UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number: 001-34042

MAIDEN HOLDINGS, LTD.

(Exact Name of Registrant As Specified in Its Charter)

Bermuda	**98-0570192**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

94 Pitts Bay Road, 1st Floor
Pembroke HM 08, Bermuda
(Address of Principal Executive Offices and Zip Code)
(441) 298-4900
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol(s)	Name of Each Exchange on Which Registered
Common Shares, par value $0.01 per share	MHLD	NASDAQ Capital Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant as of June 30, 2023 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $175.1 million based on the closing sale price of the registrant's common shares on the NASDAQ Capital Market on that date.

As of March 7, 2024, 100,472,120 common shares were outstanding. 143,351,043 common shares, par value $0.01 per share, were outstanding when the ownership by our affiliate Maiden Reinsurance Ltd. of 42,878,923 common shares were included. These affiliated shares are treated as treasury shares and are not included in the computation of consolidated book value and earnings per common share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A with respect to the annual general meeting of the shareholders of the registrant scheduled to be held on May 6, 2024 are incorporated by reference into Part III of this Annual Report on Form 10-K.

MAIDEN HOLDINGS, LTD.

TABLE OF CONTENTS

PART I

Special Note About Forward-Looking Statements

Certain statements in this Annual Report on Form 10-K, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results and the assumptions upon which those statements are based are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include general statements both with respect to us and the insurance industry and generally are identified with the words "anticipate", "believe", "expect", "predict", "estimate", "intend", "plan", "project", "seek", "potential", "possible", "could", "might", "may", "should", "will", "would", "will be", "will continue", "will likely result" and similar expressions. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this Annual Report on Form 10-K should not be considered as a representation by us or any other person that our objectives or plans or other matters described in any forward-looking statement will be achieved. These statements are based on current plans, estimates, assumptions and expectations. Actual results may differ materially from those projected in such forward-looking statements and therefore, you should not place undue reliance on them. Important factors that could cause actual results to differ materially from those in such forward-looking statements are set forth in Item 1A "Risk Factors" in this Annual Report on Form 10-K.

We caution that the list of important risk factors is not intended to be and is not exhaustive. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law, and all subsequent written and oral forward-looking statements attributable to us or individuals acting on our behalf are expressly qualified in their entirety by this paragraph. If one or more risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we projected. Any forward-looking statements in this Annual Report on Form 10-K reflect our current view with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth, strategy and liquidity. Readers are cautioned not to place undue reliance on the forward-looking statements which speak only as of the dates of the documents in which such statements were made.

References in this Annual Report on Form 10-K to the terms "we","us","our","the Company" or other similar terms mean the consolidated operations of Maiden Holdings, Ltd. and our consolidated subsidiaries, unless the context requires otherwise. References in this Annual Report on Form 10-K to the term "Maiden Holdings" means Maiden Holdings, Ltd. only. References in this Annual Report on Form 10-K to $ are to the lawful currency of the United States, unless otherwise indicated. Any discrepancies between the amounts included in Parts I and II discussions in this Annual Report on Form 10-K and the consolidated financial statements in Item 8 of this Annual Report on Form 10-K are due to rounding.

Risk Factor Summary

We are subject to various risks that could have a material adverse impact on our financial position, results of operations or cash flows. The following is a summary of the principal factors that make investing in our securities risky and may cause our actual results to differ materially from forward-looking statements included in this Annual Report on Form 10-K. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition, results of operations and cash flows and should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in the section entitled *"Risk Factors"* in Part I, Item 1A. in this report:

- we have incurred volatile operating results in recent years and there can be no assurance that we will maintain operating profitability or return to active underwriting of new prospective reinsurance risks;
- management may not successfully implement its business strategy which could result in a decline of capital or adversely affect our financial condition or results of operations and may create enhanced risks;
- our actual losses may be greater than our reserve for loss and loss adjustment expenses ("loss and LAE");
- our reinsurers may not pay losses in a timely fashion, or at all, which could have a material adverse effect on our results of operations or financial condition;
- the failure of any of the loss limitation methods we have employed or could employ in the future could have a material adverse effect on our results of operations or financial condition;
- we depend on the policies, procedures and expertise of ceding companies for the business we have written in the past; these companies may have failed to accurately assess and price the risks they have underwritten, which may lead us to inaccurately assess and price the risks we assumed;
- the failure of our underwriting process and risk management could have an adverse effect on our results of operations or financial condition;
- failure of our information technology systems or breaches to our technology systems as a result of cyber-attacks could disrupt our business and adversely impact our profitability;
- we may not have sufficient unrestricted liquidity to meet our obligations and favorable terms to obtain additional capital may not be available;

- a significant amount of our invested assets are subject to changes in interest rates and market volatility. If we are unable to realize our investment objectives, our financial condition and results of operations may be adversely affected;
- the determination of the fair values of our investments and whether a decline in the fair value of an investment is other-than-temporary are based on management’s judgment and may prove to be incorrect;
- our investments in alternative investments and our investments in joint ventures and/or entities accounted for using the equity method may be illiquid and volatile in terms of value and returns, which could negatively affect our investment income and liquidity;
- we may require additional capital in the future, which may not be available on favorable terms or at all;
- we do not anticipate paying any cash dividends on our common shares for the foreseeable future;
- we may not be able to comply with restrictive covenants contained in the documents governing our Senior Notes or any future credit facility which could trigger prepayment obligations;
- compliance by our insurance subsidiaries with the legal and regulatory requirements to which they are subject is expensive. Any failure to comply could have a material adverse effect on our business;
- our industry is highly regulated, the regulatory requirements are expensive and we are subject to significant legal restrictions and these restrictions may have a material adverse effect on us;
- our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments;
- we have risks related to our Senior Notes;
- Maiden Reinsurance owns 29.9% of our total outstanding common shares and thus has a significant ownership and voting stake in our common shares;
- a few significant shareholders may influence or control the direction of our business. If the ownership of our common shares continues to be highly concentrated, it may limit your ability and the ability of other shareholders to influence significant corporate decisions;
- the market price for our ordinary shares has been and may continue to be highly volatile, and if there is a further sustained decline in our share price there could be limited liquidity for our common shares;
- provisions in our bye-laws could change voting rights of our shares, impede an attempt to replace or remove our directors, and/or make it difficult for a third party to acquire us which could diminish the value of our common shares;
- we may not be able to attract and retain key employees or successfully implement our business strategy;
- significant changes in our reinsurance relationship with AmTrust Financial Services, Inc. ("AmTrust") have reduced our current and future revenues and create significant uncertainty for sources of future liquidity;
- our initial arrangements with AmTrust were negotiated while we were its affiliate and as such the arrangements could be challenged as not reflecting terms that we would agree to in arm’s-length negotiations with an independent third party;
- our non-executive Chairman of the Board of Directors (the "Board") currently holds the positions of Chief Executive Officer and Chairman of AmTrust. These dual positions may present, and make us vulnerable to, difficult conflicts of interest and related legal challenges;
- the property and casualty insurance and reinsurance industry are cyclical in nature, which may affect our overall financial performance; and
- net operating losses (and certain other tax attributes or tax benefits of the Maiden Holdings North America, Ltd. ("Maiden NA") tax group) may be subject to limitation under Section 382 of the Tax Code.

Item 1. Business.

General Overview

Maiden Holdings is a Bermuda-based holding company. We create shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets.

We are not currently underwriting reinsurance business on new prospective risks but have recently underwritten risks on a retroactive basis through Genesis Legacy Solutions, LLC ("GLS"). For updated information regarding GLS, please refer to the *“Legacy Underwriting – Update”* included in Item 7. "*Management’s Discussion and Analysis of Financial Condition* and *Results of Operations - Overview*" of this Annual Report on Form 10–K.

We have various historic reinsurance programs underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. ("Maiden Reinsurance") which are in run-off, including the liabilities associated with AmTrust which we terminated in 2019 as discussed in "*Note 10 — Related Party Transactions"* of the Notes to Consolidated Financial Statements included in Part II Item 8. *"Financial Statements and Supplementary Data"*. In addition, we have a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") with Cavello Bay Reinsurance Limited ("Cavello") a subsidiary of Enstar Group Limited ("Enstar"), and a commutation agreement that further reduces our exposure to and limits the potential volatility related to AmTrust liabilities in run-off, as discussed in "*Note 8 — Reinsurance*" of the Notes to Consolidated Financial Statements included in Part II Item 8. *"Financial Statements and Supplementary Data"*.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets, each with branches in the United Kingdom ("U.K."). Our wholly owned subsidiary, Maiden Global Holdings Ltd. (“Maiden Global”), is a licensed intermediary in the U.K. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets. These products also produced reinsurance programs which were underwritten by Maiden Reinsurance. In 2023 and through the date of this report, we have been evaluating the strategic value of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of our target return on capital levels. The Company expects to conclude this review during 2024 and take appropriate actions based on the findings of that review.

Business Strategy

We continued to deploy our revised operating strategy during 2023 which leverages the significant assets and capital we retain. In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns in order to increase book value for our common shareholders, both near and long-term. In that respect, management’s focus is to increase the non-GAAP book value of the Company, which fully reflects the steps we have taken to protect our balance sheet, primarily through our LPT/ADC Agreement with Cavello, as this represents the ultimate economic value of Maiden.

We also believe that these areas of strategic focus will enhance our profitability through increased returns, which should also increase the likelihood of fully utilizing the significant net operating loss ("NOL") carryforwards as described further below which would increase both GAAP and non-GAAP book value and create additional common shareholder value. This strategy presently has two principal areas of focus:

- <u>Asset management</u> - investing in assets and asset classes in a prudent but expansive manner in order to maximize investment returns and is principally enabled by limiting the amount of insurance risk we assume in relation to the assets we hold and maintaining required regulatory capital at very strong levels to manage our aggregate risk profile; and
- <u>Capital management</u> - effectively managing the capital we hold on our balance sheet and when appropriate, repurchasing securities or returning capital to enhance common shareholder returns.

Further details are discussed in the "*Business Strategy*" section of Item 7. "*Management’s Discussion and Analysis of Financial Condition* and *Results of Operations - Overview*" of this Annual Report on Form 10–K.

Strategic Developments in 2023

Our non-GAAP book value, which we believe represents our true economic value, declined by 1.8% during 2023 to $3.19 per common share at December 31, 2023 as strong investment gains were offset by continuing adverse loss development. While our GAAP book value decreased by 11.4% to $2.48 per common share at December 31, 2023 primarily due to adverse prior year reserve development in our AmTrust Reinsurance segment, approximately 75.6% of the AmTrust adverse development was related to claims expected to be covered by the LPT/ADC Agreement with Cavello and which we expect will be recognized as future GAAP income when recovered from Cavello pursuant to both the LPT/ADC Agreement and GAAP accounting requirements.

Our investment activities produced significantly higher returns of $53.1 million during 2023 compared to $24.7 million in 2022, a 114.6% increase, through a combination of higher yields on certain fixed income assets along with strengthening returns on our alternative investment portfolio, which increased by 13.4% during 2023 and produced a positive net return of 8.0% during 2023 compared to 2.0% in 2022. These returns are now above our cost of capital despite numerous investments continuing to be carried at cost or net asset values that have yet to realize positive marks due to their only recent deployment. We believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns. As interest rates have risen, we are increasingly focusing our investing activities on opportunities that will produce current income.

The run-off of our historic reinsurance programs significantly underperformed during 2023, and we experienced adverse prior year reserve development of $38.2 million which offset much of the positive progress made in our capital and asset management strategies. Of this adverse prior year development, $25.5 million or 66.8% of total adverse development for the year ended December 31, 2023 was related to claims expected to be covered by the LPT/ADC Agreement with Cavello which will be recognized as future GAAP income when recovered from Cavello pursuant to both the agreement and GAAP accounting requirements.

We also made progress in the capital management pillar of our business strategy, repurchasing 1,439,575 common shares during 2023. As of December 31, 2023, Maiden Reinsurance owns 29.9% of the Company's total outstanding common shares which is eliminated for accounting and financial reporting purposes on our consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its investment in Maiden Holdings common shares, is capped at 9.5% pursuant to the bye-laws of the Company. The ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy as approved by the Vermont Department of Financial Regulation ("Vermont DFR").

Details of our recent capital transactions are discussed in our Notes to the Consolidated Financial Statements in "*Note 6 — Shareholders' Equity*" included under Item 8 "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10–K. Our future results, and our ability to generate an improved risk-adjusted return on capital, may be impacted by risks and trends set forth in Item 1A, "*Risk Factors*", and elsewhere in this Annual Report on Form 10-K.

Our Principal Operating Subsidiaries

Maiden Reinsurance, a wholly owned subsidiary of Maiden Holdings, is an affiliated reinsurance company licensed in the State of Vermont in the U.S. and our principal operating subsidiary which commenced operations in June 2007. Effective March 16, 2020, we re-domesticated Maiden Reinsurance from Bermuda to Vermont in the U.S., having determined that re-domesticating Maiden Reinsurance to Vermont enables us to better align our capital and resources with our liabilities, which originate mostly in the U.S., resulting in a more efficient structure. Maiden Reinsurance is subject to the statutes and regulations of Vermont in the ordinary course of business. The re-domestication did not apply to Maiden Holdings which remains a Bermuda-based holding company. As of December 31, 2023, Maiden Reinsurance owns 29.9% of the total outstanding common shares of Maiden Holdings and subject to our bye-laws, has the ability to vote up to 9.5% of these shares.

Maiden NA is our wholly owned U.S. holding company and is domiciled in the State of Delaware.

Maiden Global, a wholly owned subsidiary of Maiden Holdings, operates as an insurance services company. Maiden Global is organized under the laws of England and Wales. Maiden LF and Maiden GF, both wholly owned subsidiaries of Maiden Holdings, are insurance companies organized under the laws of Sweden and write income protection insurance on a primary basis in the Scandinavian and Northern European market.

GLS is a wholly owned subsidiary of Maiden Reinsurance domiciled in the State of Delaware. GLS Services Company ("GLS Services") is a wholly owned subsidiary of GLS. GLS specializes in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. Genesis Legacy Insurance Company (Vermont) Limited, is a wholly owned subsidiary of GLS Services licensed in Vermont, and is the operating entity utilized by GLS to assume portfolios of legacy liabilities. For further information regarding GLS, please refer to the *"Legacy Underwriting – Update"* included in Item 7. "*Management's Discussion and Analysis of Financial Condition* and *Results of Operations* - *Overview*" of this Annual Report on Form 10–K.

Our Reportable Segments

Our business currently consists of two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty insurance and reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment now also includes transactions entered into by GLS which was formed in November 2020. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement ("AmTrust Quota Share") between Maiden Reinsurance and AmTrust's wholly owned subsidiary, AmTrust International Insurance, Ltd. ("AII") and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust's wholly owned subsidiaries AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), both of which are in run-off effective January 1, 2019.

Financial data relating to our two reportable segments is included in Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and in "*Notes to Consolidated Financial Statements - Note 3. Segment Information*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

The table below compares net premiums earned, by reportable segment, reconciled to the total consolidated net premiums earned for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	**2023**		**2022**	
($ in thousands)	**Net Premiums Earned**	**% of Total**	**Net Premiums Earned**	**% of Total**
Diversified Reinsurance	$ 29,039	66.0 %	$ 27,983	74.2 %
AmTrust Reinsurance	14,930	34.0 %	9,749	25.8 %
Total	$ 43,969	100.0 %	$ 37,732	100.0 %

Financial data relating to the geographical areas in which we operate and relating to our principal products by line of business may be found in "*Notes to Consolidated Financial Statements - Note 3. Segment Information*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Diversified Reinsurance Segment

In this segment, Maiden Reinsurance previously wrote treaties on both a quota share basis and excess of loss basis outside the U.S. whereas Maiden LF and Maiden GF write business within Europe on a primary basis.

Net premiums written by our Diversified Reinsurance segment operating subsidiaries, excluding intercompany reinsurance, for the years ended December 31, 2023 and 2022 included:

For the Year Ended December 31,	**2023**		**2022**	
($ in thousands)	**Net Premiums Written**	**% of Total**	**Net Premiums Written**	**% of Total**
Maiden Reinsurance	$ (26)	(0.1)%	$ (332)	(1.4)%
Maiden LF	16,786	61.9 %	14,531	61.5 %
Maiden GF	10,344	38.2 %	9,421	39.9 %
Total	$ 27,104	100.0 %	$ 23,620	100.0 %

Please refer to Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for a discussion on the performance of our Diversified Reinsurance segment for the years ended December 31, 2023 and 2022.

Maiden Global's business development teams historically partnered with automobile manufacturers, dealer associations and local primary insurers to design and implement point of sale insurance programs which generated revenue for the auto manufacturer and insurance premiums for the primary insurer ("IIS business"). All of these programs are in run-off and no new programs are being sought. With no new written premium, the only remaining earned premium is from the Australian program that continued through 2023. The table below shows IIS net premiums by line of business for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	**2023**		**2022**	
($ in thousands)	**Net Premiums Written**	**% of Total**	**Net Premiums Written**	**% of Total**
Personal Auto - Quota Share Reinsurance	$ (7)	— %	$ (320)	(1.4)%
Credit Life - Insurance	27,110	100.0 %	23,944	101.4 %
Total	$ 27,103	100.0 %	$ 23,624	100.0 %

For the years ended December 31, 2023 and 2022, the Company's net premiums written for Personal Auto on a quota share reinsurance basis were negative. In 2022, negative premiums in Personal Auto were due to the refund of overpaid premium in a U.K. Auto quota share reinsurance program.

AmTrust Reinsurance Segment

General

AmTrust is a multinational specialty property and casualty insurance holding company with operations in the U.S., Europe and Bermuda. Effective January 1, 2019 (a) the AmTrust Quota Share, and (b) the European Hospital Liability Quota Share were terminated on a run-off basis. These transactions are broadly referred to herein as the "Final AmTrust QS Terminations". Apart from certain unearned premiums in the AmTrust Quota Share and the European Hospital Liability Quota Share that were earned subsequent to December 31, 2019, there was no new premium written within this segment during 2023 and 2022.

Information relating to our founding shareholders that are affiliated with AmTrust ("Founding Shareholders") may be found in "*Notes to Consolidated Financial Statements - Note 10. Related Party Transactions*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K. Through our reinsurance agreements with AmTrust, we reinsured specific lines of business within the following AmTrust business segments:

- Small commercial business insurance, which includes U.S. workers' compensation, commercial package and other low-hazard property and casualty insurance products;
- Specialty risk and extended warranty coverage for consumer and commercial goods and custom designed coverages, such as accidental damage plans and payment protection plans offered in connection with the sale of consumer and commercial goods, in the U.S., U.K. and certain other global markets and European hospital liability; and
- Specialty program which includes package products, general liability, commercial auto liability, excess and surplus lines programs and other specialty commercial property and casualty insurance to a narrowly defined, homogeneous group of small and middle market companies.

AmTrust Quota Share

Under the AmTrust Quota Share with AII, effective July 1, 2007 and through 2018, we reinsured 40% of AmTrust's premium written, net of reinsurance with unaffiliated reinsurers, relating to all lines of business that existed on the effective date. We also had the option to reinsure additional programs, in addition to the original lines of business entered into by AmTrust since the effective date of the AmTrust Quota Share. As AmTrust expanded into new lines of business, pursuant to the terms of the AmTrust Quota Share, we had selectively added some of those lines and opted not to participate in others. Consequently our share of AmTrust's overall gross premiums written declined below 40% over time.

As a result of the Final AmTrust QS Terminations described above, our active reinsurance contracts with AmTrust were terminated effective January 1, 2019. Also, effective July 31, 2019, Maiden Reinsurance and AII entered into a Commutation and Release Agreement (which is broadly referred to herein as the "AmTrust WC Commutation") effective July 31, 2019, which provided for AII to assume all reserves ceded by AII to Maiden Reinsurance with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies ("Commuted New York Business" and together with the Commuted California Business, "Commuted Business") in exchange for the release and full discharge of Maiden Reinsurance of all of its obligations to AII with respect to the Commuted Business. The Commuted Business did not include any business classified by AII as Specialty Program or Specialty Risk business.

European Hospital Liability Quota Share

On April 1, 2011, Maiden Reinsurance entered into the European Hospital Liability Quota Share with AEL and AIU DAC to cover those entities' medical liability business within Europe, primarily in Italy and France. These contracts were terminated on a run-off basis effective January 1, 2019 as part of the Final AmTrust QS Terminations. For more information, please refer to "*Notes to Consolidated Financial Statements - Note 10. Related Party Transactions*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Risk Management

Our Enterprise Risk Management ("ERM") framework reflects the 'three lines of defense' approach to risk management, which involves (1) individual functions having responsibility for identifying and managing risks; (2) the ERM Committee providing oversight and guidance to individual functions; and (3) internal audit performing independent reviews. Our Board has overall responsibility for oversight of the ERM program and has delegated this oversight to its Audit Committee.

Our ERM Committee (comprised of our Chief Executive Officer and Chief Financial Officer, Group President and most other senior members of management) monitors and oversees the risk environment and provides direction to mitigate, to an acceptable level, the most significant and material risks that may adversely affect our ability to achieve our goals. The ERM Committee continually reviews factors that may impact our organizational risk and develops and implements strategies and action plans to mitigate key risks.

Our ERM program is designed to achieve the following:

- Establish a process to assess strategies and business decisions on a risk/reward basis;
- Establish a risk governance structure with clearly defined roles and responsibilities;
- Identify and assess all material risks from internal and external sources;
- Manage risks within our risk appetite; and
- Effective review and reporting of major loss events.

The first line of defense assists with the identification of risks, creation of appropriate responses to risks, and maintains them within the risk appetite and tolerances that the ERM Committee believes are necessary to achieve our business strategies and objectives. The mitigation of risks is achieved through the application and operation of controls, transferring of risk or tolerating risks within risk appetite.

Our internal audit department assesses the adequacy and effectiveness of our risk management framework and mitigating controls and coordinates risk-based audits to evaluate and address risk within targeted areas of our business. The core functions of this department are to (1) assess the adequacy and effectiveness of our internal control systems; (2) coordinate risk-based audits and compliance reviews; and (3) carry out other initiatives to evaluate and address risk within targeted areas of our business. Internal audit integrates testing of the risk management framework into its annual test plans.

Our Audit Committee, comprised solely of independent directors, meets at least quarterly to assess whether management is addressing risk issues in a timely and appropriate manner. The Audit Committee receives a quarterly update on capital and risk management. Our risk appetite and tolerances have been formally approved by the Audit Committee.

As a property and casualty holding company, our insurance subsidiaries are in the business of assuming risk. We are not currently underwriting reinsurance business on prospective risks as we historically have, but have recently underwritten risks on a retroactive basis through GLS. Our primary risks are categorized as follows:

- Strategic risk – the risk that strategic decisions have an unexpected or adverse impact on future earnings or capital adequacy. This includes the ability to deploy capital in order to maximize risk adjusted returns in the most efficient way, without adversely impacting the adequacy of our capital position;

- Insurance risk - the risk that insured losses are higher than our expectations. This includes losses arising from inadequate loss reserves, losses from larger than expected non-catastrophe current accident year losses, and catastrophe losses that exceed our expectation or our reinsurance limits. Maiden Reinsurance is not engaged in active reinsurance underwriting on prospective risks and as a result our insurance risk from premiums is immaterial;
- Investment risk - the risk of loss in our investment portfolio potentially caused by fluctuations in interest rates, credit spreads, foreign exchange rates and inflation on both assets and liabilities;
- Liquidity risk - the risk that the group does not have sufficient unrestricted or liquid funds to pay losses or meet contractual obligations as they become due; and
- Operational risk - the risk of loss from inadequate or failed internal processes, people, systems and/or external events (i.e. cyber), which also includes legal risks.

Reserve for Loss and LAE

General

We are required by applicable insurance laws and regulations in the U.S. and Sweden and by U.S. Generally Accepted Accounting Principles ("U.S. GAAP") to establish loss reserves to cover our estimated liability for the payment of all loss and LAE incurred with respect to premiums earned on the policies and treaties that we write. These reserves are balance sheet liabilities presenting estimates of loss and LAE which we are ultimately required to pay for insured or reinsured claims that have occurred as of or before the balance sheet date. The loss and LAE reserves on our balance sheet represent management's best estimate of the outstanding liabilities associated with our premium earned. In developing this estimate, management considers the results of internal and external actuarial analyses, trends in those analyses as well as industry trends. Our opining independent actuary certifies that the reserves established by management make a reasonable provision for our unpaid loss and LAE obligations.

These amounts include case reserves and provisions for Incurred But Not Reported ("IBNR") reserves. Case reserves are established for losses that have been reported to us, and not yet paid. IBNR reserves represent the estimated cost of losses that have occurred but have not been reported to us and include a provision for additional development on case reserves. We establish case reserves based on information from the ceding company, reinsurance intermediaries, and when appropriate, consultations with independent legal counsel. The IBNR reserves are established by management based on reported loss and LAE and actuarially determined estimates of ultimate loss and LAE.

A variety of standard actuarial methods are calculated to estimate ultimate loss and LAE. The majority of our business is reserved individually by cedant and line of business, with the remainder reserved in homogeneous groupings. Ultimate loss selections are accumulated across the reserve segments, and appropriate actuarial judgment is applied to determine the final selection of estimated ultimate losses. Ultimate losses are converted to IBNR reserves by subtracting inception to date paid losses and case reserves from those amounts. The combined total of case and IBNR results in indicated reserves which are the basis for the carried reserves for financial statements. Ultimate losses are also used to estimate premium and commission accruals for accounts with adjustable features.

Loss reserves do not represent an exact calculation of liability; rather, loss reserves are estimates of what we expect the ultimate resolution and administration of claims will cost. These estimates are based on actuarial and statistical projections and on our assessment of currently available data, as well as estimates of trends in claims severity and frequency, judicial theories of liability and other factors. Loss reserve estimates are refined as experience develops and as claims are reported and resolved. Establishing an appropriate level of loss reserves is an inherently uncertain process. In addition, the relatively long reporting periods between when a loss occurs and when it may be reported to our claims department for our casualty lines of business also increase the uncertainties of our reserve estimates in such lines. To assist us in establishing appropriate reserves for loss and LAE, we analyze a significant amount of internal data and external insurance industry information with respect to the pricing environment and loss settlement patterns. In combination with our individual account pricing analyses and our internal loss settlement patterns, this industry information is used to guide our loss and LAE estimates. These estimates are reviewed quarterly, at a high level of detail, and any adjustments are reflected in earnings in the periods in which they are determined.

For additional information concerning our reserves, see Item 7,"*Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies — Reserve for Loss and LAE"* and *"Notes to Consolidated Financial Statements - Note 9 — Reserve for Loss and Loss Adjustment Expenses"* included under Item 8 "*Financial Statement and Supplementary Data"*, for further information regarding the specific actuarial models we utilize and the uncertainties in establishing the reserve for loss and LAE.

Our Financial Strength Rating

We currently do not have a financial strength rating from any of the major rating agencies that cover our industry. A.M. Best has developed a rating system to provide an opinion of an insurer's or reinsurer's financial strength and ability to meet ongoing obligations to its policyholders. Each rating reflects that rating agency's independent opinion of the capitalization, management and sponsorship of the entity to which it relates, and is neither an evaluation directed to investors in our common shares nor a recommendation to buy, sell or hold our common shares. A.M. Best maintains a letter scale rating system ranging from "A++" (Superior) to "F" (In Liquidation).

As presently constituted, we believe that our current business operations neither require a financial strength rating nor inhibit us from pursuing or achieving our strategic objectives. However, as we continue to evaluate our ongoing business strategy, the lack of a financial strength rating from one of the major rating agencies may limit or negatively impact our ability to market and sell our products in the future. It may also require us to use collateral more frequently to secure client relationships, which could impact our unrestricted liquidity. Both of these factors would be key considerations as to whether and when we would resume active underwriting of new prospective risks.

Our Employees

On March 7, 2024, we had approximately 45 full-time and part-time employees who are located in Bermuda, the U.S., the U.K., Germany, Ireland and Sweden. We believe that our employee relations are good. None of our employees are subject to collective bargaining agreements.

Regulatory Matters

General

The insurance and reinsurance industry are subject to regulatory and legislative oversight and regulation in various markets in which we operate.

U.S. Insurance Regulation

Maiden Reinsurance is an affiliated reinsurer organized under the laws of Vermont. Regulatory, supervisory and administrative authority over insurance companies in the United States is primarily delegated to the states with the exception of federal authority over boycott, coercion and intimidation, federal antitrust laws and where federal law is enacted specifically to regulate the business of insurance. Among other things, state insurance departments regulate insurer solvency standards, insurer and agent licensing, authorized investments, loss and loss expense reserves and provisions for unearned premiums, and deposits of securities for the benefit of policyholders. Maiden Reinsurance is required to file detailed financial statements and other reports with the Vermont DFR. These financial statements are subject to the supervision, regulation and periodic examination by the Vermont DFR.

State Insurance Department Examinations

Maiden Reinsurance is subject to the financial supervision and regulation of the Vermont DFR. As part of their regulatory oversight process, state insurance departments conduct periodic detailed examinations of the financial reporting of insurance companies domiciled in their states, generally not less frequently than once every five years. Examinations may be carried out in cooperation with the insurance departments of other states under guidelines promulgated by the National Association of Insurance Commissioners ("NAIC").

Statutory Accounting Principles

Statutory accounting principles ("SAP") are a basis of accounting developed to assist insurance regulators in monitoring and regulating the solvency of insurance companies. SAP is primarily concerned with measuring an insurer's surplus to policyholders. Accordingly, statutory accounting focuses on valuing assets and liabilities of insurers at financial reporting dates in accordance with appropriate insurance law and regulatory provisions applicable in each insurer's domiciliary state.

U.S. GAAP is concerned with a company's solvency, but is also concerned with other financial measurements, principally income and cash flows. Accordingly, U.S. GAAP gives more consideration to appropriate matching of revenue and expenses and accounting for management's stewardship of assets than does SAP. As a direct result, different assets and liabilities and different amounts of assets and liabilities will be reflected in financial statements prepared in accordance with U.S. GAAP compared to SAP. Statutory accounting practices established by the NAIC and adopted in part by Vermont will determine, among other things, the amount of statutory surplus and statutory net income of Maiden Reinsurance, and thus determine, in part, the amount of funds that could be available to pay as dividends.

Holding Company Regulation

Maiden Reinsurance is subject to the U.S. statutory holding company laws of Vermont. The insurance holding company laws and regulations apply directly to individual insurers, indirectly to non-insurance entities, and provide regulators the ability to look at any entity within an insurance holding company system (or group). State regulations generally provide that each insurance company in an insurance holding company system must register with the insurance department of its state of domicile. These laws vary from state to state, but each state has enacted legislation which requires licensed insurers that are subsidiaries of insurance holding companies to register and file with state regulatory authorities certain reports including information concerning their capital structure, ownership, financial condition and general business operations. All transactions involving the insurers in a holding company system and their affiliates must be fair and reasonable and often require prior notice and non-disapproval by the state insurance department of their domicile. Further, state insurance holding company laws typically place limitations on the amounts of dividends or other distributions payable by insurers. Any capital distribution of any kind out of Maiden Reinsurance would be done consistent with Vermont regulations or as required, with the prior approval of the Vermont DFR.

State insurance holding company laws also require prior notice and state insurance department approval of changes in control of an insurer or its holding company. "Control" is generally defined as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the company, whether through the ownership of voting securities, by contract (except a commercial contract for goods or non-management services) or otherwise. Maiden Reinsurance is domiciled in Vermont where any beneficial owner of 10% or more of the outstanding voting securities of an insurance company or its holding company is presumed to have acquired control, unless this presumption is rebutted. Therefore, an investor who intends to acquire beneficial ownership of 10% or more of our outstanding voting securities may need to comply with these laws and would be required to file notices and reports with the Vermont DFR and receive approval from the Vermont DFR or rebut the presumption of control before such acquisition.

As of December 31, 2023, Maiden Reinsurance owns 29.9% of the Company's total outstanding common shares as described above, which is eliminated for accounting and financial reporting purposes on the Company’s consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, will be capped at 9.5% pursuant to the bye-laws of the Company. The ownership of our common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy which has been approved by the Vermont DFR. The Vermont DFR additionally specifically approved the ownership of the Company's common shares by Maiden Reinsurance related to the exchange of preference shares that occurred on December 27, 2022 ("Exchange").

Additionally, the NAIC Model Holding Company Act and NAIC Model Holding Company Regulation address “enterprise” risk - the risk that an activity, circumstance, event, or series of events involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole. The Vermont DFR adopted the requirement for a holding company to annually submit an Enterprise Risk Report with the state commissioner. In addition, under the NAIC Model Holding Company Act, as adopted in Vermont, any person divesting control (10% or more ownership) over an insurer must provide 30 days’ notice to the regulator and the insurer. After receipt of the notice, the Vermont Insurance Commissioner must determine whether the parties seeking to divest or to acquire a controlling interest will be required to file for or obtain approval of the transaction. That law may discourage potential acquisition proposals and may delay, deter or prevent an acquisition of control of a direct or indirect parent of the Company (including Maiden Holdings) (in particular through an unsolicited transaction), even if the shareholders of such parent consider that transaction to be desirable.

In 2012, the NAIC adopted the Risk Management and Own Risk and Solvency Assessment (“ORSA”) Model Act (the “ORSA Model Act”), which requires domestic insurers to maintain a risk management framework and establishes a legal requirement for domestic insures to conduct an ORSA in accordance with NAIC’s ORSA Guidance Manual. The ORSA Model Act provides that domestic insurers, or their insurance group, must regularly conduct an ORSA consistent with a process comparable to the ORSA Guidance Manual process. The ORSA Model Act also provides that, no more than once a year, an insurer's domiciliary regulator may request that an insurer submit an ORSA summary report, or any combination of reports that together contain the information described in the ORSA Guidance Manual, with respect to the insurer and/or the insurance group of which it is a member. Vermont has adopted its version of the ORSA Model Act and the Company believes that a Vermont statutory exemption (8 V.S.A. Section 3586) presently exempts the Company from the requirements of Vermont’s version of the ORSA Model Act, because the Company’s and its group’s annual direct written and unaffiliated assumed premium are less than the applicable threshold.

Vermont also adopted the NAIC’s Corporate Governance Annual Disclosure Model Act ("CGAD"). CGAD requires an annual filing by an insurer or insurance group that provides detailed information regarding their governance practices as well as sample documentation on their corporate governance structure and policies.

In May of 2022, Vermont adopted the NAIC Insurance Data Security Model Law (the “Cybersecurity Model Law”), which applies to those licensed, authorized to operate, or registered under Vermont’s insurance law, with limited exceptions. Vermont’s implementation of the Cybersecurity Model Law requires licensees to, among other things, conduct risk assessments based on detailed requirements; develop, implement, and maintain a comprehensive written information security program that includes a cybersecurity incident response plan, monitor emerging threats or vulnerabilities and use reasonable and appropriate security measures when sharing information; include cybersecurity risks in its ERM process; provide cybersecurity awareness training to personnel and update the training as necessary; and respond to cybersecurity events by conducting a prompt investigation and taking reasonable corrective action.

Risk-Based Capital

U.S. insurers are also subject to risk-based capital ("RBC") guidelines that provide a method to measure the total adjusted capital (statutory capital and surplus plus other adjustments) of insurance companies taking into account the risk characteristics of a company's investments and products. The RBC formulas establish capital requirements for four categories of risk: asset risk, insurance risk, interest rate risk and business risk. For each category, the capital requirement is determined by applying factors to asset, premium and reserve items, with higher factors applied to items with greater underlying risk and lower factors for less risky items. Insurers that have less statutory capital than the RBC calculation required are considered to have inadequate capital and are subject to varying degrees of regulatory action depending upon the level of capital inadequacy. Maiden Reinsurance filed its latest RBC reports on February 29, 2024 for the 2023 calendar year, and the reported RBC levels exceed Vermont's RBC requirements. Maiden Reinsurance continues to invest excess capital pursuant to our current business strategy as our RBC requirements permit.

Reinsurance

The ability of an insurer to take credit for the reinsurance purchased from reinsurance companies is a significant component of reinsurance regulation. Typically, an insurer will only enter into a reinsurance agreement if it can obtain credit to its reserves on its statutory financial statements for the reinsurance ceded to the reinsurer. With respect to U.S. domiciled reinsurers that reinsure U.S. insurers, credit is usually granted when the reinsurer is licensed, certified or accredited in a state where the primary insurer is domiciled or, in some instances, in a state in which the primary insurer is licensed. States also generally permit primary insurers to take credit for reinsurance if the reinsurer is (i) domiciled in a state with a credit for reinsurance law that is substantially similar to the standards in the primary insurer's state of domicile, and (ii) meets certain financial requirements. Credit for reinsurance purchased from a reinsurer that does not meet the foregoing conditions is generally allowed to the extent that such reinsurer secures its obligations with qualified collateral. We are able to take credit for all reinsurance purchased and all cedants are able to take credit for reinsurance they purchase from us.

NAIC Ratios

The NAIC Insurance Regulatory Information System ("IRIS") was developed to help state regulators identify companies that may require special attention. IRIS is comprised of statistical and analytical phases consisting of key financial ratios whereby financial examiners review annual statutory basis statements and financial ratios. Each ratio has an established "usual range" of results and assists state insurance departments in executing their statutory mandate to oversee the financial condition of insurance companies. A ratio result falling outside the usual range of IRIS ratios is not considered a failing result; rather unusual values are viewed as part of the regulatory early monitoring system. Furthermore, in some years, it may not be unusual for financially sound companies to have several ratios with results outside the usual ranges. An insurance company may fall out of the usual range for one or more ratios because of specific transactions that are in themselves immaterial.

Generally, an insurance company will become subject to regulatory scrutiny and may be subject to regulatory action if it falls outside the usual ranges of four or more of the ratios. Maiden Reinsurance only completed its re-domestication to Vermont in 2020, and it is therefore possible that it may produce unusual ratios outside the usual ranges for more than four tests, principally due to the lack of prior year statutory data which is required for many of the ratios to be computed.

State Legislative and Regulatory Changes

From time to time, various regulatory and legislative changes are proposed in the insurance industry. Among the proposals that have in the past been or are at present being considered are proposals in various state legislatures (some of which proposals have been enacted) to conform portions of their insurance laws and regulations to various model acts adopted by the NAIC.

While we are not actively underwriting reinsurance on new prospective risks, our insurance subsidiaries are required to comply with a wide variety of laws and regulations applicable to insurance or reinsurance companies, both in the jurisdictions in which they are organized and where they may sell insurance and reinsurance products. The insurance and regulatory environment, in particular for offshore insurance and reinsurance companies, has become subject to increased scrutiny in many jurisdictions, including the U.S., various states within the U.S. and the EU. In the past, there have been Congressional and other initiatives in the U.S. regarding increased supervision and regulation of the insurance industry. It is not possible to predict the future impact of changes in laws and regulations on our operations. The cost of complying with any new legal requirements affecting our subsidiaries could have a material adverse effect on our business.

In addition, our subsidiaries may not always be able to obtain or maintain necessary licenses, permits, authorizations or accreditations. They also may not be able to fully comply with, or to obtain appropriate exemptions from, the laws and regulations applicable to them. Any failure to comply with applicable law or to obtain appropriate exemptions could result in restrictions on either the ability of the company in question, as well as potentially its affiliates, to do business in one or more of the jurisdictions in which they operate or on brokers on which we rely to produce business for us. In addition, any such failure to comply with applicable laws or to obtain appropriate exemptions could result in the imposition of fines or other sanctions. Any of these sanctions could have a material adverse effect on our business. To date, no material fine, penalty or restriction has been imposed on us for failure to comply with any insurance law or regulation.

International Standards

U.S. federal and state regulators have committed in principle to adopting international standards with respect to basic regulatory issues such as accounting, risk management and corporate governance. International regulatory considerations are increasingly being deliberated by the NAIC and could increase regulatory burdens for Maiden Reinsurance and have the potential to negatively impact all U.S. insurers, regardless of size. Various trade associations and industry participants are aggressively working to impact the NAIC adoption of these standards. However, the final outcome of these deliberations is unknown at this time.

Federal

Although the regulation of the business of insurance and reinsurance is predominantly performed by the states, federal initiatives, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), often have an impact on the insurance industry. From time to time, various federal regulatory and legislative changes have been proposed in the insurance and reinsurance industry. While we cannot predict the exact nature, timing or scope of possible governmental initiatives, there may be increased regulatory intervention in our industry in the future. For example, Dodd-Frank impacts the reinsurance industry in several areas, including tort reform, corporate governance and the taxation of reinsurance companies. Dodd-Frank also prohibits a state from denying credit for reinsurance if the state of domicile of the insurer purchasing the reinsurance recognizes credit for reinsurance.

On January 13, 2017, the U.S. Department of the Treasury ("U.S. Treasury Department") and the office of the U.S. Trade Representative, ("USTR"), announced the successful completion of negotiations for a "covered agreement" in the meaning of the Dodd-Frank Act for the U.S. and an Agreement under Article 218 of the Treaty on the Functioning of the European Union for the EU ("Covered Agreement"). The agreement covers three areas of prudential oversight: (1) reinsurance; (2) group supervision; and (3) the exchange of information between insurance supervisors.

On September 22, 2017, the U.S. Treasury Department, USTR, and the EU formally signed the Covered Agreement. The agreement requires states to eliminate reinsurance collateral within five years or risk preemption. In exchange, the EU will not impose local presence requirements on U.S. firms operating in the EU, and effectively must defer to U.S. group capital regulation for U.S. entities of EU-based firms. The U.S. Treasury Department and USTR also released a U.S. policy statement clarifying their interpretation of the Covered Agreement in several key areas including capital, group supervision and reinsurance. On June 25, 2019, the NAIC Executive Committee and Plenary adopted revisions to the Credit for Reinsurance Model Law and Credit for Reinsurance Model Regulation, which implement the reinsurance collateral provisions of the Covered Agreements with the EU and the U.K. Bermuda is not covered under this agreement.

Sweden Insurance Regulation

Maiden LF and Maiden GF are subject to regulation and supervision by Finansinpektionen, the Swedish financial supervisory authority (“Swedish FSA”). As Sweden is a member of the EU, the Swedish FSA supervision is recognized across all locations within the EU. Generally, the Swedish FSA has broad supervisory and administrative powers over such matters as licenses, standards of solvency, investments, methods of accounting, form and content of financial statements, minimum capital and surplus requirements, passporting permissions, approval of directors and officers, and annual and other report filings. In general, such regulation is for the protection of policyholders rather than shareholders. The Company believes that it is in compliance with all applicable laws and regulations pertaining to its business that would have a material effect on its financial position in the event of non-compliance.

United Kingdom Insurance Regulation

The U.K left the EU on January 31, 2020 ("Brexit"). Maiden LF and Maiden GF subsequently established branches in the U.K. to enable us to continue underwriting in the U.K. post-Brexit. The branches were initially accepted into the U.K.'s Temporary Permissions Regime which allowed them to continue to write insurance in the U.K. In May 2022, both branches were authorized by the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA"). Both branches are now authorized and regulated by the PRA and FCA. The Company believes that it is in compliance with all applicable laws and regulations pertaining to its business that would have a material effect on its financial position in the event of non-compliance.

Certain Bermuda Law Considerations

Maiden Holdings has been designated as non-resident for exchange control purposes by the Bermuda Monetary Authority ("BMA") and is required to obtain the permission of the BMA for the issue and transfer of all of its shares. The BMA has given its consent for: (a) the issue and transfer of Maiden Holdings' common shares, up to the amount of its authorized capital from time to time, to and among persons that are non-residents of Bermuda for exchange control purposes; and (b) the issue and transfer of up to 20% of Maiden Holdings' common shares in issue from time to time to and among persons resident in Bermuda for exchange control purposes.

Transfers and issues of Maiden Holdings' common shares to any resident in Bermuda for exchange control purposes may require specific prior approval under the Exchange Control Act 1972. Because we are designated as non-resident for Bermuda exchange control purposes, we are allowed to engage in transactions, and to pay dividends to Bermuda non-residents who are holders of our common shares, in currencies other than the Bermuda Dollar.

The Economic Substance Act 2018, as amended ("ESA") impacts every Bermuda registered entity engaged in a "relevant activity" to maintain a substantial economic presence in Bermuda and to satisfy economic substance requirements. Under the ESA, holding entity activities (as defined in the ESA and the Economic Substance Regulations 2018, as amended) are deemed a relevant activity. To the extent that the ESA applies to Maiden Holdings, we are required to demonstrate compliance with economic substance requirements that we have "adequate" economic substance in Bermuda, and we must file an annual economic substance declaration with the Bermuda Registrar of Companies ("Registrar") on that basis. Any entity that must satisfy economic substance requirements but fails to do so could face automatic disclosure to competent authorities in the EU of the information filed by the entity with the Registrar, face financial penalties, restriction or regulation of its business activities and/or may be struck off as a registered entity in Bermuda.

The Terrorism Risk Insurance Program Reauthorization Act of 2019

Terrorism Risk Insurance Act of 2002 ("TRIA"), which was previously amended and extended in 2005, 2007, 2015 and again in 2019 by the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA"), was enacted to ensure the availability of insurance coverage for terrorist acts in the U.S. This law renewed the prior federal terrorism risk insurance program. It was extended through December 31, 2027 with certain modifications in the provisions of the expiring program. TRIA does not apply to reinsurers directly but does apply directly to insurers and to excess and surplus lines insurers. TRIPRA has impacted some of our reinsurance clients, but not all due to the lines of business covered by TRIA. Also, in general, our reinsurance contracts contain inuring language regarding any potential recoveries from TRIA. Additional material for TRIA and TRIPRA, including U.S. Treasury Department issued interpretive letters, are found on the U.S. Treasury Department's website.

Taxation of the Company and its Subsidiaries

The following summary of certain taxation matters is based upon current law. Legislative, judicial or administrative changes may be forthcoming that could affect this summary. Our U.S. subsidiaries are subject to federal, state and local corporate income taxes and other taxes applicable to U.S. corporations. The Company has subsidiary operations in various other locations around the world, including Canada, Ireland, Sweden and the U.K., that are subject to relevant taxes in those jurisdictions. The discussion below covers only the principal locations in which the Company or its subsidiaries are subject to taxation.

Bermuda

Maiden Holdings has received from the Minister of Finance an assurance under The Exempted Undertakings Tax Protection Act, 1966 to the effect that in the event that there is any legislation enacted in Bermuda imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to Maiden Holdings or to any of its operations or the shares, debentures or other obligations of Maiden Holdings until March 31, 2035. These assurances are subject to the proviso that they are not construed to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda (Maiden Holdings is not currently so designated) or to prevent the application of any tax payable in accordance with the provisions of The Land Tax Act, 1967 of Bermuda or otherwise payable in relation to the property leased to us.

Bermuda recently enacted the Corporate Income Tax Act 2023 on December 27, 2023 (the "CIT Act"). Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least €750 million for two of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15% of the net income of such constituent entities (as determined in accordance with the CIT Act, including after adjusting for any relevant foreign tax credits applicable to the Bermuda constituent entities). No tax is chargeable under the CIT Act until tax years starting on or after January 1, 2025. The Company's consolidated revenues do not presently meet the minimum amounts for taxation under the CIT Act.

Sweden

Maiden LF and Maiden GF are subject to Swedish taxation on net profits irrespective of whether the profits are generated through business in general or capital. To the extent that net profits are generated, profits are taxed at a rate of 20.6%. Foreign entities are subject to tax in Sweden only to the extent they have a permanent establishment in Sweden or if the income is related to certain types of assets, typically real estate, or partnership income. Dividends paid to foreign shareholders may be subject to withholding tax with a maximum of 30% although in many cases tax is reduced because of a tax treaty or under domestic legislation. A foreign entity is deemed to have a permanent establishment in Sweden under the rules very similar to those applied by The Organisation for Economic Co-operation and Development ("OECD"). Other than Maiden LF and Maiden GF, we believe that the Company has operated and will continue to operate its business in a manner that will not cause it to be treated as having a permanent establishment in Sweden. There is no withholding tax on interest paid by a Swedish borrower to a foreign lender.

United Kingdom

Maiden Global, Maiden LF U.K. Branch and Maiden GF U.K. Branch are tax residents in the U.K. and are currently subject to corporation tax in the U.K. on their trading and other taxable profits. The main rate of U.K. corporation tax is 25%. Non-U.K. resident corporations are within the scope of corporation tax in the U.K. if they carry on a trade in the U.K. through a permanent establishment. Reinsurance business developed previously by Maiden Global was underwritten by Maiden Reinsurance. Other than in respect of Maiden Global, Maiden LF U.K. Branch and Maiden GF U.K. Branch, we believe that the Company has operated and will continue to operate its business in a manner that will not cause it to be treated as carrying on a trade within the U.K. Any U.K. source income of non-U.K. resident corporations may be subject to U.K. withholding tax, subject to the availability of treaty relief or any other applicable exemptions. Dividends paid by Maiden Global are not subject to U.K. withholding tax. Interest paid by Maiden Global may be subject to U.K. withholding tax at a rate of up to 20%, subject to the availability of treaty relief or any other applicable exemptions.

