 with Board members, Senior Executives, or other individuals who exert significant influence over the Company.

3.3 Fitness and Propriety Requirements

3.3.1 Fit and Proper Process in assessing the Board and Senior Executives

Subject to shareholder approval, the Company appoints members of the Board based on the individual's expertise and experience, as well as the professional judgment of the Chairman of the Board and recommendations from third party firms experienced in recruiting Board members. Before being appointed to the Board, all candidates must undergo a rigorous interviewing and background screening process. The Company adheres to a Fit and Proper Standard, part of its Code of Conduct to ensure it meets its obligations under the BMA Fitness and Propriety framework.

The Company's CEO, in close collaboration with the Chairman of the Board and in consultation with the relevant senior functional area leads, is responsible for the selection of senior members of the Company who are deemed fit and proper with the requisite knowledge and skills, given the nature, scale and complexity of the Company's business. Senior executives are formally appointed by the Board.

As mandated by the Bermuda Insurance Code of Conduct, the Board assesses its directors and officers no less frequently than every three years. The Company undertook its last assessment in July 2022, which was subsequently submitted to the BMA.

Governance structure

3.3.2 Board and Senior Executives' Professional Qualifications, Skills and Expertise

Board members	Professional qualifications, skills and experience
<p>John Hele Chairman of the Board, Director</p>	<p>Mr. Hele, Director, served as the President and COO of the Group from February 2019 to June 2023, following which he continued in his role as a Director and Chair of the Resolution Re Board. Mr. Hele has held various senior positions in the insurance industry, including as EVP and CFO for MetLife, Inc., Member of the Executive Board and CFO at ING Groep NV, and CFO, Treasurer & Executive VP for Arch Capital Group Ltd, Bermuda. Mr. Hele spent a number of years working at Merrill Lynch & Co. in Investment Banking, Financial Institutions Group. Mr. Hele is currently Vice Chair of the Bermuda International Long Term Insurers and Reinsurers industry association and is a board member of the Association of Bermuda International Companies. Mr. Hele is a board member and Chair of the Risk Committee for SOFI Technologies Inc, a publicly traded financial services and technology company based in San Francisco, CA. Finally, Mr. Hele is Executive Chairman of Portage AI Inc., based in the USA.</p> <p>Mr. Hele is a Member of the American Academy of Actuaries and a fellow of both the Society of Actuaries and of the Canadian Institute of Actuaries. Mr. Hele received a Bachelor of Mathematics from the University of Waterloo.</p>
<p>Jason Carne Independent Non-Executive Director</p>	<p>Mr. Jason Carne, Independent Non-Executive Director, has over 30 years' experience working in the Bermuda reinsurance market with Life & Annuity, traditional P&C and Insurance Linked Securities entities. Mr. Carne currently works as an Independent Non-Executive Director for several Bermuda-based reinsurers having previously acted as Partner, CFO and Head of Bermuda for an SEC registered Investment advisor focused primarily in the reinsurance sector. Prior to this, Mr. Carne was a Partner and then a Managing Director at KPMG in Bermuda where he worked for approximately 25 years across reinsurance market sectors.</p> <p>Mr. Carne graduated from Southampton University with a B.Sc. in Economics and Politics. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Chartered Professional Accountants of Bermuda. Mr. Carne is also a Qualified Associate in Reinsurance.</p>

Board members	Professional qualifications, skills and experience
<p>Jonathan Moss Director, Chief Executive Officer, Interim CFO & Principal Representative (resigned as CEO, Interim CFO & Principal Representative effective March 31, 2025)</p>	<p>Mr. Jonathan Moss, Chief Executive Officer, Resolution Re, has been with Resolution Life since 2017 and was appointed CEO of Resolution Re in January 2024. He led the Group Risk function as Group Chief Risk Officer prior to his current position. Before joining Resolution Life, Mr Moss was the CFO of Aviva France SA, a unit of Aviva plc, from 2015. Mr Moss also served as the CEO of the Heritage division of Friends Life Group Ltd. and Group CEO of Phoenix Group Holdings Ltd. During his earlier career, Mr Moss held executive positions at AMP Life, London Life and National Provident Life, as well as Pearl Group Holdings and Phoenix Group Holdings.</p> <p>Mr. Moss has a Bachelor of Science and a Master of Philosophy in Economics from the University of Wales. He has been a Fellow of the Institute and Faculty of Actuaries since 1990.</p>
<p>Barbara Stymiest Independent Non- Executive Director</p>	<p>Ms. Barbara Stymiest, Independent Non-Executive Director, joined the Resolution Re Board in November 2023 and served as Chair of the Compensation and Governance Committee. Ms. Stymiest held various senior positions in the Canadian financial services sector, including EVP and CFO of Bank of Montreal Capital Markets division, CEO of the Canadian stock exchange, TMX Group, and COO/Group Head of Strategy, Treasury and Corporate Services at Royal Bank of Canada. Ms. Stymiest spent the first 14 years of her career with Ernst & Young, including 5 years as a partner in their financial services group.</p> <p>From 2011 to date, Ms. Stymiest has focused primarily on board roles in both the corporate and volunteer sectors, including George Weston Limited, the Canadian Institute for Advanced Research and the Ivey Institute for Leadership. Ms. Stymiest was a board member of Sun Life Financial Inc. for 12 years and served as Chair of both the Risk and Audit Committees.</p> <p>Ms. Stymiest is a Chartered Professional Accountant and has been a Fellow of Chartered Professional Accountants Ontario since 1997. She was appointed as a Member of the Order of Canada in 2021 and holds Honorary Doctorates from the University of Western Ontario, University of Guelph and University of New Brunswick.</p>

Governance structure

Board members	Professional qualifications, skills and experience	Senior Executives	Professional qualifications, skills and experience
<p>Deborah Gero Independent Non- Executive Director</p>	<p>Ms. Deborah Gero, Independent Non-Executive Director, joined the Resolution Re Board in November 2023 and is also Chair of the Board Risk Committee and Board Investment Committee. Ms. Gero has held various senior positions in the global investments, insurance and risk management sectors and has more than 20 years’ public and private Board and Committee experience in various Audit, Investment, Governance and Compensation Committee roles, including in Deputy CIO and other senior executive roles for AIG Asset Management Group, as CIO and CRO of AIG Life and Retirement, and VP of AIG Global Investment Corp.</p> <p>In her earlier career, Ms. Gero held various corporate actuary and consultant roles with SunAmerica Inc., Consec, Inc., Tillinghast/Towers-Perrin and Pacific Life Mutual Life Insurance Company.</p> <p>Ms. Gero is a Chartered Financial Analyst, a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. Ms. Gero received a Bachelor of Mathematics from the University of Notre Dame.</p>	<p>Esther Polevoy Chief Risk Officer</p>	<p>Ms. Esther Polevoy joined Resolution Re in February 2024 as Chief Risk Officer, where she is responsible for the oversight and management of Resolution Re’s risk management strategy, framework, and related activities.</p> <p>Ms. Polevoy has over 17 years of risk and actuarial experience in both insurance and reinsurance. Prior to joining Resolution Re, Ms. Polevoy spent 3 years at Fortitude Re, where she had responsibilities for enterprise risk management and transaction review. Before that Ms. Polevoy held various positions at Equitable and Prudential Financial, working as an actuary in risk, pricing, modelling, and valuation. . Prior to joining Resolution Re, Ms. Polevoy spent 3 years at Fortitude Re, where she had responsibilities for enterprise risk management and transaction review. Before that Ms. Polevoy held various positions at Equitable and Prudential Financial, working as an actuary in risk, pricing, modeling, and valuation.</p> <p>Ms. Polevoy is a Fellow of the Society of Actuaries and a Chartered Enterprise Risk Analyst. She holds a Bachelor’s degree in Astronomy and Mathematics from Cornell University and a Master’s Degree in Actuarial Science from Boston University.</p>
<p>Senior Executives</p>	<p>Professional qualifications, skills and experience</p>	<p>Sam Zhou Head of Actuarial (appointed as Chief Financial Officer effective April 1, 2025)</p>	<p>During the period to December 31, 2024 and prior to his appointment as CFO, Resolution Re effective April 1, 2025, Mr. Zhou served as Head of Actuarial, leading Resolution Re’s actuarial function across valuation, collateral management, and Financial Projection & Analysis. In his new role, he will have expanded responsibilities, providing oversight and leadership in Resolution Re’s financial reporting.</p> <p>Mr. Zhou has over 13 years of industry experience in both insurance and reinsurance. He joined Resolution Re in 2019 and prior to joining he worked at Athene Life Re in Bermuda and MetLife in the US in various functions across valuation, pricing, and cash flow testing.</p> <p>Mr. Zhou holds a Bachelor of Science degree in Actuarial Science from the University of Illinois at Urbana-Champaign. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.</p>
<p>Nick Bailey Head of Finance and Treasury (appointed as a Director and Chief Executive Officer effective April 1, 2025)</p>	<p>During the period to December 31, 2024 and prior to his appointment as Chief Executive Officer, Mr. Bailey served as the Head of Finance and Treasury where he was responsible for external and internal reporting, treasury, reinsurance and investment accounting.</p> <p>Effective April 1, 2025, Mr. Bailey was appointed as Chief Executive Officer and is responsible for steering the Bermuda reinsurance operations, overseeing the onboarding of new transactions, optimizing capital efficiency, and strengthening local stakeholder engagement.</p> <p>Mr. Bailey joined Resolution Re in 2019 and prior to that he was a Senior Manager with PwC Bermuda and part of their Extended Leadership Team, responsible for growing the external audit practice for life reinsurance clients on island.</p> <p>Mr. Bailey has over 15 years of experience in the industry and is a Fellow of the Association of Certified Chartered Accountants.</p>	<p>Jamie Logie Chief Underwriting Officer (appointed effective January 1, 2024)</p>	<p>Mr. Jamie Logie, Chief Underwriting Officer, has been with Resolution Life since January 2019 and was appointed Chief Underwriting Officer of Resolution Re in January 2024 where he is accountable for deal structuring, underwriting, and pricing for global reinsurance transactions.</p> <p>Mr. Logie previously led the M&A and Reinsurance Pricing team in London supporting Resolution Life’s transactions in Europe, Asia, and Australasia. Before joining Resolution Life, Mr. Logie held various positions in Deloitte and PwC advising insurers and investors on insurance company M&A, covering strategy, pricing, diligence, appraisals and regulatory applications.</p> <p>Mr. Logie has a Master’s Degree in Mathematics from the University of Durham. He is a Fellow of the Institute and Faculty of Actuaries.</p>