United States of America

The Tax Cuts and Jobs Act (the "2017 Act") reduced the corporate U.S. tax rate to 21%, eliminated the alternative minimum tax and limited the deductibility of interest expense, among other things. In the context of the taxation of U.S. property/casualty insurance companies such as the Company, the 2017 Act also modified the loss reserve discounting rules and the proration rules that apply to reduce reserve deductions to reflect the lower corporate income tax rate. In addition, the 2017 Act included certain provisions intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the U.S. but have certain U.S. connections and U.S. persons investing in such companies. For example, the 2017 Act includes a base erosion anti-avoidance tax (the "BEAT") that could make affiliate reinsurance between U.S. and non-U.S. members of our group economically unfeasible. As discussed in more detail below, the 2017 Act also revised the rules applicable to passive foreign investment companies ("PFICs") and controlled foreign corporations ("CFCs"). Further, it is possible that other legislation could be introduced and enacted by the current Congress or future Congresses that could have an adverse impact on us. Additionally, tax laws and interpretations regarding whether a company is engaged in a U.S. trade or business or whether a company is a CFC or a PFIC or has related person insurance income ("RPII") are subject to change, possibly on a retroactive basis. The U.S. Treasury Department recently issued final and proposed regulations intended to clarify the application of the insurance income exception to the classification of a non-U.S. insurer as a PFIC and provide guidance on a range of issues relating to PFICs, and recently issued proposed regulations that would expand the scope of the RPII rules. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming as well. The Company cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

Maiden NA and its subsidiaries (collectively, the "Maiden NA Companies") transact business in and are subject to taxation in the U.S., and Maiden Reinsurance is subject to taxation in the U.S. since the effective date of its re-domestication. Other than the Maiden NA Companies, we believe that we have operated and will continue to operate our business in a manner that will not cause us to be treated as engaged in a trade or business within the U.S. On this basis, other than the Maiden NA Companies, we do not expect to be required to pay U.S. corporate income taxes (other than withholding and excise taxes as described below). The maximum federal corporate income tax rate has been reduced by the 2017 Act to 21% for a foreign corporation’s income that is effectively connected with a trade or business in the U.S. In addition, U.S. branches of foreign corporations may be subject to the branch profits tax, which imposes a tax on U.S. branch after-tax earnings that are deemed repatriated out of the U.S., for a potential maximum effective federal tax rate of 44.7% on the net income connected with a U.S. trade or business.

Foreign corporations not engaged in a trade or business in the U.S. are subject to U.S. income tax, effected through withholding by the payer, on certain fixed or determinable annual or periodic gains, profits and income derived from sources within the U.S. as enumerated in Section 881(a) of the Internal Revenue Code, such as dividends and interest on certain investments. The U.S. imposes an excise tax on insurance and reinsurance premiums paid to foreign insurers or reinsurers with respect to risks of a U.S. person located wholly or partly within the U.S. ("U.S. person") or risks of a foreign person engaged in the conduct of a U.S. trade or business located in the U.S. The rate of tax applicable to reinsurance is 1% of gross premiums.

Where You Can Find More Information

We maintain our principal website at *www.maiden.bm*. The information on our websites is not incorporated by reference in this Annual Report on Form 10-K. We make available, free of charge through our principal website, our financial information, including the information contained in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish such material to the SEC. We also make available, free of charge through our principal website, our Audit Committee Charter, Compensation Committee Charter, Nominating and Corporate Governance Committee Charter, and Code of Business Conduct and Ethics. Such information is also available in print for any shareholder who sends a request to Maiden Holdings, Ltd., Ideation House, 94 Pitts Bay Road, 1st Floor, Pembroke HM 08, Bermuda, Attention: Secretary. Reports and other information we file with the SEC may also be viewed at the SEC's website at *www.sec.gov* or viewed or obtained at the SEC Public Reference Room at 100 F Street, N.E., Washington, DC 20549.

Information on the operation of the SEC Public Reference Room may be obtained by calling the SEC at 800-SEC-0330. Any shareholder or other interested party who desires to contact any member of the Board (or our Board as a group) may do so in writing to the following address: Maiden Holdings, Ltd., Ideation House, 94 Pitts Bay Road, 1st Floor, Pembroke HM 08, Bermuda, Attention: Secretary. Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication.

Item 1A. Risk Factors.

Introduction

Investing in our securities carries risk. Managing risk effectively is critical to our success, and our organization is built around intelligent risk assumptions and prudent risk management. We have identified what we believe reflect key significant risks to the organization, and in turn to our shareholders, which are outlined below. Any of the risks described below could result in a significant or material adverse effect on our results of operations or financial condition. In addition to these enumerated risks, we face numerous other strategic, operational and emerging risks that could in the aggregate lead to shortfalls to our long-term goals or add to short-term volatility in our earnings. The following review of important risk factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. The words or phrases believe, anticipate, estimate, project, plan, expect, intend, hope, forecast, evaluate, will likely result or will continue or words or phrases of similar import generally involve forward-looking statements. All of the risks that may affect our financial or operating performance may not be material at this time but may become material in the future. As used in these Risk Factors, the terms "we", "our" or "us" may, depending upon the context, refer to the Company, to one or more of the Company's consolidated subsidiaries or to all of them taken as a whole.

Business

We have incurred volatile operating results in recent years. There can be no assurance that we will maintain operating profitability or return to active underwriting of new prospective reinsurance risks.

We produced a net loss of $38.6 million in 2023, compared to net loss of $60.0 million during 2022, largely the result of adverse reserve development from the run-off of our legacy reinsurance obligations. While we have taken significant actions in recent years to strengthen our loss reserve and capital position, these older liabilities are dependent on the reporting by our ceding companies and can be subject to volatility. While we have purchased additional reinsurance protection to eliminate potential volatility of loss reserves from this legacy business, the accounting for this reinsurance protection precludes us from recognizing recoveries until paid losses reach certain contractual retention limits in the agreement and thus our GAAP results reported herein will not reflect this reinsurance until those limits are exceeded, which we presently expect to occur before the end of 2024. There can be no assurance that this reinsurance or that the timing and accounting recognition of recoveries under that reinsurance agreement will be sufficient to protect us against further declines in shareholders' equity.

We have taken steps to restructure our business by disposing of unprofitable operations and terminating reinsurance agreements in both of our reporting segments while significantly reducing headcount and overhead expenses. While we believe these actions along with our revised strategy will produce operating profitability, there can be no assurance that these actions will achieve their intended effects or that such reinsurance will be sufficient to protect us against further adverse loss reserve development. Further, as our insurance liabilities continue to run off, our investment income will continue to decrease which may adversely affect our profitability. While we continue to reduce our operating expenses, make additional investments which we believe will produce enhanced investment returns, and have written legacy retroactive risks, there can be no assurance that these measures will overcome the expected decline in investment income. Finally, we have not yet determined if and when we may resume active underwriting of new prospective risks which would result in increased revenue.

While we continue to believe we will operate as a going concern, there can be no assurance that this will continue to be the case if we do not maintain operating profitability or if future significant declines in our shareholders' equity occur.

The inability of management to successfully implement its business strategy could result in a further decline of capital, materially adversely affecting our financial condition and results of operations and may create enhanced risks.

Management continues to evaluate various operating strategies that are likely to be significantly different than our prior strategic business focus. Since 2020, our revised strategy includes expanded investment activities. This has included changes to our approaches to asset and capital management and we may or may not resume active reinsurance underwriting of new prospective risks in the future. We now expect to extend our strategy by expanding our activities in insurance distribution, particularly managing general agencies, which may selectively be supported by active reinsurance underwriting of new prospective risks. As part of its re-domestication to the State of Vermont in the U.S., Maiden Reinsurance is required to closely consult with the Vermont DFR before it considers resuming active reinsurance underwriting of new prospective risks and on any matters related to capital management and business strategy. There can be no assurance that the implementation of the new business plan will succeed or will be satisfactory to the Vermont DFR, which could have a material adverse effect on our business, operations and financial condition.

Any new business initiatives involving the development of new products or expanding existing products in new or historically targeted markets may involve substantial capital and operating expenditures, which may negatively impact our results of operations and shareholders' equity. In addition, the demand for new products or in new markets may not meet our expectations. To the extent we can market new products or expand in new markets, our risk exposures may change and the data and models we use to manage such exposures may not be as sophisticated as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of expectations.

For example, in 2020 we formed GLS which specialized in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies. We believed the formation of GLS was highly complementary to our overall longer-term strategy. However, a combination of factors, including market conditions in the sector GLS focuses on, resulted in an inability for GLS to gain sufficient scale to achieve its objectives or earn a profit, and its results did not reach the objectives we expected it to over time. Having completed the capital commitment we made to GLS in 2020, we have determined to not commit any additional capital to new opportunities and to run-off the existing accounts GLS underwrote.

Additionally, the re-domestication of Maiden Reinsurance to the U.S. may limit our ability to reinsure risk outside of the U.S. and may have an adverse effect on our capital and ability to write new business.

As part of our ongoing efforts to continually improve our performance, we regularly evaluate our business plans and strategies, which may result in material changes to those plans. We are subject to increasing risks related to our ability to successfully implement our evolving plans and strategies. Changing plans and strategies requires significant management of time and effort and may divert management’s attention from our core operations and competencies, and our efforts to improve our capital position and solvency. Moreover, modifications we undertake to our operations may not immediately result in improved financial performance.

Therefore, risks associated with implementing or changing our business strategies and initiatives, including risks related to developing or enhancing the operations, controls and other infrastructure required for these strategies and initiatives, may not have a positive impact on our publicly reported results until many years after implementation, possibly leading to an adverse effect on our long-term results of operations and financial condition.

Our actual losses may be greater than our reserve for loss and LAE, which could materially negatively impact our financial condition and results of operations.

Our success depends upon our ability to assess accurately the risks associated with the businesses that we will reinsure, that we have acquired or will acquire in the future. Significant periods of time often elapse between the occurrence of an insured loss, the reporting of the loss to an insurer and the reporting of the loss by the insurer to its reinsurer and the ultimate disposition of that loss. The reserves we establish represent estimates of amounts needed to pay reported losses and unreported losses and the related LAE. Loss reserves are only an estimate of what an insurer or reinsurer anticipates the ultimate costs of claims to be and do not represent an exact calculation of liability. Estimating loss reserves is a difficult and complex process involving many variables, inherent uncertainty, statistical modeling, and subjective judgments. As part of our reserving process, we review historical data as well as perform actuarial and statistical projections using proprietary models and consider the impact of various factors such as: trends in claim frequency and severity; changes in operations; emerging economic and social trends; inflation; and changes in the regulatory and litigation environments.

This process assumes that past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. In addition, reserving models that are capable of estimating reserves using a variety of methodologies are utilized during the reserving process. There is no precise method, however, for evaluating the impact of any specific factor on the adequacy of reserves, and actual results are likely to differ from original estimates. Reserve models can introduce further process and parameter risk when data and methodologies are interpreted or utilized in a manner which is inconsistent with the actual underlying characteristics of the reinsured exposure. These risks could arise due to incorrect use of the models, or the use of a model or methodology that is inappropriate. In addition, unforeseen losses, the type or magnitude of which we cannot predict, may emerge in the future. Given the inherent uncertainty in the reserving process and models used for reserve estimation, we may not accurately react to the reporting and payment of loss in the projection of our reserve for loss and LAE.

We will establish or adjust reserves for our insurance subsidiaries in part based upon loss data received from the ceding companies with which we do business. There is a time delay that elapses between the receipt and recording of claims results by the ceding insurance companies and the receipt and recording of those results by us. Accordingly, the establishment and adjustment of reserves for our insurance subsidiaries is dependent upon timely and accurate estimate reporting from cedants and agents.

We use our own proprietary models to provide us with an objective risk assessment relating to risks in our reinsurance portfolio. These models help us to inform management and other stakeholders of capital requirements and to improve the risk/return profile or minimize the amount of capital required to cover the risks in each reinsurance contract in our overall portfolio of reinsurance contracts. However, given the inherent uncertainty of modeling techniques and the application of such techniques, these models and databases may not accurately address the emergence of a variety of matters which might be deemed to impact certain of our coverages. Accordingly, these models may understate the exposures we are assuming and our financial results may be adversely impacted, perhaps significantly.

In addition, the COVID-19 pandemic disrupted established claims adjudication and settlement processes. These disruptions could impact the consistency of data received from our cedants and agents. While we do not believe these disruptions have materially impacted our ability to appropriately evaluate the exposures, it could potentially impact the judgments we make in setting reserves.

While we have established our reserves to a level we believe to be sufficient to cover losses assumed by us when we recognize prior period development, there can be no assurance that losses will not deviate from our reserves, possibly by material amounts. We have experienced significant adverse development of our loss reserves in prior years, including in 2023. Further, the additional reinsurance protection we have purchased to protect against further adverse development in loss reserves may be insufficient compared to the actual losses that emerge and we may need to recognize adverse development which would reduce our results of operations and shareholders' equity, possibly materially. To the extent our actual reported losses exceed expected losses, the carried estimate of the ultimate losses will be increased, which would represent unfavorable reserve development, and in turn could have a material adverse effect on our financial condition.

The effects of emerging claims and coverage issues on our business are uncertain.

As industry practices and legal, judicial, social and other environmental conditions change, unexpected issues related to claims and coverage may emerge. These issues may adversely affect our business by either extending coverage beyond our underwriting intent or by increasing the number or size of claims. In some instances, these changes may not become apparent until sometime after we have issued insurance or reinsurance contracts that are affected by the changes. As a result, the full extent of liability under our reinsurance contracts may not be known for many years after a contract is issued. Our exposure to these uncertainties could be exacerbated by an increase in insurance and reinsurance contract disputes, arbitration and litigation.

Our business is subject to risks related to litigation. Losses from legal and regulatory actions may have a material adverse effect on our reputation, operating results, cash flows, financial condition and prospects.

We may from time to time be subject to litigation or other legal or regulatory actions in the ordinary course of business relating to our current and past business operations, including, but not limited to, disputes over coverage or claims adjudication, including claims alleging that we have acted in bad faith in the administration of claims by our policyholders, disputes with our agents, producers and termination of contracts and related claims and disputes with former employees. We also cannot determine with any certainty what new theories of recovery may evolve or what their impact may be on our business.

We also may be subject to litigation from security holders due to the diminution in value of our securities as a result of our operating results and financial condition. Defending against these actions may require us to utilize significant resources in our defense as well as result in a significant amount of time by our senior management.

An adverse resolution of one or more lawsuits or arbitrations could have a material adverse effect on our results of operations in a particular fiscal quarter or year.

Our reinsurers may not pay losses in a timely fashion, or at all, which could have a material adverse effect on our results of operations or financial condition.

At December 31, 2023, we had $558.6 million due to us from one reinsurer, Cavello, consisting of losses recoverable from Cavello under the retrocession agreement of $43.2 million and reinsurance recoverable on unpaid losses under the retroactive reinsurance agreement of $515.5 million. Cavello provided collateral in the form of a letter of credit in the amount of $445.0 million to AmTrust under the LPT/ADC Agreement with Enstar Group Limited ("Enstar") on July 31, 2019, pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share, subject to additional collateral funding requirements. As of December 31, 2023, the amount of collateral required was $490.1 million.

We may or may not use retrocessional and reinsurance coverage to limit our exposure to risks. Any retrocessional or reinsurance coverage that we obtain may be limited, and credit and other risks associated with our retrocessional and reinsurance arrangements may result in losses which could adversely affect our financial condition and results of operations.

We have provided reinsurance to our clients and in turn we may or may not retrocede reinsurance we have assumed to other insurers and reinsurers. If we do not use or cannot obtain retrocessional coverage or reinsurance, our exposure to losses will be greater than if we did obtain such coverage. If we do obtain retrocessional or reinsurance coverage, some of the insurers or reinsurers to whom we may retrocede coverage or reinsure with may be domiciled in Bermuda or other non-U.S. locations. We would be subject to credit and other risks that depend upon the financial strength of these reinsurers. Further, we will be subject to credit risk with respect to any retrocessional or reinsurance arrangements because the ceding of risk to reinsurers and retrocessionaires would not relieve us of our liability to the clients or companies we insure or reinsure. Our failure to establish adequate reinsurance or retrocessional arrangements or the failure of any retrocessional arrangements to protect us from overly concentrated risk exposure could adversely affect our business, financial condition and results of operation. We may attempt to mitigate such risks by retaining collateral or trust accounts for premiums and claims receivables, but nevertheless we cannot be assured that reinsurance will be fully collectable in the case of all potential claims outcomes.

The failure of any of the loss limitation methods we have employed or could employ in the future could have a material adverse effect on our results of operations or financial condition.

We seek to limit loss exposure through loss limitation provisions in policies we write, such as limitations on the amount of losses that can be claimed under a policy, limitations or exclusions from coverage and provisions relating to choice of forum, which are intended to assure that our policies are legally interpreted as intended. There can be no assurance that these contractual provisions will be enforceable in the manner expected or that disputes relating to coverage will be resolved in our favor. If the loss limitation provisions in the policies are not enforceable or disputes arise concerning the application of such provisions, the losses we incur could be materially higher than expected and our financial condition and results of operations could be adversely affected.

We depend on the policies, procedures and expertise of ceding companies for the business we have written in the past; these companies may have failed to accurately assess and price the risks they have underwritten, which may lead us to inaccurately assess and price the risks we assumed.

While we are not presently engaged in active reinsurance underwriting of new prospective risks, we are engaged in active reinsurance underwriting of retroactive risks. Our participation in these property and casualty reinsurance markets means the success of our prior underwriting efforts depends, in part, upon the policies, procedures and expertise of the ceding companies making the original underwriting decisions. As is common among reinsurers, we do not separately evaluate each of the individual risks assumed under reinsurance treaties. We face the risk that these ceding companies may have failed to accurately assess the risks that they assumed initially, which, in turn, may lead us to inaccurately assess the risks we assumed.

If we have failed to establish and receive appropriate pricing or failed to contractually limit our exposure to such risks, we could face significant losses on these contracts, which could have a material adverse impact on our financial results.

The failure of our underwriting process and risk management could have an adverse effect on our results of operations or financial condition.

As noted, while we are not presently engaged in active reinsurance underwriting of new prospective reinsurance risks, we are engaged in active reinsurance underwriting of retroactive risks. We also assume risk on a primary basis through Maiden LF and Maiden GF. As we write these risks, we similarly seek to manage our loss exposure by maintaining a disciplined underwriting process throughout our (re)insurance operations. Underwriting is a matter of judgment, involving important assumptions about matters that are inherently unpredictable and beyond our control, and for which historical experience and probability analysis may not provide sufficient guidance. The failure of any of the underwriting risk management strategies that we employ could have a material adverse effect on our financial condition, results of operations or cash flows.

We rely on internal controls and underwriting guidelines to limit our risk exposure within prescribed parameters. However, our controls and monitoring efforts may have been ineffective, permitting one or more underwriters to exceed underwriting authority and causing us to (re)insure risks outside the agreed upon guidelines. To the extent that our underwriters exceeded their authorities, agreed to inappropriate contract terms and conditions or were influenced by broker incentives, or if there was inaccurate underwriting data captured and reported leading to licensing and sanction breaches, our financial condition or results of operations could be materially adversely affected.

We may be required to accelerate the amortization of deferred acquisition costs or establish premium deficiency reserves.

Deferred acquisition costs represent incremental direct costs related to the successful acquisition of new or renewal insurance contracts. The balances of such costs are capitalized as an asset and amortized into income over the expected lives of the underlying insurance contracts. On an ongoing basis, we test these assets recorded on our balance sheet to determine whether the amounts are recoverable under current assumptions. To date, we have concluded that no such premium deficiency exists. If facts and circumstances change, these tests and reviews could lead to the establishment of a premium deficiency reserve which would require a write down in the carried value of our deferred acquisition costs. Such results could have an adverse effect on the results of our operations and our financial condition.

Failure of our information technology systems could disrupt our business and adversely impact our profitability.

We believe our information technology and application systems are critical to our business and reputation. We have licensed certain systems and data from third parties. We cannot be certain that we will have access to these, or comparable service providers, or that our technology or applications will continue to operate as intended. A major defect or failure in our internal controls or information technology and application systems could result in management distraction, harm to our reputation, a loss or delay of revenues or increased expense.

Technology breaches or failures, including, but not limited to, those resulting from cyber-attacks on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.

Information technology and application systems can streamline many business processes and ultimately reduce the cost of operations, however, technology initiatives present certain risks. Our business is dependent upon our employees and outsources ability to perform, in an efficient and uninterrupted fashion, necessary business functions. Like all companies, our information technology systems are vulnerable to data breaches, interruptions or failures due to events that may be beyond our control, including, but not limited to, natural disasters, theft, terrorist attacks, computer viruses, hackers and general technology failures. Our information technology systems include the Internet and third-party hosted services. We use information systems to process financial information and results of operations for internal reporting purposes and for regulatory financial reporting, legal and tax requirements. We also use information systems for electronic communications with customers and our various locations.

A shutdown or inability to access one or more of our facilities, a power outage, a security breach, or a failure of one or more of our information technology, telecommunications or other systems could significantly impair our ability to perform such functions on a timely basis. These incidents could be caused by malicious or disruptive software, computer hackers, rogue employees, cyber-attacks, failures of telecommunications systems or other catastrophic events. If sustained or repeated, such a business interruption, system failure or service denial could result in a deterioration of our ability to write and process business, provide customer service, pay claims in a timely manner or perform other necessary business functions. Furthermore, a significant portion of the communications between our employees and our business, banking and investment partners depends on information technology and electronic information exchange. In addition, we may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to us, and may become subject to legal action and increased regulatory oversight. We could also be required to spend significant financial and other resources to remedy any damage caused to repair or replace information systems.

We believe that we have established and implemented appropriate security measures, controls and procedures to safeguard our information technology systems and to prevent unauthorized access to such systems and any data processed and/or stored in such systems, and we periodically employ third parties to evaluate and test the adequacy of such systems, controls and procedures. In addition, we have established a business continuity plan which is designed to ensure that we are able to maintain all aspects of our key business processes functioning in the midst of certain disruptive events, including any disruptions to or breaches of our information technology systems. We continue to make investments in technologies, cyber-insurance and training. Our business continuity plans are tested and evaluated for adequacy. Despite these safeguards, disruptions to and breaches of our information technology systems are possible and may negatively impact our business.

Like most major corporations, the Company’s information systems are a target of attacks. Although we have experienced no known material or threatened cases involving unauthorized access to our information technology systems and data or unauthorized appropriation of such data to date, we have no assurance that such technology breaches will not occur in the future.

Additionally, some of our subsidiaries collect, use, store, transmit, retrieve, retain and otherwise process confidential and personally identifiable information in their information systems in and across multiple jurisdictions, and they are subject to a variety of confidentiality obligations and privacy, data protection and information security laws, regulations, orders and industry standards in the jurisdictions in which they do business. The regulatory environment surrounding information security, data privacy and cybersecurity is evolving and increasingly demanding. A number of our subsidiaries are subject to numerous U.S. federal and state laws and non-U.S. regulations governing the protection of personally identifiable and confidential information of their customers and employees. On October 24, 2017, the NAIC adopted an Insurance Data Security Model Law, which requires licensed insurance entities to comply with detailed information security requirements. The NAIC model law has been adopted by certain states, including Vermont, which may raise compliance costs or increase the risk of noncompliance, and noncompliance could subject our insurance subsidiaries to regulatory enforcement actions and penalties, as well as reputational harm. Any such events could potentially have an adverse impact on our insurance subsidiaries' business, results of operations, financial condition and cash flows.

Because the interpretation and application of many privacy and data protection laws along with contractually imposed industry standards are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our insurance subsidiaries' existing data management practices or the features of their services and platform capabilities. Any failure or perceived failure by our insurance subsidiaries, or any third parties with which they do business, to comply with their posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which they or such third parties are or may become subject, may result in actions or other claims against our insurance subsidiaries by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the incurrence of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent our insurance subsidiaries were found to be guilty of violations or otherwise liable for damages, would damage their reputation and adversely affect their business, financial condition and results of operations.

Ongoing economic uncertainty could materially and adversely affect our business, our liquidity and financial condition.

Global economies and financial markets have, from time to time, experienced significant disruption or deterioration and likely will experience periods of disruption or deterioration in the future. In addition, U.S. federal and state governments continue to experience significant structural fiscal deficits, creating uncertainty as to levels of taxation, inflation, regulation and other economic fundamentals that may impact future growth prospects. Continuation of these conditions may potentially affect (among other aspects of our business) the demand for and claims made under our products, the ability of clients, counterparties and others to establish or maintain their relationships with us, our ability to access and efficiently use internal and external capital resources and our investment performance.

Our agency mortgage-backed securities ("Agency MBS") constitute 10.6% of fixed maturity investments at December 31, 2023. As with other fixed income investments, the fair value of these securities fluctuates depending on market and other general economic conditions and the interest rate environment. Changes in interest rates can expose us to changes in the prepayment rate on these investments. In periods of declining interest rates, mortgage prepayments generally increase and mortgage-backed securities ("MBS") are prepaid more quickly, requiring us to reinvest the proceeds at lower market rates. Conversely, in periods of rising rates, mortgage prepayments generally fall, preventing us from taking full advantage of the higher level of rates. However, economic conditions may curtail prepayment activity on the underlying mortgages if refinancing is difficult, thus limiting prepayments on the MBS portfolio. In the event that these conditions persist and result in a prolonged period of economic uncertainty, our results of operations, our financial condition and/or liquidity, and our prospects could be materially and adversely affected.

We may face substantial exposure to losses from terrorism, acts of war and political instability.

We may have exposure to losses resulting from acts of terrorism, acts of war and political instability as a reinsurer of U.S. domiciled insurers. U.S. insurers are required by state and federal law to offer coverage for terrorism in certain commercial lines. These risks are inherently unpredictable, although recent events may lead to increased frequency and severity. It is difficult to predict the occurrence of these perils with statistical certainty or to estimate the amount of loss an occurrence will generate. We closely monitor the amount and types of coverage we provide for terrorism risk under insurance policies and reinsurance treaties. We often seek to exclude or limit terrorism when we cannot reasonably evaluate the risk of loss or charge an appropriate premium for such risk. Even in cases where we have deliberately sought to exclude coverage, we may not be able to eliminate our exposure to terrorist acts, and thus it is possible that these acts could have a material adverse effect on us.

Liquidity, Capital Resources and Investments

We may not have sufficient unrestricted liquidity to meet our obligations.

Maiden Holdings is a holding company. As a result, we do not have, and will not have, any significant operations or assets other than our ownership of the shares of our subsidiaries. Dividends and other permitted payments from our operating subsidiaries are expected to be our sole source of funds to meet ongoing cash requirements at Maiden Holdings, including debt service payments and other expenses. As of December 31, 2023 and as of the date hereof, our insurance subsidiaries' ability to make distributions require the prior approvals of their respective domestic regulators. Maiden Holdings may need to borrow funds from its subsidiaries if funds from dividends are not available to meet ongoing cash requirements. The impact of applicable regulatory capital requirements such as risk based capital ratios under U.S. law could impact the ability of Maiden Reinsurance to pay future cash dividends.

Maiden Reinsurance uses trust accounts, loan to related party, funds withheld and letters of credit to meet collateral requirements. Consequently, cash and cash equivalents and investments are pledged in favor of ceding companies in order to comply with relevant insurance regulations or contractual requirements. At December 31, 2023, restricted cash and cash equivalents and fixed maturity investments used as collateral were $219.9 million and represents 75.0% of the fair value of our total fixed maturity investments and cash and cash equivalents (including restricted cash and cash equivalents) at that date. At December 31, 2023, Maiden Reinsurance had $40.6 million in unrestricted cash and cash equivalents and fixed maturity investments. On a consolidated basis, the Company had $73.4 million in unrestricted cash and cash equivalents and fixed maturity investments at December 31, 2023.

Based on our current estimate of 2024 financial projections, we believe we will have sufficient liquidity to meet and fulfill our obligations including payments due under our outstanding publicly-traded senior notes which were issued in 2013 (the "2013 Senior Notes") by Maiden NA in the principal amount of $152.4 million, all of which is currently outstanding and is subject to a guarantee by Maiden Holdings, and our outstanding publicly-traded senior notes which were issued in 2016 (the "2016 Senior Notes") in the principal amount of $110.0 million, all of which is currently outstanding (the 2016 Senior Notes collectively with the 2013 Senior Notes, the "Senior Notes").

The Company also has total unfunded commitments on alternative investments of $100.8 million at December 31, 2023 which included commitments for other investments, private equity securities and equity method investments.

However, should our operating results deteriorate, should additional collateral be required under our contractual arrangements with reinsured prior to the receipt of recoveries under reinsurance agreements we have entered into or should excess collateral under those arrangements not be returned to the Company quickly enough, we cannot assure that we will maintain sufficient unrestricted liquidity to meet those obligations.

A significant amount of our invested assets are subject to changes in interest rates and market volatility. If we are unable to realize our investment objectives, our financial condition and results of operations may be adversely affected.

Investment income is an important component of our consolidated net income. At December 31, 2023, total investments of $559.6 million represented 92.9% of our total cash and investments. Total investments included other investments of $182.8 million, or 32.7% of our total investment portfolio, comprised of a combination of private credit funds, private equity funds, other privately held investments and investments in direct lending activities. As a result of market conditions prevailing at a particular time, the allocation of our portfolio to various asset types may vary. The fair market value of these assets and the investment income from these assets will fluctuate depending on general economic and market conditions. We classify our fixed maturity investments as available-for-sale ("AFS") and therefore changes in the market value are reflected in our shareholders' equity through accumulated other comprehensive income ("AOCI").

Our Board has established our investment policies, including the purchase of affiliated securities, approved by the Vermont DFR, and our executive management is implementing our investment strategy with the assistance of our investment managers. Although these guidelines stress diversification and capital preservation, our investment results will be subject to a variety of risks, including risks related to changes in the business, financial condition or results of operations of the entities in which we invest, as well as changes in general economic conditions and overall market conditions, interest rate fluctuations and market volatility. Given our reliance on external investment managers, we are also exposed to operational risks, which may include, but are not limited to, a failure of these managers to follow our investment policy guidelines, a failure to maintain proper internal controls, technological and staffing deficiencies and inadequate disaster recovery plans.

A substantial portion of our investment portfolio consists of interest rate-sensitive instruments, such as bonds, which may be adversely affected by changes in interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions and other factors beyond our control. Changes in interest rates could have an adverse effect on the value of our fixed maturity investment portfolio and future investment income. For example, changes in interest rates can expose us to prepayment risks on U.S. Government Agency MBS included in our investment portfolio (all Agency MBS are currently "AA+" rated by S&P). Increases in interest rates will decrease the fair market value of our investments in fixed-income securities. If increases in interest rates occur during periods when we sell investments to satisfy liquidity needs, we may experience investment losses. In addition, a declining interest rate environment can result in reductions in our investment yield as new funds and proceeds from sales and maturities of fixed income securities are reinvested at lower rates which reduces our overall profitability.

Interest rates are highly sensitive to many factors, including governmental monetary policies, inflation, domestic and international economic and political conditions and other factors beyond our control. To limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves. As a result of the LPT/ADC Agreement, the duration of our liability for loss reserves will be materially shortened and if we do not correspondingly shorten the duration of the investments in our fixed maturity investment portfolio, our risk of exposure to unexpected changes in interest rates could adversely affect our operations and financial condition.

At December 31, 2023 and 2022, these respective durations in years were as follows:

At December 31,	**2023**	**2022**
Fixed maturities and cash and cash equivalents	1.2	1.3
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	5.8	5.3
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	1.6	1.1

The differential in duration between these assets and liabilities may fluctuate over time and in the case of fixed maturities, is affected by factors such as market conditions, asset allocations and prepayment speeds in the case of Agency MBS.

We believe we have historically mitigated our exposure to liquidity risk through prudent duration management and strong operating cash flow. Our business has undergone significant changes since 2019, which have transformed our operations and materially reduced the risk on our balance sheet. As a result, our gross and net premiums written will continue to be materially lower going forward and investment income will continue to be a significantly larger portion of our revenues. We believe this will significantly reduce our operating cash flow.

However, we generally expect negative operating cash flows to be met or exceeded by positive investing cash flows. Overall, we expect our cash flows, together with our existing capital base and unrestricted cash and investments to be sufficient to meet cash requirements and to operate our business. The LPT/ADC Agreement has shortened the duration of our liabilities, which in turn may require us to adjust the duration of our fixed maturities which could lower our investment income. We also have very limited property catastrophe exposures which could cause an immediate need for cash. However, if we do not structure our investment portfolio so that it is appropriately matched with our reinsurance liabilities or our operating cash flow declines, we may be forced to liquidate investments prior to maturity at a significant loss to cover such liabilities. For this or any of the other reasons discussed above, investment losses could significantly decrease our asset base, which would adversely affect our ability to conduct business. Any significant decline in our investment income would adversely affect our business, financial condition and results of operations.

The determination of the fair values of our investments and whether a decline in the fair value of an investment is other-than-temporary are based on management's judgment and may prove to be incorrect.

We hold a significant amount of assets without readily available, active, quoted market prices or for which fair value cannot be measured from actively quoted prices. These assets are generally deemed to require a higher degree of judgment used in measuring fair value. The assumptions used by management to measure fair values could turn out to be inaccurate and the actual amounts that may be realized in an orderly transaction with a willing market participant could be either lower or higher than our estimates of fair value. We review our investment portfolio for factors that may indicate that a decline in the fair value of an investment is other-than-temporary. This evaluation is based on subjective factors, assumptions and estimates and may prove to be materially incorrect, which may result in us recognizing additional losses in the future as new information emerges or recognizing losses in the current period that may never materialize in the future in an orderly transaction with a willing market participant.

Our investments in alternative investments and our investments in joint ventures and/or entities accounted for using the equity method may be illiquid and volatile in terms of value and returns, which could negatively affect our investment income and liquidity.

In addition to fixed maturity securities, we have invested, and may from time to time continue to invest, in alternative investments such as hedge funds, fixed income funds, equity funds, privately held investments, private equity and private credit funds and co-investments, real estate funds and co-investments and other alternative investments. During 2023, we increased the amount allocated to such investments, and at December 31, 2023, 51.3% of our total cash and investments were categorized as equity securities, other investments and equity method investments on our consolidated balance sheets compared to 43.0% as of December 31, 2022.

We expect to continue to increase this allocation over future periods and have committed $100.8 million to future alternative investments as of December 31, 2023. These and other similar investments may be illiquid due to restrictions on sales, transfers and redemption terms, may have different, more significant risk characteristics than our investments in fixed maturity securities and may also have more volatile values and returns, all of which could negatively affect our investment income and overall portfolio liquidity.

We have also invested, and from time to time may continue to make investments in joint ventures and in other entities that we do not control. In these investments, many of which are accounted for using the equity method, we may lack management and operational control over the entities in which we are invested, which may limit our ability to take actions that could protect or increase the value of our investment. In addition, these investments may be illiquid due to contractual provisions, and our lack of operational control may prevent us from obtaining liquidity through distributions from these investments in a timely manner or on favorable terms.

Alternative or "other" investments may not meet regulatory admissibility requirements or may result in increased regulatory capital charges to our insurance subsidiaries that hold these investments, which could limit those subsidiaries' ability to make capital distributions to us and, consequently, negatively impact our liquidity. For more information on our alternative investments, please see *Item 7. "Management's Discussion & Analysis: Liquidity and Capital Resources - Cash & Investments"*.

We may require additional capital in the future, which may not be available on favorable terms or at all.

Our future capital requirements will depend on many factors. We also may not be able to grow significantly without additional capital. Our future business needs are uncertain and we may need to raise additional funds to further capitalize Maiden Reinsurance. We anticipate that any such additional funds would be raised through equity, debt, hybrid financings or entering into reinsurance agreements. While we currently have no commitment from any lender with respect to a credit facility or a loan facility, we may enter into an unsecured or secured revolving credit facility or a term loan facility with one or more syndicates of lenders. Any equity, debt or hybrid financing, if available at all, may be on terms that are not favorable to us. Recent turbulence in financial markets due to higher interest rates along with tighter credit underwriting may limit our ability to access the credit or equity markets. If we are able to raise capital through equity financings, the interest of shareholders in our Company would be diluted, and the securities we issue may have rights, preferences and privileges that are senior to those of our common shares.

We no longer have an S&P rating or A.M. Best rating. The absence of credit ratings on our outstanding securities could impact our ability to obtain additional debt or hybrid capital at reasonable terms or at all. Credit ratings are an opinion by third parties of our financial strength and ability to meet ongoing obligations to our future policyholders. The lack of a credit rating may make it difficult for investors to evaluate an investment in our securities and for us to raise additional capital in the future on acceptable terms or at all. Similarly, our access to funds may be impaired if regulatory authorities take negative actions against us. Finally, our operating results in the last several years may make investors reluctant to commit capital to us at reasonable valuations and/or pricing. Our internal sources of liquidity may prove to be insufficient, and in such case, we may not be able to successfully obtain additional financing on favorable terms, or at all. Establishing a credit rating on our securities, if needed in the future, may be difficult to obtain.

The availability of additional financing will also depend on a variety of other factors such as market conditions, the general availability of capital, the volume of trading activities and the overall availability of capital to the financial services industry. As such, we may be forced to delay raising capital, issue shorter maturity securities than we prefer, or bear an unattractive cost of capital which could decrease our profitability and significantly reduce our financial flexibility. If we cannot obtain adequate capital, our business prospects, results of operations and financial condition could be adversely affected.

We do not anticipate paying any cash dividends on our common shares for the foreseeable future.

We currently intend to retain our future earnings, if any, to strengthen our regulatory capital and solvency ratios, improve our liquidity and working capital and for other general corporate purposes. The insurance laws and regulations of our insurance subsidiaries generally contain restrictions on the ability to pay dividends or distributions to Maiden Holdings, which may restrict our ability to pay dividends on common shares. Any capital distribution of any kind out of Maiden Reinsurance would be done consistent with Vermont regulation which requires the prior approval of the Vermont DFR. Any future determination to pay dividends on our common shares will be at the discretion of our Board, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions, and other factors that our Board considers relevant.

Our failure to comply with restrictive covenants contained in the documents governing our Senior Notes or any future credit facility could trigger prepayment obligations, which could adversely affect our business, financial condition and results of operations.

The indentures governing our Senior Notes contain covenants that impose restrictions on us and certain of our subsidiaries with respect to, among other things, the incurrence of liens and the disposition of capital stock of these subsidiaries. In addition, any future credit facility may require us and/or certain of our subsidiaries to comply with certain covenants, which may include the maintenance of a minimum consolidated net tangible worth and restrictions on the payment of dividends. Our failure to comply with these covenants could result in an event of default under the indentures or any future credit facility, which, if not cured or waived, could result in us being required to repay the notes or any amounts outstanding under such credit facility prior to maturity. We believe we are in compliance with all of the covenants in the Indentures governing the Senior Notes. However, our business, financial condition and results of operations could be adversely affected if we were found to be in default of these covenants.

For more details on our indebtedness, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included under Item 7 and "*Notes to Consolidated Financial Statements - "Note 7 — Long-Term Debt"* included under Item 8. "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10-K.

We may be adversely impacted by claims inflation.

Our operations, like those of other property and casualty insurers and reinsurers, are susceptible to the effects of claims inflation because premiums are established before the ultimate amounts of loss and LAE are known. Although we consider the potential effects of claims inflation when setting premium rates, our premiums may not fully offset the effects of inflation and essentially result in our underpricing the risks we insure and reinsure. Our reserve for loss and LAE includes assumptions about future payments for settlement of claims and claims handling expenses, such as the value of replacing property and associated labor costs for the property business we write, the value of medical treatments and litigation costs. To the extent claims inflation causes these costs to increase above reserves established for these claims, we will be required to increase our loss reserves with a corresponding reduction in our net income in the period in which the deficiency is identified, which may have a material adverse effect on our financial condition or results of operations.

Climate change may adversely impact our results of operations and/or our financial position.

Global climate change has been linked to a number of factors that contribute to the increased unpredictability, frequency, duration and severity of weather events, including changing weather patterns, a rise in ocean temperatures, and sea level rise. Global climate change and global climate change transitions could lead to new or enhanced regulation, which may be difficult or costly to comply with, or impact assets that we invest in, which may result in realized and unrealized losses in future periods that could have a material adverse impact on our results of operations and/or financial position. It is not possible to foresee the impacts of potential future climate regulation, or which, if any, assets, industries or markets may be materially and adversely affected by global climate change and global climate change transitions, nor is it possible to foresee the magnitude of such effects.

A decrease in the fair value of our subsidiaries may result in future impairments.

The determination of impairments taken on our investments and loans varies by type of asset and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. Management updates its evaluations regularly and reflects impairments in operations as such evaluations are revised. There can be no assurance that our management has accurately assessed the level of impairments taken in our financial statements. Furthermore, additional impairments may need to be taken in the future, which could materially impact our financial position or results of operations. Historical trends may not be indicative of future impairments.

<u>Regulation</u>

Compliance by our insurance subsidiaries with the legal and regulatory requirements to which they are subject is expensive. Any failure to comply could have a material adverse effect on our business.

Our insurance subsidiaries are required to comply with a wide variety of laws and regulations applicable to insurance or reinsurance companies, both in the jurisdictions in which they are organized and where they sell their insurance and reinsurance products. The insurance and regulatory environment has become subject to increased scrutiny in many jurisdictions, including the U.S., various states within the U.S. and the EU. In the past, there have been Congressional and other initiatives in the U.S. regarding increased supervision and regulation of the insurance industry. It is not possible to predict the future impact of changes in laws and regulations on our operations. The cost of complying with any new legal requirements affecting our subsidiaries could have a material adverse effect on our business.

In addition, our subsidiaries may not always be able to obtain or maintain necessary licenses, permits, authorizations or accreditations. They also may not be able to fully comply with, or to obtain appropriate exemptions from, the laws and regulations applicable to them. Any failure to comply with applicable law or to obtain appropriate exemptions could result in restrictions on either the ability of the company in question, as well as potentially its affiliates, to do business in one or more of the jurisdictions in which they operate or on brokers on which we rely to produce business for us. In addition, any such failure to comply with applicable laws or to obtain appropriate exemptions could result in the imposition of fines or other sanctions. Any of these sanctions could have a material adverse effect on our business.

Our industry is highly regulated and we are subject to significant legal restrictions and these restrictions may have a material adverse effect on our business, financial condition, results of operations, liquidity, cash flows and prospects.

The financial services industry is the focus of increased regulatory scrutiny as various state and federal governmental agencies and self-regulatory organizations conduct inquiries and investigations into the products and practices of the companies within this industry. Governmental authorities in the U.S. and worldwide have become increasingly interested in potential risks posed by the insurance industry as a whole, and to commercial and financial systems in general. Among the proposals that are being considered is the possible introduction of global regulatory standards for the amount of capital that insurance groups must maintain across the group, such as the development of the risk-based global insurance capital standard for internationally active insurance groups being developed by the International Association of Insurance Supervisors as well as the U.S. group capital calculation being developed by the NAIC. In 2021, the NAIC adopted the final version of group capital calculation template and instructions and proposed revisions to the Insurance Holding Company System Act and Regulation to implement the filing of the group capital calculation with the lead state insurance commissioner. This establishes a filing requirement for insurance groups for the purposes of evaluating solvency at the group level. State legislatures and insurance departments have begun to implement the holding company system revisions Please see *Item 1. "Business - Regulatory Matters"* for further discussion. While we cannot predict the exact nature, timing or scope of possible governmental initiatives, there may be increased regulatory intervention in the insurance and financial services industry in the future.

<u>Europe</u>

Under EU Freedom of Services, a firm authorized in a European Economic Area ("EEA") state can offer certain products or services in other EEA states if it has the relevant passport. Maiden LF and Maiden GF are established in an EEA state (Sweden) and have passports for a number of EEA states. Maiden LF is licensed by the Swedish financial regulator (Finansinspektionen) to write insurance and reinsurance of short-term life insurance (Class 1a) and supplementary insurance to Class 1a (Class 1b). Maiden GF is licensed by Finansinspektionen to write insurance and reinsurance of accident and sickness (Classes 1 and 2), other property damage (Class 9) and other miscellaneous financial losses (Class 16). We cannot predict the impact laws and regulations adopted in the EU or other non-U.S. jurisdictions may have on the financial markets generally or on our businesses, results of operations or cash flows. It is possible that changes in such laws and regulations may alter our business practices. They may also limit our ability to engage in capital or liability management, require us to raise additional capital, and impose burdensome requirements and additional costs. It is possible that the laws and regulations adopted in foreign jurisdictions will differ from one another, and that they could be inconsistent with the laws and regulations of other jurisdictions including the U.S.

<u>United States</u>

Our U.S. subsidiaries are subject to a complex and extensive array of laws and regulations that are administered and enforced by state insurance regulators, state securities administrators, state banking authorities, the SEC, FINRA, the DOL, the IRS and the Office of the Comptroller of the Currency. See *Item 1. "Business - Regulatory Matters"* for a summary of certain U.S. state and federal laws and regulations applicable to our business. Failure to comply with these laws and regulations could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, or interruption of our operations, any of which could have a material and adverse effect on our capital, surplus, or other aspects of our financial position, results of operations and cash flows.

In addition, these statutes and regulations may, in effect, restrict the ability of our subsidiaries to write new business or, as indicated below, distribute funds to Maiden Holdings. In recent years, some U.S. state legislatures have considered or enacted laws that may alter or increase state authority to regulate insurance companies and insurance holding companies. Moreover, the NAIC and state insurance regulators regularly re-examine existing laws and regulations and interpretations of existing laws and develop new laws. The new interpretations or laws may be more restrictive or may result in higher costs to us than current statutory requirements.

Our risk management policies and procedures may prove to be ineffective and leave us exposed to unidentified or unanticipated risk.

We have developed and continue to develop enterprise-wide risk management policies and procedures to mitigate risk and loss to which we are exposed. There are inherent limitations to risk management strategies because there may exist, or develop in the future, risks that we have not anticipated, identified or accurately assessed. If our risk management policies and procedures are ineffective, we may suffer unexpected losses and could be materially adversely affected. As our business changes and the markets in which we operate evolve, our risk management framework may not adapt at the same pace as those changes. As a result, there is a risk that new products or new business strategies may present risks that are not adequately identified, monitored or managed. In times of market stress, unanticipated market movements or unanticipated claims experience, the effectiveness of our risk management strategies may be insufficient, resulting in losses to us. In addition, we may be unable to effectively review and monitor all risks and our employees may not follow our risk management policies and procedures.

In addition, the NAIC and state legislatures and regulators have increased their focus on risks within an insurer's holding company system that may pose enterprise risk to insurers. Our insurance company subsidiaries are subject to regulation in Vermont. Vermont has adopted regulations for insurance holding companies to adopt a formal ERM function and to file an annual enterprise risk report. The regulations also require most domestic insurers to conduct an ORSA and to submit an ORSA summary report prepared in accordance with the NAIC's ORSA Guidance Manual. While we operate within an ERM framework designed to assess and monitor our risks, we may not be able to effectively review and monitor all risks, our employees may not all operate within the ERM framework and our ERM framework may not result in our accurately identifying all risks and limiting our exposures based on our assessments.

Changes in accounting principles and financial reporting requirements could result in material changes to our reported results of operations and financial condition.

U.S. GAAP and related financial reporting requirements are complex, continually evolving and may be subject to varied interpretation by the relevant authoritative bodies. Such varied interpretations could result from differing views related to specific facts and circumstances. Changes in U.S. GAAP and financial reporting requirements, or in the interpretation of U.S. GAAP or those requirements, could result in material changes to our reported results and financial condition.

Moreover, our insurance subsidiaries are required to comply with statutory accounting principles ("SAP"). SAP and various components of SAP are subject to constant review by the NAIC and its task forces and committees, as well as state insurance departments, in an effort to address emerging issues and otherwise improve financial reporting. Various proposals are pending before committees and task forces of the NAIC, some of which, if enacted and adopted on a state level, could have negative effects on insurance industry participants. The NAIC continuously examines existing laws and regulations. We cannot predict whether or in what form such reforms will be enacted and, if so, whether the enacted reforms will positively or negatively affect us.

Legislation enacted in Bermuda in response to the EU's review of harmful tax competition could adversely affect our operations.

During 2017, the EU Economic and Financial Affairs Council released a list of non-cooperative jurisdictions for tax purposes. The stated aim of this list, and accompanying report, was to promote good governance worldwide in order to maximize efforts to prevent tax fraud and tax evasion. Bermuda was not on the list of non-cooperative jurisdictions but did feature in the report (along with approximately 40 other jurisdictions) as having committed to address concerns relating to economic substance by December 31, 2018. In accordance with that commitment, Bermuda enacted the Economic Substance Act 2018 (as amended) of Bermuda (the "ESA") that came into force on January 1, 2019. As noted above under *"Regulatory Matters – Certain Bermuda Law Regulations"*, the ESA requires an in-scope registered entity (other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda) that carries on as a business any one or more of the "relevant activities" referred to in the ESA, to comply with economic substance requirements.

Under the ESA, holding entity activities (as defined in the ESA and the Economic Substance Regulations 2018, as amended) satisfy the requirement of undertaking a "relevant activity" and therefore would apply to Maiden Holdings. However, because Maiden Holdings' primary function is to acquire and hold shares or equitable interests in other entities and it does not perform any commercial activities, we believe we are only subject to the ESA's minimum economic substance requirements, and we file an annual declaration with the Registrar on that basis.

Even as a pure equity holding entity, Maiden Holdings will still be required to demonstrate compliance with the ESA that we have "adequate" economic substance in Bermuda, and therefore should have adequate people for holding and managing equity participation, and adequate premises in Bermuda.

Given that the legislation is new and remains subject to further clarification and interpretation, the meaning of "adequate" in this context remains unclear. It is not currently possible to ascertain the steps required to ensure our continued compliance with the ESA, which makes it difficult to predict its future impact. Any entity that must satisfy economic substance requirements but fails to do so could face financial penalties or could be ordered by a court to take action to remedy such failure. It may also be faced with a restriction of its business activities, automatic reporting by the Bermuda authorities to competent authorities in the EU on an entity's non-compliance or may be struck off as a registered entity in Bermuda. If any one of the foregoing were to occur, it may adversely impact the business operations of Maiden Holdings.

Legislation enacted in Bermuda as to Corporate Income Tax may affect our operations.

Bermuda recently enacted the CIT Act. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least €750 million for two of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15% of the net income of such constituent entities (as determined in accordance with the CIT Act, including after adjusting for any relevant foreign tax credits applicable to the Bermuda constituent entities). No tax is chargeable under the CIT Act until tax years starting on or after January 1, 2025. The Company's consolidated revenues do not presently meet the minimum amounts for taxation under the CIT Act, however it is possible that the CIT Act may have an adverse effect on our results of operations going forward. We are considering the CIT Act and will evaluate the impact of the CIT Act on our operations as further information and guidance becomes available.

Corporate Governance and Risks Related to an Investment in our Securities

Our holding company structure and certain regulatory and other constraints affect our ability to pay dividends and make other payments.

Maiden Holdings is a holding company. As a result, we do not have, and will not have, any significant operations or assets other than our ownership of the shares of our subsidiaries. We expect that dividends and other permitted distributions from

Maiden Global (and its subsidiaries), Maiden LF, Maiden GF and Maiden NA (and its subsidiaries) will be our sole source of funds to pay any dividends to common shareholders and meet ongoing cash requirements, including debt service payments, if any, and other expenses. The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements and also place restrictions on the declaration and payment of dividends and other distributions. The inability of our subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have a material adverse effect on our business, financial condition and results of operations. Any capital distribution of any kind out of Maiden Reinsurance requires the prior approval of the Vermont DFR.

The timing and amount of any cash dividends on our common shares are at the discretion of our Board and will depend upon the results of operations and cash flows, our financial position and capital requirements, and any other factors that our Board deems relevant.

We have risks related to the Company's Senior Notes.

Maiden NA issued the 2013 Senior Notes and Maiden Holdings issued the 2016 Senior Notes, both of which are currently outstanding. We may be dependent on dividends from Maiden Reinsurance, which required regulatory approval, to provide cash flows to pay interest on both the 2013 Senior Notes and the 2016 Senior Notes. If we are unable to maintain a level of cash flows from operating and investment activities, our ability to pay our obligations on our Senior Notes could be adversely affected.

We may also incur additional indebtedness in the future. The level of debt outstanding could adversely affect our financial flexibility. Our indebtedness could have adverse consequences, including:

- limiting our ability to pay dividends to our common shareholders;
- limiting our subsidiaries' ability to pay dividends;
- increasing our vulnerability to changing economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby, reducing funds available for working capital, capital expenditures, acquisitions and other purposes; and
- impacting regulators assessment of our capital position, adequacy and flexibility and therefore, the financial strength ratings of rating agencies and regulators' assessment of our solvency.

Maiden Reinsurance owns approximately 29.9% of our total outstanding common shares and thus has a significant ownership and voting stake in our common shares.

As a result of the common shares issued as part of the Exchange on December 27, 2022, Maiden Reinsurance owns approximately 29.9% of our total outstanding common shares and subject to our bye-laws, has the ability to vote up to 9.5% of these shares. As our wholly owned subsidiary, Maiden Reinsurance's economic and voting interests in our common shares may not be aligned with other shareholders and it could take positions that may differ from, and which could adversely affect the interests of, other shareholders.

Our common shares owned by Maiden Reinsurance are not retired and could be sold to other shareholders, which could dilute the ownership interests of other shareholders and reduce our book value and earnings per common share.

For the purposes of our consolidated financial statements, our common shares owned by Maiden Reinsurance are treated similar to treasury shares and not included in the computation of consolidated book value and earnings per common share. However, these shares are not retired and Maiden Reinsurance retains both economic and voting interests in our shares (subject to limitations in our bye-laws, Maiden Reinsurance has a 9.5% voting interest in our common shares). Maiden Reinsurance thus retains the ability to sell those shares in the open market or through privately negotiated transactions, subject to applicable securities laws and regulations. If Maiden Reinsurance were to engage in such transactions, then the number of outstanding shares for consolidated financial reporting purposes would increase and thus reduce our book value and earnings per common share.

A few significant shareholders may influence or control the direction of our business. If the ownership of our common shares continues to be highly concentrated, it may limit your ability and the ability of other shareholders to influence significant corporate decisions.

The interests of our significant shareholders may not be fully aligned with our interests, and this may lead to a strategy that is not in our best interest. Although they do not have any voting agreements or arrangements, our Founding Shareholders or other significant shareholders could exercise significant influence over matters requiring shareholder approval, and their concentrated holdings may delay or deter possible changes in control of Maiden Holdings, which may reduce the market price of our common shares.

Our revenues and results of operations may fluctuate as a result of factors beyond our control, which may cause the price of our shares to be volatile.

The revenues and results of operations of reinsurance companies historically have been subject to significant fluctuations and uncertainties. In addition, we are not currently engaged in reinsurance underwriting of new prospective risks and may not do so for the foreseeable future. This has resulted in a significant reduction in our revenues. Our profitability can also be affected significantly by:

- fluctuations in interest rates, inflationary pressures and other changes in the investment environment that impact returns on invested assets;
- changes in the frequency or severity of claims;
- volatile and unpredictable developments, including man-made, weather-related and other natural catastrophes, terrorist attacks or pandemics, such as the spread of the COVID-19 virus;
- price competition;
- inadequate loss and LAE reserves;
- cyclical nature of the property and casualty insurance market; and
- negative developments in the specialty property and casualty reinsurance sectors in which we operate.

These factors may cause the price of the Company's shares to be volatile.

The market price for our common shares has been and may continue to be highly volatile, and if there is a further sustained decline in our share price there could be limited liquidity for our common shares.

The market price for our common shares has fluctuated significantly. Future sales of our common shares by our shareholders or us, or the perception that such sales may occur, could adversely affect the market price of our common shares. As of March 7, 2024, 100,472,120 common shares were outstanding when the ownership by our affiliate Maiden Reinsurance of 42,878,923 common shares were excluded, which consists of 41,439,348 common shares issued to Maiden Reinsurance in the Exchange and 1,439,575 shares directly purchased on the open market. These shares are reflected as treasury shares on the Consolidated Balance Sheet and not treated as outstanding shares in the computation of consolidated book value and earnings per common share on December 31, 2023. A significant percentage of our outstanding common shares are held by affiliates, including Maiden Reinsurance, and as a result, your common shares may not have sufficient liquidity in the trading markets.

In addition, we have reserved 5,668,408 common shares remaining for issuance under our 2019 Omnibus Incentive Plan. As of March 7, 2024, there were 121,500 stock options outstanding and 975,027 restricted shares outstanding. Sales of substantial amounts of our shares, or the perception that such sales could occur, could adversely affect the prevailing price of the shares and may make it more difficult for us to sell our equity securities in the future, or for shareholders to sell their shares, at a time and price that they deem appropriate.

Provisions in our bye-laws may reduce or increase the voting rights of our shares.

In general, and except as provided under our bye-laws and as provided below, the common shareholders have one vote for each common share held by them and are entitled to vote, on a non-cumulative basis, at all meetings of shareholders. However, if, and so long as, the shares of a shareholder are treated as "controlled shares" (as determined pursuant to Sections 957 and 958 of the Internal Revenue Code of 1986, as amended (the "IRS Code")) of any U.S. Person (as that term is defined in the Risk Factors under the section captioned "*Taxation*" within this Item that owns shares directly or indirectly through non-U.S. entities) and such controlled shares constitute 9.5% or more of the votes conferred by our issued shares, the voting rights with respect to the controlled shares owned by such U.S. Person will be limited, in the aggregate, to a voting power of less than 9.5%, under a formula specified in our bye-laws. The formula is applied repeatedly until the voting power of all 9.5% U.S. Shareholders has been reduced to less than 9.5%. In addition, our Board may limit a shareholder's voting rights when it deems it appropriate to do so to (i) avoid the existence of any 9.5% U.S. Shareholder; and (ii) avoid certain material adverse tax, legal or regulatory consequences to us, to any of our subsidiaries or any direct or indirect shareholder or its affiliates. "Controlled shares" include, among other things, all shares that a U.S. Person is deemed to own directly, indirectly or constructively (within the meaning of section 958 of the IRS Code). The amount of any reduction of votes that occurs by operation of the above limitations will generally be reallocated proportionately among our other shareholders whose shares were not "controlled shares" of the 9.5% U.S. Shareholder so long as such reallocation does not cause any person to become a 9.5% U.S. Shareholder.

Under these provisions, certain shareholders may have their voting rights limited, while other shareholders may have voting rights in excess of one vote per share. Subject to limitations in our bye-laws, Maiden Reinsurance will be limited to a 9.5% voting interest in our common shares. Moreover, these provisions could have the effect of reducing the votes of certain shareholders who would not otherwise be subject to the 9.5% limitation by virtue of their direct share ownership.

We are authorized under our bye-laws to request information from any shareholder for the purpose of determining whether a shareholder's voting rights are to be reallocated under the bye-laws. If any holder fails to respond to this request or submits incomplete or inaccurate information, we may, in our sole discretion, eliminate or adjust the shareholder's voting rights.

Anti-takeover provisions in our bye-laws could impede an attempt to replace or remove our directors, which could diminish the value of our common shares.

Our bye-laws contain provisions that may entrench directors and make it more difficult for shareholders to replace directors even if the shareholders consider it beneficial to do so. In addition, these provisions could delay or prevent a change of control that a shareholder might consider favorable. For example, these provisions may prevent a shareholder from receiving the benefit from any premium over the market price of our common shares offered by a bidder in a potential takeover. Even in the absence of an attempt to effect a change in management or a takeover attempt, these provisions may adversely affect the prevailing market price of our common shares if they are viewed as discouraging changes in management and takeover attempts in the future.

Examples of provisions in our bye-laws that could have such an effect include the following:

- our Board may reduce the total voting power of any shareholder to avoid adverse tax, legal or regulatory consequences to us or any direct or indirect holder of our shares or its affiliates; and
- our Board may, in their discretion, decline to record the transfer of any common shares on our share register, if they are not satisfied that all required regulatory approvals for such transfer have been obtained or if they determine such transfer may result in a non-de minimis adverse tax, legal or regulatory consequence to us or any direct or indirect holder of shares or its affiliates.

It may be difficult for a third party to acquire us.

Provisions of our organizational documents may discourage, delay or prevent a merger, amalgamation, tender offer or other change of control that holders of our shares may consider favorable. These provisions impose various procedural and other requirements that could make it more difficult for shareholders to affect various corporate actions. These provisions could:

- have the effect of delaying, deferring or preventing a change in control of us;
- discourage bids for our securities at a premium over the market price;
- adversely affect the price of, and the voting and other rights of the holders of our securities; or
- impede the ability of the holders of our securities to change our management.

U.S. persons who own our shares may have more difficulty in protecting their interests than U.S. persons who are shareholders of a U.S. corporation.

The Companies Act in Bermuda, which applies to us, differs in certain material respects from laws generally applicable to U.S. corporations and their shareholders. As a result of these differences, U.S. persons who own our shares may have more difficulty protecting their interests than U.S. persons who own shares of a U.S. corporation. Set forth below is a summary of certain significant provisions of the Companies Act, including modifications adopted pursuant to our bye-laws, applicable to us, which differ in certain respects from provisions of Delaware corporate law. Because the following statements are summaries, they do not discuss all aspects of Bermuda law that may be relevant to us and our shareholders.

Interested Directors. Bermuda law provides that if a director has a personal interest in a transaction to which the company is also a party and if the director discloses the nature of this personal interest at the first opportunity, either at a meeting of directors or in writing to the directors, then the company will not be able to declare the transaction void solely due to the existence of that personal interest and the director will not be liable to the company for any profit realized from the transaction. In addition, Bermuda law and our bye-laws provide that, after a director has made the declaration of interest referred to above, he is allowed to be counted for purposes of determining whether a quorum is present and to vote on a transaction in which he has an interest, unless disqualified from doing so by the chairman of the relevant board meeting.

Under Delaware law, such transaction would not be voidable if:

- the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors;
- such material facts are disclosed or are known to the shareholders entitled;
- to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote thereon; or
- the transaction is fair as to the corporation as of the time it is authorized, approved or ratified.

Under Delaware law, such interested director could be held liable for a transaction in which such director derived an improper personal benefit.

Mergers and Similar Arrangements. The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Under our bye-laws, we may, with the approval of a majority of votes cast at a general meeting of our shareholders at which a quorum is present, amalgamate or merge with another Bermuda company or with a body incorporated outside Bermuda. In the case of an amalgamation or merger, a shareholder that did not vote in favor of the amalgamation or merger may apply to a Bermuda court for a proper valuation of such shareholder's shares if such shareholder is not satisfied that fair value has been paid for such shares. Under Delaware law, with certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. Under Delaware law, a shareholder of a corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction.

Shareholders' Suit. The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many U.S. jurisdictions. Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of the company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company, is illegal or would result in the violation of our memorandum of association or bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of our shareholders than actually approved it. The winning party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action. Our bye-laws provide that shareholders waive all claims or rights of action that they might have, individually or in the right of the company, against any director or officer for any act or failure to act in the performance of such director's or officer's duties, except with respect to any fraud or dishonesty of such director or officer. Class actions and derivative actions generally are available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Indemnification of Directors. We may indemnify our directors or officers in their capacity as directors or officers of any loss arising or liability attaching to them by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to the company other than in respect of his or her own fraud or dishonesty. Under Delaware law, a corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of such position if such director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, such director or officer had no reasonable cause to believe his or her conduct was unlawful. In addition, we have entered into indemnification agreements with our directors and officers.

We are a Bermuda company, and it may be difficult to enforce judgments against us or our directors and executive officers.

We are incorporated under the laws of Bermuda and our holding company is based in Bermuda. In addition, all of our directors and officers reside outside Bermuda and a substantial portion of our assets will be and the assets of these persons are, and will continue to be, located in jurisdictions outside Bermuda. As such, it may be difficult or impossible to effect service of process within the U.S. upon us or those persons or to recover against us or them on judgments of U.S. courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability, including the possibility of monetary damages, on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

We have been previously advised by Conyers Dill & Pearman Limited, our Bermuda counsel, that there is doubt as to whether the courts of Bermuda would enforce judgments of U.S. courts obtained in actions against us or our directors and officers, as well as the experts named in this Annual Report, predicated upon the civil liability provisions of the U.S. federal securities laws or original actions brought in Bermuda against us or these persons predicated solely upon U.S. federal securities laws. Further, we have been advised by Conyers Dill & Pearman Limited that there is no treaty in effect between the U.S. and Bermuda providing for the enforcement of judgments of U.S. courts, and there are grounds upon which Bermuda courts may not enforce judgments of U.S. courts. Some remedies available under the laws of U.S. jurisdictions, including some remedies available under the U.S. federal securities laws, may not be allowed in Bermuda courts as contrary to that jurisdiction's public policy. Because judgments of U.S. courts are not automatically enforceable in Bermuda, it may be difficult for you to recover against us based upon such judgments.

Employee Issues

We are dependent on our key executives. We may not be able to attract and retain key employees or successfully implement our business strategy.

Our success depends largely on our senior management, which includes, among others, Patrick J. Haveron, our Chief Executive Officer and Chief Financial Officer, and Lawrence F. Metz, our Executive Vice Chairman and Group President. We have entered into employment agreements with these executive officers.

In addition to the officers listed above, we require key staff with actuarial, legal, reinsurance, accounting and administrative skills. We have a significantly smaller staff and given our current business circumstances, it may be difficult for us to retain staff and recruit competent new executives and staff. Our inability to attract and retain additional personnel or the loss of the services of any of our senior executives or key employees could delay or prevent us from fully implementing our business strategy and could significantly and negatively affect our business.

Our business in Bermuda could be adversely affected by Bermuda employment restrictions.

Currently, Maiden Holdings employs six non-Bermudians who are work permit holders in our Bermuda office including Messrs. Haveron and Metz. Under Bermuda law, non-Bermudians (other than spouses of Bermudians and holders of permanent residents' certificates) may not engage in any gainful occupation in Bermuda without a valid government work permit. A work permit may be granted or renewed upon showing that, after proper public advertisement, no Bermudian, spouse of a Bermudian, or holder of a permanent resident's or working resident's certificate who meets the minimum standards reasonably required by the employer has applied for the job. Work permits are issued with expiry dates that range from one, two, three, four and five years. A waiver from advertising is automatically granted in respect of any chief executive officer position and other chief officer positions. We may not be able to use the services of one or more of our non-Bermudian employees if we are not able to obtain work permits for them, which could have a material adverse effect on our business, financial condition and results of operations.

International Operations

Our offices that operate in jurisdictions outside Bermuda and the U.S. are subject to certain limitations and risks that are unique to foreign operations.

Our international operations are regulated in various jurisdictions with respect to licensing requirements, currency, reserves, employees and other matters. International operations may be harmed by political developments in foreign countries, which may be hard to predict in advance. Regulations governing technical reserves and remittance balances in some countries may hinder remittance of profits and repatriation of assets.

The U.K.'s exit from the EU could adversely affect us.

The UK left the EU on January 31, 2020. Maiden LF and Maiden GF have subsequently established UK branches to enable us to continue underwriting in the UK post-Brexit. Maiden LF, UK Branch and Maiden GF, UK Branch were authorized by the Prudential Regulatory Authority and Financial Conduct Authority on May 30, 2022 and May 12, 2022 respectively. As a result, our regulatory compliance oversight and reporting requirements have increased.

The risks associated with the potential consequences that may follow Brexit, including volatility in financial markets, exchange rates and interest rates, remain uncertain. These uncertainties could increase the volatility of, or adversely affect, our investment results in particular periods or over time. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions and regulatory agencies which, in turn, could adversely affect our business, results of our operations and our financial condition.

Foreign currency fluctuations may reduce our net income and our capital levels, adversely affecting our financial condition.

We conduct business in a variety of non-U.S. currencies, the principal exposures being the euro and the British pound. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results of operations and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. While the Company may be able to match its foreign currency denominated assets against its net reinsurance liabilities both by currency and duration to protect the Company against foreign exchange and interest rate risks, a natural offset does not exist for all currencies.

We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results or equity may be reduced by fluctuations in foreign currency exchange rates that could materially adversely affect our financial condition and results of operations. At December 31, 2023, no such hedges or hedging strategies were in force or had been entered into.

Relationship with AmTrust

Significant changes in our reinsurance relationship with AmTrust have reduced our current and future revenues and create significant uncertainty for sources of future liquidity.

During 2019, we, through our subsidiary Maiden Reinsurance, executed the partial termination amendment ("Partial Termination Amendment") effective January 1, 2019 which amended the AmTrust Quota Share, the Final AmTrust QS Terminations, the AmTrust WC Commutation and several post-termination endorsements. These transactions served to eliminate all new premium revenues from AmTrust, return certain unearned premiums to AmTrust, commuted and returned certain workers' compensation loss reserves to AmTrust, capped the loss corridor on certain program business reinsured from AmTrust and increased the levels of collateral provided to AmTrust as security against the obligations the Company has assumed under the reinsurance contracts with AmTrust.

While these transactions have contributed significantly to the reduction in required regulatory capital needed to operate our business and the subsequent strengthening of our capital and solvency ratios, these transactions have resulted in a significant reduction in revenues which is likely to continue for the foreseeable future as we are not presently engaged in active reinsurance underwriting on prospective risks. As a result, our financial condition could be adversely affected by these actions. Due to this loss of revenue, we will need to rely on unrestricted cash from operations and returns on our investments to fund our operations, maintain liquidity and meet our financial obligations and capital allocation priorities. While we believe we have sufficient sources to meet these obligations, deterioration in our results of operations or other adverse financial events could impact our ability to continue meeting these obligations.

Our initial arrangements with AmTrust were negotiated while we were its affiliate. The arrangements could be challenged as not reflecting terms that we would agree to in arm's-length negotiations with an independent third party; moreover, our business relationship with AmTrust and its subsidiaries may present, and may make us vulnerable to, possible adverse tax consequences, difficult conflicts of interest, and legal claims that we have not acted in the best interest of our shareholders.

Effective July 1, 2007, we entered into a quota share agreement with AII, which reinsures AmTrust's insurance company subsidiaries, and a master agreement with AmTrust, as amended ("Master Agreement"), pursuant to which Maiden Reinsurance and AII entered into the AmTrust Quota Share. Because Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) collectively own or control approximately 55.2% of the outstanding common shares of Evergreen Parent, L.P., the ultimate parent of AmTrust, and our Founding Shareholders sponsored our formation, we may be deemed to be an affiliate of AmTrust.

Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the outstanding shares of the Company based on their most recent individual public filings. Due to our close business relationship with AmTrust, we may be presented with situations involving conflicts of interest with respect to the agreements and other arrangements we will enter into with AmTrust and its subsidiaries, exposing us to possible claims that we have not acted in the best interest of our shareholders. The arrangements between us and AmTrust were modified after they were originally entered into and there could be future modifications.

Our non-executive Chairman of the Board currently holds the positions of Chief Executive Officer and Chairman of AmTrust. These dual positions may present, and make us vulnerable to, difficult conflicts of interest and related legal challenges.

Barry Zyskind, our non-executive Chairman of the Board, is the Chief Executive Officer and Chairman of the Board of AmTrust and, as such, he does not serve our Company on a full-time basis. Mr. Zyskind is expected to continue in both of his positions for the foreseeable future. Conflicts of interest could arise with respect to business opportunities that could be advantageous to AmTrust or its subsidiaries, on the one hand, and us or our subsidiary, on the other hand. In addition, potential conflicts of interest may arise should the interests of the Company and AmTrust diverge. However, the Audit Committee of our Board, which consists entirely of independent directors, does exclusively review and approve all related party transactions.

The amount of collateral we provide to AmTrust could limit our unrestricted liquidity and impact our ability to fulfill our obligations in certain circumstances.

As a result of our use of trust accounts, funds withheld, letters of credit and a loan, a substantial portion of our assets will not be available to us for other uses, which could reduce our financial flexibility and could impact our ability to fulfill our obligations in certain circumstances. If further collateral is required to be provided to any other AmTrust subsidiaries under applicable law or regulatory requirements, Maiden Reinsurance will provide collateral to the extent required.

At December 31, 2023, we provided $449.1 million of collateral to AmTrust, AII and AEL in the form of trusts, letters of credit, funds withheld and a loan. This collateral includes $128.5 million transferred to AmTrust from existing trust accounts used for collateral on the AmTrust Quota Share to a funds withheld arrangement in January 2019, which currently has an annual interest rate of 3.5%, subject to annual adjustment. The annual interest rate was 2.1% for the duration of 2022.

Maiden Reinsurance is not a party to the reinsurance agreements between AII and AmTrust’s U.S. insurance subsidiaries or the related reinsurance trust agreements and has no rights thereunder. If one or more of these AmTrust subsidiaries withdraws Maiden Reinsurance’s assets from their trust account or misapplies withheld funds that are due to Maiden Reinsurance and that subsidiary is or becomes insolvent, we believe it may be more difficult for Maiden Reinsurance to recover any such amounts to which we are entitled than it would be if Maiden Reinsurance had entered into reinsurance and trust agreements with these AmTrust subsidiaries directly. AII has agreed to immediately return to Maiden Reinsurance any collateral provided by Maiden Reinsurance that one of those subsidiaries improperly utilizes or retains, and AmTrust has agreed to guarantee AII’s repayment obligation and AII’s payment obligations under its loan agreement with Maiden Reinsurance. We are subject to the risk that AII and/or AmTrust may be unable or unwilling to discharge these obligations.

Insurance and Reinsurance Markets

The property and casualty insurance and reinsurance industry is cyclical in nature, which may affect our overall financial performance.

Historically, the financial performance of the property and casualty insurance and reinsurance industry has tended to fluctuate in cyclical periods of price competition and excess capacity (known as a soft market) followed by periods of high premium rates and shortages of underwriting capacity (known as a hard market). Although the financial performance of an individual insurance or reinsurance company is dependent on its own specific business characteristics, the profitability of most property and casualty insurance and reinsurance companies tends to follow this cyclical market pattern.

In recent years, the market has been in a competitive environment in which underwriting capacity has expanded, risk selection became less disciplined and price competition increased sharply. During that period, market participants' capital levels have continued to improve due to positive earnings and improved values of risk assets over that time. In addition, an influx of new market participants with different operating models than traditional reinsurers such as us have entered the market place. While many of these new market participants specialize in property catastrophe oriented business and do not directly compete with us, they are influencing competitive conditions in the broader reinsurance market. This additional underwriting capacity resulted in increased competition from other insurance and reinsurance companies expanding the types or amounts of business they write, or from companies seeking to maintain or increase market share at the expense of underwriting discipline.

Because this cyclicality is due in large part to the actions of our competitors and general economic factors beyond our control, we cannot predict with certainty the timing or duration of changes in the market cycle. These cyclical patterns, the actions of our competitors, and general economic factors could cause our revenues and net income to fluctuate, which may cause the price of our common shares to be volatile. The ultimate outcome of these events and their market impact is not known at this time.

Negative developments in the U.S. workers’ compensation insurance industry could adversely affect our financial condition and results of operations.

Approximately 40.2% of our AmTrust Reinsurance segment's reserve for loss and LAE at December 31, 2023 was related to the reinsurance of U.S. workers' compensation risks which is our largest exposure to a particular line of business. Our AmTrust Reinsurance segment includes all business ceded by AmTrust to Maiden Reinsurance, primarily the AmTrust Quota Share and the European Hospital Liability Quota Share. Both contracts in this segment have been terminated effective January 1, 2019. Negative developments in the economic, competitive or regulatory conditions affecting the U.S. workers’ compensation insurance industry could have an adverse effect on our financial condition and results of operations. For example, if legislators in our larger markets were to enact legislation to increase the scope or amount of benefits for employees under U.S. workers’ compensation insurance policies without related loss control measures, or if regulators made other changes to the regulatory system governing U.S. workers’ compensation insurance, this could negatively affect the U.S. workers’ compensation insurance industry in the affected markets.

Reinsurance is a highly competitive industry.

The reinsurance industry is highly competitive. While we are not currently engaged in active reinsurance underwriting of new prospective risks, we are writing risks on a retroactive basis and compete with major U.S. and non-U.S. reinsurers, including other Bermuda-based reinsurers, on an international and regional basis. Many of these entities have significantly larger amounts of capital, higher ratings from rating agencies and more resources than us. We currently do not have a financial strength or credit rating from S&P or A.M. Best and the lack of such ratings will likely limit the opportunities we have to write new reinsurance business if we resume active underwriting of new prospective risks. Historically, periods of increased capacity levels in our industry have led to increased competition which puts pressure on reinsurance pricing.

In recent years, significant increases in the use of risk-linked securities and derivative and other non-traditional risk transfer mechanisms and vehicles are being developed and offered by other parties, including entities other than insurance and reinsurance companies. The availability of both these non-traditional products and sources of capital could reduce the demand for traditional insurance and reinsurance, and if we were to resume active reinsurance underwriting of new prospective risks, it may result in fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention and less favorable policy terms and conditions, which could have a material adverse impact on our growth and profitability.

Consolidation in the insurance and reinsurance industry and increased competition on premium rates could lead to lower margins for us and less demand for our products and services if and when we resume active reinsurance underwriting of new prospective risks.

The insurance and reinsurance industry continues to undergo a process of consolidation as industry participants seek to enhance their product and geographic reach, client base, operating efficiency and general market power through merger and acquisition activities. It is possible that the larger combined entities resulting from these mergers and acquisition activities may seek to use the benefits of consolidation, including improved efficiencies and economies of scale, to, among other things, implement price reductions for their products and services to increase their market shares. Consolidation among primary insurance companies may also lead to reduced use of reinsurance as the resulting larger companies may be able to retain more risk and may also have bargaining power in negotiations with reinsurers.

We are not presently engaged in active reinsurance underwriting of new prospective risks. If and when we do decide to resume active reinsurance underwriting of new prospective risks, these competitive pressures could compel us to write business at unprofitable operating margins.

As the insurance and reinsurance industry consolidates, competition may become more intense and the importance of acquiring and properly servicing each customer will become greater. If and when we do decide to resume active reinsurance underwriting on prospective risks, we could incur greater expenses relating to customer acquisition and retention, which could reduce our operating margins. When the property-casualty insurance industry has exhibited a greater degree of competition, premium rates have come under downward pressure as a result.

Taxation

We may become subject to taxes in Bermuda after 2035, which may have a material adverse effect on our financial condition and operating results and on an investment in our shares.

The Bermuda Minister of Finance, under the Exempted Undertakings Tax Protection Act 1966, as amended, of Bermuda, has given Maiden Holdings an assurance that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to Maiden Holdings, or any of its respective operations or its respective shares, debentures or other obligations (except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by them in respect of real property or leasehold interests in Bermuda held by it) until March 31, 2035. Given the limited duration of the Minister of Finance's expected assurance, we cannot be certain that we will not be subject to any Bermuda tax after March 31, 2035. Since Maiden Holdings is incorporated in Bermuda, we will be subject to changes in law or regulation in Bermuda that may have an adverse impact on our operations, including imposition of tax liability.

OECD two-pillar solution to address the tax challenges arising from the digital economy may apply to our activities.

On May 31, 2019, the OECD published a "Programme of Work" designed to address the tax challenges created by an increasing digitalized economy which was divided into two pillars. Pillar One addresses the broader challenge of a digitalized economy and focuses on the allocation of group profits among taxing jurisdictions based on a market based concept rather than historical "permanent establishment" concepts, but includes explicit exclusions for Regulated Financial Services, so is not expected to have a material impact on insurance and reinsurance groups. Pillar Two addresses the remaining BEPS risk of profit shifting to entities in low tax jurisdictions by introducing a global minimum tax and a proposed tax on base eroding payments, which would operate through a denial of a deduction or imposition of source-based taxation (including withholding tax) on certain payments.

In 2021, significant steps were taken to develop a plan for implementing the two-pillar solution. In October 2021, the OECD/G20 Inclusive Framework released a statement agreeing a two-pillar solution to address the tax challenges arising from the digital economy. In December 2021, the OECD issued Pillar Two model rules for domestic implementation of the global minimum tax and shortly thereafter the European Commission proposed a Directive to implement the Pillar Two rules into EU law, which required EU member states to transpose the rules into their national laws by December 31, 2023 with certain measures initially coming into effect from January 1, 2024. In 2023, a number of jurisdictions (including Sweden and the UK) passed legislation to implement the OECD/G20's model rules into domestic law with effect from January 1, 2024.

The proposals, in particular in relation to Pillar Two, are broad in scope and include a number of exemptions which may be available to us, however we are unable to determine at this time the extent to which the proposals will impact our operations and results.

We may be subject to U.S. federal income tax, which would have an adverse effect on our financial condition and results of operations and on an investment in our shares.

If Maiden Holdings or one of its non-U.S. subsidiaries were considered to be engaged in a trade or business in the U.S., it could be subject to U.S. federal income and additional branch profits taxes on the portion of its earnings that are effectively connected to such U.S. business. Maiden Holdings is a Bermuda-based holding company. We intend to manage our business so that Maiden Holdings and its non-U.S. subsidiaries operate in such a manner that none of these companies should be treated as engaged in a U.S. trade or business and, thus, should not be subject to U.S. federal taxation (other than the U.S. federal excise tax on insurance and reinsurance premium income attributable to insuring or reinsuring U.S. risks and U.S. federal withholding tax on certain U.S. source investment income). Maiden Reinsurance is currently subject to U.S. taxation as a domestic corporation from the effective date of its re-domestication to the State of Vermont on March 16, 2020.

However, there is considerable uncertainty as to which activities constitute being engaged in a trade or business within the U.S., so we cannot be certain that the IRS will not contend successfully that Maiden Holdings and/or any of its non-U.S. subsidiaries are engaged in a trade or business in the U.S.

Net operating losses ("NOL") (and certain other tax attributes or tax benefits of the Maiden NA tax group) may be subject to limitation under Section 382 of the Tax Code.

Maiden NA has significant tax NOL carryforwards as of December 31, 2023. As a result of the Maiden NA NOL and other tax attributes, the Company presently has a net deferred tax asset with a full valuation allowance against it which may be recognized in future periods. It is possible that certain ownership changes of Maiden NA, if they were to occur, could result in an “ownership change” of Maiden NA for purposes of Section 382 of the Tax Code. If such an ownership change (as defined) were to occur, the value and amount of the Maiden NA NOL would be substantially impaired, increasing the U.S. federal income tax liability of Maiden NA and materially reducing the value of Maiden NA. Should the NOL be limited in any way, it could also limit or eliminate the Company's ability to recognize and realize that asset in the future.

U.S. Persons who hold our shares may be subject to U.S. federal income taxation at ordinary income rates on their proportionate share of Maiden Reinsurance’s RPII.

If U.S. persons are treated as owning 25% or more of Maiden Holdings’ shares (by vote or by value) (as is expected to be the case) and the RPII of a non-U.S. insurance subsidiary of Maiden Holdings (determined on a gross basis) were to equal or exceed 20% of its gross insurance income in any taxable year and direct or indirect insureds (and persons related to those insureds) own directly or indirectly through entities 20% or more of the voting power or value of our shares, then a U.S. Person who owns any shares of a non-U.S. insurance subsidiary of Maiden Holdings (directly or indirectly through non-U.S. entities) on the last day of the taxable year would be required to include in its income for U.S. federal income tax purposes such person’s pro rata share of such non-U.S. insurance subsidiary’s RPII for the entire taxable year, determined as if such RPII were distributed proportionately only to U.S. Persons at that date, regardless of whether such income is distributed. In addition, any RPII that is includible in the income of a U.S. tax-exempt organization generally will be treated as unrelated business taxable income. The amount of RPII earned by a non-U.S. insurance subsidiary of Maiden Holdings (generally, premium and related investment income from the direct or indirect insurance or reinsurance of any direct or indirect U.S. holder of shares or any person related to such holder) will depend on a number of factors, including the identity of persons directly or indirectly insured or reinsured by a non-U.S. insurance subsidiary.

We believe that either (i) the direct or indirect insureds of Maiden Holdings (and related persons) should not directly or indirectly own 20% or more of either the voting power or value of our shares or (ii) the RPII (determined on a gross basis) of a non-U.S. insurance subsidiary of Maiden Holdings should not equal or exceed 20% of its gross insurance income for the taxable year. However, we cannot be certain that this will be the case because some of the factors which determine the extent of RPII may be beyond our control.

U.S. Persons who dispose of our shares may be subject to U.S. federal income taxation at the rates applicable to dividends on a portion of their gains if any.

The RPII rules provide that if a U.S. Person disposes of shares in a non-U.S. insurance corporation in which U.S. Persons own 25% or more of the shares (even if the amount of gross RPII is less than 20% of the corporation’s gross insurance income or the ownership of its shares by direct or indirect insureds and related persons is less than the 20% threshold), any gain from the disposition will generally be treated as a dividend to the extent of the holder’s share of the corporation’s undistributed earnings and profits that were accumulated during the period that the holder owned the shares (whether or not such earnings and profits are attributable to RPII). In addition, such a holder will be required to comply with certain reporting requirements, regardless of the number of shares owned by the holder. These RPII rules should not apply to dispositions of our shares because Maiden Holdings will not be directly engaged in the insurance business. The RPII provisions, however, have never been interpreted by the courts or the U.S. Treasury Department in final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form.

Further, recently proposed regulations could, if finalized in their current form, substantially expand the definition of RPII to include insurance income of our non-U.S. subsidiaries with respect to certain affiliate reinsurance transactions. If these proposed regulations are finalized in their current form, it could limit the Company’s ability to execute affiliate reinsurance transactions that would otherwise be undertaken for non-tax business reasons in the future and could increase the risk that potential exceptions to the RPII rules would not be available in a particular taxable year, which could result in RPII being taxable to certain U.S. persons holding our shares. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of the RPII rules by the IRS, the courts, or otherwise, might have retroactive effect. The U.S. Treasury Department has authority to impose, among other things, additional reporting requirements with respect to RPII. Accordingly, the meaning of the RPII provisions and the application thereof to Maiden Holdings and its non-U.S. insurance subsidiary's is uncertain. Prospective investors are urged to consult their tax advisors with respect to these rules.

U.S. Persons who hold our shares will be subject to adverse U.S. federal income tax consequences if Maiden Holdings is considered to be a passive foreign investment company.

If Maiden Holdings is considered a PFIC for U.S. federal income tax purposes, a U.S. Person who owns directly or, in some cases, indirectly (e.g. through a non-U.S. partnership) any of our shares will be subject to adverse U.S. federal income tax consequences, including subjecting the investor to a greater tax liability than might otherwise apply and subjecting the investor to a tax on amounts in advance of when such tax would otherwise be imposed, in which case your investment could be materially adversely affected. In addition, if Maiden Holdings were considered a PFIC, upon the death of any U.S. individual owning our shares, such individual's heirs or estate would not be entitled to a "step-up" in the basis of the shares which might otherwise be available under U.S. federal income tax laws. We believe that we are not, and we currently do not expect to become, a PFIC for U.S. federal income tax purposes; however, there can be no assurance that we will not be deemed a PFIC by the IRS. As discussed below, the IRS issued final and proposed PFIC regulations. New regulations or pronouncements interpreting or clarifying these rules may be forthcoming. We cannot predict what impact, if any, such guidance would have on a shareholder that is subject to U.S. federal income taxation.

U.S. Persons who hold 10% or more of Maiden Holdings' shares directly or through foreign entities may be subject to taxation under the U.S. CFC rules.

Each 10% U.S. shareholder of a foreign corporation that is a CFC at any time during a taxable year that owns shares in the foreign corporation directly or indirectly through foreign entities on the last day of the foreign corporation's taxable year during which it is a CFC must include in its gross income for U.S. federal income tax purposes its pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. In addition, upon a sale of shares of a CFC, certain 10% U.S. shareholders may be subject to U.S. federal income tax on a portion of their gain at ordinary income rates.

The Company believes that because of the dispersion of the share ownership in Maiden Holdings, no U.S. Person who owns Maiden Holdings' shares directly or indirectly through foreign entities should be treated as a 10% U.S. shareholder of Maiden Holdings or of any of its foreign subsidiaries. However, Maiden Holdings' shares may not be as widely dispersed as we believe due to, for example, the application of certain ownership attribution rules, and no assurance may be given that a U.S. Person who owns our shares will not be characterized as a 10% U.S. shareholder, in which case such U.S. Person may be subject to taxation under U.S. CFC rules.

The 2017 U.S. tax reform legislation, as well as possible future tax legislation and regulations, could materially adversely affect an investment in our shares.

The 2017 Act amends a range of U.S. federal tax rules applicable to individuals, businesses and international taxation, with certain provisions intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the U.S. but have certain U.S. connections and U.S. persons investing in such companies. For example, the 2017 Act includes a BEAT that could make affiliate reinsurance between U.S. and non-U.S. members of our group economically unfeasible. In addition, the 21% corporate income tax rate could lead to higher after-tax income for most U.S. insurance companies in the long term that could result in increased competition for our products and services.

The 2017 Act may also increase the likelihood that we or our non-U.S. subsidiaries will be deemed to be CFCs for U.S. federal tax purposes. Specifically, the 2017 Act expands the definition of "10% U.S. shareholder" for CFC purposes to include U.S. persons who own 10% or more of the value of a foreign corporation's shares, rather than only looking to voting power held. As a result, the "voting cut-back" provisions included in our Amended and Restated Bye-laws that limit the voting power of any shareholder to 9.5% of the total voting power of our capital stock will be ineffective in avoiding "10% U.S. shareholder" status for U.S. persons who own 10% or more of the value of our shares. The 2017 Act also expands certain attribution rules for stock ownership in a way that would cause foreign subsidiaries in a foreign parented group that includes at least one U.S. subsidiary to be treated as CFCs. In the event a corporation is characterized as a CFC, any "10% U.S. shareholder" of the CFC is required to include its pro rata share of certain insurance and related investment income in income for a taxable year, even if such income is not distributed. In addition, U.S. tax exempt entities subject to the unrelated business taxable income ("UBTI") rules that own 10% or more of the value of our non-U.S. subsidiaries that are characterized as CFCs may recognize UBTI with respect to such investment.

In addition to changes in the CFC rules, the 2017 Act contains modifications to certain provisions relating to PFIC status that could, for example, discourage U.S. persons from investing in our company. The 2017 Act makes it more difficult for a non-U.S. insurance company to avoid PFIC status under an exception for certain non-U.S. insurance companies engaged in the active conduct of an insurance business. The 2017 Act limits this exception to a non-U.S. insurance company that would be taxable as an insurance company if it were a U.S. corporation and that maintains insurance liabilities of more than 25% of such company's assets for a taxable year (or maintains reserves that at least equal 10% of its assets, is predominantly engaged in an insurance business and satisfies a facts and circumstances test that requires a showing that the failure to exceed the 25% threshold is due to runoff-related or rating-related circumstances) (the "Reserve Test"). In addition, the IRS recently issued final and proposed regulations (the "2020 Regulations") intended to clarify the application of the PFIC provisions to an insurance company and provide guidance on a range of issues relating to PFICs including the application of the look-through rule, the treatment of income and assets of certain U.S. insurance subsidiaries for purposes of the look-through rule and the extension of the look-through rule to 25% or more owned partnerships.

The 2020 Regulations define insurance liabilities for purposes of the Reserve Test, tighten the Reserve Test and the statutory cap on insurance liabilities, and provide guidance on the runoff-related and rating-related circumstances for purposes of qualifying as a qualifying insurance corporation under the alternative test (including tightening the scope of non-U.S insurers that can qualify for the rating-related circumstances test). The 2020 Regulations also propose that a non-U.S. insurer will qualify for the insurance company exception only if a factual requirements test or an active conduct percentage test is satisfied. The factual requirements test will be met if the non-U.S. insurer's officers and employees perform its substantial managerial and operational activities (taking into account activities of officers and employees of certain related entities in certain cases). The active conduct percentage test will be satisfied if (1) the total costs incurred by the non-U.S. insurer with respect to its officers and employees (including officers and employees of certain related entities) for services related to core functions (other than investment activities) equal at least 50% of the total costs incurred for all such services and (2) the non-U.S. insurer's officers and employees oversee any part of the non-U.S. insurer's core functions, including investment management, that are outsourced to an unrelated party. Services provided by officers and employees of certain related entities are only taken into account in the numerator of the active conduct percentage if the non-U.S. insurer exercised regular oversight and supervision over such services and compensation arrangements meet certain requirements. The 2020 Regulations also propose that a non-U.S. insurer with no or a nominal number of employees that relies exclusively or almost exclusively upon independent contractors (other than certain related entities) to perform its core functions. While we believe that our non-U.S. insurance subsidiaries have met, and will continue to meet, the Reserve Test and that we should not be characterized as a PFIC for the foreseeable future, we cannot assure you that this will continue to be the case in future years.

Impact of U.S. Tax Reform

We are unable to predict all the ultimate impacts of the 2017 Act and other proposed tax reform regulations and legislation on our business and results of operations. It is possible the IRS will construe the intent of the 2017 Act as having been reduce or eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domicile outside the U.S., and its interpretation, enforcement actions or regulatory changes could increase the impact of the 2017 Act beyond prevailing current assessments or our own estimates. Further, it is possible that other legislation could be introduced and enacted in the future that would have an adverse impact on us. These events and trends towards more punitive taxation of cross border transactions could in the future materially adversely impact the insurance and reinsurance industry and our own results of operations by increasing taxation of certain activities and transactions in our industry. Accordingly, we cannot reliably estimate what the potential impact of any such changes could be to us or our non-U.S. subsidiaries or investors or the market generally, however, it is possible these changes could materially adversely impact our results of operations.

We may be subject to U.K. taxes, which would have an adverse effect on our financial condition and results of operations and on an investment in our shares.

A company which is resident in the U.K. for U.K. corporation tax purposes is subject to U.K. corporation tax in respect of its worldwide income and gains. While Maiden Global is a U.K. company, neither Maiden Holdings nor Maiden Reinsurance are incorporated in the U.K. Nevertheless, Maiden Holdings or Maiden Reinsurance would be treated as being resident in the U.K. for U.K. corporation tax purposes if its central management and control were exercised in the U.K. The concept of central management and control is indicative of the highest level of control of a company's affairs, which is wholly a question of fact. The directors and officers of both Maiden Holdings and Maiden Reinsurance intend to manage their affairs so that both companies are resident in Bermuda, and not resident in the U.K., for U.K. tax purposes. However, HM Revenue & Customs could challenge our tax residence status.

A company which is not resident in the U.K. for U.K. corporation tax purposes can nevertheless be subject to U.K. corporation tax at the rate of 25% if it carries on a trade in the U.K. through a permanent establishment in the U.K., but the charge to U.K. corporation tax is limited to profits (both income profits and chargeable gains) attributable directly or indirectly to such permanent establishment.

The directors and officers of Maiden Reinsurance intend to operate the business of Maiden Reinsurance in such a manner that it does not carry on a trade in the U.K. through a permanent establishment in the U.K. Nevertheless, HM Revenue & Customs might contend successfully that Maiden Reinsurance is trading in the U.K. through a permanent establishment in the U.K. because there is considerable uncertainty as to the activities which constitute carrying on a trade in the U.K. through a permanent establishment in the U.K.

The U.K. has no income tax treaty with Bermuda. Companies that are neither resident in the U.K. nor entitled to the protection afforded by a double tax treaty between the U.K. and the jurisdiction in which they are resident are liable to income tax in the U.K., at the basic rate of 20%, on the profits of a trade carried on in the U.K., where that trade is not carried on through a permanent establishment in the U.K. The directors and officers of Maiden Reinsurance intend to operate the business in such a manner that Maiden Reinsurance will not fall within the charge to income tax in the U.K. (other than by way of deduction or withholding).

In addition, diverted profits tax ("DPT") applies to foreign companies with sales in the U.K. (such as Maiden Reinsurance) that design their affairs to avoid creating a taxable presence (in the form of a permanent establishment) in the U.K., or to U.K. companies that enter into transactions with connected companies which lack economic substance to exploit differentials in tax rates. DPT is charged at 31% of the profits representing the contribution of the U.K. activities to the group's results.

If either Maiden Holdings or Maiden Reinsurance were treated as being resident in the U.K. for U.K. corporation tax purposes, or if Maiden Reinsurance were treated as carrying on a trade in the U.K., whether through a permanent establishment or otherwise, or if DPT applied, the results of our operations would be materially adversely affected.

Any arrangements (including with regard to the provision of services or financing) between Maiden Global and any non-U.K. resident members of the group are subject to the U.K. transfer pricing regime. Consequently, if any such arrangement were found not to be on arm's length terms and, as a result, a U.K. tax advantage was being obtained, an adjustment would be required to compute U.K. tax profits as if such arrangement were on arm's length terms. Any transfer pricing adjustment could adversely impact the tax charge suffered by Maiden Global. The U.K. has implemented the BEPS recommendation for "country-by-country" reporting. As a result, our approach to transfer pricing may become subject to greater scrutiny from the U.K. tax authorities.

Clients, Brokers and Financial Institutions

Our retroactive underwriting utilizes reinsurance brokers and other producers, including third party administrators and financial institutions, and the failure to develop or maintain these relationships could materially adversely affect our ability to market our products and services should we begin to pursue active reinsurance underwriting.

While we do not presently engage in active reinsurance underwriting of prospective risks, we have recently underwritten retroactive risks and source certain of those opportunities from brokers and other producers, thus our failure to further develop or maintain relationships with brokers and other producers, including third party administrators and financial institutions, from whom we expect to receive our business could have a material adverse effect on our business, financial condition and results of operations.

Our reliance on brokers subjects us to their credit risk.

In accordance with industry practice, we anticipate that we will frequently pay amounts owed on claims under our reinsurance contracts to brokers, and these brokers in turn are required to pay and will pay these amounts over to the clients that have purchased reinsurance from us. If a broker fails to make such a payment, it is highly likely that we will be liable to the client for the deficiency under local laws or contractual obligations, notwithstanding the broker's obligation to make such payment. Likewise, when the client pays premiums for these policies to brokers for payment over to us, these premiums are considered to have been paid and, in most cases, the client will no longer be liable to us for those amounts, whether or not we actually receive the premiums from the brokers. Consequently, we will assume a degree of credit risk associated with brokers with whom we work with respect to some of our reinsurance business.

We could incur substantial losses and reduced liquidity if one of the financial institutions we use in our operations fails.

We have exposure to counterparties in many different industries and routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, and other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty. In addition, with respect to secured transactions, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the obligation.

We maintain cash balances, including restricted cash held in trust accounts, significantly in excess of the Federal Deposit Insurance Corporation insurance limits at various depository institutions. We also maintain cash balances in foreign banks and institutions. If one or more of these financial institutions were to fail, our ability to access cash balances may be temporarily or permanently limited, which could have a material adverse effect on our results of operations, financial condition or cash flows.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

The Company employs a comprehensive, cross-departmental approach to continuously assess, identify, and manage potential cybersecurity risks. Our cybersecurity risk management program involves collaboration between our employees, the information technology ("IT") team, our Chief Information Security Officer ("CISO"), and our Enterprise Risk Management Committee, as overseen by the Board of Directors, primarily through its Audit Committee. The Company's cybersecurity policies, standards, processes, and practices are integrated into the Company's overall risk management program and we regularly consider cybersecurity risks in the context of material risks to the Company.

Our cybersecurity risk management program categorizes cybersecurity risks into five areas: identify, protect, detect, respond, and recover. We regularly assess the cybersecurity threat landscape, employing a layered cybersecurity strategy that emphasizes prevention, detection, and mitigation through a variety of technical and operational measures. As a part of our cybersecurity risk management program, our information security program is tailored to address identified risks, while aligning with pertinent business requirements.

We foster a shared responsibility for the Company's cybersecurity with all our employees, conducting periodic phishing simulation campaigns and providing regular, mandatory security awareness training to enhance awareness and readiness against cyber threats. Certain roles require additional role-based, specialized cybersecurity training. To protect our data and information systems, we maintain Company-wide cybersecurity policies and procedures regarding encryption standards, malware protection, remote access, multifactor authentication, confidential information, and internet, social media, email, and wireless device usage. The CISO and IT team review and update such policies and procedures to adapt to evolving cybersecurity landscapes, industry best practices, and regulatory and statutory updates. Our CISO conducts thorough reviews of these updates at least annually to ensure their continued relevance and effectiveness in safeguarding the Company's assets and business interests.

We continually seek to improve our cybersecurity posture, encompassing end-user training, layered defenses, critical asset identification and protection, enhanced monitoring and alerting, and engagement with third-party experts as needed to evaluate the efficacy of our security measures. We engage reputable third-party tools and products to assist in the monitoring, protection, detection, and potential remediation of cybersecurity threats and incidents. We also regularly evaluate cybersecurity risks associated with our use of third-party service providers, conducting an annual review of hosted applications and assessing their cybersecurity preparedness.