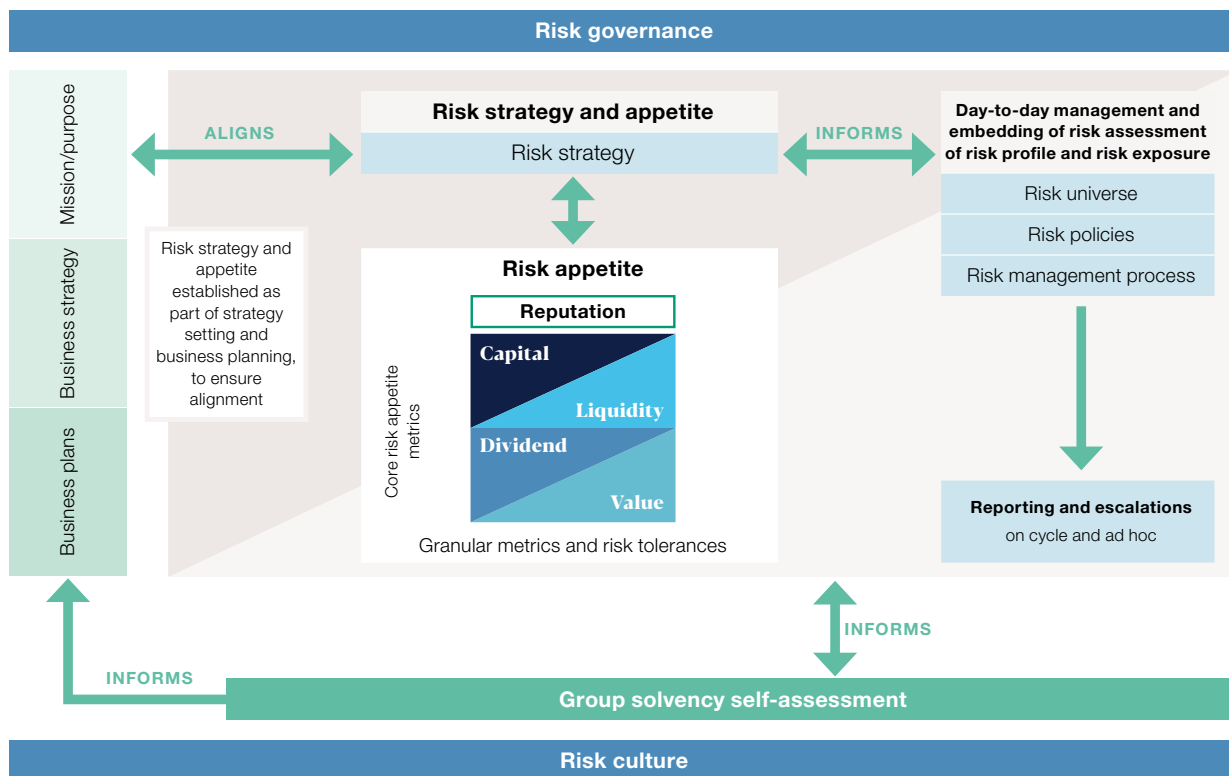
Governance structure

3.4 Risk Management and Solvency Self-Assessment

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

The RMF provides a holistic and consistent way in which to identify measure, manage, monitor and report on the risks faced by the Company, with the main components of the RMF shown in the diagram below:

Key elements:



Risk Governance: The Board has adopted a comprehensive set of Risk Management Policies (collectively, the ‘Policies’) with ultimate responsibility for overseeing the effectiveness and ensuring that appropriate risk governance structures are in place.

Roles, responsibilities and accountabilities for making key decisions are structured in alignment with the Three Lines of Defense principles, with supervision by the Board or its delegates, thereby achieving effective segregation of duties.

Risk Appetite: The risk appetite is an expression of the Company’s desire or willingness to take, retain or avoid risks using a set of qualitative principles and quantitative limits that establish the Company’s risk preferences, risk tolerances and risk limits in alignment to the strategic objectives defined in the business plan.

Risk Identification: All employees of the Company have a responsibility to identify risks in their area, engage the correct personnel to ensure they are appropriately assessed and that controls exist to manage risks within the set risk appetite. The CRO report includes detailed information on each risk exposure relative to its risk appetite, with commentary and supporting analysis over the current and prospective risk profile. All key operational risks and controls impacting key processes are captured in the Company’s risk register, which forms the basis for regular Risk and Control Self-Assessments (‘RCSA’).

Risk Measurement: The Company has processes to evaluate and measure all identified risks, at least annually. The Company adopts quantitative methods to measure its exposure to quantifiable risks (e.g. market risk, insurance risk, credit risk) and uses stress and scenario testing to determine the potential impact that an increase in risk exposure may have on its capital, earnings and liquidity position.

Risk Response: Appropriate risk responses are developed through discussions with senior management where risk evaluation, along with proposed risk mitigation strategies, occurs through periodic review of risk exposures in relation to the risk appetite and consideration of the optimal risk return positioning.

Risk Reporting and Control: Risk reporting ensures that all material risks are regularly monitored and reported. Where appropriate, control points are established for heightened monitoring, and limits are established that should not be breached. Risks that have progressed beyond the set risk appetite limits must be escalated to the appropriate forum(s) and managed in line with the documented management actions to ensure visibility is provided at the right levels with respect to ensuring mitigating actions are implemented.

Compliance: Compliance requirements set out the attestations needed from Executive Officers who are responsible for ensuring implementation of the various Policies.

Governance structure

3.4.2 Risk Management and Solvency Self-Assessment Systems Implementation

The Board has a comprehensive suite of Policies to ensure that all material risks which the Company is exposed to are well understood and managed. The Board reviews and approves these Policies, at least annually, to ensure they remain appropriate.

The Board has charged the CRO with responsibility over the effective implementation of the Company's risk policies and to ensure each Policy is kept up to date, as detailed in [section 4.2](#).

The CRO will also consider the need to establish Implementation Guidelines, as appropriate, to set out the specific procedures or methods by which each Policy is to be complied with, particularly as the Company continues to grow both in size and complexity.

On a quarterly basis, the CRO works collaboratively with each functional area to develop the CRO report to the MRC. For each risk within the risk universe, the CRO report sets out their relative exposure against risk appetite, with commentary and supporting analysis over the current and forward-looking risk profile.

The Company's Commercial Insurers' Solvency Self-Assessment ('CISSA') Report is the final output of the self-assessment process and provides a comprehensive description of the risk management activities that occurred throughout the year and key expected future developments. The CISSA is subject to review and approval by the BRC and the Board prior to its submission to the BMA. Whilst the CISSA Report is produced annually for regulatory purposes, the underlying risk analysis that takes place, at least quarterly, forms a core component of the CISSA process at the Company. This ensures that the CISSA is embedded in the business and is used to inform decision making by Management.

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

The Company manages its business objectives, capital needs and liquidity requirements with the objective of withstanding pre-defined shocks. The Company uses its stress testing framework to establish a TCR, which is calibrated to a minimum post-shock BSCR ratio. In the event the Company's capital at risk is projected to fall below minimum thresholds in any of the stress scenarios, the Company, with input from the MRC, will develop an appropriate risk response, with proposed risk mitigation strategies, which is presented to the BRC for approval.

The Company's solvency self-assessment process is a key element of the Company's RMF and reviewed at least annually and/or when new transactions are considered.