Cybersecurity Governance and Oversight

Our CISO is primarily responsible for the assessment and management of the Company's material cybersecurity risks and the related cybersecurity risk management policies and procedures. Our CISO oversees our cybersecurity risk management and information security programs and provides quarterly status reports to the Audit Committee. Our CISO possesses over 25 years of experience in various technology and cybersecurity operations, holds the following certifications from ISC2, Information Systems Security Management Professional (ISSMP), Certified Information Systems Security Professional (CISSP), Certified Cloud Security Professional (CCSP), Certified in Governance, Risk and Compliance (CGRC) as well as ISACA certifications of Certified Information Security Manager (CISM) and Certified in Risk and Information Systems Control (CRISC). Other key members of management assist our CISO in the oversight of cybersecurity risk management.

We have established an incident response team which is composed of individuals from our various IT and managerial functions and consults with members of internal departments, as needed to perform an impact analysis of security incidents which may have a material affect on the Company,

The Audit Committee has responsibility for oversight of information and cybersecurity risks and assessment of cyber threats and defenses, and it oversees management to ensure that the processes designed, implemented, and maintained with respect to such risks are functioning as intended and adapted when necessary to respond to changes in our strategy, as well as emerging risks. Given the importance of information security and cybersecurity to our stakeholders, our Enterprise Risk Management Committee and our Audit Committee review quarterly reports from our CISO regarding the Company's cybersecurity strategies for mitigating known risks, newly identified risks, existing projects, and key performance insights and engage in discussions with management based on such reports and other recent developments.

Cybersecurity Incident Reporting and Management

We have not identified any cybersecurity incidents that have materially affected or vulnerabilities to cybersecurity threats that are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. However, we remain vigilant and prepared to respond effectively to any incidents, should they arise.

Item 2. Properties.

We currently lease office space in Pembroke, Bermuda (our corporate headquarters), New York, the U.K., Sweden and Germany for the operation of our business. We renew and enter into new leases in the ordinary course of business as needed. We believe that the office space from these leased properties is sufficient for us to conduct our operations for the foreseeable future. To date, the cost of acquiring and maintaining our office space has not been material to us as a whole.

Item 3. Legal Proceedings.

We may become involved in various claims and legal proceedings that arise in the normal course of our business, which are not likely to have a material adverse effect on our financial position, results of operations or liquidity.

Except as noted below, we are not a party to any material legal proceedings. From time to time, we are subject to routine legal proceedings, including arbitrations, arising in the ordinary course of business. These legal proceedings generally relate to claims asserted by or against us in the ordinary course of insurance or reinsurance operations. Based on our opinion, the eventual outcome of these legal proceedings is not expected to have a material adverse effect on our financial condition or results of operations.

In April 2009, we learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistleblowing in violation of the whistleblower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, back pay and legal fees incurred. On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin's claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011. On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014 and concluded in November 2018. On September 2, 2021, Administrative Law Judge Theresa C. Timlin of the U.S. Department of Labor issued a decision and order which denied Mr. Turin's complaint in full. On September 16, 2021, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On June 29, 2023, the Administrative Review Board issued a decision and order which summarily affirmed the September 2, 2021 decision and order of the Administrative Law Judge. The decision and order of the Administrative Review Board became the final order of the Secretary of Labor on July 27, 2023. On July 28, 2023, Mr. Turin filed a petition for review of the final order of the Secretary of Labor in the United States Court of Appeals for the Second Circuit. The Secretary of Labor is the respondent before the Second Circuit and the Court granted the Company's petition to intervene in order to present its position to the Court. The parties are awaiting a briefing order.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the "Amended Complaint"). The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings' representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants' motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis. On February 7, 2023, the District Court denied Plaintiffs' motion for reconsideration of the District Court's decision denying Plaintiffs' objection to the Magistrate Judge's December 2021 ruling on discovery. On May 26, 2023, the Company filed a Renewed Motion to Dismiss the Second Amended Complaint or, in the Alternative, for Summary Judgment, which has been fully briefed. On December 19, 2023, the U.S. District Court for the District of New Jersey granted summary judgment on plaintiffs' claim for securities fraud under Section 10(b) of the Securities Exchange Act to Maiden Holdings, Ltd. and individual defendants Arturo Raschbaum, Karen Schmitt, and John Marshalek. The Court held that the factual record failed to support, as a matter of law, plaintiffs' allegations that the defendants had made false statements regarding the Company's loss reserves. The Court also dismissed plaintiffs' claims that the individual defendants were liable as control persons under Section 20(a) of the Securities Exchange Act for any such alleged false statements. Plaintiffs have appealed to the United States Court of Appeals for the Third Circuit.

We believe the claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common shares began publicly trading on NASDAQ Stock Market LLC ("NASDAQ") under the symbol "MHLD" on May 6, 2008 and currently trades on the NASDAQ Capital Market. At March 7, 2024, the closing sale price of our common share was $1.41 per share and there were 20 holders of record of our common shares. This figure does not represent the actual number of beneficial owners of our common shares because shares are frequently held in "street name" by securities dealers and others for the benefit of beneficial owners who may vote the shares.

No dividends have been declared by our Board on our common shares since the third quarter of 2018. The future declaration and payment of dividends to common shareholders will be at the discretion of our Board subject to specified legal, regulatory, financial and other restrictions. Please see "*Notes to Consolidated Financial Statements - Note 15 — Statutory Requirements and Dividend Restrictions*" under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for discussion regarding dividend restrictions on subsidiary's ability to transfer funds to Maiden Holdings.

On February 21, 2017, our Board approved the repurchase of up to $100.0 million of our common shares from time to time at market prices. During the year ended December 31, 2023, Maiden Reinsurance repurchased 1,439,575 common shares at an average price per share of $1.83 under our authorized share repurchase plan (2022 - none). The Company's remaining authorization for common share repurchases was $71.6 million at December 31, 2023 (December 31, 2022 - $74.2 million). No repurchases of common shares were made subsequent to December 31, 2023 and through the period ended March 12, 2024 under the Company's share repurchase authorization plan.

During the year ended December 31, 2023, we repurchased a total of 128,731 (2022 - 403,716) common shares at an average price of $2.25 per share (2022 - $2.50) from employees, which represent tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Exchange of Preference Shares

On December 27, 2022, the Company completed the Exchange with record holders of the Series A, C and D Preference Shares. The Company offered three common shares as consideration for each share of the Series A, C and D Preference Shares tendered. A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were accepted, resulting in the issuance of 14,360,652 common shares to non-affiliates at a fair value of $28.4 million. The Exchange was accounted for as an extinguishment resulting in derecognition of the $119.7 million carrying amount of Series A, C and D Preference Shares tendered, elimination of $4.0 million of original issuance costs, recognition of the $25.9 million excess of the fair value of the common shares issued over par value, net of $2.4 million issuance costs, as additional paid in capital, and recognition of the $87.2 million excess of the carrying amount of the Preference Shares redeemed over the fair value of the common shares issued as an increase to retained earnings.

The number of the Company's Series A, C and D Preference Shares held by Maiden Reinsurance pursuant to the tender offer in 2020 to repurchase Preference Shares and the Board authorizations to repurchase Preference Shares approved on March 3, 2021 and May 6, 2021 ("2021 Preference Share Repurchase Program") was 13,813,116 as at December 27, 2022. Therefore, 41,439,348 common shares were issued to Maiden Reinsurance in exchange for the Preference Shares held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding shares on December 31, 2023.

As a result of the Exchange, the Preference Shares were delisted and no longer trade on the New York Stock Exchange, and there are no remaining issued and outstanding Preference Shares as at December 31, 2023. All rights of the former holders related to ownership of the Preference Shares terminated upon completion of the Exchange.

Equity Compensation Plans

Please see "*Notes to Consolidated Financial Statements - Note 14. Share Compensation and Pension Plans"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion about the Company's equity compensation plans.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K and Item 1, "*Business - General Overview"*. Except as explicitly described as discontinued operations, and unless otherwise noted, all discussions and amounts presented herein relate to the Company's continuing operations except for net income (loss) and net income available to Maiden common shareholders. Amounts in tables may not reconcile due to rounding differences. Some of the information contained in this discussion and analysis or set forth elsewhere in this Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risk and uncertainties. Please see the "*Special Note About Forward-Looking Statements*" in this Annual Report on Form 10-K for more information on factors that could cause actual results to differ materially from the results described in or implied by any forward-looking statements contained in this discussion and analysis. You should review the "*Risk Factors*" set forth in this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained herein.

Overview

Maiden Holdings is a Bermuda-based holding company. We create shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets mostly in the insurance and related financial services industries where we can leverage our deep knowledge of those markets.

As discussed in the *"Legacy Underwriting – Update"* below, we have fulfilled our capital commitment to GLS and determined not to commit any further capital to GLS for new accounts. Further, we presently do not anticipate any further contracts in the legacy management segment, as we no longer consider it part of our strategy to produce acceptable shareholder returns.

We are not currently underwriting reinsurance business on new prospective risks but have recently underwritten risks on a retroactive basis through GLS. We have various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust which we terminated in 2019 as discussed in "*Note 10 — Related Party Transactions"* included in Part II Item 8. *"Financial Statements and Supplementary Data"*. In addition, we have an LPT/ADC Agreement with Cavello and a commutation agreement that further reduces our exposure to and limits the potential volatility related to our AmTrust liabilities in run-off, as discussed in "*Note 8 — Reinsurance*" included in Part II Item 8. *"Financial Statements and Supplementary Data"*.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden LF and Maiden GF in the Scandinavian and Northern European markets. Our wholly owned subsidiary, Maiden Global, is a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets. These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance. In 2023 and through the date of this report, we have been evaluating the strategic value of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of our target return on capital levels. The Company expects to conclude this review during 2024 and take appropriate actions based on the findings of that review.

Our business currently consists of two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment also includes transactions entered into by GLS which was formed in November 2020. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the AmTrust Quota Share and the European Hospital Liability Quota Share, both of which are in run-off effective as of January 1, 2019. Please refer to Item 1. "*Business - Our Reportable Segments"* section for further discussion on our reportable segments.

Business Strategy

We continued to deploy our revised operating strategy during 2023 which leverages the significant assets and capital we retain. In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns in order to increase book value for our common shareholders, both near and long-term. In that respect, management's focus is to increase the non-GAAP book value of the Company, which fully reflects the steps we have taken to protect our balance sheet, primarily through our LPT/ADC Agreement with Cavello, as this represents the ultimate economic value of Maiden.

We also believe that these areas of strategic focus will enhance our profitability through increased returns, which should also increase the likelihood of fully utilizing the significant NOL carryforwards as described further below which would increase both GAAP and non-GAAP book value and create additional common shareholder value. This strategy now presently has two principal areas of focus:

- <u>Asset management</u> - investing in assets and asset classes in a prudent but expansive manner in order to maximize investment returns and is principally enabled by limiting the amount of insurance risk we assume in relation to the assets we hold and maintaining required regulatory capital at very strong levels to manage our aggregate risk profile; and

- Capital management - effectively managing the capital we hold on our balance sheet and when appropriate, repurchasing securities or returning capital to enhance common shareholder returns.

As our insurance liabilities run-off and these strategies potentially develop along timelines longer than initially anticipated, we may allocate capital to other insurance activities that produce more consistent levels of revenue and profit as we seek to create longer-term shareholder value.

As part of our ongoing strategic evaluation of both the insurance and reinsurance marketplace and the ability of both the fee-based, distribution and the reinsurance markets to increase our current income and improve our ability to utilize and recognize our deferred tax assets, we increasingly believe expansion of those strategies may be appropriate. We are exploring fee-based and distribution opportunities which are non-risk bearing and capital efficient and given ongoing changes in reinsurance markets, can be potentially complemented by limited and selective deployment of reinsurance capacity to supplement those activities and enhance returns to shareholders.

To date, we invested $13.9 million in MGA platforms and these investments have achieved an internal rate of return of 29.2% and a multiple of capital of 1.65x on those investments.

Further, we have not engaged or pursued active reinsurance underwriting of new prospective risks as our assessment of the reinsurance marketplace along with our current operating profile has been that the risk-adjusted returns that may be produced via such underwriting are likely to be lower over the long-term than our cost of capital. However, as interest rates have increased and moved towards historically observed levels, risk-adjusted returns for active reinsurance underwriting of new prospective risks may become more attractive and while we have no immediate plans to resume such underwriting, we continue to evaluate if such a strategy, even on a limited basis, would produce suitable value for shareholders. While we do not expect to pursue such a strategy independently, such an approach could complement and enhance an approach to investing in and acquiring fee-based and distribution properties and strengthen those entities.

While our returns to date have not as yet achieved our objectives, we continue to believe the measures implemented in recent years have allowed us to more flexibly allocate capital to those activities most likely to produce the greatest returns for shareholders, and we are actively engaged in evaluating and deploying funds and adjusting our strategies as discussed herein.

The returns expected to be produced by each pillar of our strategy are evaluated in relation to our cost of debt capital, which carries a weighted average effective interest rate of 7.6%. To the extent our experience or belief indicates we cannot exceed the cost of debt capital, we expect to refrain from activities in those areas, as evidenced in our decisions regarding legacy management.

Our ability to execute our asset and capital management initiatives is dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Further, there can be no assurance that our insurance liabilities will run off at levels that will permit further capital management activities, which we continually review as part of our strategy. Please refer to the *"Liquidity and Capital Resources"* section for further information on our asset and capital management activities.

Asset Management

As part of our expanded asset management activities, we have evaluated and continue to consider investing in various initiatives in the insurance industry across a variety of segments which we believe will produce appropriate risk-adjusted returns while maintaining the option to consider underwriting activities in the future. We believe these expanded activities will produce a broad range of positive impacts on our financial condition, including current income, longer-term gains and in certain instances, fee income.

In recent years, we have invested approximately $309.0 million into alternative investments which include equity securities, other investments and equity method investments in a wide variety of asset classes, and we believe these activities will exceed that benchmark cost of capital with adjustments as necessary if those returns do not emerge. Please refer to the *"Liquidity and Capital Resources"* section on "*Other Investments, Equity Investments and Equity Method Investments"* for further information on our alternative asset classes and a detailed discussion of their investment returns.

Recent development and trends in financial markets, particularly the rapid rise in interest rates and heightened risk of economic recession, indicate that it may take longer than expected to achieve those returns and we expect that to factor into future capital allocation decisions. In particular, as interest rates have risen to more historically observed levels, we have focused on investing in assets that produce higher levels of current income as opposed to longer-term gains, in order to increase returns to shareholders and increase the opportunity to recognize our deferred tax assets discussed below.

Capital Management

Our capital management strategy is significantly informed by the required capital needed to operate our business in a prudent manner and our ongoing analysis of our loss development trends. Trends in recent years have increased our confidence in our recorded ultimate losses for our insurance liabilities in run-off, however a prudent assessment dictates that the run-off portfolio still requires additional maturity to fully emerge, as evidenced by the adverse loss development we experienced in 2022 and 2023. While there is no assurance that prior positive long-term loss development trends will resume, as our insurance liabilities further mature we remain confident that we can continue the prudent and disciplined repurchase of both our common shares and senior notes which are authorized for repurchase, which we believe provided the greatest risk-adjusted returns to our common shareholders.

Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of the Annual Report on Form 10-K for the year ended December 31, 2022 for further information on the common shares issued as part of the Exchange that occurred on December 27, 2022.

Completion of the Exchange represented a significant milestone in our capital management plan and we continue to evaluate other capital management options that may be available to us, including repurchase of the Company's common shares and senior notes from time to time at market prices or as may be privately negotiated as approved by our Board in its respective authorizations. The Company expects to deploy its capital management strategy on a long-term and disciplined basis, balanced along with its other strategic initiatives.

We note that recognition of the deferred tax asset on our balance sheet is a leading priority for the Company to increase its GAAP and non-GAAP book value and we will balance these considerations against opportunities to repurchase shares at what we believe are appropriate prices as we pursue our capital management initiatives.

Please refer to "*Notes to Consolidated Financial Statements: Note 6 — Shareholders' Equity and Note 7 — Long-Term Debt*" included under Item 8 "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10–K for further information on the recent equity and debt repurchases made by Maiden Reinsurance during 2023. There can be no assurance that we will continue to pursue such capital management initiatives, or that they will provide appropriate risk-adjusted returns.

As we revised our strategy in recent years, we continuously evaluate the effectiveness of those strategies in achieving its goals and have been and continue to be prepared to adjust those strategies as our performance dictates.

Legacy Underwriting - Update

In November 2020, the Company formed GLS to specialize in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives.The goal of GLS was to acquire legacy liabilities and (re)insurance reserves from companies and provide retroactive reinsurance coverage for portfolios of (re)insurance business, primarily via loss portfolio transfer contracts (“LPT”). Additionally, GLS provided reinsurance contracts to other (re)insurers to mitigate some of their risk of future adverse development (an adverse development cover, or “ADC”) on insurance risks relating to prior accident years.

We believed the formation of GLS was highly complementary to our overall longer-term strategy and would produce risk-adjusted returns in excess of our debt cost of capital. However, GLS did not achieve either the volume or profitability expected and we concluded that the outlook would not change materially. At the time we formed GLS, we committed a certain level of capital to support this business which we have since fulfilled. After carefully evaluating the performance of this platform, ongoing market conditions, the competitive landscape and a variety of other factors, we have concluded that we will not commit additional capital to new accounts in this segment and will be running off the small number of accounts we underwrote since the formation of GLS. We presently do not anticipate any further contracts in the legacy management segment, and we no longer consider it part of our strategy to produce acceptable shareholder returns.

At December 31, 2023, GLS and its subsidiaries hold insurance related liabilities of $27.6 million which included total reserves of $17.7 million, an underwriting-related derivative liability of $4.0 million, reinsurance losses payable of $3.6 million and net deferred gains on retroactive reinsurance of $2.3 million.

2023 Developments

During 2023, while our book value decreased by 11.4% to $2.48 per common share at December 31, 2023, our non-GAAP book value only declined by 1.8% to $3.19 per common share at December 31, 2023.

We also increased our alternative investment portfolio by 13.4% and produced a positive net return of 8.0% on that portfolio during 2023 compared to 2.0% in 2022. This return in 2023 is now above of our cost of capital despite numerous investments continuing to be carried at cost or net asset values that have yet to realize positive marks due to their only recent deployment. We believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns. As interest rates have risen, we are increasingly focusing our investing activities on opportunities that will produce current income.

We made progress in the capital management pillar of our business strategy, repurchasing 1,439,575 common shares during 2023.

The run-off of our historic reinsurance programs significantly underperformed during 2023, and we experienced adverse prior year reserve development of $38.2 million which offset much of the positive progress made in our capital and asset management strategies. Of this adverse prior year development, $25.5 million or 66.8% of the total adverse development for the year ended December 31, 2023 was related to claims we expect to be covered by the LPT/ADC Agreement with Cavello and which will be recognized as future GAAP income when recovered from Cavello pursuant to both the agreement and GAAP accounting requirements. During 2023, adverse underwriting results and foreign exchange losses resulted in downward pressure on both our book value and operating earnings.

Maiden NA

We believe Maiden NA’s investments, including its ownership of Maiden Reinsurance and its active asset management strategy, will create opportunities to utilize NOL carryforwards of $337.4 million at December 31, 2023. Approximately $186.2 million of these NOL carryforwards expire in various years beginning in 2029. As of December 31, 2023, $151.2 million or 44.8% of the Company's NOL carryforwards have no expiry date under the relevant U.S. tax law.

For further details on the NOL carryforwards, please see "*Note 13 — Income Taxes*" included under Item 8 "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10–K. The NOL carryforwards combined with additional net deferred tax assets ("DTA") primarily related to our insurance liabilities result in U.S. DTA (before valuation allowance) of $119.4 million or $1.19 per common share at December 31, 2023. Net U.S. DTA of $119.4 million is not presently recognized on the Company's consolidated balance sheet as a full valuation allowance is carried against it. At this time, while positive evidence in support of reducing the valuation allowance is growing, the Company believes it is necessary to maintain a full valuation allowance against the net U.S. DTA as more evidence is needed regarding the utilization of these losses.

As circumstances further develop, we will continuously evaluate the amount of the valuation allowance held against the net U.S. DTA. Taken together, we believe these measures should generate additional income for Maiden NA in a tax-efficient manner, while sharing in the improvement in profitability anticipated in Maiden Reinsurance as a result of the measures enacted as described above.

2023 and 2022 Financial Highlights

For the Year Ended December 31,	**2023**	**2022**	**Change**
Summary Consolidated Statement of Income Data:	($ in thousands except per share data)		
Net loss	$ (38,569)	$ (60,041)	$ 21,472
Gain from repurchase & exchange of preference shares	—	115,473	(115,473)
Net (loss) income (attributable) available to Maiden common shareholders	(38,569)	55,432	(94,001)
Basic and diluted (loss) earnings per common share:			
Net (loss) income attributable to Maiden common shareholders[2]	(0.38)	0.63	(1.01)
Gain from repurchase/exchange of preference shares per common share	—	1.33	(1.33)
Gross premiums written	23,466	5,479	17,987
Net premiums earned	43,969	37,732	6,237
Underwriting loss[3]	(49,482)	(54,934)	5,452
Net investment results[13]	53,072	24,725	28,347
Non-GAAP measures:			
Non-GAAP operating (loss) earnings[1]	(23,014)	52,070	(75,084)
Non-GAAP diluted operating (loss) earnings per common share[1]	(0.23)	0.60	(0.83)
Non-GAAP operating return on average common shareholders' equity[1]	(7.1)%	17.2 %	(24.3)

At December 31,	2023	2022	Change
Consolidated Financial Condition	($ in thousands except per share data)		
Total investments and cash and cash equivalents[4]	$ 602,318	$ 633,684	$ (31,366)
Total assets	1,518,934	1,846,866	(327,932)
Reserve for loss and LAE	867,433	1,131,408	(263,975)
Senior notes - principal amount	262,361	262,500	(139)
Shareholders' equity	249,160	284,579	(35,419)
Total capital resources[5]	511,521	547,079	(35,558)
Ratio of debt to total capital resources[10]	51.3 %	48.0 %	3.3
Book Value calculations:			
Book value per common share[6]	$ 2.48	$ 2.80	$ (0.32)
Accumulated dividends per common share[12]	4.27	4.27	—
Book value per common share plus accumulated dividends	$ 6.75	$ 7.07	$ (0.32)
Change in book value per common share plus accumulated dividends	(4.5)%		
Diluted book value per common share[7]	$ 2.46	$ 2.79	$ (0.33)
Non-GAAP measures:			
Adjusted book value per common share[8]	3.19	3.25	(0.06)
Adjusted Maiden shareholders' equity[9]	320,076	329,987	(9,911)
Adjusted total capital resources[9]	582,437	592,487	(10,050)
Ratio of debt to adjusted total capital resources[11]	45.0 %	44.3 %	0.7

(1) Non-GAAP operating earnings, non-GAAP diluted operating earnings per common share and non-GAAP operating return on average common shareholders' equity are non-GAAP financial measures. See "*Key Financial Measures*" for additional information.

(2) Please refer to "*Notes to Consolidated Financial Statements - Note 12. Earnings per Common Share*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for the calculation of basic and diluted earnings per common share.

(3) Underwriting (loss) income is a non-GAAP measure and is calculated as net premiums earned plus other insurance (expense) revenue, less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities. See "*Key Financial Measures"* for additional information.

(4) Total investments and cash and cash equivalents includes both restricted and unrestricted.

(5) Total capital resources is the sum of the Company's principal amount of debt and Maiden shareholders' equity. See "*Key Financial Measures*" for additional information.

(6) Book value per common share is calculated using common shareholders' equity divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.

(7) Diluted book value per common share is calculated by dividing common shareholders' equity, adjusted for assumed proceeds from the exercise of dilutive options, divided by the number of outstanding common shares plus dilutive options and restricted shares (assuming exercise of all dilutive share based awards).

(8) Adjusted book value per common share is a non-GAAP measure that is calculated using common shareholders' equity adjusted by adding the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement to shareholders' equity, divided by the number of common shares outstanding. See *"Key Financial Measures"* for additional information.

(9) Adjusted shareholders' equity and adjusted total capital resources are calculated by adding the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement to shareholders' equity. The deferred gain arises from the LPT/ADC Agreement with Cavello relating to losses from the AmTrust Quota Share. Under U.S. GAAP, the deferred gain shall be amortized over the estimated remaining settlement period. See *"Key Financial Measures"* for additional information.

(10) Ratio of debt to total capital resources is calculated using the total principal amount of debt divided by the sum of total capital resources.

(11) Ratio of debt to adjusted total capital resources is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources.

(12) Accumulated dividends per common share includes the cumulative sum of dividends declared and paid in the past on the Company's issued common shares since inception.

(13) Net investment results include the sum of net investment income, net realized and unrealized gains (losses), and interest in income (loss) of equity method investments.

Key Financial Measures

Revenues

We historically derived the majority of our revenues from premiums on reinsurance contracts, net of any reinsurance or retrocessional coverage purchased and to a minor extent from premiums from insurance policies. Reinsurance premiums are a function of the amount and types of policies and contracts we write, as well as prevailing market prices. Our prices are determined before our ultimate costs, which may extend far into the future, are known. As a result of significant strategic transactions, our gross and net premiums written continue to be materially lower and our net investment income will increasingly become a significantly larger portion of our total revenues compared to prior periods.

The Company's revenues also include fee income earned from both our GLS business and IIS business as well as income generated from our investment portfolio. The Company's investment portfolio is comprised of AFS fixed maturity investments and other investments including equities, private equity and credit funds, privately held investments, hedge funds, equity method investments and other non-fixed income investments. In accordance with U.S. GAAP, our fixed maturity investments are carried at fair market value and any unrealized gains and losses are included in AOCI as a separate component of shareholders' equity. If unrealized losses are considered to be other-than-temporarily impaired due to a credit-related event, such impairment losses are recognized within earnings as a realized loss under total other-than-temporary impairment losses. Equity and other investments include limited partnerships, hedge funds and start-up insurance entities which are carried at fair market value with any unrealized gains or losses included in earnings under net realized gains (losses) on investment. Our investments made by special purpose vehicles focused on lending activities are carried at cost. Any indication of impairment is recognized immediately within net income.

Expenses

Our expenses currently consist largely of net loss and LAE, commission and other acquisition expenses, general and administrative expenses, interest and amortization expenses, foreign exchange and other gains or losses, the latter of which includes on a non-recurring basis any gains or losses from the disposal of subsidiaries.

Net loss and LAE has three main components: (1) losses paid, which are actual cash payments to insureds, net of recoveries from reinsurers; (2) change in outstanding loss or case reserves, which represent cedants' best estimate of the likely settlement amount for known claims, less the portion that can be recovered from reinsurers; and (3) change in IBNR reserves, which we establish to respond to changes in the values of claims that have been reported to us but are not yet settled, as well as claims that have occurred but have not yet been reported to us. The portion recoverable from reinsurers is deducted from the gross estimated loss.

Commission and other acquisition expenses include commissions, brokerage fees and insurance taxes. Commissions and brokerage fees are usually calculated as a percentage of premiums and depend on the market and line of business and can, in certain instances, vary based on loss sensitive features of reinsurance contracts. Commission and other acquisition expenses are reported after: (1) deducting commissions received on ceded reinsurance; (2) deducting the part of commission and other acquisition expenses relating to unearned premiums; and (3) including the amortization of previously deferred commission and other acquisition expenses.

General and administrative expenses include personnel expenses (including share-based compensation expense), audit fees, rent expenses, legal and professional fees, information technology costs and other general operating expenses. General and administrative expenses are allocated to the reportable segments on an actual basis except salaries and benefits where management’s judgment is applied; however general corporate expenses are not allocated to the segments.

Non-GAAP Financial Measures

In addition to our key financial measures presented in accordance with GAAP in the Consolidated Balance Sheets and Consolidated Statements of Income and Comprehensive Income, management uses certain non-GAAP financial measures to evaluate the Company's financial performance and the overall growth in value generated for the Company’s common shareholders. Management believes that these measures, which may be defined and calculated differently by other companies, explain the Company’s results to investors in a manner that allows for a more complete understanding of the underlying trends in the Company’s business. The non-GAAP financial measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP. The calculation of some of these key financial measures including the reconciliation of non-GAAP financial measures to the nearest GAAP measure and relevant discussions are found within *Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations"*. These non-GAAP financial measures are:

Non-GAAP operating earnings and non-GAAP diluted operating earnings per common share: Management believes that the use of non-GAAP operating earnings and non-GAAP diluted operating earnings per common share enables investors and other users of the Company’s financial information to analyze its performance in a manner similar to how management analyzes performance. Management also believes that these measures generally follow industry practice therefore allowing the users of financial information to compare the Company’s performance with its industry peer group, and that the equity analysts and certain rating agencies which follow the Company, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. Non-GAAP operating earnings should not be viewed as a substitute for U.S. GAAP net income. Non-GAAP operating earnings is an internal performance measure used by management as these measures focus on the underlying fundamentals of the Company's operations by excluding, on a recurring basis: (1) net realized and unrealized investment gains (losses); (2) foreign exchange and other gains (losses); (3) the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under the LPT/ADC Agreement and related changes in amortization of the deferred gain liability; and (4) interest in income (loss) of equity method investments. We excluded net realized and unrealized gains (losses) on investment, interest in income (loss) of equity method investments and foreign exchange and other gains (losses) as we believe these are influenced by market opportunities and other factors. We do not believe that ceded risks under the LPT/ADC Agreement are representative of our ongoing and future business which are different to retroactive reinsurance risks written by GLS that are representative of our ongoing and future business. We believe all of these amounts are substantially independent of our business and any potential future underwriting process, therefore, including them would distort the analysis of underlying trends in our operations.

Underwriting income (loss) is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue (expense), net less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities. For purposes of these non-GAAP operating measures, the fee-generating business which is included in our Diversified Reinsurance segment, is considered part of the underwriting operations of the Company. The fair value changes in underwriting-related derivative instruments is also included within other insurance (expense) revenue as the Company considers these contracts to be part of its underwriting operations. Management believes that this measure is important in evaluating the underwriting performance of the Company and its segments. This measure is also a useful tool to measure the profitability of the Company separately from the investment results and is also a widely used performance indicator in the insurance industry. A reconciliation of the Company's underwriting results can be found in the Company's Consolidated Financial Statements in the "*Notes to Consolidated Financial Statements Note 3. Segment Information*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in this Annual Report on Form 10-K for the year ended December 31, 2023, as it believes that as the run-off of our reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate the financial results of the Company, particularly compared to historical data.

While an important metric of success, underwriting income (loss) does not reflect all components of profitability, as it does not recognize the impact of investment income earned on premiums between the time premiums are received and the time loss payments are ultimately paid to clients. Because we do not manage our cash and investments by segment, investment income and interest expense are not allocated to the reportable segments. Certain general and administrative expenses are generally allocated to segments based on actual costs incurred.

Non-GAAP Operating Return on Average Adjusted Common Equity ("Non-GAAP Operating ROACE"): Management uses non-GAAP operating return on average adjusted common shareholders' equity as a measure of profitability that focuses on the return to common shareholders. It is calculated using non-GAAP operating earnings available to common shareholders (as defined above) divided by average adjusted common shareholders' equity.

Book Value per Common Share and Diluted Book Value per Common Share: Book value per common share and diluted book value per common share are non-GAAP measures. Management uses growth in both of these metrics as a prime measure of the value we are generating for our common shareholders, because management believes that growth in each metric ultimately results in growth in the Company's common share price. These metrics are impacted by the Company's net income and external factors, such as interest rates, which can drive changes in unrealized gains or losses on our fixed income investment portfolio, as well as common or preference share repurchases.

Ratio of Debt to Total Capital Resources: Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of total capital resources.

Non-GAAP underwriting loss, Non-GAAP earnings, and Non-GAAP net loss and LAE: Management has further adjusted underwriting income, as defined above, as well as reported loss and LAE by excluding the portion of favorable or unfavorable prior year reserve development for which we ceded the risk under retroactive reinsurance agreements such as the LPT/ADC Agreement. The losses are estimated to be fully recoverable from Cavello and management believes adjusting for this development shows the ultimate economic benefit of the LPT/ADC Agreement on our underwriting results. We believe reflecting the economic benefit of this retroactive reinsurance agreement is helpful to understand future trends in our operations.

Adjusted Total Shareholders' Equity, Adjusted Total Capital Resources, Ratio of Debt to Adjusted Total Capital Resources and Adjusted Book Value per Common Share: Management has adjusted GAAP shareholders' equity by adding the unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement to shareholders' equity. The unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement includes the aggregate impact of: 1) cumulative increases to losses incurred prior to December 31, 2018 for which we have ceded the risk under the LPT/ADC Agreement with Cavello; and 2) changes in estimated ultimate losses for certain workers' compensation reserves previously commuted to AmTrust which are subject to specific terms and conditions pursuant to the LPT/ADC Agreement. As a result, by virtue of this adjustment, management has also adjusted Total Capital Resources and computed the Ratio of Debt to Adjusted Capital Resources and Adjusted Book Value per Common Share. The deferred gain liability on retroactive reinsurance under the LPT/ADC Agreement represents loss reserves estimated to be fully recoverable from Cavello and management believes adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement. We believe reflecting the economic benefit of this non-recurring retroactive reinsurance agreement is helpful to understand future trends in our operations, which will improve our shareholders' equity over the settlement or contract periods, respectively.

Alternative investments is the total of the Company's holdings of equity securities, other investments and equity method investments as reported on the Company's Consolidated Balance Sheets.

Critical Accounting Policies and Estimates

It is important to understand our accounting policies in order to understand our financial position and results of operations. The Company’s Consolidated Financial Statements have been prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The following presents a discussion of those accounting policies and estimates that management believes are the most critical to its operations and require the most difficult, subjective and complex judgment. If actual events differ significantly from the underlying assumptions and estimates used by management, there could be material adjustments to prior estimates that could potentially adversely affect the Company’s results of operations, financial condition and liquidity. These critical accounting policies and estimates should be read in conjunction with "*Notes to Consolidated Financial Statements - Note 2. Significant Accounting Policies*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report Form 10-K for a full understanding of the Company’s accounting policies.

Reserve for Loss and LAE

General: The amount of time that elapses before a claim is reported to the cedant and then subsequently reported to the reinsurer is commonly referred to in the industry as the reporting tail. Lines of business for which claims are reported quickly are commonly referred to as short-tailed lines; and lines of business for which a longer period of time elapses before claims are reported to the reinsurer are commonly referred to as long-tailed lines. In general, for reinsurance, the time lags are longer than for primary business due to the delay that occurs between the cedant becoming aware of a loss and reporting the information to its reinsurer(s). The delay varies by reinsurance market (country of cedant), type of treaty, whether losses are paid by the cedant and the size of the loss. The delay could vary from a few weeks to a year or sometimes longer.

Because a significant amount of time can elapse, particularly on longer-tail lines of business written on an excess of loss basis, between the assumption of risk, the occurrence of a loss event, the reporting of the event to an insurance company (the primary company or the cedant), the subsequent reporting to the reinsurance company ("the reinsurer") and the ultimate payment of the claim on the loss event by the reinsurer, the Company’s liability for unpaid loss and LAE ("loss reserves") is based largely upon estimates. The Company categorizes loss reserves into two types of reserves: reported outstanding loss reserves ("case reserves") and IBNR reserves. Case reserves represent, for each individual claim, an estimate of unpaid losses, either by the Company’s cedants or the Company’s claims handling professionals, and recorded by the Company. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves. The Company updates its estimates for each of the aforementioned categories primarily on a quarterly basis using information received from its cedants.

For excess of loss treaties, cedants generally are required to report losses that either (i) exceed 50% of their retention; or (ii) have a reasonable probability of exceeding the retention; or (iii) meet defined reporting criteria. All excess of loss reinsurance claims that are reserved are reviewed on a periodic basis. In addition, reserves for loss and LAE are reviewed every quarter for each cedant. For proportional treaties, cedants are required to give a periodic statement of account, generally monthly or quarterly. These periodic statements typically include information regarding premiums written, premiums earned, unearned premiums, ceding commissions, brokerage amounts, applicable taxes, paid losses and reported outstanding losses. They can be submitted up to ninety days after the close of the reporting period. Some proportional treaties have specific language requiring earlier notice of serious claims.

For all lines, the Company’s objective is to reasonably estimate ultimate loss and LAE. Total loss reserves are then calculated by subtracting losses paid. Similarly, IBNR reserves are calculated by subtracting case reserves from total loss reserves. IBNR is the estimated liability for: (1) changes in the values of claims that have been reported to us but are not yet settled; (2) claims that have occurred but have not yet been reported; and (3) claims that are closed but subsequently reopened. Each claim is settled individually based upon its merits, and particularly for longer-tailed lines of business, it is not unusual for a claim to take several years after being initially reported to be settled and paid, especially if legal action is involved. These claims may also require changes in anticipated future payments due to changes in medical conditions or changes in expected inflationary pressures. As a result, the reserve for loss and LAE includes significant estimates for IBNR reserves.

The reserve for IBNR is generally estimated by management based on various factors, including actuarial analysis and actual loss experience to date. Our actuaries employ standard actuarial methodologies to determine estimated ultimate loss reserves. In selecting management's best estimate of loss and LAE reserves, we consider the range of results produced by many actuarial methods and the appropriateness of those estimates. These actuarial methodologies are described in *"Notes to Consolidated Financial Statements - Note 9. Reserve for Loss and Loss Adjustment Expenses"* included under Item 8 "*Financial Statement and Supplementary Data"*.

The composition of the reserve for loss and LAE at December 31, 2023 and 2022 was as follows:

December 31,	**2023**	**2022**
	($ in thousands)	
Reserve for reported loss and LAE	$ 543,818	$ 702,691
Reserve for losses incurred but not reported	323,615	428,717
Reserve for loss and LAE	$ 867,433	$ 1,131,408

The loss reserves in the table above exclude the impact of the LPT/ADC Agreement. While management believes that our case reserves and IBNR are sufficient to cover losses assumed by us, there can be no assurance that losses will not deviate from our reserves, possibly by material amounts. The analysis of the appropriateness of the reserve for IBNR is reviewed quarterly, with adjustments made as appropriate. To the extent that actual reported losses exceed expected losses, the carried estimate of the ultimate losses may be increased (i.e. unfavorable reserve development), and to the extent actual reported losses are less than our expectations, the carried estimate of ultimate losses may be reduced (i.e. favorable reserve development). We record any changes in our loss reserve estimates and the related reinsurance recoverable in the periods in which they are determined. Reinsurance recoverable on unpaid losses covered by the ADC portion of the LPT/ADC Agreement are recorded as part of the deferred gain on retroactive reinsurance shown on the Consolidated Balance Sheets which represents the cumulative adverse loss development under the AmTrust Quota Share covered by the LPT/ADC Agreement at December 31, 2023. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is presently estimated to be before the end of 2024.

Loss reserves do not represent an exact calculation of liability. Rather, loss reserves are estimates of what we reasonably expect the ultimate resolution and administration of claims will cost. These estimates are based on actuarial projections and on our assessment of currently available data, as well as estimates of future trends in claims severity and frequency, judicial theories of liability and other factors. Loss reserve estimates are refined as experience develops and as claims are reported and resolved. In addition, the relatively long periods between when a loss occurs and when it may be reported to our claims department for our casualty reinsurance lines of business also increase the uncertainties of reserve estimates in such lines.

With the guidance of the methods described in *"Notes to Consolidated Financial Statements - Note 9. Reserve for Loss and Loss Adjustment Expenses"* included under Item 8 "*Financial Statement and Supplementary Data"* of this Annual Report on Form 10-K, actuarial judgment is applied in the determination of ultimate losses. In general, the Company’s segments have varying levels of seasoning with which the Company has direct experience and as a result, differing methods are utilized to estimate loss and LAE reserves within each segment.

In our Diversified Reinsurance segment, we hold books of business that have been in runoff for several years, as well as books of business that have been underwritten only during the last few years. In general, we utilize the Expected Loss Ratio ("ELR") approach at the onset of reserving an account, the Bornhuetter-Ferguson ("BF") method for business with less but maturing loss experience, and then, as the experience matures, the Loss Development ("LD") method is utilized. The runoff book of business primarily uses the LD method due to its maturity and the amount of experience which has emerged over the years. For proportional business, the Company relies heavily on the actual contract experience, whereas for excess of loss business, there will be more usage of industry and/or Company specific benchmark assumptions in the reserving process.

The Company underwrote the AmTrust Reinsurance segment from July 1, 2007 until Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share and European Hospital Liability Quota Share, both on a run-off basis, effective January 1, 2019. A large portion of the exposure in the underlying book of business has significant seasoning, and allows for a significant amount of credibility in using parameters derived from historical experience to calculate reserve estimates. Some segments of the book are a result of recent acquisitions or newer markets for AmTrust. These segments require a greater level of assumptions and professional judgment in deriving reserve levels, which inherently implies a wider range of reasonable estimates. In addition, changes to case reserving and claims settlement practices by AmTrust have required the use of methods which adjust historical paid and incurred losses to reflect the current basis. As a result, we have tended to rely on a weighted approach which primarily employs the LD method for aspects of the segment with ample historical data, while also considering the ELR or the BF method for exposures with more limited or volatile historical data. The LD method can also be based on AmTrust specific historical information, historical information adjusted to current levels, or information derived from industry sources, with actuarial judgment being used as to the credibility weighting employed. The Frequency-Severity ("FS") method is also considered for segments of the AmTrust book for which claim count information is available. Additional data detailing items such as the class of business, state of occurrence, claim counts, and the frequency and severity of claims is available in many instances, further enhancing the loss reserve analysis.

Significant Assumptions Employed in the Estimation of Reserve for Loss and LAE: The most significant assumptions used at December 31, 2023 to estimate the reserve for loss and LAE within our reporting segments are as follows:

- the information developed from internal and independent external sources can be used to develop meaningful estimates of the likely future performance of business bound by the Company;
- the loss and exposure information provided by ceding companies, insureds and brokers in support of their reinsurance submissions have been used by the Company's pricing actuaries to derive meaningful estimates of the likely future performance of business bound with respect to each contract and policy;
- historic loss development and trend experience may be used to predict future loss development and trends;
- no significant emergence of losses or types of losses that are not represented in the information supplied to the Company by its brokers, ceding companies and insureds will occur; and
- the Company is able to identify and properly adjust for changes to case reserving, claims settlement rates, and the impact of claims inflation in the underlying data.

The five assumptions above significantly influence the Company’s determination of initial expected loss ratios and expected loss reporting and payment patterns that are the key inputs which impact potential variability in the estimate of the reserve for loss and LAE and are applicable to each of the Company’s business segments. These factors are combined with the actuarial judgment exercised by our reserving actuaries. While there can be no assurance that any of the above assumptions will prove to be correct, we believe that this process represents a realistic and appropriate basis for estimating the reserve for loss and LAE. Loss emergence factors and expected loss ratios used in the reserving process are based on a blend of our own direct experience, cedant experience and industry benchmarks, when appropriate. The benchmarks selected were those that we believe are most similar to our underwriting business.

Factors Creating Uncertainty in the Estimation of the Reserve for Loss and LAE: While management does not include an explicit or implicit provision for uncertainty in its reserve for loss and LAE, certain of the Company's business lines are by their nature subject to additional uncertainties, which are discussed in detail below. In addition, the Company's reserves are subject to additional factors which add to the uncertainty of estimating reserve for loss and LAE. Time lags in the reporting of losses can also introduce further ambiguity to the process of estimating reserve for loss and LAE.

The inherent uncertainty of estimating the Company's reserve for loss and LAE increases principally due to:

- the lag in time between the time claims are initially reported to the ceding company and the time they are ultimately reported through one or more reinsurance broker intermediaries to the Company;
- the differing case reserving practices among ceding companies;
- changes to characteristics of a claim over time, such as future medical needs or assessment of liability;
- the diversity of loss development patterns among different types of reinsurance treaties or contracts;
- the Company's need to rely on its ceding companies for loss information, which also exposes the Company to changes in the reserving philosophy of the ceding company and the adequacy of its underlying case reserves; and
- changes in internal company operations such as alterations in claims handling procedures.

To verify the accuracy and completeness of the information provided to us by our ceding company counterparties, the Company's actuaries, accountants and claims personnel perform claims reviews, and at times also accounting and financial audits, of the Company's ceding companies. Any material findings are communicated to the ceding companies and utilized in the establishment or revision of the Company's case reserves and related IBNR reserve. On occasion, these reviews reveal that the ceding company's reported loss and LAE do not comport with the terms of the contract held with the Company. In such events, the Company strives to resolve the outstanding differences in an amicable fashion. The large majority of such differences are resolved in this manner. In the infrequent instance where an amicable solution is not feasible, the Company's policy is to vigorously defend its position in litigation or arbitration. At December 31, 2023, the Company was not involved in any material claims litigation or arbitration proceedings.

Due to the large volume of potential transactions that must be recorded in the insurance and reinsurance industry, backlogs in the recording of the Company's business activities can also impair the accuracy of its loss and LAE reserve estimates. At December 31, 2023, there were no significant backlogs related to the processing of policy or contract information in any of our reporting segments.

The Company assumes in its loss and LAE reserving process that, on average, the time period between the recording of expected losses and the reporting of actual losses are predictable when measured in the aggregate and over time. The time period over which all losses are expected to be reported to the Company varies significantly by line of business. This period can range from a few quarters for some lines, such as property, to many years for some casualty lines of business. To the extent that actual reported losses are reported more quickly or more slowly than expected, the Company may adjust its estimate of ultimate loss accordingly.

Potential Volatility in the Reserve for Loss and LAE: In addition to the factors creating uncertainty in the Company's estimate of loss and LAE, the Company's estimated reserve for loss and LAE can change over time because of unexpected changes in the external environment. Potential changing external factors include:

- changes in the inflation rate for goods and services related to the covered damages;
- changes in the general economic environment that could cause unanticipated changes in claim frequency or severity;
- changes in the litigation environment regarding the representation of plaintiffs and potential plaintiffs;
- changes in the judicial and/or arbitration environment regarding the interpretation of policy and contract provisions relating to the determination of coverage and/or the amount of damages awarded for certain types of claims;
- changes in the social environment regarding the general attitude of juries in the determination of liability and damages;
- changes in the legislative environment regarding the definition of damages;
- new types of injuries caused by new types of injurious activities or exposures; and
- assessment of changes in ceding company case reserving and reporting patterns.

The change in loss reserve estimates from the prior year is referred to as Prior Year Development ("PPD"). We experienced adverse PPD of $38.2 million for the year ended December 31, 2023 compared to adverse PPD of $32.6 million for the year ended December 31, 2022, primarily within the AmTrust Reinsurance segment for both respective years.

Please refer to *"Notes to Consolidated Financial Statements - Note 9 — Reserve for Loss and Loss Adjustment Expenses"* included under Item 8. *"Financial Statements and Supplementary Data"* of this Form 10-K for further details.

The Company creates a statistical distribution around the estimate of reserve for loss and LAE based on an assumption of the volatility inherent in the estimate. The Company, in the analysis of reserves for loss and LAE, in addition to selecting a best point estimate, makes a selection of a range of reasonable reserves. This range is based on a combination of objective and subjective data, including the underlying characteristics of the exposure, the volatility in historical emergence, the credibility of the information available to estimate the reserve for loss and LAE, and professional actuarial judgement. The size of the range is related to the level of confidence associated with the point estimate, as well as the amount of uncertainty inherent in the characteristics of the exposure being evaluated.

Based on this range of reasonable reserves, our required reserves could increase by approximately $187.3 million, or 21.6%, of our consolidated gross loss and LAE reserves, excluding the impact of the LPT/ADC Agreement. If the LPT/ADC Agreement were to be considered, our required reserves could increase by approximately $107.2 million, or 35.4% of our consolidated net loss and LAE reserves.

For the range of reasonable reserves, we have assumed what we believe is an appropriate confidence level. However, the range is not intended to be a measurement of all possible future outcomes, and there can be no assurance that our claim obligation will not vary outside of this range.

Premiums and Commissions and Other Acquisition Expenses

For pro-rata contracts and excess-of-loss contracts where no deposit or minimum premium is specified in the contract, premium written is recognized based on estimates of ultimate premiums provided by the ceding companies. Initial estimates of premium written are recognized in the period in which the underlying risks are incepted. Subsequent adjustments, based on reports of actual premium by the ceding companies, or revisions in estimates, are recorded in the period in which they are determined. Reinsurance premiums assumed are generally earned on a pro rata basis over the terms of the underlying policies or reinsurance contracts.

Contracts and policies written on a "losses occurring" basis cover claims that may occur during the term of the contract or policy, which is typically twelve months. Accordingly, the premium is earned evenly over the contract term. Contracts which are written on a "risks attaching" basis cover claims from all underlying insurance policies written during the terms of such contracts. Premiums earned on such contracts extend beyond the original term of the reinsurance contract, typically resulting in recognition of premiums earned over a twenty-four-month period.

Reinsurance premiums on specialty risk and extended warranty are earned based on the estimated program coverage period. These estimates are based on the expected distribution of coverage periods by contract at inception, because a single contract may contain multiple coverage period options and these estimates are revised based on the actual coverage period selected by the original insured.

Unearned premiums represent the portion of premiums written which is applicable to the unexpired term of the contract or policy in force. These premiums can be subject to estimates based upon information received from ceding companies and any subsequent differences arising on such estimates are recorded in the period in which they are determined.

The Company provides proportional and non-proportional reinsurance coverage to cedants (insurance companies). Cedants' actual premiums are unknown at the time they enter into reinsurance agreement so treaties are based upon estimates of those premiums at the time the treaties are written and are typically adjusted as premiums are known. Reporting delays are inherent in the reinsurance industry and vary in length by type of treaty. As delays can vary from a few weeks to a year or sometimes longer, the Company produces accounting estimates to report premiums and commission and other acquisition expenses until it receives the cedants’ actual results. Under proportional treaties, the Company shares proportionally in both the premiums and losses of the cedant and pays the cedant a commission to cover the cedants' acquisition expenses. Under this type of treaty, the Company’s ultimate premiums written and earned and acquisition expenses are not known at the inception of the treaty and must be estimated until the cedant reports its actual results to the Company. Under non-proportional treaties, the Company is typically exposed to loss events in excess of a predetermined dollar amount or loss ratio and receives a deposit or minimum premium, which is subject to adjustment depending on the premium volume written by the cedant.