3.4.4 Solvency Self-Assessment Approval Process

The solvency self-assessment, as discussed above in [section 3.4.2](#), is reviewed and approved by the BRC and the Board.

3.5 Internal Controls

3.5.1 Internal Control System

Resolution Re's internal control system is designed to provide reasonable assurance that its operations are effectively controlled, it is compliant with applicable laws and regulations, and its financial reporting is reliable. The Board is ultimately responsible for overseeing the adequacy and effectiveness of the risk management and internal control system. In practice, the oversight and management of the internal control system necessarily involves participation of the Board, the Audit Committee, the Risk Committee, senior management, finance, risk, compliance, legal, line managers, internal audit and various committees. Primary responsibility for ensuring day-to-day oversight of the internal control system lies with the MEG, senior management and key functions holders (e.g. risk, compliance). The Company promotes the importance of appropriate controls by:

- Ensuring that staff members are aware of their role in the internal control system (for example through communication and training)
- Ensuring a consistent and adequate implementation of the internal control system across the Company (for example, through a partnership between the first- and second-line functions, and attestations to Company policies)
- Continually reviewing the adequacy of the internal control system through various mechanisms (e.g. risk and control self-assessments, internal control over financial reporting assessments, controls testing)
- Establishing, monitoring and reporting mechanisms for decision-making processes.

Please see [section 3.4](#) for a description of the internal control system relating to the risk function.

Implemented in 2022, the Committee of Sponsoring Organizations of the Treadway Commission ('COSO') 2013 framework is used as the criteria for evaluating the effectiveness of the Company's internal controls, to effectively manage against identified risks and provide reasonable assurance regarding the reliability of its financial reporting. The COSO 2013 framework includes the following components:

- Control Environment;
- Risk Assessment;
- Control Activities;
- Information and Communications; and
- Monitoring Activities.

Internal controls are documented and reviewed on a regular basis by control owners and the appropriate Management Committees. All internal controls are designed to ensure segregation of duties between preparer and reviewer.

Governance structure

3.5.2 Compliance Function

The Board retains the ultimate responsibility for Compliance; however, it has delegated the day-to-day responsibilities to Resolution Re's Compliance Officer ('CO'). In this capacity, the CO's role is to ensure that the Company carries out operations in accordance with legal and regulatory requirements, and to monitor compliance with organizational policies and procedures.

The CO develops policies, procedures and processes to support these activities, including plans to address any identified deficiencies or non-compliance. The CO also supports management in the implementation of any new rules or regulations which includes delivering training to employees, on a quarterly basis, to ensure employees remain up to date on new or updated policies, regulations and guidelines.

The CO works with the Senior Legal Advisor, Resolution Re, who is a member of the MEC, to provide quarterly Compliance Report updates to the Audit Committee, Risk Committee and the Board, as appropriate.

3.6 Internal Audit

The Company has co-sourced its Internal Audit function with EY Bermuda, with oversight responsibilities by the Resolution Life Head of Internal Audit. Internal Audit has unrestricted access to all areas and property of the organization, including personnel records, records held by third-party service providers, and has direct access to the Board through the Board's Audit Committee. To ensure Internal Audit remains independent, its employees are not authorized to perform any operational duties or approve any transactions in the organization. Internal Audit's responsibilities are outlined in the Internal Audit Charter as approved by the Audit Committee.

The Internal Audit function provides independent, objective assurance and consulting services designed to add value and improve the Company's operations. It assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal controls and governance processes.

The Internal Audit Plan is presented and approved on an annual basis by the Audit Committee and all findings of their reviews are reported to the Audit Committee.

3.7 Actuarial Function

The Company's CFO is responsible for setting, monitoring and adjusting actuarial assumptions used in the calculation of GAAP reserves and technical provisions consisting of the best estimate liabilities and a risk margin. The Company follows industry best practice and adheres to standards of practice in determining assumptions which require significant actuarial judgement. Proposed changes to assumptions or methodologies for calculating GAAP reserves and technical provisions require approval from the ARWG. The Company has designed and executed internal controls over the data and software models used by the Actuarial Function in their day-to-day functions.

The Company has outsourced its Approved Actuary function to Deloitte Bermuda, an independent third party that reviews and opines on the technical provisions included in the Bermuda regulatory return.

3.8 Outsourcing

3.8.1 Key Functions and Outsourcing Guideline

The Company's Outsourcing & Third Party Risk Management Policy establishes the principles and procedures for managing outsourcing risk at the Company and allows for a consistent approach to outsourcing and third party relationship management, aligned with the approach taken across the Resolution Life Group, whilst maintaining appropriate control to minimize risks that could adversely impact the business. The Policy is owned by the Interim COO at Resolution Re.

The Company takes a risk-based approach to all outsourcing decisions, including the vendor selection process, the negotiation and finalisation of the outsourcing agreement and the subsequent ongoing operational management of the agreement. The vendor selection process is designed to mitigate the risk that vendors are appointed without appropriate verification of their adherence to information security standards and other core standards to the satisfaction of the Company, or that services from outsourcers are not appropriately rendered. The Company retains oversight and clear accountability for outsourced functions as follows:

- outsourced services vendors are assessed and accorded a Tier 1, Tier 2 or Tier 3 materiality assessment, with Tier 1 (material outsourcing) being the highest categorisation
- outsourced services are under the management of a business owner, responsible for services provision from the outset of the relationship, including financial management and monitoring of budgeted costs against actual costs;
- Tier 1 outsourced service providers report to the Company on the achievement of the key performance indicators set out in the outsourcing contract by way of QBRs (Quarterly Business Reviews); and
- management performs an annual review of the outsourced services which they report to the Audit Committee.

The Company outsources its investment management and other investment related services to third party service providers. This includes investment management, custody and investment accounting services, for which decision-making power remains with Resolution Re management in Bermuda.

The Company also outsources its IT support function, its payroll and legal functions and, as detailed in [section 3.7](#), a professional services firm is engaged as the Company's Approved Actuary.