Reported premiums written and earned and commission and other acquisition expenses on proportional treaties are generally based upon reports received from cedants and brokers, supplemented by the Company’s own estimates of premiums written and commission and other acquisition expenses for which ceding company reports have not been received. Premium and acquisition expense estimates are determined at the individual treaty level based upon contract provisions. The determination of estimates requires a review of the Company’s experience with cedants, a thorough understanding of the individual characteristics of each line of business and the ability to project the impact of current economic indicators on the volume of business written and ceded by the Company’s cedants. Estimates for premiums and commission and other acquisition expenses are updated continuously as new information is received from the cedants. Differences between such estimates and actual amounts are recorded in the period in which estimates are changed or the actual amounts are determined.

Assessing whether or not a reinsurance contract meets the condition for risk transfer requires judgment. The determination of risk transfer is critical to reporting premiums written and is based, in part, on the use of actuarial and pricing models and assumptions. If we determine that a reinsurance contract does not transfer sufficient risk, we account for the contract as a deposit liability rather than a premium written.

Acquisition expenses represent the costs of writing business that vary with, and are primarily related to, the production of the business. Acquisition expenses that are related to successful contracts are deferred and recognized as expense over the same period in which the related premiums are earned. Only certain expenses incurred in the successful acquisition of new and renewal insurance contracts are capitalized. Those expenses include incremental direct costs of contract acquisition that result directly from and are essential to the contract transaction and would not have been incurred had the contract transaction not occurred. All other acquisition-related expenses, such as costs incurred for soliciting business, administration, and unsuccessful acquisition or renewal efforts are charged to expense as incurred. Administrative expenses, including rent, depreciation, occupancy, equipment, and all other general overhead expenses are considered indirect and are expensed as incurred.

The Company considers anticipated investment income in determining the recoverability of these deferred costs and believes they are fully recoverable. A premium deficiency is recognized if the sum of anticipated losses and LAE, unamortized acquisition expenses and anticipated investment income exceed unearned premium.

Retroactive Reinsurance

Retroactive reinsurance policies provide indemnification for losses and LAE with respect to past loss events. For our GLS run-off business in our Diversified Reinsurance segment, we use the balance sheet accounting approach for assumed loss portfolio transfers, whereby at the inception of the contract there are no premiums or losses recorded in earnings.

At the inception of a run-off retroactive reinsurance contract, if the estimated undiscounted ultimate losses payable are in excess of the premiums received, a deferred charge asset is recorded for the excess; whereas, if the premiums received are in excess of the estimated undiscounted ultimate losses payable, a deferred gain liability is recorded for the excess, such that we do not record any gain or loss at the inception of these retroactive reinsurance contracts. The premium consideration that we charge the ceding companies under retroactive reinsurance contracts may be lower than the undiscounted estimated ultimate losses payable due to the time value of money. After receiving the premium consideration in full from our cedents at the inception of the contract, we invest the premium received over an extended period of time, thereby generating investment income. We expect to generate profits from these retroactive reinsurance contracts when taking into account the premium received and expected investment income, less contractual obligations and expenses.

Deferred charge assets will be recorded in other assets (if and when applicable), and deferred gain liabilities are recorded in other liabilities, and amortized over the estimated claim payment period of the related contract with the periodic amortization reflected in earnings as a component of losses and LAE. The amortization of deferred charge assets and deferred gain liabilities is adjusted at each reporting period to reflect new estimates of the amount and timing of remaining loss and LAE payments. Changes in the estimated amount and timing of payments of unpaid losses may have an effect on the unamortized deferred charge assets and deferred gain liabilities and the amount of periodic amortization.

Reinsurance Recoverable on Unpaid Losses and Loss Expenses

Reinsurance recoverable balances are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. A case-specific allowance for expected credit losses against reinsurance recoverables that the Company deems unlikely to be collected in full, is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs. In addition, a default analysis is used to estimate an allowance for expected credit losses on the remainder of the reinsurance recoverable balance. The principal components of the default analysis are reinsurance recoverable balances by reinsurer and default factors applied to estimate uncollectible amounts based on reinsurers' credit ratings and the length of collection periods. The default factors are based on a model developed by a major rating agency. The default analysis considers both current and forecasted economic conditions in the determination of the credit loss allowance.

The Company records credit loss expenses related to reinsurance recoverable in net incurred losses and LAE in the Company's consolidated statements of income. Any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of reinsurance recoverable balances, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of December 31, 2023, the total allowance for expected credit losses on the Company's reinsurance recoverable on unpaid losses was $3.2 million which is discussed in *"Notes to Consolidated Financial Statements - Note 8. Reinsurance"* under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Fair Value of Financial Instruments

Please refer to "*Notes to Consolidated Financial Statements - Note 5. Fair Value of Financial Instruments*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion on the fair value methodology and valuation techniques used by the Company to determine the fair value of the financial instruments held at December 31, 2023 and 2022.

Allowance for expected credit losses associated with AFS fixed maturities and other investments

Please refer to "*Notes to Consolidated Financial Statements - Note 2. Significant Accounting Policies"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion on the impairment evaluation performed by the Company on its investment portfolio. For the years ended December 31, 2023 and 2022, the Company did not recognize any impairment or allowance for expected credit losses on its AFS securities in its results of operation. There was $1.0 million recognized in opening retained earnings on the Company's other investments on January 1, 2023. Please see "*Notes to Consolidated Financial Statements: Note 4. Investments*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further details.

Results of Operations

The following table sets forth our selected Consolidated Statement of Income data for each of the years indicated:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Gross premiums written	$ 23,466	$ 5,479
Net premiums written	$ 23,168	$ 5,082
Net premiums earned	$ 43,969	$ 37,732
Other insurance revenue (expense), net	39	(4,530)
Net loss and LAE	(61,228)	(57,991)
Commission and other acquisition expenses	(19,462)	(18,511)
General and administrative expenses(1)	(12,800)	(11,634)
Underwriting loss(2)	(49,482)	(54,934)
Other general and administrative expenses(1)	(17,996)	(19,313)
Net investment income	37,378	30,070
Net realized and unrealized investment gains (losses)	7,848	(5,140)
Foreign exchange and other (losses) gains, net	(5,741)	8,255
Interest and amortization expenses	(18,226)	(19,331)
Income tax (expense) benefit	(196)	557
Interest in income (loss) of equity method investments	7,846	(205)
Net loss	(38,569)	(60,041)
Gain from repurchase and exchange of preference shares	—	115,473
Net (loss) income (attributable) available to Maiden common shareholders	$ (38,569)	$ 55,432

(1) Underwriting related general and administrative expenses is a non-GAAP measure. Please refer to *"General and Administrative Expenses"* below for additional information related to these corporate expenses and the reconciliation to those presented in our Consolidated Statements of Income.

(2) Underwriting loss is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue (expense), less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities.

(3) The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in its results of operation, as it believes that as the run-off of its reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate our financial results.

Net (loss) income (attributable) available to Maiden common shareholders

Net loss attributable to Maiden common shareholders for the year ended December 31, 2023 was $38.6 million compared to net income available to Maiden common shareholders of $55.4 million in 2022. Net income for the year ended December 31, 2022 included $115.5 million of gains from the repurchase and exchange of our preference shares.

Excluding gains from the exchange and repurchase of preference shares in 2022, net loss for the year ended December 31, 2023 was $38.6 million compared to a net loss of $60.0 million in 2022. The net increase in our financial results for the year ended December 31, 2023 compared to 2022 was primarily due to:

- underwriting loss of $49.5 million in the year ended December 31, 2023 compared to an underwriting loss of $54.9 million in 2022 largely due to:
    - adverse PPD of $38.2 million for the year ended December 31, 2023 compared to adverse PPD of $32.6 million in 2022 detailed as follows:
        - Our AmTrust Reinsurance segment had adverse PPD of $33.7 million in 2023, compared to adverse PPD of $28.1 million in 2022. Of the total adverse PPD experienced in this segment for 2023, $25.5 million is recoverable under the LPT/ADC Agreement and is expected to be recognized as future GAAP income over time as recoveries are received under provisions of the LPT/ADC Agreement and the applicable GAAP accounting rules; and
        - Our Diversified Reinsurance segment had adverse PPD of $4.4 million in 2023, compared to adverse PPD of $4.6 million in 2022.
    - on a current accident year basis, an underwriting loss of $11.3 million for the year ended December 31, 2023 compared to an underwriting loss of $22.3 million in 2022, primarily due to results in AmTrust Reinsurance segment as discussed further below in the segment analysis;

- negative earned premium adjustments of $15.8 million in the AmTrust Reinsurance segment related to adjustments for surcharges on Workers' Compensation policies and inuring AmTrust reinsurance for certain programs in Specialty Risk and Extended Warranty cessions (collectively the "AmTrust Cession Adjustments" which are discussed in greater detail in the AmTrust Reinsurance segment). Net of commission and loss adjustments, this adjustment contributed an underwriting loss of $5.1 million to our reported results for the year ended December 31, 2022; and
- effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC’s French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share ("Commutation Agreement"). The Commutation Agreement incurred an exit cost of $3.7 million for the year ended December 31, 2022.

- total income from investment activities was $53.1 million for the year ended December 31, 2023 compared to $24.7 million in 2022 which was comprised of:
  - net investment income increased to $37.4 million for the year ended December 31, 2023 compared to $30.1 million that was earned in 2022;
  - realized and unrealized investment gains of $7.8 million for the year ended December 31, 2023 compared to realized and unrealized investment losses of $5.1 million in 2022; and
  - interest in income of equity method investments of $7.8 million for the year ended December 31, 2023 compared to an interest in loss of equity method investments of $0.2 million in 2022.
- corporate general and administrative expenses decreased to $18.0 million for the year ended December 31, 2023 compared to $19.3 million in 2022.

The increase in our financial results as discussed above were partially offset by:

- foreign exchange and other losses of $5.7 million for the year ended December 31, 2023 compared to foreign exchange and other gains of $8.3 million earned in 2022.

Net Premiums Written

The table below compares net premiums written by our reportable segments, reconciled to the total consolidated net premiums written for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 27,104	$ 23,620	$ 3,484	14.8 %
AmTrust Reinsurance	(3,936)	(18,538)	14,602	(78.8)%
Total	$ 23,168	$ 5,082	$ 18,086	355.9 %

Net premiums written for the year ended December 31, 2023 were $23.2 million compared to net premiums written of $5.1 million during 2022 due to the following:

- Net premiums written in the Diversified Reinsurance segment increased by $3.5 million or 14.8% for the year ended December 31, 2023 compared to 2022 primarily due to growth in direct premiums for Credit Life programs written by Maiden LF and Maiden GF; and
- Premiums written in the AmTrust Reinsurance segment increased by $14.6 million for the year ended December 31, 2023 compared to 2022. The significant negative premiums written in the prior period were primarily related to $15.8 million of AmTrust Cession Adjustments.

Please refer to the analysis below of our Diversified Reinsurance and AmTrust Reinsurance segments for further details.

Net Premiums Earned

Net premiums earned increased by $6.2 million or 16.5% for the year ended December 31, 2023 compared to 2022. The table below compares net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned, for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022	Change in	
($ in thousands)	Total	Total	$	%
Diversified Reinsurance	$ 29,039	$ 27,983	$ 1,056	3.8 %
AmTrust Reinsurance	14,930	9,749	5,181	53.1 %
Total	$ 43,969	$ 37,732	$ 6,237	16.5 %

Net premiums earned in the AmTrust Reinsurance segment for the year ended December 31, 2023 increased by $5.2 million or 53.1% compared to 2022 primarily due to negative earned premiums of $15.8 million from AmTrust Cession Adjustments for the year ended December 31, 2022. Please refer to the analysis of our AmTrust Reinsurance segment for further discussion.

Net premiums earned in the Diversified Reinsurance segment for the year ended December 31, 2023 increased by $1.1 million or 3.8% compared to 2022 mainly due to growth in Credit Life programs written by Maiden LF and Maiden GF. Please refer to the analysis of our Diversified Reinsurance segment for further discussion.

Other Insurance Revenue (Expense), Net

All other insurance revenue (expense), net is produced by our Diversified Reinsurance segment. Please refer to the analysis of our Diversified Reinsurance segment for further discussion regarding the sources of other insurance revenue (expense), net.

Net Investment Income

Net investment income increased by $7.3 million or 24.3% to $37.4 million for the year ended December 31, 2023 compared to $30.1 million of net investment income for 2022. Our average book yields increased to 4.1% for the year ended December 31, 2023 compared to 2.2% in 2022 due to the following factors:

- Floating rate investments comprise 40.8% of our fixed income investments at December 31, 2023 which enabled the portfolio to respond to the higher interest rate environment more quickly;
- Funds withheld balance with AmTrust had a higher crediting interest rate which increased to 3.5% in 2023 from 2.1% in 2022, on an average ending balance of $279.4 million during the year ended December 31, 2023; and
- Loan to related party carried a higher weighted average interest rate on a balance of $168.0 million which increased to 7.0% during the year ended December 31, 2023 compared to 3.7% in 2022.

Average aggregate fixed income assets at December 31, 2023 decreased by 34.8% compared to December 31, 2022 due to the continued run-off of reinsurance liabilities previously written on prospective risks, resulting in negative operating cash flows as we run-off our existing reinsurance liabilities primarily through the funds withheld receivable.

The following table details our average aggregate fixed income assets (at cost) and investment book yield for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Average aggregate fixed income assets, at cost [(1)]	$ 799,812	$ 1,226,134
Annualized investment book yield	4.1 %	2.2 %

(1) Fixed income assets include AFS securities, cash and restricted cash, funds held receivable, and loan to related party. These amounts are an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

Net Realized and Unrealized Investment Gains (Losses)

Net realized and unrealized investment gains of $7.8 million were recognized for the year ended December 31, 2023, compared to net realized and unrealized investment losses of $5.1 million recognized for 2022. Total net realized and unrealized investment gains (losses) for the years ended December 31, 2023 and 2022 are summarized in the table below by investment category:

For the Year Ended December 31,	2023	2022
Net realized gains (losses):	($ in thousands)	
Fixed income assets[(1)]	$ (2,971)	$ (2,983)
Other investments, including equity securities	4,957	190
Total net realized gains (losses)	1,986	(2,793)
Net unrealized gains (losses):		
Other investments, including equity securities	5,862	(2,347)
Total net unrealized gains (losses)	5,862	(2,347)
Total net realized and unrealized investment gains (losses)	$ 7,848	$ (5,140)

Interest in Income (Loss) of Equity Method Investments

The interest in income of equity method investments was $7.8 million for the year ended December 31, 2023 compared to an interest in loss of equity method investments of $0.2 million for the year ended December 31, 2022. The income from equity method investments increased by $8.1 million compared to the prior year primarily due to a $5.1 million loss from hedge fund investments realized during 2022. The Company's equity method investments consisted of real estate investments of $49.9 million and other investments of $31.0 million as of December 31, 2023.

The following table details our interest in the income (loss) of equity method investments for the years ended December 31, 2023 and 2022, respectively:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Hedge fund investments	$ 83	$ (5,053)
Real estate investments	(448)	29
Other equity method investments	8,211	4,819
Interest in income (loss) of equity method investments	$ 7,846	$ (205)

Net Loss and LAE

Net loss and LAE increased by $3.2 million or 5.6% during the year ended December 31, 2023 compared to 2022 driven by higher net adverse PPD in the AmTrust Reinsurance Segment. Net loss and LAE was impacted by net adverse PPD of $38.2 million in 2023 compared to net adverse PPD of $32.6 million during 2022. Of the total adverse development experienced in the AmTrust Reinsurance segment in 2023, $25.5 million is recoverable under the LPT/ADC Agreement and is expected to be recognized as future GAAP income over time as recoveries are received under the provisions of the LPT/ADC Agreement and the applicable GAAP accounting rules.

The cessation of active reinsurance underwriting on prospective risks included the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019. The segment net loss development is discussed in greater detail in the individual segment discussion and analysis and is primarily associated with the run-off of terminated reinsurance contracts in the AmTrust Reinsurance and Diversified Reinsurance segments.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses increased by $1.0 million or 5.1% for the year ended December 31, 2023 compared to 2022 driven by higher earned premiums in 2023 compared to 2022 which resulted in a corresponding increase in commission costs and brokerage fees. Please see further discussion in the individual segment analysis below.

General and Administrative Expenses

General and administrative expenses include both segment and corporate expenses segregated for analytical purposes as a component of underwriting income. Total general and administrative expenses decreased by $0.2 million or 0.5% for the year ended December 31, 2023, compared to 2022 primarily due to lower corporate-related administrative expenses.

Corporate general and administrative expenses for the year ended December 31, 2023 decreased by $1.3 million or 6.8% compared to 2022 due to lower stock-based incentive compensation costs of $1.7 million compared to $2.7 million in 2022.

General and administrative expenses for the years ended December 31, 2023 and 2022 are comprised of:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
General and administrative expenses – segments	$ 12,800	$ 11,634
General and administrative expenses – corporate	17,996	19,313
Total general and administrative expenses	$ 30,796	$ 30,947

Interest and Amortization Expenses

Total interest and amortization expenses for the outstanding Senior Notes issued by Maiden Holdings in 2016 and Maiden NA in 2013 were $18.3 million for the year ended December 31, 2023 compared to $19.3 million in 2022. This included interest expense incurred on the Senior Notes for the year ended December 31, 2023 and 2022 of $19.1 million.

The issuance costs related to the Senior Notes were capitalized and are amortized over their effective life using the effective interest method of amortization. Due to changes in the amortization method for the 2013 Senior Notes in 2023, the amortization expenses were $(0.8) million for the year ended December 31, 2023 compared to $0.2 million in 2022.

During the year ended December 31, 2023, the Company realized a gain of $39.9 thousand due to the partial repurchase of the 2013 Senior Notes which was offset against total interest and amortization expenses. Net interest and amortization expenses for the Senior Notes were $18.2 million for year ended December 31, 2023.

Please refer to "*Notes to Consolidated Financial Statements - Note 7 — Long-Term Debt*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Form 10-K for further details on the Senior Notes. The weighted average effective interest rate for the Senior Notes was 7.6% for the years ended December 31, 2023 and 2022, respectively.

Foreign Exchange and Other (Losses) Gains

Net foreign exchange and other losses amounted to $5.7 million during the year ended December 31, 2023 compared to net foreign exchange and other gains of $8.3 million in 2022.

At December 31, 2023, net foreign exchange losses were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at December 31, 2023 included net loss reserves of $287.0 million. Our foreign currency asset exposures at December 31, 2023 included $166.4 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy, $27.4 million of equity method real estate investments denominated in Canadian dollars, and $15.5 million of funds withheld receivable.

Net foreign exchange losses of $5.7 million for the year ended December 31, 2023 were attributable to the weakening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro. Net foreign exchange gains of $8.9 million during 2022 were attributable to the strengthening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Income Tax Expense (Benefit)

The Company recognized an income tax expense of $0.2 million for the year ended December 31, 2023 compared to an income tax benefit of $0.6 million recognized for 2022. The income tax expense (benefit) for 2023 and 2022 was largely generated on the operating results of our international subsidiaries. The effective rate of income tax was (0.5)% for the year ended December 31, 2023 compared to an income tax rate of 0.9% for the year ended December 31, 2022. The effective tax rate on the Company's net loss differs from the statutory rate of zero percent under Bermuda law due to tax on foreign operations, primarily the U.S. and Sweden.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results for our Diversified Reinsurance segment for the years ended December 31, 2023 and 2022 were as follows:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Gross premiums written	$ 27,402	$ 24,017
Net premiums written	$ 27,104	$ 23,620
Net premiums earned	$ 29,039	$ 27,983
Other insurance revenue (expense), net	39	(4,530)
Net loss and LAE	(14,230)	(12,483)
Commission and other acquisition expenses	(13,879)	(14,164)
General and administrative expenses	(10,110)	(8,857)
Underwriting loss	$ (9,141)	$ (12,051)

Underwriting loss by business unit is detailed in the table below for the Diversified Reinsurance segment for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
International	$ (4,880)	$ (1,103)
GLS	(4,625)	(8,923)
Other run-off lines	364	(2,025)
Underwriting loss	$ (9,141)	$ (12,051)

The underwriting loss in International deteriorated for the year ended December 31, 2023 due to adverse prior period loss development of $2.5 million in 2023 compared to favorable development of $1.7 million in 2022. The GLS underwriting loss in 2023 was primarily due to higher allocated overhead expenses of $3.6 million in 2023 as adverse prior period loss development was lower during 2023 compared to 2022. Finally, other run-off lines for the year ended December 31, 2023 benefited from appreciably lower adverse prior period development compared to 2022.

Premiums - Gross premiums written increased by $3.4 million, or 14.1% for the year ended December 31, 2023 compared to 2022 primarily due to growth in new Credit Life programs written by Maiden LF and Maiden GF.

Net premiums written for the year ended December 31, 2023 increased by $3.5 million or 14.8% compared to 2022 due to growth in new Credit Life programs written by Maiden LF and Maiden GF.

Net premiums earned increased by $1.1 million or 3.8% during the year ended December 31, 2023 compared to 2022.

Other Insurance Revenue, Net - Total other insurance revenue (expense), net includes fee related income generated from our GLS business, fair value changes in underwriting-related derivatives related to certain coverages on retroactive reinsurance contracts written by GLS, and fee income derived from our IIS business not directly associated with premium revenue assumed by the Company as specified in the table below.

Total other insurance revenue (expense), net increased by $4.6 million for the year ended December 31, 2023 compared to 2022 largely due to fair value changes on non-hedged underwriting-related derivatives in GLS. The decrease in the fair value of underwriting-related derivatives of $4.8 million in 2022 was due to the acceleration of covered payments which triggered coverage in excess of the contracts risk margin.

Total other insurance revenue (expense), net by source for the years ended December 31, 2023 and 2022 is detailed in the table below:

For the Year Ended December 31,	2023	2022	Change in $
	($ in thousands)		
Change in fair value of non-hedged underwriting-related derivatives	$ (230)	$ (4,825)	$ 4,595
Other service fee income	169	194	(25)
International fee income	100	101	(1)
Total other insurance revenue (expense), net	$ 39	$ (4,530)	$ 4,569

Net Loss and LAE - Net loss and LAE increased by $1.7 million for the year ended December 31, 2023 compared to 2022. Net Loss and LAE was impacted by adverse PPD of $4.4 million in 2023 compared to adverse PPD of $4.6 million experienced for 2022. The adverse PPD in 2023 was primarily due to German auto programs in run-off, along with development in European Capital Solutions and other runoff business lines. It also included the recognition of expected credit losses on reinsurance recoverable on unpaid losses recognized during 2023. The adverse PPD in 2022 was due to GLS contracts and other reinsurance run-off lines partly offset by favorable development in German Auto Programs.

The table below details prior year loss development by line of business for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Prior Year Loss Development adverse (favorable)	($ in thousands)	
IIS business	$ 2,504	$ (1,683)
GLS	954	1,825
Other run-off lines	982	4,410
Total Diversified Reinsurance Prior Year Development	$ 4,440	$ 4,552

Commission and Other Acquisition Expenses - Commission and other acquisition expenses decreased by $0.3 million or 2.0% for the year ended December 31, 2023 compared to 2022.

General and Administrative Expenses - General and administrative expenses increased by $1.3 million or 14.1% for the year ended December 31, 2023 compared to 2022.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported an underwriting loss of $40.3 million for the year ended December 31, 2023 compared to an underwriting loss of $42.9 million for the year ended December 31, 2022. The underwriting results for the AmTrust Reinsurance segment for the years ended December 31, 2023 and 2022 were as follows:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Gross premiums written	$ (3,936)	$ (18,538)
Net premiums written	$ (3,936)	$ (18,538)
Net premiums earned	$ 14,930	$ 9,749
Net loss and LAE	(46,998)	(45,508)
Commission and other acquisition expenses	(5,583)	(4,347)
General and administrative expenses	(2,690)	(2,777)
Underwriting loss	$ (40,341)	$ (42,883)

Premiums - The table below shows net premiums written by category for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022	Change in $
		($ in thousands)	
Net Premiums Written			
Small Commercial Business	$ (465)	$ (15,143)	$ 14,678
Specialty Program	156	747	(591)
Specialty Risk and Extended Warranty	(3,627)	(4,142)	515
Total AmTrust Reinsurance	$ (3,936)	$ (18,538)	$ 14,602

The negative premiums for the year ended December 31, 2023 and 2022 reflect the termination of the AmTrust Quota Share and the European Hospital Liability Quota Share as of January 1, 2019 which has resulted in no new business written under these contracts since 2018.

The negative gross and net premiums written for the year ended December 31, 2023 reflect cession adjustments of $6.1 million due to the cancellation of cases in one specific program within Specialty Risk and Extended Warranty.

The negative gross and net premiums written for the year ended December 31, 2022 reflect the AmTrust Cession Adjustments which consist of higher than expected adjustments related to the following items:

- $11.0 million of premium reductions on Workers Compensation policy surcharges in Small Commercial Business subsequent to the termination of the AmTrust Quota Share; and
- $4.8 million of premium reductions to AmTrust's inuring reinsurance for certain programs in Specialty Risk and Extended Warranty which reduced the amount of premium ceded to Maiden.

Net premiums earned increased by $5.2 million for the year ended December 31, 2023 compared to 2022 primarily due to AmTrust Cession Adjustments in 2022. Negative premiums earned in the years ended December 31, 2023 and 2022 in Small Commercial Business were due to premium adjustments on such policies in the AmTrust Quota Share. The table below details net premiums earned by category for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023		2022	
($ in thousands)	Total	% of Total	Total	% of Total
Net Premiums Earned				
Small Commercial Business	$ (465)	(3.1)%	$ (15,131)	(155.2)%
Specialty Program	156	1.0 %	748	7.7 %
Specialty Risk and Extended Warranty	15,239	102.1 %	24,132	247.5 %
Total AmTrust Reinsurance	$ 14,930	100.0 %	$ 9,749	100.0 %

Net Loss and Loss Adjustment Expenses - Net loss and LAE increased by $1.5 million for the year ended December 31, 2023 compared to 2022 driven by higher net adverse PPD experienced in 2023. The table below shows adverse PPD for the AmTrust Reinsurance segment for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Prior Year Loss Development adverse (favorable)	($ in thousands)	
AmTrust Quota Share	$ 24,098	$ 14,837
AmTrust other runoff	(618)	—
European Hospital Liability Quota Share	10,268	13,247
Total AmTrust Reinsurance Prior Year Development	$ 33,748	$ 28,084

The table below details prior year loss development by lines of business for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
PPD adverse (favorable) before the impact of the LPT/ADC Agreement	($ in thousands)	
Workers Compensation	$ (17,956)	$ (38,131)
Commercial Auto Liability	9,747	19,088
General Liability	31,703	18,452
European Hospital Liability	10,268	13,247
Other Lines	(14)	(1,685)
Other Specialty Risk & Extended Warranty	—	17,113
Total AmTrust Reinsurance Prior Year Development	$ 33,748	$ 28,084

Net adverse PPD was $33.7 million for the year ended December 31, 2023 compared to net adverse PPD of $28.1 million in 2022. Net adverse PPD for the year ended December 31, 2022 included $5.3 million of favorable reserve adjustments for estimated surcharges on Workers' Compensation policies and inuring AmTrust reinsurance for programs in Specialty Risk and Extended Warranty cessions related to the AmTrust Cession Adjustments discussed in the premium section above. Excluding these adjustments, there was adverse PPD of $33.4 million for the year ended December 31, 2022.

Overall, for the year ended December 31, 2023, there was higher adverse development in General Liability business, and lower favorable development in Workers Compensation business, offset by lower adverse development in Commercial Auto Liability and other Specialty Risk & Extended Warranty business compared to the year ended December 31, 2022. Recent adverse trends in program related General Liability coverages continued to deteriorate in 2023. Depending on future data received from AmTrust on this business, additional deterioration is possible in light of recent trends.

Net adverse PPD for European Hospital Liability for the year ended December 31, 2023 was primarily driven by emergence of loss data on underwriting years 2011 to 2016. Net adverse PPD in 2022 for European Hospital Liability was due to higher than expected loss emergence in Italian Hospital Liability policies as well as the agreed exit cost of $3.7 million (€3.4 million) for the commutation of French Hospital Liability policies as described in *"Note 10. Related Party Transactions"*.

As of December 31, 2023, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was $515.5 million. The LPT/ADC Agreement provides Maiden Reinsurance with $155.0 million in adverse PPD cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. All lines of business in the table above are covered by the LPT/ADC Agreement, except for European Hospital Liability which is not part of the AmTrust Quota Share therefore, adverse PPD in this line of business may result in significant losses. The reinsurance recoverable includes the deferred gain liability under the LPT/ADC Agreement of $70.9 million. At December 31, 2023, there was $84.1 million remaining in available coverage under the LPT/ADC Agreement. Net adverse PPD of $33.7 million for the year ended December 31, 2023 includes $25.5 million recoverable under the LPT/ADC Agreement that is expected to be recognized as future GAAP income over time as recoveries are received subject to the provisions of the LPT/ADC Agreement and the applicable GAAP accounting rules.

Commission and Other Acquisition Expenses - Commission and other acquisition expenses increased by $1.2 million for the year ended December 31, 2023 compared to 2022 primarily due to higher earned premiums in 2023.

General and Administrative Expenses - General and administrative expenses decreased by $0.1 million or 3.1% for the year ended December 31, 2023 compared to 2022.

Liquidity and Capital Resources

Liquidity

Maiden Holdings is a holding company and transacts no business of its own. We therefore rely on cash flows in the form of dividends, advances, loans and other permitted distributions from our subsidiary companies to pay expenses and make dividend payments on our common shares. The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements and also place restrictions on the declaration and payment of dividends and other distributions.

As of December 31, 2023, the Company had investable assets of $914.3 million compared to $1.2 billion as of December 31, 2022. Investable assets include the combined total of our investments, cash and restricted cash (including cash equivalents), loan to a related party and funds withheld receivable. Our investable assets decreased by $328.8 million during the year ended December 31, 2023 due to the continued run-off of our reinsurance portfolio liabilities. This resulted in negative operating cash flows as claim payments are settled primarily from the funds withheld receivable, which decreased by $297.4 million in the year ended December 31, 2023.

As discussed in *"Item 1. Business"*, Maiden Reinsurance re-domesticated from Bermuda to Vermont on March 16, 2020. We continue to be actively engaged with the Vermont DFR regarding Maiden Reinsurance's longer term business plan, including its investment policy, changes to which require prior regulatory approval as stipulated by Vermont law or the Vermont DFR for any active underwriting, capital management or other strategic initiatives. Maiden Reinsurance has received all necessary approvals required to date by the Vermont DFR, including its activities via GLS and its investment policy, which includes: 1) the expansion of approved asset classes for investment reflecting not only Maiden Reinsurance’s solvency position but the material reduction in required capital necessary to operate its business; and 2) the purchase of affiliated securities as demonstrated in previous preference share tender offers and the Exchange. The Investment Policy, as approved and as amended, maintains our established investment management and governance practices.

Maiden Reinsurance is regulated by the Vermont DFR and is the principal operating subsidiary of Maiden Holdings. At December 31, 2023, Maiden Reinsurance had statutory capital and surplus of $886.3 million, exceeding the amounts required to be maintained of $97.6 million at December 31, 2023. Under its license as an affiliated reinsurer under the captive licensing laws in the State of Vermont, Maiden Reinsurance requires the approval of the Vermont DFR for the payment of any dividends. In 2022 and 2023, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. During the year ended December 31, 2023, Maiden Reinsurance paid dividends of $25.0 million to Maiden NA (2022 - $18.8 million). During the years ended December 31, 2023 and 2022, Maiden NA did not pay any dividends to Maiden Holdings.

Maiden Holdings has two Swedish domiciled operating subsidiaries, Maiden LF and Maiden GF, which are both subject to regulation and supervision by the Swedish FSA. At December 31, 2023, Maiden LF and Maiden GF had statutory capital and surplus of $7.8 million and $8.5 million, respectively, exceeding the amounts required to be maintained of $4.5 million and $5.0 million, respectively, at December 31, 2023. Maiden LF and Maiden GF are subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden LF and Maiden GF to Maiden Holdings. At December 31, 2023, Maiden LF and Maiden GF are not allowed to pay dividends or distributions without the permission of the Swedish FSA. During the years ended December 31, 2023 and 2022, Maiden LF and Maiden GF did not pay any dividends to Maiden Holdings.

Maiden Holdings’ wholly owned U.K. subsidiary, Maiden Global, operates as a reinsurance services and holding company. Maiden Global is subject to regulation by the U.K. FCA. At December 31, 2023, Maiden Global is allowed to pay dividends or distributions not exceeding $3.2 million. Maiden Global paid dividends of $1.0 million to Maiden Holdings during the year ended December 31, 2023 (2022 - $1.1 million).

We may experience continued volatility in our results of operations which could negatively impact our financial condition and create a reduction in the amount of available distribution or dividend capacity from our regulated reinsurance subsidiaries, which would also reduce liquidity. Further, we and our insurance subsidiaries may need additional capital to maintain compliance with regulatory capital requirements and/or be required to post additional collateral under existing reinsurance arrangements, which could reduce our liquidity.

Operating, investing and financing cash flows

Our sources of funds historically have consisted of premium receipts net of commissions and brokerage, investment income, net proceeds from capital raising activities, and proceeds from sales, maturities, pay downs and redemption of investments. Cash is currently used primarily to pay loss and LAE, ceded reinsurance premium, general and administrative expenses, and interest expense, with the remainder of cash in excess of our operating requirements made available to our investment managers for investment in accordance with our investment policy, as well as for capital management such as repurchasing our shares.

Our business has undergone significant changes since 2018. As previously noted, we have engaged in a series of transactions that have materially reduced our balance sheet risk and transformed our operations. As a result of these transactions, we are not presently engaged in any active underwriting of new prospective reinsurance business thus our net premiums written will continue to be materially lower and investment income will become a significantly larger portion of our total revenues. We have not written any new retroactive risks through GLS since December 30, 2022, and this will be smaller in relation to the run-off of our prior reinsurance business. The run-off of our prior reinsurance business has continued to cause significant negative operating cash flows as we run off the AmTrust Reinsurance segment reserves as shown in the cash flows table below. We continue to expect a trend of negative overall cash flows to reduce our asset base going forward into 2024 and beyond.

We expect to use funds from cash and investment portfolios, collected premiums on reinsurance contracts in force or being run-off, investment income and proceeds from investment sales and redemptions to meet our expected claims payments and operational expenses. Claim payments will be principally from the run-off of existing reserves for losses and LAE. A significant portion of those liabilities are collateralized and claim payments will be funded by using this collateral which should provide sufficient funding to fulfill those obligations.

The Company's management believes our current sources of liquidity are adequate to meet its cash requirements for the next twelve months as we generally expect negative operating cash flows to be sufficiently offset by positive investing cash flows. While we continue to expect our cash flows to be sufficient to meet our cash requirements and to operate our business, our ability to execute our asset and capital management initiatives are dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Our expanded asset management strategy can be impacted by both investment specific and broader financial market conditions and may not produce the expected liquidity and cash flows these investments are designed to achieve, or the timing thereof may also be impacted by those factors.

At December 31, 2023, unrestricted cash, cash equivalents and fixed maturity investments were $73.4 million compared to $64.3 million held at December 31, 2022, an increase of $9.1 million during the year ended December 31, 2023. The increase was driven by $77.9 million of collateral released by AmTrust from the funds withheld receivable, partly offset by $19.1 million utilized for interest payments on the Senior Notes, $18.4 million utilized for net purchases of alternative investments including equity method investments, $2.9 million for common share repurchases made under the Company's authorized repurchase plan and employee tax obligations on vesting of restricted shares, as well as payments for general operating expenses.

Please see the related discussion on cash flows from investing and financing activities below. The table below summarizes our operating, investing and financing cash flows for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	**2023**	**2022**
	($ in thousands)	
Operating activities	$ (59,778)	$ (195,928)
Investing activities	58,512	188,790
Financing activities	(3,015)	(10,983)
Effect of exchange rate changes on foreign currency cash	335	(1,342)
Total decrease in cash, cash equivalents and restricted cash	$ (3,946)	$ (19,463)

Cash Flows from Operating Activities

Cash flows used in operating activities for the year ended December 31, 2023 were $59.8 million compared to cash flows used in operating activities of $195.9 million for the year ended December 31, 2022, a decrease of $136.2 million primarily due to the settlement of claim payments to AmTrust using the funds withheld receivable in the current year period whereas cash was primarily used in the prior year period.

Cash Flows from Investing Activities

Cash flows provided by investing activities consist of proceeds from sales and maturities of investments net of payments for investments acquired. Net cash provided by investing activities was $58.5 million for the year ended December 31, 2023 compared to $188.8 million for 2022 as the size of the fixed income investment portfolio continues to decrease as claims payments are made for the runoff of existing loss reserves for contracts related to the terminated AmTrust Quota Share and the European Hospital Liability Quota Share.

For the year ended December 31, 2023, the proceeds from the sales, maturities and calls exceeded the purchases of fixed maturity securities by $77.0 million compared to net proceeds of $233.4 million during 2022. These net proceeds were partly offset by $18.4 million utilized for net purchases of alternative investments, including equity method investments, during the year ended December 31, 2023.

Cash Flows from Financing Activities

Cash flows used in financing activities were $3.0 million for the year ended December 31, 2023 compared to $11.0 million during 2022. During the year ended December 31, 2023, the Company repurchased 1,439,575 common shares at an average price per share of $1.83 for a total cost of $2.6 million under the Company's authorized common share repurchase plan. During the year ended December 31, 2022, the Company repurchased 1,581,509 preference shares for an aggregate total consideration of $10.0 million pursuant to the 2021 Preference Share Repurchase Program.

No dividends on common shares were paid during the year ended December 31, 2023 and 2022. Our Board of Directors have not declared any common share dividends since the third quarter of 2018.

Restrictions, Collateral and Specific Requirements

Maiden Reinsurance is generally required to post collateral security with respect to any reinsurance liabilities it assumes from ceding insurers domiciled in the U.S. to obtain credit on their U.S. statutory financial statements with respect to reinsurance recoverables due to them. Consequently, cash and cash equivalents and investments are pledged in favor of ceding companies to comply with relevant insurance regulations or contractual requirements.

At December 31, 2023, the Company had letters of credit outstanding of $40.5 million for collateral purposes which are secured by cash and fixed maturities with a fair value of $46.9 million.

At December 31, 2023 and 2022, restricted cash and cash equivalents and fixed maturity investments used as collateral were $219.9 million and $296.8 million, respectively. This collateral represents 75.0% and 82.2% of the fair value of total fixed maturity investments and cash, restricted cash and cash equivalents at December 31, 2023 and 2022, respectively.

The following table provides additional information on restricted cash and fixed maturities used as collateral at December 31, 2023 and 2022:

December 31,	**2023**			**2022**		
($ in thousands)	**Restricted Cash & Equivalents**	**Fixed Maturities**	**Total**	**Restricted Cash & Equivalents**	**Fixed Maturities**	**Total**
Diversified Reinsurance	$ 6,019	$ 61,192	$ 67,211	$ 13,122	$ 48,101	$ 61,223
AmTrust Reinsurance	1,247	151,416	152,663	2,516	233,091	235,607
Total	$ 7,266	$ 212,608	$ 219,874	$ 15,638	$ 281,192	$ 296,830
As a % of Consolidated Balance Sheet captions	100.0%	84.8%	85.3%	100.0%	89.4%	89.9%

Maiden Reinsurance loaned funds of $168.0 million to AmTrust at December 31, 2023 and 2022, respectively, to partially satisfy its collateral requirements with AII. Advances under the loan are secured by promissory notes and the loan is carried at cost. On January 30, 2019, in connection with the termination of the AmTrust Quota Share, the Company and AmTrust amended the Loan Agreement between Maiden Reinsurance, AmTrust and AII, originally entered into on November 16, 2007, to extend the maturity date to January 1, 2025 and the parties acknowledged that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement.

On January 11, 2019, a portion of the existing trust accounts used for collateral on the AmTrust Quota Share were converted to a funds withheld arrangement under which the Company transferred $575.0 million to AmTrust as a funds withheld receivable which bears an annual interest rate of 3.5%, subject to annual adjustment. The annual interest rate was 2.1% during 2022. At December 31, 2023, the funds withheld balance was $128.5 million compared to $416.8 million at December 31, 2022. We expect this asset balance to be exhausted during 2024.

Collateral arrangements with ceding insurers may subject our assets to security interests or require that a portion of our assets be pledged to, or otherwise held by, third parties. Although the investment income derived from these assets, while held in trust, accrues to our benefit, the investment of these assets is governed by the terms of the letter of credit facilities or the investment regulations of the state or territory of domicile of the ceding insurer, which may be more restrictive than the investment regulations applicable to the Company under U.S. law in the State of Vermont. The restrictions may result in lower investment yields on these assets, which may adversely affect our profitability.

We do not anticipate that restrictions on liquidity resulting from restrictions on the payments of dividends by our subsidiary companies or from assets committed in trust accounts or those assets used to collateralize letter of credit facilities will have a material impact on our ability to carry out our normal business activities.

Cash and Investments

Historically, the investment of our funds had generally been designed to ensure safety of principal while generating current income to support our insurance loss reserves. Accordingly, our fixed income investment portfolio is invested in liquid, investment-grade fixed maturity securities which are all designated as AFS at December 31, 2023. Further, as our insurance liabilities continue to run-off and the required capital to operate our business for regulatory purposes decreases, we expanded Maiden Reinsurance's investment policy which has been approved by the Vermont DFR. Under this modified investment policy, we expanded the range of asset classes we invest in to enhance the income and total returns our investment portfolio produces. We categorize these investments as alternative investments which include "*Other Investments*", *"Equity Securities"*, and *"Equity Method Investments"* on our Consolidated Balance Sheets as discussed in "*Note 2 — Significant Accounting Policies"* included under Part II Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

As of December 31, 2023 and 2022, our cash and investments consisted of the following captions:

At December 31,	2023	2022
	($ in thousands)	
Fixed maturities, available-for-sale, at fair value	$ 250,601	$ 314,527
Equity investments, at fair value	45,299	43,621
Equity method investments	80,929	80,159
Other investments	182,811	148,753
Total investments	559,640	587,060
Cash and cash equivalents	35,412	30,986
Restricted cash and cash equivalents	7,266	15,638
Total Investments and Cash (including cash equivalents)	$ 602,318	$ 633,684

In addition to the discussion on Cash and Cash Equivalents and Fixed Maturities that follows herein, please see "*Notes to Consolidated Financial Statements - Note 4 — Investments*" included under Part II Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further discussion on our AFS fixed income securities.

Under our revised investment policy, we have increased the amount of alternative investments held, and we expect to continue to increase the amounts invested therein. Under our investment policy, alternative investments could include, but are not limited to, privately held investments, private equities, private credit lending funds, fixed-income funds, hedge funds, equity funds, real estate (including joint ventures and limited partnerships) and other non-fixed-income investments.

For further details on our alternative investments, in addition to the discussion of the investments herein, please see "*Notes to Consolidated Financial Statements Note 4(b). Other Investments, Equity Securities and Equity Method Investments"* included under Part II Item 8 "*Financial Statements and Supplementary Data*" of this Annual Report on Form 10-K.

Our investment performance is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, foreign exchange risk, liquidity risk and credit and default risk. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. An increase in interest rates could result in significant losses, realized or unrealized, in the value of our investment portfolio. A portion of our portfolio consists of alternative investments that subject us to restrictions on redemption, which may limit our ability to withdraw funds for some period of time after the initial investment. The values of, and returns on, such investments may also be more volatile.

We believe our other investments, equity securities and equity method investments portfolio provides diversification against our fixed-income investments and an opportunity for improved risk-adjusted return, however, the returns of these investments may be more volatile and we may experience significant unrealized gains or losses in a particular quarter or year. While we believe the returns produced by these investments will exceed our cost of capital, in particular our cost of debt capital, it is too soon to determine if the actual returns will achieve this objective and it may be an extended period of time before that determination can be made.

We may utilize and pay fees to various companies to provide investment advisory and/or management services related to these investments. These fees, which would be predominantly based upon the amount of assets under management, would be included in net investment income. In addition, costs associated with evaluating, analyzing and monitoring these investments may require additional expenditures than traditional marketable securities.

The substantial majority of our current and future investments are held by Maiden Reinsurance, whose investment policy was approved by the Vermont DFR. Prior to the Exchange, the Company cumulatively invested $176.4 million in the preference shares of Maiden Holdings which have since been extinguished and exchanged for 41,439,348 common shares of the Company pursuant to the Exchange. As a result of the Exchange on December 27, 2022, there are no preference shares outstanding. Treasury shares include 42,878,923 common shares owned by Maiden Reinsurance consisting of 41,439,348 shares issued as part of the Exchange and 1,439,575 shares directly purchased on the open market by Maiden Reinsurance under the Company's authorized repurchase plan. The market value of our common shares held by Maiden Reinsurance due to the Exchange and common share repurchases was $98.2 million at December 31, 2023.

Cash & Cash Equivalents

At December 31, 2023, we consider the levels of cash and cash equivalents held to be within our targeted ranges. During periods when interest rates experience greater volatility, we have periodically maintained more cash and cash equivalents to better assess current market conditions and opportunities within our defined risk appetite, and may do so in future periods.

Fixed Maturity Investments

The average yield and average duration of our fixed maturities, by asset class, and our cash and cash equivalents (both restricted and unrestricted) are as follows at December 31, 2023 and 2022, respectively :

December 31, 2023	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield[1]	Average duration[2]
AFS Fixed maturities			($ in thousands)			
U.S. treasury bonds	$ 55,046	$ 8	$ (2)	$ 55,052	5.4 %	0.1
U.S. agency bonds – mortgage-backed	29,918	—	(3,267)	26,651	4.6 %	6.1
Non-U.S. government bonds	21,219	—	(468)	20,751	1.9 %	1.1
Collateralized loan obligations	80,591	—	(1,788)	78,803	4.9 %	0.3
Corporate bonds	71,762	—	(2,418)	69,344	1.6 %	1.7
Total fixed maturities	258,536	8	(7,943)	250,601	3.8 %	1.3
Cash and cash equivalents	42,678	—	—	42,678	2.5 %	0.0
Total	$ 301,214	$ 8	$ (7,943)	$ 293,279	3.6 %	1.2

December 31, 2022	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield[1]	Average duration[2]
AFS fixed maturities			($ in thousands)			
U.S. treasury bonds	$ 55,647	$ 1	$ (116)	$ 55,532	4.0 %	0.7
U.S. agency bonds – mortgage-backed	38,767	—	(4,402)	34,365	2.7 %	4.7
Collateralized mortgage-backed securities	7,199	—	(432)	6,767	5.3 %	2.7
Non-U.S. government bonds	12,643	—	(825)	11,818	0.3 %	2.8
Collateralized loan obligations	119,120	—	(5,028)	114,092	3.1 %	0.3
Corporate bonds	97,063	—	(5,110)	91,953	1.5 %	2.1
Total AFS fixed maturities	330,439	1	(15,913)	314,527	2.7 %	1.5
Cash and cash equivalents	46,624	—	—	46,624	1.2 %	0.0
Total	$ 377,063	$ 1	$ (15,913)	$ 361,151	2.5 %	1.3

(1) Average yield is calculated by dividing annualized investment income for each sub-component of fixed maturity securities and cash and cash equivalents (including amortization of premium or discount) by amortized cost.

(2) Average duration in years.

During the year ended December 31, 2023, the yield on the 10-year U.S. Treasury bond remained at 3.88% compared to December 31, 2022. The 10-year U.S. Treasury rate is the key risk-free determinant in the fair value of many of the fixed income securities in our portfolio. The change in the market values of our fixed maturity portfolio during the year ended December 31, 2023 generated net unrealized gains of $8.0 million which increased our book value per common share by $0.08 during the period. Current outlooks for global monetary policy indicate that quantitative tightening by central banks in the U.S. and globally appear likely to moderate in the near term, although central banks have indicated that they maintain the option to either adopt a neutral stance or apply further tightening should data dictate such actions, particularly inflation and labor market data. Our investment portfolios, in particular our fixed maturity portfolio, may be adversely impacted by unfavorable market conditions caused by these measures, which could cause continued volatility in our results of operations and negatively impact our financial condition.

Interest rate risk is the price sensitivity of a security to changes in interest rates. Credit spread risk is the price sensitivity of a security to changes in credit spreads. As noted, the fair value of our fixed maturity investments will fluctuate with changes in interest rates and credit spreads. We attempt to maintain adequate liquidity in our fixed maturity investments portfolio with a strategy designed to emphasize the preservation of our invested assets and provide sufficient liquidity for the prompt payment of claims and contract liabilities. Because we collateralize a significant portion of our insurance liabilities, unanticipated or large increases in interest rates could require us to utilize significant amounts of unrestricted cash and fixed maturity securities to provide additional collateral, which could impact our asset and capital management strategy described herein.

We also monitor the duration and structure of our investment portfolio as discussed below. As of December 31, 2023, the aggregate hypothetical change in fair value from an immediate 100 basis points increase in interest rates, assuming credit spreads remain constant, in our fixed maturity investments portfolio would decrease the fair value of that portfolio by $5.6 million. Actual shifts in interest rates may not change by the same magnitude across the maturity spectrum or on an individual security and, as a result, the impact on the fair value of our fixed maturity securities may be materially different from the resulting change in value described above.

To limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves. At December 31, 2023 and 2022, these respective durations in years were as follows:

December 31,	2023	2022
Fixed maturities and cash and cash equivalents	1.2	1.3
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	5.8	5.3
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	1.6	1.1

During the year ended December 31, 2023, the weighted average duration of our fixed maturity investment portfolio decreased by 0.1 years to 1.2 years while the duration for reserve for loss and LAE increased by 0.5 years to 5.8 years. The differential in duration between these assets and liabilities may fluctuate over time and, in the case of our fixed maturities, historically has been affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both Agency MBS and commercial mortgage-backed securities held. At December 31, 2023, the duration of loss reserves net of the LPT/ADC Agreement was higher than the duration of our fixed maturity investment portfolio.