Governance structure

3.8.2 Material Intra-Group Outsourcing

The Company has intercompany services agreements in place with other Resolution Life Group companies that enable the Company to access professionals in other parts of the Resolution Life Group. The services agreements provide that all companies within the Resolution Life Group are expected to comply with the Resolution Life Group policies and would replicate the approach taken by the Company if it performed the services directly.

The services agreements pertain to support with activities which include:

- (i) Assistance with third party vendor relationship management;
- (ii) Providing oversight of operational bank accounts;
- (iii) Assistance with other research, operational and administrative matters relating to the Company and RLGH, including such accounts payable, payroll processes, other finance and accounting, legal and compliance and IT/help desk support as may be required;
- (iv) Assisting with M&A and related activities;
- (v) Providing legal advice in relation to the activities listed in (i)-(iv) above; and
- (vi) Providing strategic advice in relation to these activities.

3.9 Other Material Information – Governance Structure as at Q1 2025

The Resolution Life Group has now reached a size and scale that provides the opportunity to simplify and streamline its operating structure and governance, and accordingly made certain internal structural changes in Q3/Q4 2024, restructuring its governance to create management committees across its institutional business that have accountability for all operations, including those of Resolution Re. Resolution Re is therefore operating within the broader governance and risk management framework of this model, while maintaining entity-level oversight in accordance with Bermuda's regulatory requirements. Resolution Re is evolving its management governance processes to fit with this structure, under which Board reporting is being centralised via the new Group-wide management committees, which will result in changes to some of the management committees of Resolution Re detailed in [section 3.2.2 Management Committees](#) above.

Risk profile

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4.1 Material Risks the Insurer is Exposed to During the Reporting Period

As previously mentioned in this report, the CRO of the Company works collaboratively with each functional area to develop the CRO Report ahead of the quarterly meetings of the MRC and BRC. The CRO Report, for each risk within the risk universe, sets out their relative exposure against risk appetite, with commentary and supporting analysis over the current and forward-looking risk profile.

There are seven risk categories making up the Company’s risk universe, each with several sub-categories, as shown below:

Risk category	Sub-category	Risk description	
Strategic risk	<ul style="list-style-type: none"> Competitive and Technological Environment Customer Economic, Political and Geopolitical 	<ul style="list-style-type: none"> Legal, Regulatory and Ratings Change Sustainability Strategy Design Strategy Execution 	Risk of inadequate or inappropriate strategy, execution of strategy or decisions in response to change in the internal and external environment
Market risk	<ul style="list-style-type: none"> Equity Foreign Exchange Hedging 	<ul style="list-style-type: none"> Interest rate Inflation Real Estate 	Risk of movements in market variables.
Liquidity risk	<ul style="list-style-type: none"> Funding Liquidity Holding Company Liquidity Market Liquidity 		Risk of the inability to meet its obligations as they fall due in a timely and adequate manner, or at excessive costs.
Credit & Counterparty risk	<ul style="list-style-type: none"> Counterparty exposures 		Risk of the inability of a counterparty to meet its obligations in accordance with agreed terms or from deterioration in credit quality of assets.
Insurance risk	<ul style="list-style-type: none"> Catastrophe Longevity Morbidity 	<ul style="list-style-type: none"> Mortality Policyholder behavior Servicing Expenses 	Risk of inadequate or inappropriate underwriting outcomes.
Operational risk	<ul style="list-style-type: none"> Business Continuity Internal Fraud External Fraud Execution, Delivery & Process Management Information and Cyber Security 	<ul style="list-style-type: none"> Data Management Employment Practices and Workplace Safety Outsourcing Model Distribution Channels 	Risk of inadequate or failed internal processes, people, systems, or external events. This definition excludes strategic and reputational risk
Legal, Regulatory and Compliance	<ul style="list-style-type: none"> Clients, Products, Business Practices and Conduct Financial Crime 	<ul style="list-style-type: none"> Legal Regulatory Compliance 	Risk of non-compliance with tax, accounting, legal and regulatory requirements or codes of conduct

Risk profile

4.2 Risk Mitigation in the Organization

As noted in section 3.4.2, the Board has adopted a comprehensive set of Policies and has charged the CRO with establishing oversight processes to ensure that all risks to which the Company is exposed are well understood and managed. Within the Policies, the Board has established the risk appetite, which is a set of qualitative principles and quantitative limits that establish the Company's risk preferences, risk tolerances and risk limits.

Each Policy is assigned to an (internal) executive policy owner who is responsible for recommending changes, where required, and ensuring the policy is current. Moreover, the executive policy owners are tasked with establishing guidelines that set out the specific procedures or methods by which the policy is to be complied with and ensuring the Company has processes in place to implement the policies and guidelines. The executive policy owner monitors and reports to the BRC, on a quarterly basis, on risks in their area, including risk evaluation and response.

Risk evaluation occurs through periodic review of risk exposures in relation to the risk appetite, discussion by senior management and consideration of the optimal risk return positioning. Risk exposures are considered on a gross basis, prior to risk mitigation, as well as net of risk mitigation. This is because risk mitigation often results in transformation of risk in contrast to risk elimination. The appropriate risk mitigation response is developed from discussion and consideration of alternative strategies, including consideration of cost versus reward.

Common risk management strategies include:

- Hedging
- Asset-liability management actions
- Repositioning of the investment portfolio or changing allocation of new assets
- Enhanced training or acquisition of expertise, resources or tools
- Enhanced monitoring or contingency planning
- Allocation of additional risk capital
- Product management or re-pricing actions
- Expense management actions
- Renegotiation of contracts
- Business portfolio management through reinsurance, acquisition or divestitures
- Maintenance of a liquidity cushion
- Active involvement with industry bodies and monitoring regulatory updates

To enable effective monitoring by the executive policy owners, the Company maintains a comprehensive process for reporting on all material risks to the Board, including a comparison of risk exposures to the risk limits, which include early-warning indicators, and reporting on breaches.

Each executive policy owner provides an annual attestation whether the Company is, in their opinion, in material compliance with the requirements of the policy.

4.3 Material Risk Concentrations

The Company has policies governing risk concentrations in relation to counterparties, credit quality and asset classes. Adherence to these policies is monitored by the BRC and the Board. The Company is compliant with this policy and has not determined any material risk concentrations.