To limit our exposure to unexpected interest rate increases that could reduce the value of our fixed maturity securities and reduce our shareholders' equity, the Company holds floating rate securities whose fair values are less sensitive to interest rates. At December 31, 2023 and December 31, 2022, 40.8% and 29.6%, respectively, of our fixed income investments were comprised of floating rate securities which are detailed in the table below:

December 31,	2023		2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Floating rate securities				
Collateralized loan obligations	$ 78,803	13.0 %	$ 114,092	11.8 %
Collateralized mortgage-backed securities	—	— %	4,773	0.5 %
Total floating rate AFS fixed maturities at fair value	78,803	13.0 %	118,865	12.3 %
Loan to related party	167,975	27.8 %	167,975	17.3 %
Total floating rate securities	$ 246,778	40.8 %	$ 286,840	29.6 %
Total fixed income investments at fair value (1)	$ 605,239		$ 970,538	

(1) Total fixed income investments at fair value include AFS fixed maturities, cash and restricted cash, funds withheld receivable, and loan to related party.

At December 31, 2023 and 2022, 100.0% of the Company's U.S. agency bond holdings are mortgage-backed. Total U.S. agency MBS comprise 10.6% of our fixed maturity investment portfolio at December 31, 2023. Given their relative size to our total investments, if faster prepayment patterns were to occur over an extended period of time, this could potentially limit the growth in our investment income in certain circumstances or reduce the total amount of investment income we earn. Additional details on our U.S. Agency MBS holdings at December 31, 2023 and 2022 were as follows:

December 31,	2023		2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
FNMA – fixed rate	$ 15,164	56.9 %	$ 18,750	54.6 %
FHLMC – fixed rate	9,099	34.1 %	13,034	37.9 %
GNMA - variable rate	2,388	9.0 %	2,581	7.5 %
Total U.S. agency bonds	$ 26,651	100.0 %	$ 34,365	100.0 %

At December 31, 2023 and 2022, 97.8% and 98.5%, respectively, of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an S&P credit rating of BB+ or equivalent, or less. Please see *"Part II, Item 8 - Notes to Consolidated Financial Statements Note 4. Investments"* for additional information on the credit rating of our fixed income portfolio.

The security holdings by sector and financial strength rating of our corporate bond holdings at December 31, 2023 and 2022 were as follows:

December 31, 2023	Ratings[(1)] AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds
Corporate bonds					($ in thousands)	
Basic Materials	— %	— %	7.6 %	— %	$ 5,273	7.6 %
Communications	— %	7.9 %	4.2 %	— %	8,392	12.1 %
Consumer	— %	15.8 %	29.2 %	— %	31,186	45.0 %
Energy	— %	1.2 %	2.6 %	— %	2,639	3.8 %
Financial Institutions	2.2 %	20.9 %	0.6 %	7.8 %	21,854	31.5 %
Total Corporate bonds	2.2 %	45.8 %	44.2 %	7.8 %	$ 69,344	100.0 %

December 31, 2022	Ratings[(1)] AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower	Fair Value	% of Corporate bonds
Corporate bonds					($ in thousands)	
Basic Materials	— %	— %	5.3 %	— %	$ 4,912	5.3 %
Communications	— %	5.7 %	5.2 %	— %	10,004	10.9 %
Consumer	— %	6.3 %	39.1 %	— %	41,767	45.4 %
Energy	— %	0.9 %	7.7 %	— %	7,860	8.6 %
Financial Institutions	1.6 %	20.3 %	0.4 %	5.2 %	25,272	27.5 %
Industrials	— %	2.3 %	— %	— %	2,138	2.3 %
Total Corporate bonds	1.6 %	35.5 %	57.7 %	5.2 %	$ 91,953	100.0 %

(1) Ratings as assigned by S&P, or equivalent

The table below includes the Company’s ten largest corporate holdings at fair value and as a percentage of all fixed income securities held as at December 31, 2023. The Company's ten largest corporate holdings are 100.0% euro denominated, with 47.1% in the Consumer Sector and 28.3% in the Financial Institutions sector:

December 31, 2023	Fair Value	% of Total Fixed Income Holdings	Rating[(1)]
	($ in thousands)		
Anheuser-Busch INBEV SA, 2.875%, Due 9/25/2024	$ 10,957	4.4 %	A-
Chubb Ina Holdings Inc., 1.55%, Due 3/15/2028	6,764	2.7 %	A
America Movil SAB DE CV, 1.5%, Due 3/10/2024	5,490	2.2 %	A-
Molson Coors Beverage Co., 1.25%, Due 7/15/2024	5,433	2.2 %	BBB
Utah Acquisition Sub Inc., 2.25%, Due 11/22/2024	5,423	2.2 %	BBB-
FBD Insurance PLC, 5.0%, Due 10/9/2028	5,382	2.1 %	NA
PPG Industries Inc., 0.875%, Due 11/3/2025	5,273	2.1 %	BBB+
Kellanova, 1.25%, Due 3/10/2025	4,302	1.7 %	BBB
BNP Paribas SA, 1.25%, Due 3/19/2025	3,523	1.4 %	A-
Vodafone Group PLC, 1.875%, Due 9/11/2025	2,903	1.1 %	BBB
Total	$ 55,450	22.1 %	

(1) Ratings as assigned by S&P, or equivalent

At December 31, 2023 and December 31, 2022, respectively, 100.0% of our non-U.S. dollar denominated securities were invested in euro denominated bonds. The net decrease in non-USD denominated fixed maturities is largely due to sales and maturities of euro denominated corporate bonds during the year ended December 31, 2023.

At December 31, 2023 and December 31, 2022, all of the Company's non-U.S. government issuers have a rating of AA- or higher by Fitch Ratings. The Company does not employ any credit default protection against any of the fixed maturities held in non-U.S. dollar ("non-USD") denominated currencies at December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, respectively, we held the following non-USD denominated securities:

December 31,	2023		2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
Non-USD denominated collateralized loan obligations	$ 77,816	46.8 %	$ 102,812	50.1 %
Non-USD denominated corporate bonds	67,822	40.7 %	90,491	44.1 %
Non-USD government bonds	20,751	12.5 %	11,818	5.8 %
Total non-USD denominated securities	$ 166,389	100.0 %	$ 205,121	100.0 %

For our non-U.S. dollar denominated corporate bonds, the following table summarizes the composition of the fair value of our fixed maturity investments by ratings at December 31, 2023 and 2022:

Ratings[1] at December 31,	2023		2022	
($ in thousands)	Fair Value	% of Total	Fair Value	% of Total
A+, A, A-	$ 31,810	46.9 %	$ 32,633	36.0 %
BBB+, BBB, BBB-	30,630	45.2 %	53,094	58.7 %
BB+ or lower	5,382	7.9 %	4,764	5.3 %
Total non-U.S. dollar denominated corporate bonds	$ 67,822	100.0 %	$ 90,491	100.0 %

(1) Ratings as assigned by S&P, or equivalent

Other Investments, Equity Investments and Equity Method Investments

Our alternative investments are categorized as other investments, equity securities and equity method investments as reported on our consolidated balance sheets. These include private equity funds, private credit funds and hedge funds investments, investments in limited partnerships, as well as investments in direct lending entities and investments in technology-oriented insurance related businesses known as insurtechs. Private equity investments consist of direct investments in privately held entities, investments in private equity funds and private equity co-investments with sponsoring entities. Private credit investments consist of loans and other debt securities of privately held entities or investment sponsors. Our alternative investments as of December 31, 2023 and 2022 consisted of the following asset categories:

December 31,	2023		2022	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Privately held common stocks	$ 35,272	11.4 %	$ 32,290	11.9 %
Privately held preferred stocks	9,946	3.2 %	10,945	4.0 %
Publicly traded equity investments in common stocks	81	— %	386	0.1 %
Total equity securities	**45,299**	**14.6 %**	**43,621**	**16.0 %**
Real estate investments	49,897	16.1 %	40,944	15.0 %
Hedge fund investments	—	— %	5,376	2.0 %
Other equity method investments	31,032	10.1 %	33,839	12.4 %
Total equity method investments	**80,929**	**26.2 %**	**80,159**	**29.4 %**
Private equity funds	47,383	15.4 %	32,298	11.8 %
Private credit funds	27,806	9.0 %	26,354	9.7 %
Privately held equity investments	38,617	12.5 %	34,014	12.5 %
Investment in direct lending funds (at cost)	69,005	22.3 %	56,087	20.6 %
Total other investments	**182,811**	**59.2 %**	**148,753**	**54.6 %**
Total alternative investments	**$ 309,039**	**100.0 %**	**$ 272,533**	**100.0 %**

Our allocation to alternative investments increased to 51.3% of total cash and investments as of December 31, 2023 compared to 43.0% as of December 31, 2022; and increased to 124.0% of our total shareholders' equity as of December 31, 2023 compared to 95.8% as of December 31, 2022.

In addition to the categories described above, we also evaluate our alternative investments by the following asset classes:

December 31,	2023		2022	
($ in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Private Equity	$ 82,230	26.6 %	$ 60,227	22.1 %
Private Credit	53,673	17.4 %	51,783	19.0 %
Hedge Funds	—	— %	5,376	2.0 %
Alternatives	95,258	30.8 %	85,866	31.5 %
Venture Capital	21,220	6.9 %	21,126	7.7 %
Real Estate	56,658	18.3 %	48,155	17.7 %
Total alternative investments	**$ 309,039**	**100.0 %**	**$ 272,533**	**100.0 %**

For further details on these alternative investments, please see *"Notes to Consolidated Financial Statements: Note 4(b) Other Investments, Equity Securities and Equity Method Investments"* included under Part II Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K. Within these asset classes, our portfolio broadly consists of the following types of investments:

- Private Equity – this asset class consists of both fund investments with leading private equity sponsors and direct equity investments in private companies, sometimes in conjunction with our private equity fund sponsors. As of December 31, 2023, $20.5 million or 25.0% of investments in the private equity asset class consisted of investments in private equity funds and $61.7 million or 75.0% consisted of direct equity investments in private companies.

- Private Credit - this asset class consists of both fund investments with leading private credit sponsors and direct credit investments in private companies, sometimes in conjunction with our private credit fund sponsors. Private credit investments in both funds and on a direct basis will typically be secured lending arrangements with non-rated entities, often with additional protective provisions to enhance the security and returns of these investments. As of December 31, 2023, $50.0 million or 93.2% of investments in the private credit asset class consisted of investments in private credit funds and $3.7 million or 6.8% consisted of direct investments in debt securities of private companies.

- Hedge Funds – this asset class consisted of one hedge fund investment by the Company with 683 Capital, which was discussed further in *Note 10 — Related Party Transactions* included in Part II Item 8. *"Financial Statements and Supplementary Data"* in the Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023. The Company exited this asset class in 2022 after the investment produced an inception to date return of 5.1%.

- Alternatives – this asset class consists of structured financing arrangements which typically have incentive features to enhance the Company's returns. As part of these arrangements, the Company requires collateral or bankruptcy-remote structures to protect its investments. As of December 31, 2023, all investments in this asset class were direct investments except for investments in funds totaling $1.4 million or 1.5% of the alternatives asset class. One investment in a collateralized direct lending entity of $69.0 million represents 72.4% of this asset class and is discussed further in *"Note 4 — Investments"* included in Part II Item 8. *"Financial Statements and Supplementary Data"* in this Annual Report on Form 10-K for the year ended December 31, 2023.

- Venture Capital – this asset class consists of both fund investments with venture capital firms focused primarily on "insurtech" or "fintech" early-stage investments as well as direct investments in start-up companies in this sector, including equity investments in individual companies made in conjunction with our venture capital fund sponsors. As of December 31, 2023, $7.7 million or 36.1% of investments in the venture capital asset class consisted of investments in funds and $13.5 million or 63.9% consisted of direct equity investments in start-up companies. 60.8% of these investments were with funds or companies that would be considered "insurtech" investments.

- Real Estate – this asset class consists of long-term equity investments in three real estate projects. Two are multi-family residential development projects near major urban centers where workforce housing demand continues to be strong. One investment is a minority stake as a limited partner with a leading developer with a highly successful track record, where the Company will earn returns from both operating income from rentals and future sales of properties. To date, the Company has invested $22.5 million in this project and expects investment returns to commence in earnest in 2026 and beyond. The second multi-family residential investment is a majority stake with general partner rights wherein the Company is providing the capital backing to an experience and successful developer in the subject market, while also taking minority equity stakes in individual projects. To date, this development project has secured five properties in attractive locations and is currently in the zoning and planning stages. To date, the Company has invested $29.5 million this project in the aggregate and has commenced earning limited amounts of fee income from this project. As part of its investment, the Company has also provided certain loan guarantees which are discussed in more detail in *Note 11 — Commitments, Contingencies and Guarantees* included in Part II Item 8. *"Financial*

Statements and Supplementary Data". We expect fee and operating income and gains from future sales of properties to commence in earnest in 2027 and beyond. Finally, the Company has a minority equity stake in an iconic office building in a major city in the U.S., with an attractive and growing tenant roll. The Company has invested $7.5 million in this project and to date has earned preferred returns and received certain distributions. In addition to preferred returns, the Company expects to receive future distributions of operating income from this investment.

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future. For further details on these financial guarantees, please see "*Notes to Consolidated Financial Statements: Note 11 - Commitments, Contingencies and Guarantees"* included under Part II Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Investment Results

Our investment portfolio produced significantly higher returns of $53.1 million included in earnings during 2023 compared to $24.7 million in 2022, a 114.6% increase through a combination of higher yields on certain fixed income assets along with strengthening returns on our alternative investment portfolio, which increased by 13.4% during 2023 and produced a positive net return of 8.0% during 2023 compared to 2.0% in 2022.

The following table summarizes our investment results for the years ended December 31, 2023 and 2022, respectively:

For the Year Ended December 31,	**2023**	**2022**
Net investment income	($ in thousands)	
Fixed income investments[1]	$ 32,300	$ 27,055
Cash and restricted cash	685	428
Other investments, including equities	4,957	2,987
Investment expenses	(564)	(400)
Total net investment income	37,378	30,070
Net realized gains (losses):		
Fixed income assets[1]	(2,971)	(2,983)
Other investments, including equities	4,957	190
Total net realized gains (losses)	1,986	(2,793)
Net unrealized gains (losses):		
Other investments, including equities	5,862	(2,347)
Total net unrealized gains (losses)	5,862	(2,347)
Interest in income (loss) of equity method investments:		
Interest in income (loss) of equity method investments	7,846	(205)
Total interest in income (loss) of equity method investments	7,846	(205)
Total investment return included in earnings (A)	$ 53,072	$ 24,725
Other comprehensive income (loss):		
Unrealized gains (losses) on AFS fixed maturities and equity method investments excluding foreign exchange (B)	$ 7,977	$ (24,247)
Total investment return = (A) + (B)	$ 61,049	$ 478
Annualized income from fixed income assets[2]	$ 32,985	$ 27,483
Average aggregate fixed income assets, at cost[2]	799,812	1,226,134
Annualized investment book yield	**4.1 %**	**2.2 %**
Average aggregate invested assets, at fair value[3]	$ 1,078,675	$ 1,468,077
Investment return included in net earnings	**4.9 %**	**1.7 %**
Total investment return	**5.7 %**	**— %**

1. Fixed income investments include AFS securities as well as funds withheld receivable, and loan to related party.
2. Fixed income assets include AFS portfolio, cash and restricted cash, funds withheld receivable, and loan to related party.
3. Average aggregate invested assets include all investments (AFS and alternative investments), cash and restricted cash, loan to related party and funds withheld receivable and is computed as an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for our fixed income investments for the year ended December 31, 2023 and 2022, respectively:

Fixed Income Investments[(1)]	For the Year Ended December 31,	
($ in thousands)	2023	2022
Gross investment income	$ 32,985	$ 27,483
Net realized losses	(2,971)	(2,983)
Change in AOCI [(3)]	7,977	(28,661)
Gross investment returns	$ 37,991	$ (4,161)
Average invested assets, at fair value [(4)]	$ 787,889	$ 1,219,079
Gross Investment Returns	**4.8 %**	**(0.3)%**
Investment expenses	$ 324	$ 417
Net investment returns	$ 37,667	$ (4,578)
Net Investment Returns	**4.8 %**	**(0.4)%**

Our average book yields increased to 4.8% for the year ended December 31, 2023 compared to (0.4)% in 2022 due to floating rate investments that comprised 40.8% of our fixed income investments at December 31, 2023 which enabled the portfolio to respond to the higher interest rate environment more quickly. The loan to related party carried a higher weighted average interest rate on a balance of $168.0 million which increased to 7.0% during the year ended December 31, 2023 compared to 3.7% in 2022; while the interest rate on the funds withheld receivable from AmTrust increased to 3.5% in 2023 from 2.1% in 2022, on an average ending balance of $279.4 million during the year ended December 31, 2023. Please refer to "*Notes to Consolidated Financial Statements - Note 4 — Investments*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further detail on investment returns from fixed income investments held by the Company at December 31, 2023 and 2022.

The following table details total investment returns for our alternative investments for the year ended December 31, 2023 and 2022, respectively:

Alternative Investments[(2)]	For the Year Ended December 31,	
($ in thousands)	2023	2022
Gross investment income	$ 12,803	$ 2,782
Net realized and unrealized gains (losses)	10,819	(2,157)
Change in AOCI [(3)]	—	4,414
Gross investment returns	$ 23,622	$ 5,039
Average invested assets, at fair value [(4)]	$ 290,786	$ 249,000
Gross Investment Returns	**8.1 %**	**2.0 %**
Investment expenses	$ 240	$ (17)
Net investment returns	$ 23,382	$ 5,056
Net Investment Returns	**8.0 %**	**2.0 %**

1. Fixed income investments includes AFS securities as well as cash, restricted cash, funds withheld receivable, and loan to related party.
2. Alternative investments includes other investments, equity securities, and equity method investments.
3. Change in AOCI excludes unrealized foreign exchange gains and losses.
4. Average invested assets is the average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for alternative investments by asset class at December 31, 2023:

December 31, 2023	Private Equity	Private Credit	Hedge Funds	Alternative Assets	Venture Capital	Real Estate	Total
				($ in thousands)			
Gross investment income	$ 2,545	$ 3,380	$ 83	$ 6,114	$ —	$ 681	$ 12,803
Net realized and unrealized gains (losses)	7,691	1,697	—	(33)	1,914	(450)	10,819
Total Investment Return	$ 10,236	$ 5,077	$ 83	$ 6,081	$ 1,914	$ 231	$ 23,622
Average Investments	$71,228	$52,728	$2,688	$ 90,562	$ 21,173	$ 52,407	$ 290,786
Gross Investment Returns	**14.4 %**	**9.6 %**	**3.1 %**	**6.7 %**	**9.0 %**	**0.4 %**	**8.1 %**

The following table details total investment returns for alternative investments by asset class at December 31, 2022:

December 31, 2022	Private Equity	Private Credit	Hedge Funds	Alternative Assets	Venture Capital	Real Estate	Total
				($ in thousands)			
Gross investment income	$ 1,269	$ 2,025	$ (5,053)	$ 3,993	$ 125	$ 423	$ 2,782
Net realized and unrealized (losses) gains	(1,717)	(2,487)	—	29	2,307	(289)	(2,157)
Change in AOCI	—	—	—	4,414	—	—	4,414
Total Investment Return	$ (448)	$ (462)	$ (5,053)	$ 8,436	$ 2,432	$ 134	$ 5,039
Average Investments	$ 63,259	$ 36,323	$ 19,153	$ 66,178	$ 14,235	$ 49,853	$ 249,000
Gross Investment Returns	**(0.7)%**	**(1.3)%**	**(26.4)%**	**12.7 %**	**17.1 %**	**0.3 %**	**2.0 %**

During 2023, our gross and net investment returns exceeded our cost of debt capital, and on an inception to date basis through December 31, 2023, alternative investments have now produced an internal rate of return of 5.3% and a multiple on invested capital of 1.06. This includes investments, primarily in the Alternatives and Real Estate asset classes where we anticipate future returns to emerge but have not as yet recognized either returns or gains based on the development stage of certain investments, which constitute 38.5% of our total alternative assets as of December 31, 2023. While our overall returns in the hedge fund investment asset class were profitable, our total alternative investment returns in 2022 were adversely impacted by losses during the year in that asset class. Total returns on alternative investments by asset class are discussed below in detail for the year ended December 31, 2023:

- Private Equity – investment returns in this asset class reflect both dividends and distributions received as well as unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During 2023, fund investments produced a total investment return of $1.5 million while direct investments produced a total investment return of $8.7 million. Inception to date, private equity investments have produced an internal rate of return of 9.3% and a multiple on invested capital of 1.23, with fund investments producing an internal rate of return of 13.1% and a multiple on invested capital of 1.40, while direct investments have produced an internal rate of return of 6.3% and a multiple on invested capital of 1.16. No realized gains on private equity investments have been recognized through December 31, 2023.

- Private Credit – investment returns in this asset class reflect both distributions received as well as unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During 2023, fund investments produced a total investment return of $1.4 million while direct investments produced a total investment return of $3.7 million. Inception to date, private credit investments have produced an internal rate of return of 5.8% and a multiple on invested capital of 0.81, with fund investments producing an internal rate of return of 5.7% and a multiple on invested capital of 0.80, while direct investments have produced an internal rate of return of 9.0% and a multiple on invested capital of 1.07. Net realized losses of $1.1 million on a fund investment focused on debt instruments in the real estate sector were recognized through December 31, 2023. Excluding the sale of a fund investment focused on debt instruments in the real estate sector, the current portfolio of private credit investments produced an internal rate of return of 8.7% and a multiple on invested capital of 1.02, with fund investments, as adjusted, producing the same returns.

- Hedge Funds – As noted previously, the Company exited this asset class in 2022. Returns during 2023 relate to residual returns of assets that were held pending liquidation of the special purpose vehicle this investment was made through. Negative returns in 2022 reflect difficult market conditions and negative results from the strategy applied by the Hedge Fund sponsor during that period. At completion, the investment produced an inception to date internal rate of return of 5.1% and a multiple on invested capital of 1.12.
- Alternative Assets – investment returns in this asset class in 2023 and 2022 largely relate to equity method recognition of income from structured financing arrangements in real assets which utilize bankruptcy-remote structures to protect these investments. Inception to date, alternative direct investments on real assets have produced an internal rate of return of 37.8% and a multiple on invested capital of 1.36; in total, alternative fund investments have produced an internal rate of return of 9.9% and a multiple on invested capital of 1.05. We have not recognized any returns (including contractual preferred returns) on other alternative investments as the underlying collateralized investment supporting this direct lending initiative continues to develop. We expect to recognize our preferred returns and contingency gains as these investment develops further or if other collateral we have secured as part of our investment responds sooner, subject to certain conditions.
- Venture Capital – investment returns in this asset class primarily reflect unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During 2023, fund investments produced a total investment loss of $0.9 million, primarily the result of management fees, while direct investments produced a total investment return of $2.8 million. Inception to date, venture capital fund investments have produced an internal rate of return of 0.0% and a multiple on invested capital of 0.81, while direct venture capital investments have produced an internal rate of return of 13.9% and a multiple on invested capital of 1.41. Through 2023, we realized total gains of $4.8 million on the sale of the Company's stake in Betterview Marketplace, Inc. ("Betterview") in a cash and stock transaction with Nearmap US, Inc. ("Nearmap"). We now continue to hold shares in Nearmap after completion of this transaction. To date our investment in Betterview has produced an internal rate of return of 28.9% and a multiple on invested capital of 2.63.
- Real Estate – investment returns in this asset class include preferred returns and distributions (if any) from plan developers along with limited unrealized gains or losses to date as two of the projects remain in the development phase. As noted earlier, the Company does not expect significant investment returns from these attractive projects for the next several years. The Company has not recognized any unrealized appreciation or depreciation in the market value of these assets inception to date. To date these investments have produced an internal rate of return of 0.0% and a multiple on invested capital of 0.97.

As our returns in alternative investments continues to increase, we believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns.

Other Balance Sheet Changes

The following table summarizes the Company's other material balance sheet changes at December 31, 2023 and 2022:

December 31,	**2023**	**2022**	**Change**	**Change**
($ in thousands)			$	%
Deferred commission and other acquisition expenses	$ 17,566	$ 24,976	$ (7,410)	(29.7)%
Funds withheld receivable	143,985	441,412	(297,427)	(67.4)%
Reserve for loss and LAE	867,433	1,131,408	(263,975)	(23.3)%
Unearned premiums	46,260	67,081	(20,821)	(31.0)%
Deferred gain on retroactive reinsurance	73,240	47,708	25,532	53.5 %
Accrued expenses and other liabilities	28,244	60,518	(32,274)	(53.3)%

The Company's deferred commission and other acquisition expenses decreased by 29.7% and unearned premiums decreased by 31.0% primarily due to the termination of the remaining business under both quota share contracts with AmTrust which have been in run-off since January 1, 2019. Funds withheld receivable decreased by 67.4% primarily due to settlement of reinsurance losses payable under the AmTrust Quota Share using those assets.

Accrued expenses and other liabilities decreased by 53.3% primarily due to settlement of reinsurance losses payable due to AmTrust, and a decrease in the underwriting-related derivative liability on GLS policies to $4.0 million at December 31, 2023 compared to $14.6 million at December 31, 2022 as the acceleration of covered payments triggered coverage in excess of the contracts risk margin. The Company's reserve for loss and LAE decreased by 23.3% primarily due to continued settlement of loss reserves for AmTrust Reinsurance contracts.

The deferred gain on retroactive reinsurance increased by $25.5 million or 53.5% for the year ended December 31, 2023 driven by net adverse reserve development of $24.1 million reported for policies under the AmTrust Quota Share as these losses are largely covered by the LPT/ADC Agreement with Cavello. The change in the deferred gain for the year ended December 31, 2023 was reduced by $3.8 million of favorable loss development on certain Workers Compensation losses that were commuted to AmTrust in 2019 that inure to the benefit of Cavello as opposed to the Company under the terms of LPT/ADC Agreement.

Capital Resources

During the year ended December 31, 2023, book value per common share decreased by 11.4% to $2.48 and diluted book value per common share decreased by 11.8% to $2.46, compared to December 31, 2022. This was due to the net loss attributable to Maiden common shareholders of $38.6 million and an allowance for expected credit losses of $5.5 million recognized in the opening retained earnings on January 1, 2023; partly offset by a net increase in AOCI of $9.8 million for the year ended December 31, 2023.

Capital resources consist of funds deployed in support of our operations. The following table shows the movement in our capital resources at December 31, 2023 and 2022:

December 31,	**2023**	**2022**	**Change**	**Change (%)**
($ in thousands)				
Common shares at par value	$ 1,497	$ 1,492	$ 5	0.3 %
Additional paid-in capital	886,072	884,259	1,813	0.2 %
Accumulated other comprehensive loss	(31,469)	(41,234)	9,765	(23.7)%
Accumulated deficit	(486,945)	(442,863)	(44,082)	10.0 %
Treasury shares, at cost	(119,995)	(117,075)	(2,920)	2.5 %
Total Maiden shareholders' equity	249,160	284,579	(35,419)	(12.4)%
Senior Notes - principal amount	262,361	262,500	(139)	(0.1)%
Total capital resources	$ 511,521	$ 547,079	$ (35,558)	(6.5)%

Total capital resources decreased by $35.6 million, or 6.5% compared to December 31, 2022 due to the following items:

- net increase in additional paid-in capital of $1.8 million mainly due to share-based compensation of $1.7 million;
- net increase in AOCI of $9.8 million which arose due to: (1) net unrealized gains on investment of $7.9 million mainly from our AFS investment portfolio relating to market price movements in the year ended December 31, 2023; and (2) an increase in cumulative translation adjustments of $1.9 million during the year ended December 31, 2023 due to the impact of the U.S. dollar depreciation on the re-measurement of net assets denominated in British pound and euro;
- accumulated deficit increased by $44.1 million due to the reported net loss of $38.6 million for the year ended December 31, 2023, plus the opening allowance for expected credit losses on other investments, reinsurance recoverable, reinsurance balances receivable and funds withheld receivable of $5.5 million for the year ended December 31, 2023 which decreased opening retained earnings; and
- treasury shares increased by $2.9 million due to common shares repurchased under the Company's authorized common share repurchase plan as well as repurchases for tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Please refer to "*Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity*" included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion of the equity instruments issued by the Company at December 31, 2023 and 2022.

Book value and diluted book value per common share at December 31, 2023 and 2022 were computed as follows:

December 31,	**2023**	**2022**
	($ in thousands except share and per share data)	
Ending common shareholders' equity	$ 249,160	$ 284,579
Proceeds from assumed conversion of dilutive options	—	4
Numerator for diluted book value per common share calculation	$ 249,160	$ 284,583
Common shares outstanding	100,472,120	101,532,151
Shares issued from assumed conversion of dilutive options and restricted shares	975,027	499,963
Denominator for diluted book value per common share calculation	101,447,147	102,032,114
Book value per common share	$ 2.48	$ 2.80
Diluted book value per common share	2.46	2.79

Common Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100.0 million of the Company's common shares from time to time at market prices. During the year ended December 31, 2023, Maiden Reinsurance repurchased 1,439,575 common shares from the open market at an average price per share of $1.83 under the Company's share repurchase plan. The Company's remaining authorization is $71.6 million for common share repurchases at December 31, 2023. No repurchases were made during the year ended December 31, 2022 under the common share repurchase plan. Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for further information on the repurchase transactions.

Senior Notes

There were no changes in the Company’s Senior Notes at December 31, 2023 compared to December 31, 2022 other than repurchases as discussed further below. The Company did not enter into any short-term borrowing arrangements during the year ended December 31, 2023. Please refer to "*Notes to Consolidated Financial Statements - Note 7 — Long-Term Debt"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K for a discussion of the Senior Notes issued by the Company. The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

As described in "*Notes to Consolidated Financial Statements - Note 7 — Long-Term Debt"* included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K, on May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100.0 million of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated. During the year ended December 31, 2023, Maiden Reinsurance repurchased 5,567 notes of the 2013 Senior Notes at an average price per unit of $17.10 for a total cost of $95.2 thousand. Total interest and amortization expenses for the year ended December 31, 2023 were partly offset by a gain of $39.9 thousand realized on the repurchase of the 2013 Senior Notes. The Company has a remaining authorization of $99.9 million for such repurchases at December 31, 2023.

Maiden Holdings does not have any significant operations or assets other than our ownership of the shares of our subsidiaries. The dividends and other permitted distributions from Maiden NA (and its subsidiaries) will be our sole source of funds to meet ongoing cash requirements, including debt service payments. Factors that may affect payments to holders of the 2013 Senior Notes include restrictions on the payments of dividends by Maiden Reinsurance to Maiden NA which provides the sole source of income for interest payments on the 2013 Senior Notes. In 2022 and 2023, the Vermont DFR approved an annual dividend program from Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to that approval, Maiden Reinsurance paid total dividends of $43.8 million to Maiden NA as of December 31, 2023.

The summarized financial information below has been presented on a combined basis for the issuer Maiden NA and the guarantor Maiden Holdings, excluding all other subsidiaries. Intercompany balances and transactions between Maiden NA and Maiden Holdings, whose information is presented above on a combined basis, were eliminated. Any investment by Maiden NA or Maiden Holdings in subsidiaries that are not issuers or guarantors is not presented in the financial information below.

Intercompany balances with subsidiaries that are not issuers or guarantors and any related party transactions were separately disclosed and are not included in the total assets and total liabilities presented for Maiden NA and Maiden Holdings. The net loss for Maiden NA and Maiden Holdings was due to interest and amortization expenses on the Senior Notes as well as general and administrative expenses. The net loss in Maiden NA also reflects income tax expense incurred for the respective periods.

Summarized financial information of Maiden NA and Maiden Holdings as of December 31, 2023 and for the year ended December 31, 2023 was as follows:

	Maiden NA	**Maiden Holdings**
	($ in thousands)	
Total assets	$ 10,693	$ 5,209
Total liabilities	149,679	107,722
Amounts due from subsidiaries (not included in total assets above)	5	1,362
Amounts due to subsidiaries (not included in total liabilities above)	12,670	3,055
Related party loan payable (not included in total liabilities above)	—	290,064
Total revenue	2,571	1,119
Net loss	(8,602)	(32,605)

The ratio of Debt to Total Capital Resources at December 31, 2023 and 2022 was computed as follows:

December 31,	2023	2022
	($ in thousands)	
Senior notes - principal amount	$ 262,361	$ 262,500
Maiden shareholders' equity	249,160	284,579
Total capital resources	$ 511,521	$ 547,079
Ratio of debt to total capital resources	51.3 %	48.0 %

Off-Balance Sheet Arrangements

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future as further described in the "*Notes to Consolidated Financial Statements - Note 11 — Commitments, Contingencies and Guarantees* " included under Item 8 "*Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at December 31, 2023, guarantees of $62.5 million have been provided to lenders by the Company on behalf of the real estate joint venture, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

Non-GAAP Financial Measures

As defined and described in the *Key Financial Measures* section, management uses certain key financial measures, some of which are non-GAAP measures, to evaluate the Company's financial performance and the overall growth in value generated for the Company's common shareholders. Management believes that these financial measures, which may be defined differently by other companies, explain the Company's results to investors in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The calculation, reconciliation to nearest GAAP measure and discussion of relevant non-GAAP measures used by management are discussed below.

Non-GAAP operating (loss) earnings and Non-GAAP diluted operating (loss) earnings per common share (attributable) available to common shareholders

Non-GAAP operating (loss) earnings and Non-GAAP diluted operating (loss) earnings per common share (attributable) available to common shareholders can be reconciled to the nearest U.S. GAAP financial measure as follows:

For the Year Ended December 31,	**2023**	**2022**
	($ in thousands except per share data)	
Net (loss) income (attributable) available to Maiden common shareholders	$ (38,569)	$ 55,432
Add (subtract):		
Net realized and unrealized investment (gains) losses	(7,848)	5,140
Foreign exchange and other losses (gains)	5,741	(8,255)
Interest in (income) loss of equity method investments	(7,846)	205
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	25,508	(452)
Non-GAAP operating (loss) earnings	$ (23,014)	$ 52,070
Diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.38)	$ 0.63
Add (subtract):		
Net realized and unrealized investment (gains) losses	(0.08)	0.06
Foreign exchange and other losses (gains)	0.06	(0.09)
Interest in (income) loss of equity method investments	(0.08)	0.01
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	0.25	(0.01)
Non-GAAP diluted operating (loss) earnings per common share (attributable) available to common shareholders	$ (0.23)	$ 0.60

Non-GAAP operating loss was $23.0 million for the year ended December 31, 2023, compared to non-GAAP operating earnings of $52.1 million in 2022. Excluding gains of $115.5 million from the repurchase and exchange of our preference shares at market values during the year ended December 31, 2022, the non-GAAP operating loss was $63.4 million in 2022. The non-GAAP operating loss in both respective years were primarily driven by non-GAAP underwriting results in the AmTrust Reinsurance segment as discussed further below.

Non-GAAP Underwriting Results

The following summarizes our non-GAAP underwriting results for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	**2023**	**2022**
	($ in thousands)	
Gross premiums written	$ 23,466	$ 5,479
Net premiums written	$ 23,168	$ 5,082
Net premiums earned	$ 43,969	$ 37,732
Other insurance revenue (expense), net	39	(4,530)
Non-GAAP net loss and LAE[(1)]	(35,720)	(58,443)
Commission and other acquisition expenses	(19,462)	(18,511)
General and administrative expenses	(12,800)	(11,634)
Non-GAAP underwriting loss[(1)]	$ (23,974)	$ (55,386)

(1) Non-GAAP underwriting loss and non-GAAP net loss and LAE for the years ended December 31, 2023 and 2022 are adjusted for prior year reserve development subject to the LPT/ADC Agreement. Please see the *"Key Financial Measures"* section for the definitions of non-GAAP underwriting loss and non-GAAP net loss and LAE.

The non-GAAP underwriting results above are summarized by segment for the years ended December 31, 2023 and 2022 in the table below:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Diversified Reinsurance underwriting loss	$ (9,141)	$ (12,051)
AmTrust Reinsurance underwriting loss	(40,341)	(42,883)
Plus: adverse (favorable) prior year loss development covered under the LPT/ADC Agreement	25,508	(452)
Non-GAAP AmTrust Reinsurance underwriting loss	(14,833)	(43,335)
Non-GAAP underwriting loss	$ (23,974)	$ (55,386)

The non-GAAP underwriting results have been adjusted for prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement to show the ultimate economic benefit to the Company. As shown in the table above, adjusted for the increase in the deferred gain under the LPT/ADC Agreement of $25.5 million during the year ended December 31, 2023, the non-GAAP underwriting loss was $24.0 million. This compared to a non-GAAP underwriting loss of $55.4 million for 2022 when adjusted for the decrease in the deferred gain under the LPT/ADC Agreement of $0.5 million during the year ended December 31, 2022.

The non-GAAP underwriting loss of $24.0 million for the year ended December 31, 2023 was primarily driven by:

- underwriting results in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share with losses occurring after December 31, 2018;
- adverse loss development of $10.3 million in the European Hospital Liability Quota Share, which is not covered by the LPT/ADC Agreement;
- favorable loss development on commuted Workers Compensation losses which are contractually covered by the LPT/ADC Agreement reduced the deferred gain liability on retroactive reinsurance by $3.8 million for the year ended December 31, 2023; and
- underwriting loss of $9.1 million in the Diversified Reinsurance segment, which included an underwriting loss of $4.6 million from GLS operations during the year ended December 31, 2023.

Please refer to the respective segment results for AmTrust Reinsurance and Diversified Reinsurance as discussed under *Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations"* of this Annual Report on Form 10-K for further details of these underwriting results.

Non-GAAP Net Loss and LAE

Adjusted for prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement, the non-GAAP net loss and LAE decreased by $25.5 million for the year ended December 31, 2023. The favorable loss development on commuted Workers Compensation losses which are contractually covered by the LPT/ADC Agreement reduced the deferred gain liability on retroactive reinsurance by $3.8 million for the year ended December 31, 2023.

Adjusted for prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement, the non-GAAP net loss and LAE increased by $0.5 million for the year ended December 31, 2022. The deferred gain on retroactive reinsurance was reduced by $16.0 million of favorable loss development on certain Workers Compensation losses that were commuted to AmTrust in 2019 that inure to the benefit of Cavello as opposed to the Company under the terms of the LPT/ADC Agreement.

These adjustments are reflected in the calculation of non-GAAP Loss and LAE in the table below:

For the Year Ended December 31,	2023	2022
	($ in thousands)	
Net loss and LAE	$ 61,228	$ 57,991
Less: adverse (favorable) prior year loss development covered under the LPT/ADC Agreement	25,508	(452)
Non-GAAP net loss and LAE	$ 35,720	$ 58,443

Adjusted Shareholders' Equity, Adjusted Total Capital Resources, Adjusted Book Value per Common Share and Ratio of Debt to Total Adjusted Capital Resources

The Adjusted Shareholders' Equity, Adjusted Total Capital Resources and Adjusted Book Value per Common Share at December 31, 2023 and 2022 reflect the addition of the unamortized deferred gain under the LPT/ADC Agreement to the

GAAP shareholders' equity as depicted in the computations below. The unamortized deferred gain under the LPT/ADC Agreement was $70.9 million at December 31, 2023 compared to $45.4 million at December 31, 2022; this increase attributable to $25.5 million in net loss and LAE recognized as adverse reserve development in the Company's GAAP income statement for AmTrust Quota Shares policies covered by the LPT/ADC Agreement. Net adverse development of $24.1 million was reported for policies under the AmTrust Quota Share for the year ended December 31, 2023. These losses are recoverable under the LPT/ADC Agreement and are expected to be recognized as future GAAP income over time as recoveries are received subject to the provisions of both the LPT/ADC Agreement and the applicable GAAP accounting rules. We believe the inclusion of this unamortized deferred gain under these metrics better reflects the ultimate economic benefit of the LPT/ADC Agreement, which will improve the Company's shareholders' equity over the settlement period under the terms of the agreement.

Reconciliation of shareholders' equity to Adjusted shareholders' equity and Adjusted Total Capital Resources

The following table computes adjusted shareholders' equity and adjusted total capital resources by recognizing the unamortized deferred gain under the LPT/ADC Agreement at December 31, 2023 and 2022:

December 31,	**2023**	**2022**	**Change**	**Change**
($ in thousands)			$	%
Total shareholders' equity	$ 249,160	$ 284,579	$ (35,419)	(12.4)%
Unamortized deferred gain on LPT/ADC Agreement	70,916	45,408	25,508	56.2 %
Adjusted shareholders' equity	320,076	329,987	(9,911)	(3.0)%
Senior Notes - principal amount	262,361	262,500	(139)	(0.1)%
Adjusted total capital resources	$ 582,437	$ 592,487	$ (10,050)	(1.7)%

Non-GAAP Operating ROACE

Non-GAAP Operating ROACE for the years ended December 31, 2023 and 2022 was as follows:

For the Year Ended December 31, and at December 31,	**2023**	**2022**
	($ in thousands)	
Non-GAAP operating (loss) earnings	$ (23,014)	$ 52,070
Opening adjusted common shareholders' equity	329,987	274,990
Ending adjusted common shareholders' equity	320,076	329,987
Average adjusted common shareholders' equity	325,032	302,489
Non-GAAP Operating ROACE	(7.1)%	17.2 %

Reconciliation of Book Value per Common Share to Adjusted Book Value per Common Share

The adjusted book value per common share as reconciled for the recognition of the unamortized deferred gain under the LPT/ADC Agreement at December 31, 2023 and 2022 was computed as follows:

December 31,	**2023**	**2022**
Book value per common share	$ 2.48	$ 2.80
Unamortized deferred gain on LPT/ADC Agreement	0.71	0.45
Adjusted book value per common share	$ 3.19	$ 3.25

Ratio of Debt to Adjusted Total Capital Resources

Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources as computed in the table above. The ratio of Debt to Adjusted Total Capital Resources at December 31, 2023 and 2022 was computed as follows:

December 31,	**2023**	**2022**
	($ in thousands)	
Senior notes - principal amount	$ 262,361	$ 262,500
Adjusted shareholders' equity	320,076	329,987
Adjusted total capital resources	$ 582,437	$ 592,487
Ratio of debt to adjusted total capital resources	45.0 %	44.3 %

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro and the British pound. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, to minimize this risk, we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be adversely effected. At December 31, 2023, no such hedges or hedging strategies were in force or had been entered into. We measure monetary assets and liabilities denominated in foreign currencies at period end exchange rates, with the resulting foreign exchange gains and losses recognized in the Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the year. The effect of the translation adjustments for foreign operations is included in AOCI.

Net foreign exchange losses were $5.7 million during the year ended December 31, 2023 compared to net foreign exchange gains of $8.9 million during the year ended December 31, 2022. The decrease in foreign exchange results for the year ended December 31, 2023 compared to 2022 was due to the depreciation of the U.S. dollar relative to the euro and the British pound.

At December 31, 2023, net foreign exchange losses were primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at December 31, 2023 included reserves for net loss and LAE of $287.0 million. Our foreign currency asset exposures at December 31, 2023 include $166.4 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy, $27.4 million of equity method real estate investments denominated in Canadian dollars, and $15.5 million of funds withheld receivable.

Effects of Inflation

The anticipated effects of inflation are considered explicitly in the pricing of the insured exposures, which are used as the initial estimates of reserves for loss and LAE. In addition, inflation is also implicitly accounted for in subsequent estimates of loss and LAE reserves, as the expected rate of emergence is in part predicated upon the historical levels of inflation that impact ultimate claim costs. To the extent inflation causes these costs, particularly medical treatments and litigation costs, to vary from the assumptions made in the pricing or reserving estimates, the Company will be required to change the reserve for loss and LAE with a corresponding change in its earnings in the period in which the variance is identified. The actual effects of inflation on the results of operations of the Company cannot be accurately known until claims are ultimately settled.

We continue to monitor inflationary impacts resulting from recent government stimulus, sharp increases in demand, labor force and supply chain disruptions, among other factors, on our loss cost trends. Our reserves predominantly consist of workers' compensation, general liability, and hospital liability. These long tailed lines of business have been subject to the longer term trend of social inflation, but we have not observed significant impacts for the recently elevated levels of inflation. We proactively analyze available data and we incorporate trends into our loss reserving assumptions to ensure we are considerate of current and future economic conditions.

Governmental policy responses to inflation have significantly increased interest rates which, in the short term, have contributed to unrealized losses on our fixed income investments, particularly on our fixed maturity securities. While general economic inflation has eased in recent quarters, there remains uncertainty around the rate and direction of inflation and interest rates and we continue to monitor our liquidity, capital and potential earnings impact of these changes but remain focused on our asset allocation decisions as described in our *"Business Strategy"* section of Item 7. "*Management's Discussion and Analysis of Financial Condition* and *Results of Operations - Overview*".

Inflation may also result in increased wage pressures for our operating expenses, as we remain focused on being a competitive employer in our market. Currently, while salaries and incentive compensation costs comprise less than one-half of our total general and administrative expenses, continuing inflation and tight labor conditions could have a material impact on our net operating results.

Recent Accounting Pronouncements

Refer to *"Notes to Consolidated Financial Statements - Note 2. Significant Accounting Policies"* included under Item 8 "*Financial Statement and Supplementary Data"*, of this Annual Report on Form 10-K for a discussion on recently issued accounting pronouncements adopted and not yet adopted.

Item 8. Financial Statements and Supplementary Data.

See our Consolidated Financial Statements and Notes thereto commencing on pages F-1 through F-60 below.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Report, our management has performed an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) at December 31, 2023. Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, at December 31, 2023, our Company’s disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and for the assessment of the effectiveness of internal control over financial reporting. As defined by the SEC, internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our annual consolidated financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013. Management’s assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls. Based on this evaluation, management, including our Principal Executive Officer and Principal Financial Officer, have concluded that our internal control over financial reporting is effective as of December 31, 2023 based on those criteria.

The Company's independent auditors have issued an audit opinion on the Company's internal control over financial reporting as of December 31, 2023. This report appears below in the Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

No changes were made in our internal controls over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15(d) – 15(f), during the fourth quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Maiden Holdings, Ltd.

Opinion on Internal Control Over Financial Reporting

We have audited Maiden Holdings, Ltd.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Maiden Holdings, Ltd. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes and our report dated March 12, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, NY
March 12, 2024

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement for our Annual Meeting of Shareholders to be held on May 6, 2024 (the "Proxy Statement") captioned "Election of Directors", "Executive Officers", "Audit Committee", "Section 16(a) Beneficial Ownership Reporting Compliance" and "Nominating and Corporate Governance Committee".

We have adopted a Code of Business Conduct and Ethics for all employees. The Code of Business Conduct and Ethics is available free of charge on our website at *www.maiden.bm* and is available in print to any shareholder who requests it. We intend to disclose any amendments to this code by posting such information on our website, and disclose any waivers of this code applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and other executive officers who perform similar functions through such means or by filing a Form 8-K.

Item 11. Executive Compensation.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement captioned "Compensation Discussion and Analysis", "Director Compensation for 2023", "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report".

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement captioned "Security Ownership of Certain Beneficial Owners", "Equity Compensation Plan Information" and "Security Ownership of Management".

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated by reference from the information responsive thereto in the sections in the Proxy Statement captioned "Certain Relationships and Related Transactions", "Audit Committee", "Board Independence", "Compensation Committee" and "Nominating and Corporate Governance Committee".

Item 14. Principal Accounting Fees and Services.

The information required by this item is incorporated by reference from the information responsive thereto in the section in the Proxy Statement captioned "Appointment of Independent Auditors of Maiden Holdings, Ltd.".

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Financial statements and schedules

Financial statements listed in the accompanying index to our Consolidated Financial Statements starting on page F-1 are filed as part of this Annual Report on Form 10-K, and are included in Item 8. "*Financial Statement and Supplementary Data"*.

All other schedules for which provision is made in the applicable regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) Exhibits

The exhibits listed in the Exhibit Index starting on page E-1 following the signature page are filed herewith, which Exhibit Index is incorporated herein by reference.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in Pembroke, Bermuda on March 12, 2024.

MAIDEN HOLDINGS, LTD.