4.4 Investment in Assets in Accordance with the Prudent Person Principles of the Code of Conduct

The prudent person principle, as outlined in the Insurance Code of Conduct, provides that a Bermuda registered insurer, in determining the appropriate investment strategy and policy, may only assume investment risks that it can properly identify, measure, respond to, monitor, control, and report while taking into consideration its capital requirements and adequacy, short-term and long-term liquidity requirements, and policyholder obligations.

The Company's fundamental investment principle is to invest available funds in a diversified portfolio of assets, acknowledging our commitment to environmental and social responsibility, to ensure policyholder commitments are met while contributing to the overall growth and profitability of the Company.

Consistent with our fiduciary duties to our policyholders, cedents and investors, the Board has approved a Responsible Investment Policy, which is intended to protect and enhance the value of our investments in the long term. As a long-term investor, we believe that the goal of any company should be to generate and deliver sustainable long-term financial value, which will be helped by having long-term owners to whom the Company is accountable and by having owners that are clear about their expectations. As such, the incorporation of responsible investing factors in the acquisition process and in improving the companies in which we invest is a part of our investment process.

The Risk Appetite Framework establishes allowable asset risk, exposures and limits for investment related asset classes. These are approved annually by the BRC and provide the ultimate portfolio constraints on the Company's assets.

To execute the Company's investment strategy, the Company employs the services and expertise of external investment management strategic partners who are bound by comprehensive Investment Management Agreements and Investment Guidelines for asset classes and limits. Compliance with these Guidelines is reported on a quarterly basis by the investment managers.

Risk profile

4.5 Stress Testing and Sensitivity Analysis to Assess Material Risks

Resolution Re develops a standalone business plan annually, typically covering a planning horizon of five years. As part of this process, the Company assesses material risks that could impact the achievement of the Company's strategic objectives and financial forecasts.

To evaluate the potential impact of these risks, annual stress and scenario testing is performed. This process is integral to assessing whether Resolution Re remains within its risk appetite, and to inform the calibration of internal risk budgets and tolerance limits. These stress exercises also provide critical input into the annual CISSA and support regulatory expectations regarding forward-looking risk assessment and capital planning.

The Company's risk appetite specifies the maximum allowable economic loss for each risk type individually and for various combinations of risk types, under a series of predefined scenarios and defines the maximum acceptable exposure to specific risk types, both on a standalone and aggregated basis. The framework recognises the effects of correlation and diversification between risks when establishing tolerances and assessing capacity.

Stress testing is governed by internal standards aligned with local regulatory expectations, focusing on the Company's most material risks. Impact assessments are performed across key dimensions such as solvency coverage (BSCR), liquidity, and operational resilience to ensure the Company remains within its overall risk capacity. Scenario analysis includes the assessment of prospective changes in the Company's risk profile and the potential financial impact of such changes over the planning horizon. Scenarios may reflect macroeconomic shifts, market dynamics, regulatory developments, or transaction activity specific to Resolution Re's business model and strategic direction.

Risk capacity is defined at potential severity levels as shown below:

- **Adverse stress scenario** – This scenario measures the impact of an 'average recession/stress' period on all risk measures. This may be thought of as a 1 in 10 scenario.
- **Severe stress scenario** – This scenario measures the impact of a more severe recession/stress period on all risk measures. This may be thought of as a 1 in 40 scenario (similar to the 2008-2009 period).
- **Extreme stress scenario** – This scenario is meant to measure the impact of a scenario 'as bad or worse' than we've ever experienced. This may be thought of as a 1 in 200 scenario for both economic and non-market risks.

Resolution Re also recognises that its capital and liquidity planning must account for any contractual or regulatory triggers that could be activated under stress conditions. These include financial covenants associated with external arrangements and reinsurance agreements. Although such triggers are generally remote and well below internal tolerance thresholds, they are clearly understood, routinely monitored, and factored into the Company's risk management processes to ensure appropriate governance and preparedness.

4.6 Other Material Information

There is no other material information to be disclosed.

Solvency valuation

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

The Company has used the valuation principles outlined by BMA's 'Guidance Note for Statutory Reporting Regime' for the reporting year's statutory filing. The economic valuation principles outlined in this document are to measure assets and liabilities on a fair value basis.

Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. The Company determines fair value based on the following fair value hierarchy:

- **Level 1 Inputs:** Quoted prices for identical assets in an active market that the Company can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustments to measure fair value whenever available.
- **Level 2 Inputs:** Directly or indirectly observable inputs other than quoted market prices for similar assets or market-corroborated inputs.
- **Level 3:** Unobservable inputs developed using information available to the Company in circumstances where there is very little, if any, market activity for the asset at the measurement date.

The Company uses the following valuation methods and assumptions to determine fair value for assets held directly and assets supporting funds withheld at interest.

Fixed Maturity Securities: The fair values of public fixed maturity securities are based on prices obtained from the Company's external investment managers, which have been validated against independent pricing services. These are classified as Level 1 assets. The investment managers obtain market quotations for identical securities in an active market or similar securities in an active market or identical securities in an inactive market. In certain instances, the investment managers will apply their own proprietary internal model which is based on observable market inputs for determining the fair value of securities that are not actively traded. This category typically includes U.S. and non-U.S. corporate bonds, U.S. agency and government guaranteed securities, CLO, ABS, CMBS and RMBS.

Solvency valuation

The investment managers maintain a price source hierarchy which prioritizes market prices obtained in active and reliable primary markets. To validate the prices supplied by the investment managers, the Company's review process includes a comparison to prices obtained from independent pricing sources for the same investments. Where the price comparison exceeds the Company's pricing tolerance limits, the Company will obtain additional price quotes to determine which price is an outlier and select the price which most accurately reflects market values. Where the pricing comparison exceeds the tolerances and there is no further tertiary source available the more conservative price is selected.

The Company's management reviews and approves the pricing comparison each quarter.