By:

/s/ Patrick J. Haveron

Name: Patrick J. Haveron
Title: Chief Executive Officer and Chief Financial Officer

/s/ Mark O. Heintzman

Name: Mark O. Heintzman
Title: Senior Vice President - Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Patrick J. Haveron	Chief Executive Officer and Chief Financial Officer	March 12, 2024
Patrick J. Haveron	(Principal Executive Officer)	
/s/ Mark O. Heintzman	Senior Vice President - Finance	March 12, 2024
Mark O. Heintzman	(Principal Financial Officer)	
/s/ Barry D. Zyskind	Chairman	March 12, 2024
Barry D. Zyskind		
/s/ Lawrence F. Metz	Executive Vice Chairman and President	March 12, 2024
Lawrence F. Metz		
/s/ Steven H. Nigro	Lead Independent Director	March 12, 2024
Steven H. Nigro		
/s/ Holly L. Blanchard	Director	March 12, 2024
Holly L. Blanchard		
/s/ Simcha G. Lyons	Director	March 12, 2024
Simcha G. Lyons		
/s/ Raymond M. Neff	Director	March 12, 2024
Raymond M. Neff		
/s/ Yehuda L. Neuberger	Director	March 12, 2024
Yehuda L. Neuberger		
/s/ Keith A. Thomas	Director	March 12, 2024
Keith A. Thomas		

EXHIBIT INDEX

Exhibit No.	Description	Reference
3.1	Memorandum of Association (as amended)	†
3.2	Bye-Laws	(1)
4.1	Form of Common Share Certificate	(2)
4.2	Form of Indenture for Debt Securities by and among Maiden Holdings North America, Ltd., Maiden Holdings, Ltd., as guarantor, and Wilmington Trust Company, as trustee	(3)
4.3	Third Supplemental Indenture, dated November 25, 2013, by and among Maiden Holdings North America, Ltd., Maiden Holdings, Ltd., as guarantor, and Wilmington Trust Company, as trustee	(4)
4.4	Form of 7.75% Notes due 2043 (included in Exhibit 4.3)	(4)
4.5	Form of Indenture for Debt Securities by and between Maiden Holdings, Ltd., and Wilmington Trust National Association, as trustee	(5)
4.6	First Supplemental Indenture, dated as of June 14, 2016, by and between Maiden Holdings, Ltd., as guarantor, and Wilmington Trust National Association, as trustee	(5)
4.7	Form of 6.625% Notes due 2046 (included in Exhibit 4.6)	(5)
4.8	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	(6)
10.1*	2019 Omnibus Incentive Plan as of December 10, 2019	(7)
10.2*	Form of Share Option Agreement under 2019 Omnibus Incentive Plan	(6)
10.3*	Form of Restricted Share Agreement under 2019 Omnibus Incentive Plan	(6)
10.4*	Form of Employment Agreement by and between Maiden and Patrick J. Haveron and Lawrence F. Metz, dated as of November 1, 2011	(8)
10.5	Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of July 3, 2007	(2)
10.6	Amendment No. 1 to the Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of September 17, 2007	(2)
10.7	Amendment No. 2 to the Master Agreement by and between Maiden Holdings, Ltd. and AmTrust Financial Services, Inc., dated as of January 30, 2019	(9)
10.8	Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. and dated as of June 1, 2008	(10)
10.9	Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Insurance Company Ltd., dated as of November 16, 2007	(11)
10.10	Amendment No. 1 to the Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Insurance Company Ltd., dated as of February 15, 2008	(11)
10.11	Amendment No. 2 to the Loan Agreement by and between Maiden Reinsurance Ltd. and AmTrust Financial Services, Inc., dated as of December 18, 2017	(12)
10.12	2019 Amendment to the Loan Agreement by and between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd., dated as of January 30, 2019.	(9)
10.13	Asset Management Agreement by and between AII Insurance Management Limited and Maiden Reinsurance Ltd. dated as of January 1, 2018	(12)
10.14	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc and Maiden Reinsurance Ltd. dated as of September 9, 2020	(12)
10.15	Asset Management Agreement by and between AII Insurance Management Limited and Maiden Life Forsakrings, AB dated as of January 1, 2018	(12)
10.16	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc. and Maiden Life Forsakrings, AB dated as of September 9, 2020	(12)

10.17	Asset Management Agreement by and between AII Insurance Management Limited and Maiden General Forsakrings, AB dated as of January 1, 2018	(12)
10.18	Novation Agreement between AII Insurance Management Limited, AmTrust Financial Services, Inc. and Maiden General Forsakrings, AB dated as of September 9, 2020	(12)
10.19	Endorsement No. 1 to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. dated as of July 26, 2011	(13)
10.20	Endorsement No. 2 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust International Insurance, Ltd. dated as of March 7, 2013	(14)
10.21	Endorsement No. 3 to the Amended and Restated Quota Share Agreement between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd. dated as of September 30, 2015	(15)
10.22	Endorsement No 4. to the Amended and Restated Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of August 8, 2018	(16)
10.23	Endorsement No. 5 to the Amended and Restated Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of November 6, 2018.	(17)
10.24	Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of April 1, 2011	(13)
10.25	Endorsement No. 1 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of July 26, 2011	(13)
10.26	Endorsement No. 2 to the Quota Share Reinsurance Contract by and between Maiden Insurance Company Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of August 7, 2012	(18)
10.27	Endorsement No. 3 to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated as of March 1, 2015	(19)
10.28	Endorsement No. 4 to the Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust Europe Limited and/or AmTrust International Underwriters Limited dated as of July 1, 2016	(20)
10.29	Form of Indemnification Agreement between Maiden Holdings, Ltd. and its officers and directors	(21)
10.30	Partial Termination Endorsement to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated January 1, 2019	(22)
10.31	Termination Endorsement to the Amended and Restated Quota Share Reinsurance Agreement by and between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. dated January 30, 2019	(9)
10.32	Termination Endorsement to the Quota Share Reinsurance Contract by and between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC dated January 30, 2019	(9)
10.33	Master Agreement by and among Maiden Holdings, Ltd., Maiden Reinsurance Ltd. and Enstar Group Limited dated as of March 1, 2019	(23)
10.34	Adverse Development Cover Agreement by and between Maiden Reinsurance Ltd. and Cavello Bay Reinsurance Limited, dated July 31, 2019	(24)
10.35	Commutation Agreement and Release between Maiden Reinsurance Ltd. and AmTrust International Insurance, dated July 31, 2019	(24)
10.36	Master Collateral Agreement between Maiden Reinsurance Ltd., Cavello Bay Reinsurance Limited, AmTrust Financial Services, Inc., AmTrust International Insurance, Ltd. and Technology Insurance Company, Inc., dated July 31, 2019	(24)

10.37	Post-Termination Endorsement No. 1 between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd. to the Amended and Restated Quota Share Reinsurance Agreement, dated July 31, 2019	(24)
10.38	Post-Termination Endorsement No. 1 between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC to the Quota Share Reinsurance Contract, dated January 13, 2020	(7)
10.39	Post-Termination Endorsement No. 2 between Maiden Reinsurance Ltd. and AmTrust International Insurance, Ltd to the Amended and Restated Quota Share Reinsurance Agreement, dated January 13, 2020	(7)
10.40	Post-Termination Endorsement No. 2 between Maiden Reinsurance Ltd. and AmTrust Europe Limited and AmTrust International Underwriters DAC to the Quota Share Reinsurance Contract, dated May 12, 2020	(12)
10.41	Commutation Agreement and Release by and between AmTrust International Insurance, Ltd. and Maiden Reinsurance Ltd., dated May 20, 2020	(12)
14.1	Code of Business Conduct and Ethics	(12)
21.1	Subsidiaries of the registrant	†
22.1	List of subsidiary issuers of parent guaranteed securities	†
23.1	Consent of Ernst & Young LLP	†
31.1	Section 302 Certification of Principal Executive Officer	†
31.2	Section 302 Certification of Principal Financial Officer	†
32.1	Section 906 Certification of Principal Executive Officer	†
32.2	Section 906 Certification of Principal Financial Officer	†
97.1	Clawback Policy	†*
101.1	The following financial information from Maiden Holdings, Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2023, formatted in XBRL (eXtensive Business Reporting Language): (i) the Consolidated Balance Sheets at December 31, 2023 and 2022; (ii) the Consolidated Statements of Income for the years ended December 31, 2023 and 2022; (iii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 and 2022; (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2023 and 2022; (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022; and (vi) Notes to Consolidated Financial Statements.	†

1. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-8 initially filed with the SEC on January 17, 2020 (File No. 333-235948).
2. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-1 initially filed with the SEC on September 17, 2007, subsequently amended and declared effective May 6, 2008 (File No. 333-146137).
3. Incorporated by reference to the filing of such exhibit with the registrant's Registration Statement on S-3 filed with the SEC on February 7, 2011 (File Nos. 333-172107 and 333-172107-01).
4. Incorporated by reference to the filing of such exhibit with the registrant's Current Report on Form 8-K filed with the SEC on November 25, 2013 (File No. 001-34042).
5. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on June 14, 2016 (File No. 001-34042).
6. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on March 18, 2020 (File No. 001-34042).
7. Incorporated by reference to the filing of such exhibit with the registrant's Proxy Statement on Schedule 14A filed with the SEC on November 8, 2019.
8. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the SEC on March 13, 2012 (File No. 001-34042).
9. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on January 30, 2019 (File No. 001-34042).
10. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the SEC on March 31, 2009 (File No. 001-34042).
11. Incorporated by reference to the filing of such exhibit with Amendment No. 2 to the registrant's Registration Statement on S-1 filed with the SEC on March 28, 2008 (File No. 333-146137).

12. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on March 15, 2021 (File No. 001-34042).
13. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2011 filed with the SEC on August 8, 2011 (No. 001-34042).
14. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on March 11, 2013 (File No. 001-34042).
15. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2016 filed with the SEC on August 9, 2016 (No. 001-34042).
16. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC on March 15, 2019 (File No. 001-34042).
17. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2018 filed with the SEC on November 9, 2018 (No. 001-34042).
18. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2012 filed with the SEC on August 9, 2012 (File No. 001-34042).
19. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on March 1, 2018 (File No. 001-34042).
20. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the SEC on November 8, 2016 (File No. 001-34042).
21. Incorporated by reference to the filing of such exhibit with the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on March 14, 2022 (File No. 001-34042).
22. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on January 3, 2019 (File No. 001-34042).
23. Incorporated by reference to the filing of such exhibit with the registrant’s Current Report on Form 8-K filed with the SEC on March 4, 2019 (File No. 001-34042).
24. Incorporated by reference to the filing of such exhibit with the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2019 filed with the SEC on August 9, 2019 (File No. 001-34042).

† Filed herewith. * Management contract or compensatory plan or arrangement

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Maiden Holdings, Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Maiden Holdings, Ltd. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 12, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Valuation of Incurred but not Reported Reserves

Description of the Matter	At December 31, 2023, the Company's reserve for loss and loss adjustment expenses was $867 million of which a significant portion is incurred but not reported reserves. As explained in Notes 2 and 9 of the consolidated financial statements, the reserve for loss and loss adjustment expenses represents management's estimate of the ultimate costs of all reported and unreported losses incurred. There is significant uncertainty inherent in determining management's estimate of the ultimate cost of all claims that have occurred which is used to determine the incurred but not reported reserves. In particular, the estimate is sensitive to the selection and weighting of actuarial methodologies used to project the ultimate costs and the selection of assumptions such as payment and reporting patterns used to determine loss development factors and expected loss ratios. Auditing management's estimate of incurred but not reported reserves was complex due to the highly judgmental nature of the significant assumptions used in the valuation of the estimate. The significant judgment was primarily due to the sensitivity of management's estimate to the actuarial methods selected and the assumptions used in the determination of the loss development factors and ultimate claim costs.
How We Addressed the Mater in our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's incurred but not reported reserving process. This included, among others, controls over the review and approval processes that management has in place for the selection of actuarial methods and assumptions used in estimating the incurred but not reported reserves. To test the Company's estimate of incurred but not reported reserves, our audit procedures included among others, the assistance of our actuarial specialists to evaluate the assumptions used by comparing the significant assumptions, including payment patterns and expected loss ratios, to the Company's historical experience. In addition, we evaluated the selection and the weighting of actuarial methods used by management against the maturity of the accident periods, changes in case reserve levels and claims settlement patterns. We developed a range of reasonable reserve estimates, which included performing independent projections for a sample of lines of business and compared the Company's recorded reserves to the range of reasonable reserve estimates. We also performed a review of the subsequent development of prior year loss and loss adjustment expense reserves.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

New York, NY
March 12, 2024

MAIDEN HOLDINGS, LTD.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(In thousands of U.S. dollars, except share and per share data)

	2023	2022
ASSETS		
Investments:		
Fixed maturities, available-for-sale, at fair value *(Amortized cost: 2023 - $258,536; 2022 - $330,439)*	$ 250,601	$ 314,527
Equity securities, at fair value *(Cost: 2023 - $43,439; 2022 - $40,509)*	45,299	43,621
Equity method investments	80,929	80,159
Other investments *(Allowance for expected credit losses: 2023 - $1,023)*	182,811	148,753
Total investments	559,640	587,060
Cash and cash equivalents	35,412	30,986
Restricted cash and cash equivalents	7,266	15,638
Accrued investment income	4,532	4,122
Reinsurance balances receivable, net (includes $9,201 and $8,395 from related parties in 2023 and 2022, respectively. *Allowance for expected credit losses: 2023 - $187)*	12,450	10,707
Reinsurance recoverable on unpaid losses *(Allowance for expected credit losses: 2023 - $3,240)*	564,331	556,116
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses (includes $16,605 and $23,632 from related parties in 2023 and 2022, respectively)	17,566	24,976
Funds withheld receivable (includes $128,451 and $416,835 from related parties in 2023 and 2022, respectively. *Allowance for expected credit losses: 2023 - $19)*	143,985	441,412
Other assets	5,777	7,874
Total assets	$ 1,518,934	$ 1,846,866
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes $752,991 and $988,684 from related parties in 2023 and 2022, respectively)	$ 867,433	$ 1,131,408
Unearned premiums (includes $44,577 and $63,443 from related parties in 2023 and 2022, respectively)	46,260	67,081
Deferred gain on retroactive reinsurance	73,240	47,708
Accrued expenses and other liabilities (includes $10,781 and $33,278 from related parties in 2023 and 2022, respectively)	28,244	60,518
Senior notes - principal amount	262,361	262,500
Less: unamortized issuance costs	7,764	6,928
Senior notes, net	254,597	255,572
Total liabilities	1,269,774	1,562,287
Commitments and Contingencies		
EQUITY		
Common shares ($0.01 par value; shares issued 2023 - 149,732,355; 2022 - 149,224,080; shares outstanding 2023 - 100,472,120; 2022 - 101,532,151)	1,497	1,492
Additional paid-in capital	886,072	884,259
Accumulated other comprehensive loss	(31,469)	(41,234)
Accumulated deficit	(486,945)	(442,863)
Treasury shares, at cost (2023 - 49,260,235 shares; 2022 - 47,691,929 shares)	(119,995)	(117,075)
Total Maiden shareholders’ equity	249,160	284,579
Total liabilities and equity	$ 1,518,934	$ 1,846,866

See accompanying notes to Consolidated Financial Statements

MAIDEN HOLDINGS, LTD.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands of U.S. dollars, except share and per share data)

For the Year Ended December 31,	2023	2022
Revenues		
Gross premiums written	$ 23,466	$ 5,479
Net premiums written	$ 23,168	$ 5,082
Change in unearned premiums	20,801	32,650
Net premiums earned	43,969	37,732
Other insurance revenue (expense), net	39	(4,530)
Net investment income	37,378	30,070
Net realized and unrealized investment gains (losses)	7,848	(5,140)
Total revenues	89,234	58,132
Expenses		
Net loss and loss adjustment expenses	61,228	57,991
Commission and other acquisition expenses	19,462	18,511
General and administrative expenses	30,796	30,947
Interest and amortization expenses	18,226	19,331
Foreign exchange and other losses (gains)	5,741	(8,255)
Total expenses	135,453	118,525
Loss before income taxes and interest in income (loss) of equity method investments	(46,219)	(60,393)
Income tax expense (benefit)	196	(557)
Interest in income (loss) of equity method investments	7,846	(205)
Net loss	(38,569)	(60,041)
Gain from repurchase and exchange of preference shares	—	115,473
Net (loss) income (attributable) available to Maiden common shareholders	$ (38,569)	$ 55,432
Basic and diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.38)	$ 0.63
Weighted average number of common shares - basic	101,382,606	87,112,711
Adjusted weighted average number of common shares and assumed conversions - diluted	101,382,606	87,113,974

See accompanying notes to Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)

For the Year Ended December 31,	2023	2022
Net loss	$ (38,569)	$ (60,041)
Other comprehensive gain (loss)		
Net unrealized holdings gains (losses) on fixed maturity investments arising during the year	7,977	(10,906)
Net unrealized holdings gains on equity method investments arising during the year	—	4,414
Adjustment for reclassification of net realized gains recognized in net loss	—	(6,807)
Foreign currency translation adjustment	1,881	(16,044)
Other comprehensive gain (loss), before tax	9,858	(29,343)
Income tax (expense) benefit related to components of other comprehensive gain (loss)	(93)	324
Other comprehensive gain (loss), after tax	9,765	(29,019)
Comprehensive loss	$ (28,804)	$ (89,060)

See accompanying notes to Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars)

For the Year Ended December 31,	2023	2022
Preference shares – Series A, C and D		
Beginning balance	$ —	$ 159,210
Repurchase and exchange of Preference Shares – Series A	—	(48,392)
Repurchase and exchange of Preference Shares – Series C	—	(59,245)
Repurchase and exchange of Preference Shares – Series D	—	(51,573)
Ending balance	—	—
Common shares		
Beginning balance	1,492	923
Shares issued on exchange of Preference Shares – Series A, C and D	—	558
Issuance of common shares from vesting of stock based compensation	5	11
Ending balance	1,497	1,492
Additional paid-in capital		
Beginning balance	884,259	768,650
Issuance of common shares from vesting of share-based compensation	(5)	(11)
Share-based compensation expense	1,725	2,740
Repurchase and exchange of preference shares	93	5,319
Cash settlement of restricted shares granted	—	10
Issuance of common shares due to exchange of preference shares	—	107,551
Ending balance	886,072	884,259
Accumulated other comprehensive loss		
Beginning balance	(41,234)	(12,215)
Change in net unrealized gains (losses) on investment	7,884	(12,975)
Foreign currency translation adjustment	1,881	(16,044)
Ending balance	(31,469)	(41,234)
Accumulated deficit		
Beginning balance	(442,863)	(498,295)
Opening allowance for expected credit losses	(5,513)	—
Net loss	(38,569)	(60,041)
Gain on repurchase and exchange of preference shares	—	115,473
Ending balance	(486,945)	(442,863)
Treasury shares		
Beginning balance	(117,075)	(34,016)
Shares held by Maiden Reinsurance Ltd.	—	(82,050)
Shares repurchased	(2,920)	(1,009)
Ending balance	(119,995)	(117,075)
Total equity	$ 249,160	$ 284,579

See accompanying notes to Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

For the Year Ended December 31,	2023	2022
Cash flows from operating activities:		
Net loss	$ (38,569)	$ (60,041)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation, amortization and share-based compensation	(1,020)	(112)
Interest in (income) loss of equity method investments	(7,846)	205
Net realized and unrealized investment (gains) losses	(7,848)	5,140
Change in allowance for expected credit losses	(1,049)	—
Foreign exchange and other losses (gains)	5,741	(8,255)
Changes in assets – (increase) decrease:		
Reinsurance balances receivable, net	(1,494)	8,530
Reinsurance recoverable on unpaid losses	14,088	10,822
Accrued investment income	(387)	1,245
Deferred commission and other acquisition expenses	7,404	11,601
Funds withheld receivable	27,444	3,926
Other assets	1,866	(1,915)
Changes in liabilities – increase (decrease):		
Reserve for loss and loss adjustment expenses	(4,189)	(154,974)
Unearned premiums	(20,785)	(32,655)
Deferred gain on retroactive reinsurance	—	2,335
Accrued expenses and other liabilities	(33,134)	18,220
Net cash used in operating activities	(59,778)	(195,928)
Cash flows from investing activities:		
Purchases of fixed maturities	(183,575)	(79,027)
Purchases of other investments	(45,324)	(39,928)
Purchases of equity method investments	(12,616)	(55,629)
Purchases of equity securities	(6,324)	(17,281)
Proceeds from sales of fixed maturities	98,993	213,944
Proceeds from maturities, paydowns and calls of fixed maturities	161,551	98,462
Proceeds from sale and redemption of other investments	17,570	4,403
Proceeds from sale and redemption of equity method investments	20,200	61,209
Proceeds from sale and redemption of equity securities	8,138	—
Net proceeds from acquisition of a subsidiary	—	2,725
Others, net	(101)	(88)
Net cash provided by investing activities	58,512	188,790
Cash flows from financing activities:		
Repurchase of preference shares	—	(9,984)
Repurchase of senior notes	(95)	—
Cash settlement of restricted shares granted and options exercised	—	10
Repurchase of common shares	(2,920)	(1,009)
Net cash used in financing activities	(3,015)	(10,983)
Effect of exchange rate changes on foreign currency cash	335	(1,342)
Net decrease in cash, cash equivalents and restricted cash	(3,946)	(19,463)
Cash, cash equivalents and restricted cash - beginning of year	46,624	66,087
Cash, cash equivalents and restricted cash - end of year	$ 42,678	$ 46,624
Reconciliation of cash and restricted cash reported within Consolidated Balance Sheets:		
Cash and cash equivalents, end of year	$ 35,412	$ 30,986
Restricted cash and cash equivalents, end of year	7,266	15,638
Total cash and cash equivalents and restricted cash and equivalents, end of year	$ 42,678	$ 46,624
Supplemental cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 19,106	$ 19,106
Cash paid for income taxes	147	1,149

See accompanying notes to Consolidated Financial Statements.

1. Organization

Maiden Holdings, Ltd. (sometimes referred to as "Maiden Holdings" or "Parent Company") is a Bermuda-based holding company. Together with its subsidiaries (collectively referred to as the "Company", "we" or "Maiden"), Maiden creates shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets.

In November 2020, the Company formed our indirect wholly owned subsidiary Genesis Legacy Solutions ("GLS") which specialized in providing a full range of legacy services to small insurance entities, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies. The Company believed the formation of GLS was highly complementary to its overall longer-term strategy. However, a combination of factors, including market conditions in the sector GLS focuses on, resulted in an inability for GLS to gain sufficient scale to achieve its objectives or earn a profit, and GLS results did not reach the objectives the Company expected it to over time. Having completed the capital commitment made to GLS in 2020, the Company has determined to not commit any additional capital to new opportunities and to run-off the existing accounts underwritten by GLS. The Company does not presently underwrite prospective reinsurance risks.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Our wholly owned subsidiary, Maiden Global Holdings Ltd. (“Maiden Global”) is a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets ("IIS business"). These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. (“Maiden Reinsurance”). In 2023 and through the date of this report, the Company has been evaluating the strategic value of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of our target return on capital levels.

The Company also has various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") reinsurance agreements which were terminated in 2019 as discussed in *"Note 10 — Related Party Transactions"*. In addition, the Company has a retroactive reinsurance agreement and a commutation agreement that further reduces its exposure and limits the potential volatility related to AmTrust liabilities, which are discussed in "*Note 8 — Reinsurance*" of the Notes to Consolidated Financial Statements.

Exchange of Preference Shares

On December 27, 2022 ("Exchange Date"), the Company exchanged all of its outstanding 8.250% Non-Cumulative Preference Shares, Series A (the “Series A Preference Shares”), 7.125% Non-Cumulative Preference Shares, Series C (the “Series C Preference Shares”) and 6.700% Non-Cumulative Preference Shares, Series D (the “Series D Preference Shares” and, together with the Series A Preference Shares and the Series C Preference Shares, the “Preference Shares”) for its common shares, $0.01 par value per share ("Exchange"). The Company offered three common shares as consideration for each share of the Series A, C and D Preference Shares tendered. A total of 1,500,050 shares of Series A Preference Shares, 1,744,028 shares of Series C Preference Shares, and 1,542,806 shares of Series D Preference Shares were accepted, resulting in 14,360,652 common shares issued to non-affiliates at a fair value of $28,434. The Exchange was accounted for as an extinguishment resulting in derecognition of the $119,672 carrying amount of Series A, C and D Preference Shares tendered, elimination of $3,998 of original issuance costs, and recognition of $25,915 as the excess of the fair value of the common shares issued over par value, net of $2,375 issuance costs, as additional paid in capital. The Company recognized a gain of $87,240 as the excess of the carrying amount of the Preference Shares extinguished over the fair value of the common shares issued as an increase to retained earnings.

The number of the Company's Series A, C and D Preference Shares held by Maiden Reinsurance pursuant to the tender offer in 2020 to repurchase Preference Shares and the Board authorizations to repurchase Preference Shares approved on March 3, 2021 and May 6, 2021 ("2021 Preference Share Repurchase Program") was 13,813,116 at the Exchange Date. Therefore, 41,439,348 common shares were issued to Maiden Reinsurance in exchange for the Preference Shares held which are reflected as treasury shares on the Consolidated Balance Sheet and are not treated as outstanding shares on December 31, 2023 and 2022.

As a result of the Exchange, the Preference Shares were delisted and no longer trade on the New York Stock Exchange, and there are no remaining issued and outstanding Preference Shares as at December 31, 2023 and 2022. All rights of the former holders related to ownership of the Preference Shares terminated upon completion of the Exchange.

As of December 31, 2023, Maiden Reinsurance owns 29.9% of the Company's total outstanding common shares which is eliminated for accounting and financial reporting purposes on the Company's consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, is capped at 9.5% pursuant to the bye-laws of the Company. The ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy and approved by the Vermont Department of Financial Regulation ("Vermont DFR"). The Vermont DFR additionally specifically approved the ownership of the Company's common shares by Maiden Reinsurance related to the Exchange.

2. Significant Accounting Policies

Basis of Reporting and Consolidation — These Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP") and include the accounts of Maiden Holdings and all of its subsidiaries. These Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the period and all such adjustments are of a normal recurring nature. All significant intercompany transactions and accounts have been eliminated. Certain prior year comparatives have been reclassified to conform to the current year presentation. The effect of these reclassifications had no impact on previously reported shareholders' equity or net income.

Estimates — The preparation of U.S. GAAP Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. The significant estimates include, but are not limited to, reserve for loss and loss adjustment expenses ("loss and LAE"), deferred gain on retroactive reinsurance; unearned premium for AmTrust, recoverability of reinsurance balances receivable, reinsurance recoverable on unpaid losses, funds withheld and deferred commission and other acquisition expenses; valuation of financial instruments and deferred tax assets; and the determination of an allowance for estimated credit losses on certain types of financial instruments which requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates.

Short-term investments - These investments are comprised of securities due to mature within one year of the date of purchase. The Company held no short-term investments as at December 31, 2023 and 2022.

Equity securities - Equity securities include publicly traded common and preferred stocks, and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using a combination of observable and unobservable inputs including but not limited to market pricing data and quarterly financial statements. Any unrealized gains or losses on the investment, including the portion attributable to changes in foreign exchange rates, are recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine their fair values.

Other investments — The Company accounts for its other investments at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 944-325, *"Financial Services - Insurance - Investments - Other"* ("ASC 944-325"). Other investments are comprised of the following types of investments:

- Privately held equity investments: These are direct equity investments in common and preferred stock of privately held entities. The fair values are estimated using guideline public company data to determine a price-to-book ratio trading multiple which was applied to book values shown on the quarterly financial statements as well as recent private market transactions. These investments are also comprised of investments in insurtech and other insurance focused companies. The fair value of start-up insurance entities are determined using recent private market transactions where applicable. Any changes in fair value are reported in net realized and unrealized gains (losses) and recognized in net earnings.
- Private credit funds: These are privately held equity investments in limited partnerships or common stock of entities that lend money valued using the most recently available or quarterly net asset value ("NAV") statements as provided by the external fund manager or third-party administrator. Any changes in fair value are reported in realized gains (losses) and recognized in net earnings.
- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. Any changes in fair value are reported in realized gains (losses) and recognized in net earnings.
- Investments in direct lending entities: These investments are carried at cost less impairment, if any, with any indication of impairment recognized in income when determined.

The valuation of other investments is further described in *Note 5 — Fair Value Measurements*. Due to a lag in the valuations of certain funds reported by the investment managers, the Company may record changes in valuation with up to a three-month lag. The Company regularly reviews and discusses fund performance with the investment managers or sponsors to corroborate the reasonableness of the reported NAV and to assess whether any events have occurred within the lag period that would affect the valuation of the investments.

Equity Method Investments — Investments in which the Company has significant influence over the operating and financial policies of the investee are classified as equity method investments and accounted for using the equity method of accounting. In applying the equity method of accounting, investments are initially recorded at cost and are subsequently adjusted based on the Company’s proportionate share of the investee's net income or loss, net of any contributions and distributions received.

Adjustments are based on the most recent available financial information from the investee. Changes in the carrying value of these investments are recorded in net income (loss) as the interest in income (loss) of equity method investments. The Company records its share of the investee’s other comprehensive income ("OCI") activity based on its proportionate share of the investee's common stock or capital, and books any OCI activity directly to the equity method investments account, with the offset recorded to the Company's AOCI.

2. Significant Accounting Policies (continued)

Fixed Maturity Investments — The Company classifies its fixed maturity investments as available-for-sale ("AFS"). The AFS portfolio is reported at fair value and any unrealized gains or losses are reported as a component of accumulated other comprehensive income ("AOCI") in shareholders' equity. The fair value of fixed maturity investments is generally determined from quotations received from third-party nationally recognized pricing services ("Pricing Service"), or when such prices are not available, by reference to broker or underwriter bid indications.

Purchases and sales of investments are recorded on a trade date basis. Realized gains or losses on investment sales are determined based on the first in first out cost method. Net investment income is recognized when earned and includes accrued interest and dividend income together with amortization of market premiums and discounts using the constant yield method, net of investment management fees. For U.S. government agency mortgage-backed securities ("Agency MBS") and any other holdings for which there is a prepayment risk, prepayment assumptions are evaluated and revised as necessary. Any changes required due to movements in effective yields and maturities are recognized on a prospective basis through yield adjustments.

A security is potentially impaired when its fair value falls below its amortized cost. The Company evaluates AFS securities for impairment when fair value is below amortized cost on a quarterly basis. If the Company intends to sell or will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged to net income (loss) and included in net investment gains (losses). If the Company does not intend to sell or will not be required to sell the security before its anticipated recovery, an allowance for expected credit losses is established and the portion of the loss relating to credit factors is recorded in net income (loss). The non-credit impairment amount of the loss (which could be related to interest rates and/or market conditions) is recognized in other comprehensive income.

To estimate the allowance for expected credit losses for most of the AFS securities, the Company analyzes projected cash flows which are primarily driven by assumptions regarding loss severity, probability of default and projected recovery rates. The Company's determination of default and loss severity rates are based on credit rating, credit analysis and macroeconomic forecasts. Unrealized losses on securities issued or backed, either explicitly or implicitly by the U.S. government are not analyzed for credit losses. The Company has concluded that any possibility of a credit loss on these securities is highly unlikely due to the explicit U.S. government guarantee related to certain securities (e.g., Government National Mortgage Association issuances) and the implicit guarantee related to other securities that has been validated by past actions (e.g., U.S. government bailout of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation during the 2008 credit crisis). Although these securities are not analyzed for credit losses, they are evaluated for impairment based on the Company's intention to sell and likely to sell requirement.

As the Company's fixed maturity investment portfolio is one of the largest component of its consolidated assets, any impairment of fixed maturity securities could be material to the Company's financial condition and results particularly during periods of dislocation in the financial markets.

Fair Value Measurements — ASC Topic 820, *"Fair Value Measurements and Disclosures"* ("ASC 820") defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs:

- *Level 1* — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples of assets and liabilities utilizing Level 1 inputs include: U.S. Treasury bonds;
- *Level 2* — Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severity, etc.) or can be corroborated by observable market data. Examples of assets and liabilities utilizing Level 2 inputs include: U.S. government-sponsored agency securities; non-U.S. government and supranational obligations; commercial mortgage-backed securities ("CMBS"); collateralized loan obligations ("CLO"); corporate and municipal bonds; and
- *Level 3* — Valuations based on models where significant inputs are not observable. The unobservable inputs reflect our own assumptions about assumptions that market participants would use, developed on the basis of the best information available in the particular circumstances. Examples of assets and liabilities utilizing Level 3 inputs include: an investment in preference shares of a start-up insurance producer.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in the Level 3 hierarchy.

The Company uses prices and inputs that are current as at the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause a financial instrument to be reclassified between hierarchy levels.

2. Significant Accounting Policies (continued)

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these in the Level 1 hierarchy. The Company receives quoted market prices from a third party nationally recognized Pricing Service. When quoted market prices are unavailable, the Company utilizes the Pricing Service to determine an estimate of fair value. The fair value estimates are included in the Level 2 hierarchy. The Company will challenge any prices for its investments which are considered not to be representative of fair value. If quoted market prices and an estimate from the Pricing Service are unavailable, the Company produces an estimate of fair value based on dealer quotations for recent activity in positions with the same or similar characteristics to that investment being valued. The Company determines whether the fair value estimate is in the Level 2 or Level 3 hierarchy depending on the level of observable inputs available when estimating the fair value. The Company bases its estimates of fair values for assets on the bid price as it represents what a third party market participant would be willing to pay in an orderly transaction.

Cash and Cash Equivalents — The Company maintains cash accounts in several banks and brokerage institutions. Cash equivalents consist of investments in money market funds and short-term investments with an original maturity of 90 days or less and are stated at cost, which approximates fair value. Restricted cash and cash equivalents are separately reported in the Consolidated Balance Sheets. The Company maintains certain cash and investments in trust accounts used primarily as collateral for unearned premiums and loss and LAE reserves owed to insureds. The Company is required to maintain minimum balances in these restricted accounts based on pre-determined formulas. Please see "*Note 4. (e) Investments*" for further details.

Premiums and Related Expenses — For pro-rata contracts and excess-of-loss contracts where no deposit or minimum premium is specified in the contract, premium written is recognized based on estimates of ultimate premiums provided by the ceding companies. Initial estimates of premium written are recognized in the period in which the underlying risks are incepted. Subsequent adjustments, based on reports of actual premium by the ceding companies, or revisions in estimates, are recorded in the period in which they are determined. Reinsurance premiums assumed are generally earned on a pro-rata basis over the terms of the underlying policies or reinsurance contracts. Contracts and policies written on a "losses occurring" basis cover claims that may occur during the term of the contract or policy, which is typically twelve months. Accordingly, the premium is earned evenly over the term. Contracts which are written on a "risks attaching" basis cover claims which attach to the underlying insurance policies written during the terms of such contracts. Premiums earned on such contracts usually extend beyond the original term of the reinsurance contract, typically resulting in recognition of premiums earned over a 24-month period.

Reinsurance premiums on specialty risk and extended warranty are earned based on the estimated program coverage period. These estimates are based on the expected distribution of coverage periods by contract at inception, because a single contract may contain multiple coverage period options, and these estimates are revised based on the actual coverage period selected by the original insured. Unearned premiums represent the portion of premiums written which is applicable to the unexpired term of the contract or policy in force. These premiums can be subject to estimates based upon information received from ceding companies and any subsequent differences arising on such estimates are recorded in the period in which they are determined.

Assumed and ceded reinsurance contracts that lack a significant transfer of risk are treated as deposits. No deposit contracts are held as at December 31, 2023 and 2022.

Acquisition expenses represent the costs of writing business that vary with, and are primarily related to, the production of that business. Policy and contract acquisition expenses, including assumed commissions, are deferred and recognized as expense as the related premiums are earned.

The Company considers anticipated investment income in determining the recoverability of these costs and believes they are fully recoverable. A premium deficiency is recognized if the sum of anticipated loss and LAE, unamortized acquisition expenses less anticipated investment income exceed unearned premiums.

Loss and LAE — Loss and LAE represent the estimated ultimate net costs of all reported and unreported losses incurred through December 31 of the latest fiscal year. The reserve for loss and LAE is estimated using a statistical analysis of actuarial data and is not discounted for the time value of money. Although considerable variability is inherent in the estimates of reserves for loss and LAE, management believes that the reserve for loss and LAE is adequate based on known information to date. In estimating loss reserves, the Company utilizes a variety of standard actuarial methods. These estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes available. Such adjustments are included and reported in current operations as favorable or unfavorable prior period development.

Reinsurance — Reinsurance premiums and loss and LAE ceded to other companies are accounted for on a basis consistent with those used in accounting for original policies issued and pursuant to the terms of the reinsurance contracts. The Company records premiums earned and loss and LAE incurred and ceded to other companies as reduction of premium revenue and loss and LAE, respectively. The unexpired portion of reinsurance purchased by the Company (retrocession or reinsurance premiums ceded) is included in other assets and amortized over the contract period in proportion to the amount of insurance protection provided. The ultimate amount of premiums, including adjustments, is recognized as premiums ceded and amortized over the applicable contract period to which they apply.

Premiums earned are reported net of reinsurance in the Consolidated Statements of Income. Reinsurance recoverable on unpaid losses relate to the portion of reserves and paid losses and LAE that are ceded to other companies. Reinsurance recoverable on unpaid losses are separately recorded as an asset in the Consolidated Balance Sheets. The Company remains contingently liable for all loss payments in the event of failure to collect from reinsurers.

2. Significant Accounting Policies (continued)

Retroactive Reinsurance - Retroactive reinsurance agreements are those in which a reinsurer agrees to reimburse the ceding company for liabilities incurred as a result of past insurable loss events. We do not record any income or expense on recognition of the reinsurance contract's assets and liabilities at inception, except for any gains realized as a result of bargain purchase acquisitions which are recorded as part of foreign exchange and other gains (losses) immediately in income. Any subsequent remeasurement of the value of liabilities is recorded to net loss and LAE within the Consolidated Statements of Income.

For ceded retroactive agreement, the excess of the amounts ultimately collectible under the agreement over the consideration paid is recognized as a deferred gain liability which is amortized into income over the settlement period of the ceded reserves once the paid losses have exceeded the minimum retention. The amount of the deferral is recalculated each period based on actual loss payments and updated estimates of ultimate losses. If the consideration paid exceeds the ultimate losses collectible under the agreement, the net loss on the retroactive reinsurance agreement is recognized within income immediately.

At the inception of a run-off retroactive reinsurance contract, if the estimated undiscounted ultimate losses payable are in excess of the premiums received, a deferred charge asset is recorded for the excess; whereas, if the premiums received are in excess of the estimated undiscounted ultimate losses payable, a deferred gain liability is recorded for the excess, such that we do not record any gain or loss at the inception of these retroactive reinsurance contracts. The premium consideration that we charge the ceding companies under retroactive reinsurance contracts may be lower than the undiscounted estimated ultimate losses payable due to the time value of money. After receiving the premium consideration in full from cedents at the inception of the contract, we invest the premium received over an extended period of time, thereby generating investment income. We expect to generate profits from these retroactive reinsurance contracts when taking into account the premium received and expected investment income, less contractual obligations and expenses.

Deferred charge assets will be recorded in other assets (if and when applicable), and deferred gain liabilities are shown separately in the Consolidated Balance Sheets, and amortized over the estimated claim payment period of the related contract with the periodic amortization reflected in income as a component of net loss and LAE. The amortization of deferred charge assets and deferred gain liabilities is adjusted at each reporting period to reflect new estimates of the amount and timing of remaining loss and LAE payments. Changes in the estimated amount and timing of payments of unpaid losses may have an effect on the unamortized deferred charge assets and deferred gain liabilities and the amount of periodic amortization.

Debt Obligations and Deferred Debt Issuance Costs — Costs incurred in issuing debt are capitalized and amortized over the contractual life of the debt. The amortization of these costs are included in interest and amortization expenses in the Consolidated Statements of Income. The unamortized amount of issuance costs is presented as a deduction from the related principal liability for senior notes in the Consolidated Balance Sheets.

Leases — The Company's leases are all currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, the Company recognized a lease liability (presented as part of accrued expenses and other liabilities) and a right-of-use asset (presented as part of other assets) in the Consolidated Balance Sheets at the present value of the remaining lease payments until expiration. As the lease contracts generally do not provide an implicit discount rate, the Company used a weighted-average discount rate of 10%, representing its estimated secured incremental borrowing rate, in calculating the present value of the lease liability. The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company recognizes the related leasing expense on a straight-line basis over the effective lease term in the Company's Consolidated Statements of Income.

Derivative Instruments — The Company has certain reinsurance contracts that are accounted for as derivatives. These reinsurance contracts provide indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers these contracts to be part of its underwriting operations. The derivatives are initially valued at cost which approximates fair value. In subsequent measurement periods, the fair values of the underwriting-related derivatives are determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of these derivatives. A significant increase (decrease) in this input in isolation could result in a significantly lower (higher) fair value measurement for the derivative contract. The fair value changes in underwriting-related derivative instruments is included within other insurance (expense) revenue. The underwriting-related derivative liability is presented as part of accrued expenses and other liabilities in the Consolidated Balance Sheets and adjusted as a non-cash item in net cash flows from operating activities in the Consolidated Statement of Cash Flows.

Income Taxes — The Company accounts for income taxes using ASC Topic 740 "*Income Taxes"* for subsidiaries operating in taxable jurisdictions. Deferred income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. A valuation allowance is recorded if it is more likely than not that some or all of a deferred tax asset may not be realized. The Company considers future taxable income and feasible tax planning strategies in assessing the need for a valuation allowance. In the event the Company determines that it will not be able to realize all or part of its deferred income tax assets in the future, an adjustment to the deferred income tax assets would be charged to income in the period in which such determination is made. In addition, if the Company subsequently assesses that the valuation allowance is no longer needed, a benefit would be recorded to income in the period in which such determination is made. U.S. GAAP allows for the recognition of tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. A liability is established for any tax benefit claimed in a tax return in excess of this threshold. Income tax related interest and penalties would be included as income tax expense. The Company has not recorded or accrued any interest or penalties during the years ended December 31, 2023 and 2022.

2. Significant Accounting Policies (continued)

Share-Based Compensation Expense — Pursuant to the 2019 Omnibus Incentive Plan, the Company is authorized to issue restricted share awards and performance-based restricted shares, share options and other equity-based awards to its employees and directors. The Company recognizes the compensation expense for share options and restricted share grants based on the fair value of the award on the date of grant, over the requisite service vesting period. Forfeitures are accounted for if and when they occur. The estimated fair value of the grant is amortized ratably over its vesting period as a charge to compensation expense (as a component of general and administrative expenses) and an increase to additional paid-in capital in the Consolidated Shareholders' Equity.

Earnings Per Share — Basic earnings per share are computed based on the weighted-average number of common shares outstanding and exclude any dilutive effects of share options, and unvested restricted shares units. Dilutive earnings per share are computed using the weighted-average number of common shares outstanding during the period adjusted for the dilutive impact of share options. The two-class method is used to determine earnings per share based on dividends declared on common shares and participating securities (i.e. distributed earnings) and participation rights of participating securities in any undistributed earnings. Each unvested restricted share granted by the Company to certain employees and directors is considered a participating security and the two-class method is used to calculate net income attributable to Maiden common shareholders per common share – basic and diluted. However, any undistributed losses are not allocated to the participating securities.

Net income available to Maiden common shareholders per common share (basic and diluted) was also adjusted for the gain on the repurchase and exchange of preference shares of $1.33 per common share for the year ended December 31, 2022.

Treasury Shares — Treasury shares include common shares repurchased by the Company and not subsequently cancelled as well as share repurchases from employees, which represent withholding in respect of tax obligations on the vesting of restricted shares and performance based shares. Treasury shares are recorded at cost and result in a reduction of the total Maiden shareholders' equity in the Consolidated Balance Sheets.

Treasury shares also include common shares owned by Maiden Reinsurance and are eliminated for accounting and financial reporting purposes in the Company's consolidated financial statements. The common shares held by Maiden Reinsurance are presented as treasury shares on the Consolidated Balance Sheet at December 31, 2023. Since treasury shares are not considered outstanding for share count purposes, the common shares held by Maiden Reinsurance are excluded from the average number of common shares outstanding for basic and diluted earnings per share.

Common share issuance costs incurred directly as a result of the Exchange on December 27, 2022 have been deferred and offset against additional paid-in capital of the new common shares issued to non-affiliates.

Foreign Currency Transactions — The functional currency of the Company and many of its subsidiaries is the U.S. dollar. For these companies, monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates, with resulting foreign exchange gains and losses recognized in the Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the year. Monetary assets and liabilities include cash and cash equivalents, reinsurance balances receivable, reinsurance recoverable on unpaid losses, funds withheld receivable, reserve for loss and LAE and accrued expenses and other liabilities. Accounts that are classified as non-monetary such as deferred commission and other acquisition expenses and unearned premiums are not revalued.

Assets and liabilities of foreign subsidiaries and divisions, whose functional currency is not the U.S. dollar, are translated at year-end exchange rates. Revenues and expenses of these entities are translated at average exchange rates during the year. The effects of the foreign currency translation adjustment for foreign entities are included in AOCI. The amount of the cumulative translation adjustment at December 31, 2023 was $(23,685) (2022 - $(25,566)).

Recently Adopted Accounting Standards Updates

The following accounting standards have been recently adopted for the year ended December 31, 2023.

Accounting for Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13 *"Financial Instruments: Credit Losses (Topic 326)"* replacing the "incurred loss" impairment methodology with an approach based on "expected losses" to estimate credit losses on certain types of financial instruments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance requires financial assets to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the cost of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. ASU 2016-13 also modified the accounting for AFS debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with *Subtopic 326-30, Financial Instruments: Credit Losses Available-for-Sale Debt Securities*. Credit losses relating to AFS securities are recorded through an allowance for credit losses rather than under the previous other-than-temporarily-impaired ("OTTI") methodology.

In April 2019, the FASB issued targeted improvements related to *Topic 326* which clarify that an entity should include all expected recoveries in its estimate of the allowance for credit losses. In addition, for collateral dependent financial assets, the amendments mandate that an allowance for credit losses that is added to the amortized cost basis of the financial asset should not exceed amounts previously written off. It also clarifies FASB's intent to include all reinsurance recoverables within the scope of *Topic 944* to be in scope of *Subtopic 326-20, Accounting for financial assets held at amortized cost basis*, regardless of the measurement basis of those recoverables. The Company's reinsurance recoverable on unpaid losses is currently the most significant financial asset within the scope of Topic 326.

2. Significant Accounting Policies (continued)

Topic 326 was adopted by the Company on January 1, 2023 and an opening allowance for expected credit losses of $5,513 was recognized by the Company in the beginning retained earnings on January 1, 2023.

Credit Losses - AFS Fixed Maturity Securities

An AFS fixed maturity security is considered impaired if the fair value of the investment is below its amortized cost. On a quarterly basis, the Company evaluates all AFS fixed maturities for impairment losses. If an AFS fixed maturity security is impaired and the Company intends to sell the security or it is more likely than not that the Company will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged immediately to net income (loss) and is included in net investment gains (losses).

If the Company does not intend to sell or will not be required to sell the impaired security before its anticipated recovery, the Company determines whether the decline in fair value below the amortized cost basis has resulted from a credit loss impairment or other factors. If the Company does not anticipate to fully recover the amortized cost, an allowance for expected credit losses is established which is limited to the difference between a security's amortized cost basis and its fair value. The allowance for expected credit losses is charged to net income (loss) and is included in net investment gains (losses).

On a quarterly basis, the Company assesses whether unrealized losses on its AFS fixed maturity securities represent credit impairments by considering the following factors: the extent to which its fair value is less than its amortized cost; adverse conditions related to the specific security, industry, or geographical area; any recent downgrades in the security's credit rating by a credit rating agency; and if failure of the issuer to make scheduled principal or interest payments exists.

The length of time a security has been in an unrealized loss position no longer impacts the determination of whether a credit loss impairment exists. If a security is assessed to be credit impaired, it is subject to discounted cash flow analysis by comparing the present value of expected future cash flows with the amortized cost basis. If the present value of expected cash flows is less than the amortized cost, then a credit loss exists and an allowance for expected credit losses is recognized. If the present value of expected future cash flows is equal to or greater than the amortized cost basis, an expected credit loss does not exist. The non-credit impairment amount of the loss related to changes in interest rates and market conditions is recognized in OCI. The Company reports accrued interest receivable related to AFS securities separately and has elected not to measure an allowance for expected credit losses for accrued interest receivable. Write-offs of accrued interest receivable balances are recognized in net investment gains and losses in the period in which they are deemed uncollectible. Based on the Company's analysis, there was no allowance for expected credit losses recognized on AFS securities held at December 31, 2023.

Credit Losses - Other Investments

The Company's investments in direct lending entities are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income or loss when determined to be needed from the Company's analysis of expected future cash flows. As of December 31, 2023, the total allowance for expected credit losses on the Company's investment in direct lending entities was $1,023. Please see *"Note 5(d). Fair Value Measurements"* for additional information regarding this investment.

Credit Losses - Reinsurance Recoverable on Unpaid Losses

Reinsurance recoverable balances are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. A case-specific allowance for expected credit losses against reinsurance recoverables that the Company deems unlikely to be collected in full, is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs. In addition, a default analysis is used to estimate an allowance for expected credit losses on the remainder of the reinsurance recoverable balance. The principal components of the default analysis are reinsurance recoverable balances by reinsurer and default factors applied to estimate uncollectible amounts based on reinsurers' credit ratings and the length of collection periods. The default factors are based on a model developed by a major rating agency. The default analysis considers both current and forecasted economic conditions in the determination of the credit loss allowance.

The Company records credit loss expenses related to reinsurance recoverable in net incurred losses and loss adjustment expenses in the Company's consolidated statements of income. Any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of reinsurance recoverable balances, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of December 31, 2023, the total allowance for expected credit losses on the Company's reinsurance recoverable balance was $3,240 which is discussed further in *"Note 8. Reinsurance"*.

Credit Losses - Reinsurance Balances Receivable

Reinsurance balances receivable are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. The allowance for expected credit losses is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs, and current economic conditions, together with reasonable and supportable forecasts of short-term economic conditions. The allowance for expected credit losses is recognized in net income (loss) and any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of premium balances receivable, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of December 31, 2023, the total allowance for expected credit losses on the Company's reinsurance balances receivable was $187.

2. Significant Accounting Policies (continued)

Credit Losses - Funds Withheld Receivable

Funds withheld receivable are reviewed for impairment on a quarterly basis and are presented net of an allowance for expected credit losses. The allowance for expected credit losses is estimated based on the Company's analysis of amounts due, historical delinquencies and write-offs, and current economic conditions, together with reasonable and supportable forecasts of short-term economic conditions. The allowance for expected credit losses is recognized in net income (loss) and any adjustment to the allowance for expected credit losses is recognized in the period in which it is determined. Write-offs of funds withheld receivable, together with associated allowances for expected credit losses, are recognized in the period in which balances are deemed uncollectible. The Company does not have a history of significant write-offs. As of December 31, 2023, the total allowance for expected credit losses on the Company's funds withheld receivable was $19.

Credit Losses - Accrued Investment Income

The Company reports accrued interest receivable related to its AFS fixed maturity securities, loan to related party and funds withheld receivable separately on the Consolidated Balance Sheets under accrued investment income and has elected not to measure an allowance for expected credit losses on accrued interest receivable balances. Write-offs of accrued interest receivable balances are recognized in net investment gains and losses in the period in which they are deemed uncollectible.

Recently Issued Accounting Standards Not Yet Adopted

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, FASB issued ASU 2022-03 "*Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions"* an amendment of Fair Value Measurement (Topic 820). The amendments in this ASU require the Company to provide disclosures for equity securities subject to contractual sale restrictions under 820-10-50-6B including the fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; the nature and remaining duration of the restrictions; and any circumstances that could cause a lapse in the restrictions. The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.