Other Investments: The fair value of non-public securities, which include commercial mortgage loans, private placements, and alternative investments, are determined using generally accepted valuation methodologies and inputs and assumptions appropriate to each security. For example, the valuation of commercial mortgage loans is based on a discounted cashflow valuation approach, where the cash flows used in the calculation consider the regular interest, amortization and prepayment provisions of the loan.

Investment Funds: Certain of the Company's investments in investment funds are priced based on market-accepted valuation models and use significant unobservable inputs, which include material non-public financial information, estimated future cash flows and demographic assumptions. These are classified as Level 3 assets.

Cash and Cash Equivalents: Includes cash on hand, amounts due from banks, and certain money market securities, held in the ordinary course of business with maturities of three months or less when purchased. The carrying amount of cash equals fair value. The fair value of cash equivalents is based on quoted market prices.

Derivatives: These assets consist of forward starting interest rate swaps and Foreign Exchange Forwards and are valued at quoted market prices, which are classified as Level 1. In the absence of an active market, prices are based on observable market inputs. The majority of Company derivatives trade in liquid markets and can be modelled without significant judgement. These usually fall under level 2 assets.

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

Technical Provisions represent the value of in force liabilities as of December 31, 2024 which are calculated in line with the EBS valuation principles as defined in the BMA's 'Guidance Note for Statutory Reporting Regime'. The Company believes that the techniques used in determining the insurance technical provisions are in line with the BMA guidance.

Technical provisions are calculated as the sum of the Best Estimate Liabilities ('BEL') and Risk Margin ('RM'). The BEL is intended to represent an average expectation of insurance cash flows, both inflows and outflows, while the RM reflects an allowance for the risk of uncertainty inherent in the best estimate cash flows and is intended to reflect the compensation that an insurer requires to bear this risk. The table below contains the Company's Gross Technical Provisions at December 31, 2024 and 2023.

Technical Provisions (\$'s in thousands)	2024	2023
Best Estimate Liabilities	22,494,845	23,263,540
Risk Margin	224,217	316,794
Technical Provisions	22,719,062	23,580,334

The valuation method used to determine the best estimate liabilities is the BMA's Scenario Based Approach ('SBA') using best estimate cash flows and the projected performance of the Company's assets under the most severe interest rate stress scenario. The risk-free interest rate scenarios are prescribed by the BMA.

The Company holds a risk margin to reflect the uncertainty inherent in the underlying cash flows which is calculated using the cost of capital approach and a risk-free discount rate term structure. The discount rate term structures are prescribed by the BMA.

5.2.1 Description of Recoverables from Reinsurance Contracts

The Company does not have any recoverables from reinsurance contracts at December 31, 2024 or 2023.

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

Similar to the valuation principles for assets, the valuation of the Company's Other Liabilities follows the valuations principles outlined by BMA's 'Guidance Note for Statutory Reporting Regime', which values liabilities on a fair value basis. As of December 31, 2024, there were no material Other Liabilities to be discussed.

5.3 Any Other Material Information

No additional material information to report.

Capital management

Capital management

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6.1 Eligible Capital

6.1.1 Capital Management Policy and Process for Determining Capital Needs, How Capital is Managed and Material Changes During the Reporting Period

The primary capital management objectives of the Company are to:

- prudently manage the Company's capital resources to meet regulatory capital requirements,
- ensure payment of policyholder benefits and other obligations in defined stress scenarios, and
- maintain the confidence of stakeholders.

The Company recognizes that, to maintain the confidence of stakeholders and to effectively pursue its business strategy, it will need to maintain capital in excess of the minimum regulatory capital requirements at all times.

The Company also has capital targets that must be met after stress events, as defined by the Company's Risk Appetite Framework. The Board has approved a target operating capital range that allows the Company to satisfy these requirements and is within an operating range considered reasonable for a regulated life reinsurance entity.

Under the Company's stated business model, excess capital will be returned to its parent, RLGH, as it is made available, taking into account applicable regulatory constraints and capital adequacy threshold as specified in the Risk Appetite Framework. Generally, it is expected that if actual capital is needed in order to achieve the target operating capital range, this will be done by deferring dividends, using proceeds of debt issuance, using reinsurance or implementing other management actions.

Capital needs, for business planning purposes, are determined through stress testing in the pre-defined stress test scenarios described in the Risk Appetite Framework. For each pre-defined stress test scenario, the Company is required to meet minimum capital levels. The Company performs its stress testing on a regular basis and reports to the MRC and the BRC on the forecasted level of capital and capital ratios; if forecasted to be in breach of the minimum capital levels, Management proposes strategies to resolve any breaches to the minimum levels.

There have been no material changes in the capital management policy and process in 2024.

6.1.2 Eligible Capital Categorized by Tiers in Accordance with the Eligible Capital Rules

As of December 31, 2024 and 2023, the Company's eligible capital was categorized as shown in the table below.

Eligible Capital Categorized by Tier (EBS Basis in '000)	2024	2023
Tier 1	1,753,001	1,983,187
Tier 2	-	-
Tier 3	-	-
Total Eligible Capital	1,753,001	1,983,187

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

As of December 31, 2024, the Company's eligible capital was categorized as shown in the table above.

6.1.4 Confirmation of Eligible Capital That is Subject to Transitional Arrangements

As agreed in the Company's regulatory filing application, the Company adopted the 'Insurance (Prudential Standards) (Class C, Class D and Class E Solvency Requirement) Amendment Rules 2018' with the necessary transitional arrangements.

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

There are no encumbrances affecting the availability and transferability of capital to meet the ECR.

6.1.6 Identification of Ancillary Capital Instruments Approved by the Authority

Not applicable.

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

The difference between the shareholder's equity per the US GAAP Financial Statements versus the available capital and surplus per the Statutory Financial Statements is due to the effect of the accounting requirement under FAS 133 DIG B-36 and the effect of the prudential filters required by the BMA.

The Company obtained permission from the BMA to account for fixed income securities within the modified coinsurance agreement on an amortized cost basis (as opposed to fair value, which is required by DIG B-36) as this is consistent with the Company's buy and hold investment strategy. See table below:

Description (\$'s in thousands)	2024	2023
Shareholder's equity per US GAAP FS	3,238,674	3,829,819
DIG B-36 ending reserve at 12/31/2023 & 2024	(445,037)	(913,777)
Deferred tax asset	(18,189)	(28,034)
Goodwill	(158,862)	(158,862)
Non-admitted assets	(254)	(3)
Available Capital and Surplus per Statutory FS	2,616,331	2,729,143

6.2 Regulatory Capital Requirements

6.2.1 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:

Description (\$'s in thousands)	2024	2023
Actual Statutory Economic Capital and Surplus	1,819,302	2,041,667
ECR Requirement	921,115	930,343
MSM Requirement	407,384	420,514
BSCR ratio	197%	219%
ECR ratio	197%	219%

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

The Company was compliant with the MSM and ECR requirements as at and during the year ended December 31, 2024.

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

Not applicable.

6.2.4 Where the Non-Compliance is not Resolved, a Description of the Amount of the Non-Compliance at Year End

Not applicable.

6.3 Approved Internal Capital Model

Not applicable.

Subsequent Events

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The Company has evaluated subsequent events for recognition or disclosure through to April 30, 2025. The following item was a material event that occurred subsequent to December 31, 2024:

March 6, 2025


The Company announced the signing of a reinsurance agreement with Protective Life Corporation's ('Protective') insurance subsidiaries to reinsure blocks of in-force structured settlement annuities and secondary guarantee universal life business. Under the agreement, Protective will cede \$9.7 billion in reserves and retain administration of the policies.

Declaration

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8.1 Declaration on the Financial Condition Report

We, the undersigned, declare that to the best of our knowledge and belief, the financial condition report fairly represents the financial condition of the Company in all material respects as at December 31, 2024.



Nick Bailey

Chief Executive Officer, Resolution Re Ltd.



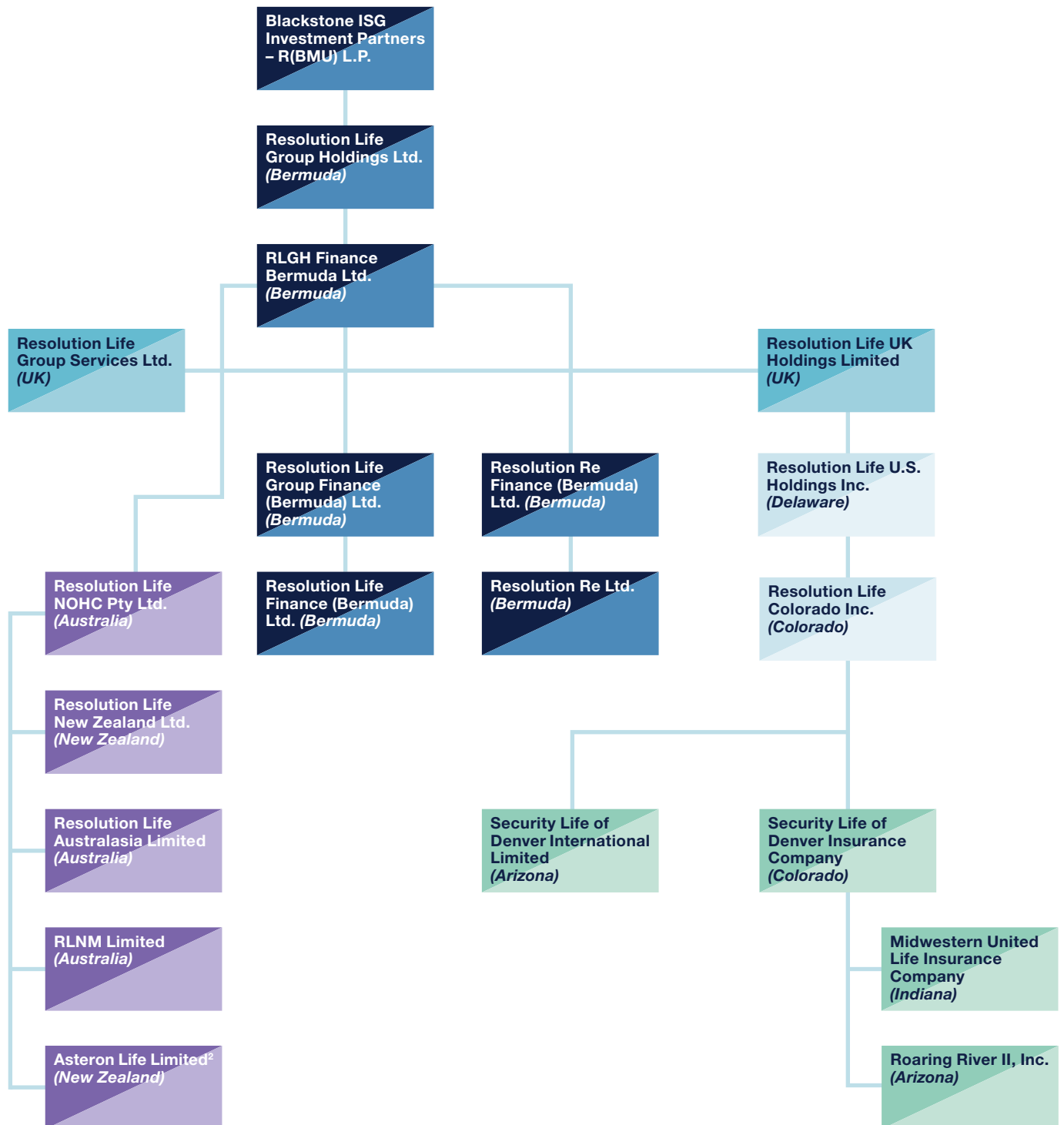
Esther Polevoy

Chief Risk Officer, Resolution Re Ltd.

Appendix

Resolution Life Group Structure

Simplified Resolution Life Group Structure¹



1 Simplified. Shareholdings indicate 100% ownership unless stated otherwise.

2 Acquisition of 100% of Asteron Life Limited closed on 31 January 2025.

Resolution Life

www.resolutionlife.com