Certain of the Company's equity securities are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods as described in "*Note 4. (b) Investments".* The Company is currently assessing the required disclosures for equity securities that may be subject to contractual sales restrictions. These amendments only impact disclosures made in *"Note 4. Investments"* therefore, the adoption of this standard will not impact the Company’s consolidated balance sheets, results of operations or statement of cash flows.

Improvements to Reportable Segment Disclosures

In November 2023, FASB issued ASU 2023-07 "*Improvements to Reportable Segment Disclosures"* an amendment of Segment Reporting (Topic 280). The amendments in this ASU require the Company to provide disclosures, on both an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss. This ASU also requires that a public entity provide all annual disclosures about a reportable segment’s profit or loss and segment assets that are currently required by Topic 280 in all interim periods. Additionally, the amendments require that a public entity disclose the title and position of the CODM and an explanation of how the reported measures of segment profit or loss are used by the CODM in assessing segment performance and deciding how to allocate resources within the Company.

The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. A public entity should apply the amendments in this Update retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company currently discloses its significant segment expenses in *Note 3 — Segment Information* on both an annual and interim basis as provided to its CODM, however segment assets are currently detailed only in annual statements. Therefore, the Company will provide detailed segment asset disclosures in its interim statements as required starting in 2025. The Company plans to adopts this Update on January 1, 2024.

Improvements to Income Tax Disclosures

In December 2023, FASB issued ASU 2023-09 *"Improvements to Income Tax Disclosures"* an amendment of Income Taxes (Topic 740). The amendments in this ASU require the Company to provide disclosures on an annual basis that (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. The amendments in this Update also require that the Company disclose on an annual basis the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes, and the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than five percent of total income taxes paid (net of refunds received). Finally, the amendments in this Update require that all entities disclose the income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. For public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2024. The Company is still evaluating the guidance provided by this Update, however, it is not anticipated to have any material impact on its current annual tax disclosures.

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information

The Company currently has two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment also includes transactions entered into by GLS which was formed in November 2020 as described in "*Note 1 — Organization"*. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement ("AmTrust Quota Share") between Maiden Reinsurance and AmTrust's wholly owned subsidiary, AmTrust International Insurance, Ltd. ("AII"), and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust's wholly owned subsidiaries, AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), which are both in run-off effective January 1, 2019. Please refer to "*Note 10 — Related Party Transactions*" for additional information regarding the AmTrust Reinsurance segment.

The Company evaluates segment performance based on segment profit separately from the results of our investment portfolio. General and administrative expenses are allocated to the reportable segments on an actual basis except salaries and benefits where management's judgment is applied; however general corporate expenses are not allocated to the segments. In determining total assets by reportable segment, the Company identifies those assets that are attributable to a particular segment such as reinsurance balances receivable, reinsurance recoverable on unpaid losses, deferred commission and other acquisition expenses, funds withheld receivable, loan to related party, and restricted cash and investments. All remaining assets are allocated to Corporate.

The following tables summarize the underwriting results of our reportable segments and the reconciliation of our reportable segments' underwriting results to consolidated net loss for the year ended December 31, 2023 and 2022, respectively:

For the Year Ended December 31, 2023	**Diversified Reinsurance**	**AmTrust Reinsurance**	**Total**
Gross premiums written	$ 27,402	$ (3,936)	$ 23,466
Net premiums written	$ 27,104	$ (3,936)	$ 23,168
Net premiums earned	$ 29,039	$ 14,930	$ 43,969
Other insurance revenue	39	—	39
Net loss and LAE	(14,230)	(46,998)	(61,228)
Commission and other acquisition expenses	(13,879)	(5,583)	(19,462)
General and administrative expenses	(10,110)	(2,690)	(12,800)
Underwriting loss	$ (9,141)	$ (40,341)	(49,482)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			45,226
Interest and amortization expenses			(18,226)
Foreign exchange and other losses, net			(5,741)
Other general and administrative expenses			(17,996)
Income tax expense			(196)
Interest in income from equity method investments			7,846
Net loss			$ (38,569)

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Year Ended December 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 24,017	$ (18,538)	$ 5,479
Net premiums written	$ 23,620	$ (18,538)	$ 5,082
Net premiums earned	$ 27,983	$ 9,749	$ 37,732
Other insurance revenue	(4,530)	—	(4,530)
Net loss and LAE	(12,483)	(45,508)	(57,991)
Commission and other acquisition expenses	(14,164)	(4,347)	(18,511)
General and administrative expenses	(8,857)	(2,777)	(11,634)
Underwriting loss	$ (12,051)	$ (42,883)	(54,934)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment losses			24,930
Interest and amortization expenses			(19,331)
Foreign exchange and other gains, net			8,255
Other general and administrative expenses			(19,313)
Income tax benefit			557
Interest in loss from equity method investments			(205)
Net loss			$ (60,041)

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables summarize the financial position of our reportable segments including the reconciliation to the Company's consolidated total assets at December 31, 2023 and 2022:

December 31, 2023	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	$ 3,108	$ 9,201	$ 12,309
Reinsurance recoverable on unpaid losses	5,692	515,463	521,155
Deferred commission and other acquisition expenses	961	16,605	17,566
Loan to related party	—	167,975	167,975
Restricted cash and cash equivalents and investments	67,211	152,663	219,874
Funds withheld receivable	15,534	128,451	143,985
Other assets	685	—	685
Total assets - reportable segments	93,191	990,358	1,083,549
Corporate assets	—	—	435,385
Total Assets	$ 93,191	$ 990,358	$ 1,518,934

December 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	$ 2,213	$ 8,395	$ 10,608
Reinsurance recoverable on unpaid losses	5,596	490,408	496,004
Deferred commission and other acquisition expenses	1,344	23,632	24,976
Loan to related party	—	167,975	167,975
Restricted cash and cash equivalents and investments	61,223	235,607	296,830
Funds withheld receivable	24,577	416,835	441,412
Other assets	2,337	—	2,337
Total assets - reportable segments	97,290	1,342,852	1,440,142
Corporate assets	—	—	406,724
Total Assets	$ 97,290	$ 1,342,852	$ 1,846,866

The following table shows an analysis of gross and net premiums written and net premiums earned by geographic location for the years ended December 31, 2023 and 2022. In the case of reinsurance business assumed from AmTrust, the table refers to the location of the relevant AmTrust subsidiaries.

For the Year Ended December 31,	2023	2022
Gross premiums written – North America	$ (146)	$ (14,600)
Gross premiums written – Other (predominantly Europe)	23,612	20,079
Gross premiums written – Total	$ 23,466	$ 5,479
Net premiums written – North America	$ (309)	$ (14,396)
Net premiums written – Other (predominantly Europe)	23,477	19,478
Net premiums written – Total	$ 23,168	$ 5,082
Net premiums earned – North America	$ (309)	$ (14,383)
Net premiums earned – Other (predominantly Europe)	44,278	52,115
Net premiums earned – Total	$ 43,969	$ 37,732

(In thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following table sets forth financial information relating to net premiums written by major line of business and reportable segment for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Diversified Reinsurance		
International	$ 27,104	$ 23,620
Total Diversified Reinsurance	27,104	23,620
AmTrust Reinsurance		
Small Commercial Business	(465)	(15,143)
Specialty Program	156	747
Specialty Risk and Extended Warranty	(3,627)	(4,142)
Total AmTrust Reinsurance	(3,936)	(18,538)
Total Net Premiums Written	$ 23,168	$ 5,082

The following table sets forth financial information relating to net premiums earned by major line of business and reportable segment for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023		2022	
	Total	% of Total	Total	% of Total
Diversified Reinsurance				
International	$ 29,039	66.0 %	$ 27,983	74.2 %
Total Diversified Reinsurance	29,039	66.0 %	27,983	74.2 %
AmTrust Reinsurance				
Small Commercial Business	(465)	(1.1)%	(15,131)	(40.1)%
Specialty Program	156	0.4 %	748	2.0 %
Specialty Risk and Extended Warranty	15,239	34.7 %	24,132	63.9 %
Total AmTrust Reinsurance	14,930	34.0 %	9,749	25.8 %
Total Net Premiums Earned	$ 43,969	100.0 %	$ 37,732	100.0 %

(In thousands of U.S. dollars, except share and per share data)

4. Investments

As discussed in *Note 2 — Significant Accounting Policies,* the Company holds: (i) AFS portfolios of fixed maturity securities, carried at fair value; (ii) other investments, of which certain investments are carried at fair value and investments in direct lending entities are carried at cost less impairment; (iii) equity method investments; and (iv) funds held - directly managed.

a) Fixed Maturities

The amortized cost, gross unrealized gains and losses, and fair value of fixed maturities at December 31, 2023 and 2022 are as follows:

December 31, 2023	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 55,046	$ 8	$ (2)	$ 55,052
U.S. agency bonds – mortgage-backed	29,918	—	(3,267)	26,651
Non-U.S. government bonds	21,219	—	(468)	20,751
Collateralized loan obligations	80,591	—	(1,788)	78,803
Corporate bonds	71,762	—	(2,418)	69,344
Total fixed maturity investments	$ 258,536	$ 8	$ (7,943)	$ 250,601

December 31, 2022	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	$ 55,647	$ 1	$ (116)	$ 55,532
U.S. agency bonds – mortgage-backed	38,767	—	(4,402)	34,365
Collateralized mortgage-backed securities	7,199	—	(432)	6,767
Non-U.S. government bonds	12,643	—	(825)	11,818
Collateralized loan obligations	119,120	—	(5,028)	114,092
Corporate bonds	97,063	—	(5,110)	91,953
Total fixed maturity investments	$ 330,439	$ 1	$ (15,913)	$ 314,527

The Company separately presents the accrued interest receivable on its AFS fixed maturity investments on the Consolidated Balance Sheets under accrued investment income. The amount of accrued interest receivable on AFS securities was $1,418 at December 31, 2023 (2022 - $1,456). The Company elected the practical expedient under *Topic 326* to exclude accrued interest from both the fair value and the amortized cost basis of the AFS fixed maturity securities for the purposes of identifying and measuring any impairments under the allowance for expected credit losses standard adopted on January 1, 2023. Write-offs of accrued interest receivable balances are recognized in net investment gains and losses in the period in which they are deemed uncollectible. There was no write-off recognized on the accrued interest receivable during the year ended December 31, 2023.

The contractual maturities of our fixed maturities are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Fixed maturities	
December 31, 2023	Amortized cost	Fair value
Maturity		
Due in one year or less	$ 103,579	$ 102,970
Due after one year through five years	40,821	38,951
Due after five years through ten years	3,627	3,226
	148,027	145,147
U.S. agency bonds – mortgage-backed	29,918	26,651
Collateralized loan obligations	80,591	78,803
Total fixed maturities	$ 258,536	$ 250,601

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The following tables summarize fixed maturities in an unrealized loss position and the aggregate fair value and gross unrealized loss by length of time the security has continuously been in an unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
December 31, 2023	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 518	$ (2)	$ —	$ —	$ 518	$ (2)
U.S. agency bonds – mortgage-backed	—	—	26,651	(3,267)	26,651	(3,267)
Non-U.S. government bonds	8,217	(1)	10,343	(467)	18,560	(468)
Collateralized loan obligations	—	—	78,803	(1,788)	78,803	(1,788)
Corporate bonds	—	—	69,344	(2,418)	69,344	(2,418)
Total temporarily impaired fixed maturity securities	$ 8,735	$ (3)	$ 185,141	$ (7,940)	$ 193,876	$ (7,943)

At December 31, 2023, there were 59 securities in an unrealized loss position with a fair value of $193,876 and unrealized losses of $7,943. Of these securities in an unrealized loss position, there were 56 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $185,141 and unrealized losses of $7,940.

	Less than 12 Months		12 Months or More		Total	
December 31, 2022	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**	**Fair value**	**Unrealized losses**
U.S. treasury bonds	$ 53,094	$ (114)	$ 148	$ (2)	$ 53,242	$ (116)
U.S. agency bonds – mortgage-backed	31,394	(3,697)	2,971	(705)	34,365	(4,402)
Collateralized mortgage-backed securities	6,767	(432)	—	—	6,767	(432)
Non-U.S. government bonds	11,818	(825)	—	—	11,818	(825)
Collateralized loan obligations	17,959	(1,032)	96,133	(3,996)	114,092	(5,028)
Corporate bonds	87,213	(4,325)	4,740	(785)	91,953	(5,110)
Total temporarily impaired fixed maturity securities	$ 208,245	$ (10,425)	$ 103,992	$ (5,488)	$ 312,237	$ (15,913)

At December 31, 2022, there were 88 securities in an unrealized loss position with a fair value of $312,237 and unrealized losses of $15,913. Of these securities in an unrealized loss position, there were 26 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of $103,992 and unrealized losses of $5,488.

Allowance for Expected Credit Losses & Non-Credit Related Impairment Costs

The Company evaluates AFS securities for impairment when fair value is below amortized cost on a quarterly basis. If the Company intends to sell or will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged to net income (loss) and included in net investment gains (losses). If the Company does not intend to sell or will not be required to sell the security before its anticipated recovery, an allowance for expected credit losses is established and the portion of the loss relating to credit factors is recorded in net income (loss). The non-credit impairment amount of the loss (which could be related to interest rates and/or market conditions) is recognized in OCI.

To estimate the allowance for expected credit losses for most of the AFS securities, the Company analyzes projected cash flows which are primarily driven by assumptions regarding loss severity, probability of default and projected recovery rates. The Company's determination of default and loss severity rates are based on credit rating, credit analysis and macroeconomic forecasts. Unrealized losses on securities issued or backed, either explicitly or implicitly by the U.S. government are not analyzed for credit losses. The Company has concluded that any possibility of a credit loss on these securities is highly unlikely due to the explicit U.S. government guarantee related to certain securities (e.g., Government National Mortgage Association issuances) and the implicit guarantee related to other securities that has been validated by past actions (e.g., U.S. government bailout of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation during the 2008 credit crisis). Although these securities are not analyzed for credit losses, they are evaluated for impairment based on the Company's intention to sell and likely requirement to sell.

Based on the Company's analysis at December 31, 2023 and 2022, respectively, the Company did not recognize any impairment on its AFS fixed maturity securities as the Company expects the amortized cost basis will ultimately be recovered based on projected cash flows as the related securities approach maturity.

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

The Company continues to monitor the credit quality of the AFS securities to assess if it is probable that it will receive contractual or estimated cash flows in the form of principal and interest. Therefore, as the unrealized losses were due to non-credit factors, there was no allowance recorded for expected credit losses on AFS securities for the year ended December 31, 2023.

The following tables summarize the credit ratings of our fixed maturity securities as at December 31, 2023 and 2022:

December 31, 2023	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 55,046	$ 55,052	22.0 %
U.S. agency bonds	29,918	26,651	10.6 %
AAA	84,455	82,703	33.0 %
AA+, AA, AA-	18,952	18,372	7.3 %
A+, A, A-	33,060	31,810	12.7 %
BBB+, BBB, BBB-	31,585	30,631	12.2 %
BB+ or lower	5,520	5,382	2.2 %
Total fixed maturities[(1)]	$ 258,536	$ 250,601	100.0 %

December 31, 2022	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	$ 55,647	$ 55,532	17.7 %
U.S. agency bonds	38,767	34,365	10.9 %
AAA	112,775	108,136	34.4 %
AA+, AA, AA-	23,974	22,640	7.2 %
A+, A, A-	38,549	35,996	11.4 %
BBB+, BBB, BBB-	55,374	53,094	16.9 %
BB+ or lower	5,353	4,764	1.5 %
Total fixed maturities[(1)]	$ 330,439	$ 314,527	100.0 %

[(1)] Based on Standard & Poor's ("S&P"), or equivalent, ratings

b) Other Investments, Equity Securities and Equity Method Investments

Certain of the Company's other investments and equity method investments are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods. A gate is the ability to deny or delay a redemption request. Certain other investments and equity method investments may not have any restrictions governing their sale, but there is no active market and no assurance that the Company will be able to execute a sale in a timely manner. In addition, even if certain other investments and equity method investments are not eligible for redemption or sales are restricted, we may still receive income distributions from those investments.

Other investments

The table below shows the composition of the Company's other investments as at December 31, 2023 and 2022:

December 31,	2023		2022	
	Carrying Value	% of Total	Carrying Value	% of Total
Privately held equity investments	$ 38,617	21.1 %	$ 34,014	22.9 %
Private credit investments	27,806	15.2 %	26,354	17.7 %
Private equity funds	47,383	25.9 %	32,298	21.7 %
Total other investments at fair value	113,806	62.2 %	92,666	62.3 %
Investment in direct lending entities (at cost)	69,005	37.8 %	56,087	37.7 %
Total other investments	$ 182,811	100.0 %	$ 148,753	100.0 %

The Company's collateralized investment in direct lending entities of $69,005 at December 31, 2023 (2022 - $56,087) is carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income when determined.

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

An allowance for expected credit losses of $1,023 was reported on the investment in direct lending entities as at December 31, 2023 and recorded in opening retained earnings on January 1, 2023. Please see *"Note 5(d). Fair Value Measurements"* for additional information regarding this investment.

Equity Securities

Equity securities include publicly traded equity investments in common stocks and privately held equity investments in common and preferred stocks. The Company's publicly traded equity investments in common stocks trade on major exchanges. The Company's privately held equity investments in common and preferred stocks are direct investments in companies that the Company believes offer attractive risk adjusted returns or offer other strategic advantages. Each investment may have its own unique terms and conditions and there may be restrictions on disposals. There is no active market for these investments.

The following table provides the cost and fair values of the equity securities held at December 31, 2023 and 2022:

December 31,	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Privately held common stocks	$ 34,549	$ 35,272	$ 32,775	$ 32,290
Privately held preferred stocks	8,800	9,946	7,175	10,945
Publicly traded equity investments in common stocks	90	81	559	386
Total equity securities	$ 43,439	$ 45,299	$ 40,509	$ 43,621

Equity Method Investments

The equity method investments currently include real estate investments and other investments. The table below shows the carrying value of the Company's equity method investments as of December 31, 2023 and 2022:

December 31,	2023		2022	
	Carrying Value	% of Total	Carrying Value	% of Total
Real estate investments	$ 49,897	61.7 %	$ 40,944	51.1 %
Hedge fund investments	—	— %	5,376	6.7 %
Other investments	31,032	38.3 %	33,839	42.2 %
Total equity method investments	$ 80,929	100.0 %	$ 80,159	100.0 %

The equity method investments above include limited partnerships which are variable interests issued by variable interest entities ("VIEs"). The Company does not have the power to direct the activities that are most significant to the economic performance of these VIEs, therefore, the Company is not the primary beneficiary of these VIEs. The Company is deemed to have limited influence over the operating and financial policies of the investee and accordingly, these investments are reported under the equity method of accounting. In applying the equity method of accounting, the investments are initially recorded at cost and are subsequently adjusted based on the Company's proportionate share of the investee's net income or loss. Generally, the maximum exposure to loss on these interests is limited to the amount of commitment made by the Company as more fully described in *"Note 11 - Commitments, Contingencies and Guarantees"* in these consolidated financial statements.

c) Net Investment Income

Net investment income was derived from the following sources for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Fixed maturities	$ 10,065	$ 9,736
Income on funds withheld	10,433	11,117
Interest income from loan to related party	11,802	6,202
Cash and cash equivalents and other investments	5,642	3,415
	37,942	30,470
Investment expenses	(564)	(400)
Net investment income	$ 37,378	$ 30,070

(In thousands of U.S. dollars, except share and per share data)

4. Investments (continued)

d) Net Realized and Unrealized Investment Gains (Losses)

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following tables show the net realized and unrealized investment gains (losses) included in the Consolidated Statements of Income for the years ended December 31, 2023 and 2022:

For the Year Ended December 31, 2023	Gross gains	Gross losses	Net
Fixed maturities	$ —	$ (2,971)	$ (
Equity securities	3,923	(431)	
Other investments	10,583	(3,256)	
Net realized and unrealized investment gains (losses)	$ 14,506	$ (6,658)	$

For the Year Ended December 31, 2022	Gross gains	Gross losses	Net
Fixed maturities	$ 1,829	$ (4,812)	$ (2,983)
Equity securities	3,770	(1,434)	2,336
Other investments	1,543	(6,036)	(4,493)
Net realized and unrealized investment gains (losses)	$ 7,142	$ (12,282)	$ (5,140)

Realized and unrealized investment gains and losses from equity securities detailed in the tables above include both sales and distributions of equity securities and unrealized gains and losses coming from fair value changes. Net unrealized (losses) gains recognized for equity securities held at the reporting date were as follows:

For the Year Ended December 31,	2023	2022
Net gains recognized for equity securities	$ 3,492	$ 2,336
Net gains recognized for equity securities divested	(4,957)	(111)
Net unrealized (losses) gains recognized for equity securities held at the reporting date	$ (1,465)	$ 2,225

Proceeds from sales of fixed maturities were $98,993 and $213,944 for the years ended December 31, 2023, and 2022, respectively. Net unrealized losses included in AOCI were as follows at December 31, 2023 and 2022, respectively:

December 31,	2023	2022
Net unrealized losses on fixed maturity investments	$ (7,935)	$ (15,912)
Deferred income tax	151	244
Net unrealized losses, net of deferred income tax	$ (7,784)	$ (15,668)
Change, net of deferred income tax	$ 7,884	$ (12,975)

e) Restricted Cash and Cash Equivalents and Investments

The Company is required to provide collateral for its reinsurance liabilities under various reinsurance agreements and utilizes trust accounts to collateralize business with reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturities. The fair values of restricted assets were as follows at December 31, 2023 and 2022:

December 31,	2023	2022
Restricted cash – third party agreements	$ 6,019	$ 13,122
Restricted cash – related party agreements	1,247	2,516
Total restricted cash	7,266	15,638
Restricted investments – in trust for third party agreements at fair value (amortized cost: 2023 – $63,299; 2022 – $48,181)	61,192	48,101
Restricted investments – in trust for related party agreements at fair value (amortized cost: 2023 – $155,546; 2022 – $246,325)	151,416	233,091
Total restricted investments	212,608	281,192
Total restricted cash and investments	$ 219,874	$ 296,830

5. Fair Value Measurements

a) Fair Values of Financial Instruments measured at fair value

ASC 825, *"Disclosure About Fair Value of Financial Instruments"*, requires all entities to disclose the fair value of their financial instruments for both assets and liabilities recognized and not recognized within the balance sheet, and for which it is practicable to estimate fair value. The following describes the valuation techniques used by the Company to determine the fair value of financial instruments measured at fair value held at December 31, 2023 and 2022.

U.S. government and U.S. agency bonds — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association and the Federal Farm Credit Banks Funding Corporation. The fair values of U.S. treasury bonds are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. We believe the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume. The fair values of U.S. agency bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. agency bonds are included in the Level 2 fair value hierarchy.

Non-U.S. government bonds — These securities are generally priced by independent pricing services. The Pricing Service may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the Pricing Service typically uses analytical models which may incorporate spreads, interest rate data and market/sector news. As the significant inputs used to price non-U.S. government bonds are observable market inputs, the fair values of non-U.S. government and bonds are included in the Level 2 fair value hierarchy.

Collateralized loan obligations ("CLO") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CLO are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Commercial mortgage-backed securities ("CMBS") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CMBS are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Corporate and municipal bonds — Bonds issued by corporations, U.S. state and municipality entities or agencies. that on acquisition are rated BBB-/Baa3 or higher. These securities are generally priced by independent pricing services. The credit spreads are sourced from broker/dealers, trade prices and new issue market. Where pricing is unavailable from pricing services, custodian pricing or non-binding quotes are obtained from broker-dealers to estimate fair values. As significant inputs used to price corporate and municipal bonds are observable market inputs, fair values are included in the Level 2 fair value hierarchy.

Equity securities - Equity securities include publicly traded common and preferred stocks, and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using observable market pricing data and is included in the Level 1 fair value hierarchy. Any unrealized gains or losses on the investment is recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine the fair values, therefore, these investments are classified as Level 3 in the fair value hierarchy.

Other investments — These investments are comprised of the following types of investments:

- Privately held investments: These are direct equity investments in common and preferred shares of privately held entities. The fair values are estimated using quarterly financial statements and/or recent private market transactions and thus included under Level 3 of the fair value hierarchy due to unobservable market data used for valuation.
- Private credit funds: These are privately held equity investments in common stock of entities that lend money valued using the most recently available or quarterly NAV statements as provided by the external fund manager or third-party administrator and therefore measured using the NAV as a practical expedient.
- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. The fair values are therefore measured using the NAV as a practical expedient.

Derivative Instruments - The Company entered into a retroactive reinsurance contract that is accounted for as a derivative. This reinsurance contract provides indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers this contract to be part of its underwriting operations. This derivative is initially valued at cost which approximates fair value. In subsequent measurement periods, the fair value of this derivative is determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of this derivative.

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

The fair value changes in the underwriting-related derivative instrument are included in other insurance revenue (expense), net. The derivative liability on retroactive reinsurance is presented as part of accrued expenses and other liabilities. A significant increase (decrease) in this input in isolation may result in a significantly lower (higher) fair value measurement for the derivative contract. As the significant inputs used to price the derivative are unobservable, the fair values of this contract is classified as Level 3 in the fair value hierarchy.

b) Fair Value Hierarchy

The Company's estimates of fair value for its financial assets and financial liabilities are based on the framework established in ASC 820. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuation methodology whenever available. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active trading markets and the lowest priority to unobservable inputs that reflect significant market assumptions.

At December 31, 2023 and 2022, the Company classified its financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 55,052	$ —	$ —	$ —	$ 55,052
U.S. agency bonds – mortgage-backed	—	26,651	—	—	26,651
Non-U.S. government bonds	—	20,751	—	—	20,751
Collateralized loan obligations	—	78,803	—	—	78,803
Corporate bonds	—	63,962	5,382	—	69,344
Equity securities	81	—	19,351	25,867	45,299
Other investments	—	—	27,750	86,056	113,806
Total	$ 55,133	$ 190,167	$ 52,483	$ 111,923	$ 409,706
As a percentage of total assets	3.6 %	12.5 %	3.5 %	7.4 %	27.0 %
Underwriting-related derivative liability	$ —	$ —	$ 3,984	$ —	$ 3,984

December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	$ 55,532	$ —	$ —	$ —	$ 55,532
U.S. agency bonds – mortgage-backed	—	34,365	—	—	34,365
Collateralized mortgage-backed bonds	—	6,767	—	—	6,767
Non-U.S. government bonds	—	11,818	—	—	11,818
Collateralized loan obligations	—	114,092	—	—	114,092
Corporate bonds	—	91,953	—	—	91,953
Equity investments	386	—	17,806	25,429	43,621
Other investments	—	1,000	1,000	90,666	92,666
Total	$ 55,918	$ 259,995	$ 18,806	$ 116,095	$ 450,814
As a percentage of total assets	3.0 %	14.1 %	1.0 %	6.3 %	24.4 %
Underwriting-related derivative liability	$ —	$ —	$ 14,559	$ —	$ 14,559

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

The Company utilizes the Pricing Service to assist in determining the fair value of its investments; however, management is ultimately responsible for all fair values presented in the Company's financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices, and pricing of assets and liabilities and use of pricing sources. The Company analyzes and reviews the information and prices received from the Pricing Service to ensure that the prices provided represent a reasonable estimate of fair value.

The Pricing Service was utilized to estimate fair value measurements for 97.9% and 98.5% of our fixed maturities at December 31, 2023 and 2022, respectively. The Pricing Service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturities other than U.S. treasury bonds generally do not trade actively on a daily basis, the Pricing Service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing and these have been classified as Level 2 within the fair value hierarchy.

At December 31, 2023 and 2022, approximately 2.1% and 1.5%, respectively, of our fixed maturities were valued using the market approach. At December 31, 2023, one security or $5,382 (2022 - one security or $4,764) of our fixed maturity investment portfolio currently classified as Level 3 in the fair value hierarchy table was priced using a non-binding quotation from a broker and/or custodian as opposed to the Pricing Service due to lack of information available. At December 31, 2023 and 2022, the Company has not adjusted any pricing provided to it based on the review performed by its investment managers.

There was one corporate bond valued at $5,382 transferred to Level 3 from Level 2 in the fair value hierarchy for the year ended December 31, 2023 due to a lack of active quotes. There was also a private equity investment valued at $24,765 transferred to Level 3 from the NAV practical expedient in the fair value hierarchy for the year ended December 31, 2023. There were no transfers to or from Level 3 in 2022.

c) Level 3 Financial Instruments

At December 31, 2023, the Company holds Level 3 financial instruments (which consist of corporate bonds, private credit funds and privately held equity investments) of $52,483 (2022 - $18,806) and an underwriting-related derivative liability of $3,984 (2022 - $14,559) on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities.

The fair value of privately held equity securities are estimated using quarterly unaudited capital or financial statements provided by the investee or recent private market transactions, where applicable. Any changes to the financial information provided by the investee could result in a significantly higher or lower valuation at the reporting date. The fair value of underwriting-related derivative instruments is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows in order to assess the reasonableness of inputs used in the valuation model. Due to significant unobservable inputs in these valuations, the Company classifies the fair values as Level 3 within the fair value hierarchy.

The following table provides a summary of quantitative information regarding the significant unobservable inputs used in determining the fair value of other investments measured at fair value on a recurring basis under the Level 3 classification at December 31, 2023:

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs
Privately held equity investments - common shares	$ 34,170	Quarterly financial statements	Price/book ratios of comparable public companies	
Privately held equity investments - preferred shares	11,331	Quarterly financial statements	Privately calculated enterprise valuations	
Other investments - Private credit funds	1,600	Quarterly financial statements	Price/book ratios of comparable public companies	
Corporate bonds	5,382	Non-binding broker dealer quotation		
Total Level 3 investments	$ 52,483			
Underwriting-related derivative liability	$ 3,984	Discounted cash flows	Duration matched discount rates	5.0% to 6.0%

(In thousands of U.S. dollars, except share and per share data)

5. Fair Value Measurements (continued)

The following table shows the reconciliation of beginning and ending balances for investments measured at fair value on a recurring basis using Level 3 inputs for the years ended December 31, 2023 and 2022. The Company includes any related interest and dividend income in net investment income and are excluded from the reconciliation in the table below:

For the Year Ended December 31,	2023	2022
Balance - beginning of period	$ 18,806	$ 7,094
Sales	(7,669)	(2,000)
Net realized and unrealized gains recognized in the statement of income	3,723	3,770
Purchases	7,476	9,942
Transfers into Level 3 from Level 2 and NAV practical expedient	30,147	—
Total Level 3 investments - end of period	$ 52,483	$ 18,806

d) Financial Instruments Disclosed, But Not Carried, at Fair Value

The fair value of financial instruments accounting guidance also applies to financial instruments disclosed, but not carried at fair value, except for certain financial instruments related to insurance contracts.

At December 31, 2023, the carrying values of cash equivalents (including restricted amounts), accrued investment income, reinsurance balances receivable, loan to related party and certain other assets and liabilities approximate fair values due to their inherent short duration. As these financial instruments are not actively traded, the fair values of these financial instruments are classified as Level 2 in the fair value hierarchy.

The investments made by direct lending entities are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income (loss) when determined. The net carrying value of these investments approximates their fair value at the reporting date. The fair value estimates of these investments are not based on observable market data and therefore are classified as Level 3 in the fair value hierarchy.

The fair values of the Company's outstanding Senior Notes (as defined in *Note 7 — Long-Term Debt*) are based on indicative market pricing obtained from a third-party pricing service which uses observable market inputs, and therefore the fair values of these liabilities are classified as Level 2 in the fair value hierarchy.

The following table presents the respective carrying value and fair value for the Company's outstanding Senior Notes as at December 31, 2023 and 2022:

December 31,	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2016 Senior Notes – 6.625%	$ 110,000	$ 73,744	$ 110,000	$ 76,560
2013 Senior Notes – 7.75%	152,361	115,855	152,500	113,826
Total Senior Notes	$ 262,361	$ 189,599	$ 262,500	$ 190,386

(In thousands of U.S. dollars, except share and per share data)

6. Shareholders’ Equity

On May 3, 2023 at its Annual General Meeting of Shareholders, the Company's common shareholders approved the increase in the authorized share capital of the Company from $1,500 divided into 150,000,000 shares of par value $0.01 each, to $2,000 divided into 200,000,000 of par value $0.01 each.

At December 31, 2023, the aggregate authorized share capital of the Company is 200,000,000 shares from which 149,732,355 common shares were issued, of which 100,472,120 common shares are outstanding, and 49,260,235 shares are treasury shares (please see *Note 6. (b) Treasury Shares* below for additional information).

The remaining 50,267,645 shares are undesignated at December 31, 2023. At December 31, 2023, 975,027 common shares will be issued and outstanding upon vesting of restricted shares, and 5,668,408 common shares remaining are reserved for issuance under the 2019 Omnibus Incentive Plan.

a) Common shares

The Company's common shares have a par value of $0.01 per share. Our common shareholders are entitled to receive dividends and allocated one vote per common share subject to downward adjustment under certain circumstances. For the years ended December 31, 2023 and 2022, the Company's Board of Directors did not declare any dividends to common shareholders.

The following table shows the summary of changes in the Company's common shares outstanding for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Outstanding shares – January 1	101,532,151	86,467,24
Shares issued pursuant to the exchange of Maiden preference shares	—	55,800,00
Issuance of vested restricted shares and exercised common share options	508,275	1,107,97
Shares repurchased for tax purposes	(128,731)	(403,71
Shares repurchased by Maiden Reinsurance under authorized repurchase plan	(1,439,575)	—
Common shares held by Maiden Reinsurance under the Exchange	—	(41,439,34
Outstanding shares – December 31(1)	100,472,120	101,532,15

(1) Outstanding shares at December 31, 2023 and 2022 exclude 41,439,348 common shares issued to Maiden Reinsurance under the Exchange as well as 1,439,575 common shares repurchased by Maiden Reinsurance under authorized repurchase plan. These shares are treated as treasury shares.

b) Treasury Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to $100,000 of the Company's common shares from time to time at market prices. For the year ended December 31, 2023, Maiden Reinsurance repurchased 1,439,575 common shares at an average price per share of $1.83 under the Company's share repurchase plan (2022 - none). The Company's remaining authorization for common shares repurchases is $71,615 at December 31, 2023 (2022 - $74,245).

During the year ended December 31, 2023, the Company repurchased 128,731 (2022 - 403,716) common shares at an average price per share of $2.25 (2022 - $2.50) from employees, which represent tax withholding in respect of tax obligations on the vesting of both non-performance-based and discretionary performance-based restricted shares.

Treasury shares include 42,878,923 common shares owned by Maiden Reinsurance consisting of 41,439,348 shares issued as part of the Exchange and 1,439,575 shares directly purchased on the open market by Maiden Reinsurance which are not treated as outstanding common shares on the Consolidated Balance Sheet at December 31, 2023. Please see further information on the Exchange as fully described in *"Note 1 — Organization"* and the preference share repurchases disclosed in the Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 15, 2023.

The table below includes the total number of treasury shares outstanding at December 31, 2023 and 2022:

December 31,	2023	2022
Number of shares held by Maiden Reinsurance treated as treasury shares	42,878,923	41,439,348
Number of treasury shares due to common share repurchases by Maiden Holdings	6,381,312	6,252,581
Total number of treasury shares at the end of the reporting period	49,260,235	47,691,929

(In thousands of U.S. dollars, except share and per share data)

6. Shareholders' Equity (continued)

d) Accumulated Other Comprehensive Loss

The following tables set forth financial information regarding the changes in the balances of each component of AOCI for the years ended December 31, 2023 and 2022:

For the Year Ended December 31, 2023	Change in net unrealized gains on investment	Foreign currency translation adjustments	Total
Beginning balance	$ (15,668)	$ (25,566)	$ (41,234)
Other comprehensive income before reclassifications	7,884	1,881	9,765
Ending balance, Maiden shareholders	$ (7,784)	$ (23,685)	$ (31,469)

For the Year Ended December 31, 2022	Change in net unrealized gains on investment	Foreign currency translation adjustments	Total
Beginning balance	$ (2,693)	$ (9,522)	$ (12,215)
Other comprehensive loss before reclassifications	(6,168)	(16,044)	(22,212)
Amounts reclassified from AOCI to net income, net of tax	(6,807)	—	(6,807)
Net current period other comprehensive loss	(12,975)	(16,044)	(29,019)
Ending balance, Maiden shareholders	$ (15,668)	$ (25,566)	$ (41,234)

(In thousands of U.S. dollars, except share and per share data)

7. Long-Term Debt

Senior Notes

At December 31, 2023 and 2022, Maiden Holdings had outstanding publicly-traded senior notes which were issued in 2016 ("2016 Senior Notes") and its wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA") had outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes"(collectively "Senior Notes"). The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

The following tables detail the issuances outstanding at December 31, 2023 and 2022:

December 31, 2023	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,361	$ 262,361
Less: unamortized issuance costs	3,345	4,419	7,764
Carrying value	$ 106,655	$ 147,942	$ 254,597

December 31, 2022	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	$ 110,000	$ 152,500	$ 262,500
Less: unamortized issuance costs	3,406	3,522	6,928
Carrying value	$ 106,594	$ 148,978	$ 255,572
Other details:			
Original debt issuance costs	$ 3,715	$ 5,049	
Maturity date	June 14, 2046	December 1, 2043	
Earliest redeemable date (for cash)	June 14, 2021	December 1, 2018	
Coupon rate	6.625 %	7.75 %	
Effective interest rate	7.07 %	8.04 %	

Total interest and amortization expense incurred on the Senior Notes for the year ended December 31, 2023 was $18,266 (2022 - $19,331), of which $1,342 was accrued as interest payable at both December 31, 2023 and 2022, respectively. The issuance costs related to the Senior Notes were capitalized and are amortized over the effective life of the Senior Notes under the effective interest method of amortization.

Under the terms of the 2013 Senior Notes, the 2013 Senior Notes can be redeemed, in whole or in part, at Maiden NA's option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden NA is required to give at least thirty days and not more than sixty days' notice prior to the redemption date.

Under the terms of the 2016 Senior Notes, the 2016 Senior Notes can be redeemed, in whole or in part, at Maiden Holdings' option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden Holdings is required to give at least thirty days and not more than sixty days notice prior to the redemption date.

On May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100,000 of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated.

During the year ended December 31, 2023, Maiden Reinsurance repurchased 5,567 notes of the 2013 Senior Notes at an average price per unit of $17.10 for a total cost of $95. Total interest and amortization expenses of $18,266 were partly offset by a realized gain of $40 from the repurchase of the 2013 Senior Notes during the year ended December 31, 2023. The Company has a remaining authorization of $99,905 for Senior Notes repurchases at December 31, 2023.

(In thousands of U.S. dollars, except share and per share data)

8. Reinsurance

The Company uses reinsurance and retrocessional agreements ("ceded reinsurance") to mitigate volatility, reduce its exposure to certain risks and provide capital support. Ceded reinsurance provides for the recovery of a portion of loss and LAE under certain circumstances without relieving the Company of its obligations to the policyholders. The Company remains liable to the extent that any of its reinsurers or retrocessionaires fails to meet their obligations. Loss and LAE incurred and premiums earned are reported after deduction for ceded reinsurance. In the event that one or more of our reinsurers or retrocessionaires are unable to meet their obligations under these agreements, the Company would not realize the full value of the reinsurance recoverable balances.

The effect of ceded reinsurance on net premiums written and earned and on net loss and LAE for the years ended December 31, 2023 and 2022 was as follows:

For the Year Ended December 31,	2023	2022
Premiums written		
Direct	$ 27,265	$ 24,553
Assumed	(3,799)	(19,074)
Ceded	(298)	(397)
Net	$ 23,168	$ 5,082
Premiums earned		
Direct	$ 27,049	$ 24,534
Assumed	17,202	13,599
Ceded	(282)	(401)
Net	$ 43,969	$ 37,732
Loss and LAE		
Gross loss and LAE	$ 59,562	$ 53,508
Loss and LAE ceded	1,666	4,483
Net	$ 61,228	$ 57,991

The Company's reinsurance recoverable on unpaid losses balance as at December 31, 2023 was $564,331 (2022 - $556,116) presented in the Consolidated Balance Sheets. As of December 31, 2023, the total allowance for expected credit losses on the Company's reinsurance recoverable balance was $3,240. The following table provides a reconciliation of the beginning and ending balances of the allowance for expected credit losses on reinsurance recoverable for the year ended December 31, 2023:

For the Year Ended December 31,	2023
Allowance for expected credit losses on reinsurance recoverable, beginning of period	$ 4,277
Decrease in allowance for expected credit losses on reinsurance recoverable where credit losses were previously recognized	(1,037)
Allowance for expected credit losses on reinsurance recoverable, end of period	$ 3,240

On December 27, 2018, Cavello Bay Reinsurance Limited ("Cavello") and Maiden Reinsurance entered into a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Reinsurance were 100.0% retroceded to Cavello in exchange for a ceding commission. The reinsurance recoverable on unpaid losses due from Cavello for this retrocession agreement was $43,176 at December 31, 2023 (2022 - $60,112). The recoverable due from Cavello is net of an allowance for expected credit losses of $2,769 at December 31, 2023.

On July 31, 2019, Maiden Reinsurance and Cavello entered into a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement"), pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a $2,178,535 retention up to $600,000, in exchange for a retrocession premium of $445,000. The $2,178,535 retention is subject to adjustment for paid losses subsequent to December 31, 2018. The LPT/ADC Agreement provides Maiden Reinsurance with $155,000 in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and is thus accounted for as retroactive reinsurance. Cumulative ceded losses exceeding $445,000 are recognized as a deferred gain liability and amortized into income over the settlement period of the ceded reserves in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable. The amount of the deferral is recalculated each period based on loss payments and updated estimates. Consequently, cumulative adverse development subsequent to December 31, 2018 may result in significant losses from operations until periods when the deferred gain is recognized as a benefit to earnings.

8. Reinsurance (continued)

As of December 31, 2023, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was $515,463 while the deferred gain liability under the LPT/ADC Agreement was $70,916 (December 31, 2022 - $490,408 and $45,408, respectively). The reinsurance recoverable due under the LPT/ADC Agreement is net of an allowance for expected credit losses of $453 as at December 31, 2023. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is presently estimated to be before the end of 2024.

Cavello provided collateral in the form of a letter of credit in the amount of $445,000 to AmTrust under the LPT/ADC Agreement. Cavello is subject to additional collateral funding requirements as explained in *"Note 10 — Related Party Transactions"*. As of December 31, 2023, the amount of collateral required was $490,070. Under the terms of the LPT/ADC Agreement, the covered losses associated with the Commutation and Release Agreement with AmTrust are eligible to be covered but recoverable only when such losses are paid or settled by AII or its affiliates, provided such losses and other related amounts shall not exceed $312,786. Cavello's parent company, Enstar Group Limited ("Enstar"), has credit ratings of BBB+ from both Standard & Poor's and Fitch Ratings at December 31, 2023.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses

General

The Company uses both historical experience and industry-wide loss development factors to provide a reasonable basis for estimating future losses. In the future, certain events may be beyond the control of management, such as changes in law, judicial interpretations of law, and rates of inflation, which may favorably or unfavorably impact the ultimate settlement of the Company's loss and LAE reserves.

The anticipated effect of inflation is implicitly considered when estimating liabilities for loss and LAE. While anticipated changes in claim costs due to inflation are considered in estimating the ultimate claim costs, changes in the average severity of claims are caused by a number of factors that vary with the individual type of policy written. Ultimate losses are projected based on historical trends adjusted for implemented changes in underwriting standards, claims handling, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

The reserving process begins with the collection and analysis of paid losses and incurred claims data for each of the Company's contracts. While reserves are mostly reviewed on a contract by contract basis, paid loss and incurred claims data is also aggregated into reserving segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses incepted). In cases where the Company uses underwriting year information, reserves are subsequently allocated to the respective accident year. The reserve for loss and LAE comprises:

December 31,	2023	2022
Reserve for reported loss and LAE	$ 543,818	$ 702,691
Reserve for losses incurred but not reported ("IBNR")	323,615	428,717
Reserve for loss and LAE	$ 867,433	$ 1,131,408

The following table represents a reconciliation of the beginning and ending gross and net loss and LAE reserves:

For the Year Ended December 31,	2023	2022
Gross loss and LAE reserves, January 1	$ 1,131,408	$ 1,489,373
Less: reinsurance recoverable on unpaid losses, January 1	556,116	562,845
Net loss and LAE reserves, January 1	575,292	926,528
Net incurred losses related to:		
Current year	23,040	25,355
Prior years	38,188	32,636
	61,228	57,991
Net paid losses related to:		
Current year	(837)	(701)
Prior years	(321,206)	(398,499)
	(322,043)	(399,200)
Change in deferred gain on retroactive reinsurance	(25,532)	3,587
GLS run-off business acquired or assumed	—	10,905
Opening allowance for expected credit loss on reinsurance recoverable on unpaid losses	4,277	—
Effect of foreign exchange rate movements	9,880	(24,519)
Net loss and LAE reserves, December 31	303,102	575,292
Reinsurance recoverable on unpaid losses, December 31	564,331	556,116
Gross loss and LAE reserves, December 31	$ 867,433	$ 1,131,408

Actuarial Methods Used to Estimate Loss and LAE Reserves

The Company utilizes a variety of standard actuarial methods in its analysis of loss reserves. The selections from these various methods are based on the loss development characteristics of the specific line of business and significant actuarial judgment. The actuarial methods utilized include:

The Expected Loss Ratio ("ELR") method is a technique that is multiplicative and applies an expected loss ratio to premium earned to yield the estimated ultimate losses. The ELR assumption is generally derived from pricing information and historical experience of the business. This method is frequently used for the purpose of stability in the early valuations of an underwriting year with large and uncertain loss development factors.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

The ELR technique does not take into account actual loss emergence for the underwriting year being projected. As an underwriting year matures and actual loss experience becomes more credible, other methods may be applied in determining the estimated ultimate losses.

The Loss Development ("LD") method is a reserving method in which ultimate losses are estimated by applying a loss development factor to actual reported (or paid) loss experience. This method fully utilizes actual experience. Multiplication of underwriting year actual reported (or paid) losses by its respective development factor produces the estimated ultimate losses. The LD method is based upon the assumption that the relative change in a given underwriting year's losses from one evaluation point to the next is similar to the relative change in prior underwriting years' losses at similar evaluation points. In addition, this method is based on the assumption that the reserving and payment patterns as well as the claim handling procedures have not changed substantially over time. In the case where changes to the payment patterns or the claim handling procedures are identified, historical losses are adjusted to the current basis, and development factors are selected based on the relative change of the adjusted losses (the Berquist Sherman method is one example of this approach). When a company has a sufficiently reliable loss development history, a development pattern based on the company's historical indications may be used to develop losses to ultimate values.

The Bornhuetter-Ferguson ("BF") reserving technique is used for long-tailed or lower frequency, more volatile lines. It is also useful in situations where the reported loss experience is relatively immature and/or lacks sufficient credibility for the application of methods that are more heavily reliant on emerged experience. The BF method is an additive IBNR method that combines the ELR and LD techniques by splitting the expected loss into two pieces - expected reported (or paid) losses and expected unreported (or unpaid) losses. Expected unreported (unpaid) losses, estimated by the use of loss development factors, are added to the current actual reported (or paid) losses to produce an estimate of ultimate losses by underwriting year. The BF method introduces an element of stability that moderates the impact of inconsistent changes in paid and reported losses.

The average frequency and severity ("FS") reserving technique is used for lines where claim count is available, and the estimate of loss development factors is more difficult due to volatility in historical data. The available data for such lines is usually more volatile in the estimation of future losses using the LD and BF reserving methods. The FS method uses historical data to estimate the average number of ultimate claims (frequency) and the average costs of closed claims (severity). The estimate of ultimate losses by underwriting year is the result of the multiplication of the ultimate number of claims and the average cost of a claim.

With the guidance of the methods above, actuarial judgment is applied in the determination of ultimate losses. In general, the Company's segments have varying levels of seasoning with which the Company has direct experience and as a result, differing methods are utilized to estimate loss and LAE reserves in each segment.

In the Diversified Reinsurance segment, the Company utilizes the ELR approach at the onset of reserving an account, the BF method for business with less but maturing loss experience, and as the experience matures the LD method. For proportional or pro-rata business, the Company typically relies heavily on the actual historical contract experience to estimate reserving parameters such as loss development factors, whereas for excess of loss business there will be more usage of industry and/or Company benchmark assumptions.

The Company underwrote the AmTrust Reinsurance segment from July 1, 2007 until January 30, 2019, when Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019, and Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019. A large proportion of the exposure in the underlying book of business has significant seasoning, and allows for a significant amount of credibility in using parameters derived from historical experience to calculate reserve estimates. Some segments of the book are a result of recent acquisitions or newer markets for AmTrust. These segments require a greater level of assumptions and professional judgment in deriving ultimate losses, which inherently implies a wider range of reasonable estimates. As a result, the Company has tended to rely on a weighted approach which primarily employs the LD method for aspects of the segment with ample historical data, while also considering the ELR or the BF method for exposures with more limited or volatile historical data. The FS method is also considered for segments of the AmTrust Reinsurance book of business for which claim count information is available. Additional data detailing items such as class of business, state, claim counts, frequency and severity is available, further enhancing the reserve analysis.

Prior Year Development

Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves established in previous calendar years. The favorable or unfavorable development reflects changes in management's best estimate of the ultimate losses under the relevant reinsurance policies after considerable review of changes in actuarial assessments. The following table summarizes the adverse prior period development experienced in each of our reportable segments for the years ended December 31, 2023 and 2022:

For the Year Ended	Diversified Reinsurance	AmTrust Reinsurance	Total
December 31, 2023	$ (4,440)	$ (33,748)	$ (38,188)
December 31, 2022	(4,552)	(28,084)	(32,636)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

During 2023, the Company's incurred losses increased for 2022 and prior accident years by $38,188 or 6.6% of prior year net loss and LAE reserves. The Company had increased incurred losses for 2021 and prior accident years by $32,636 or 3.5% of prior year net loss and LAE reserves during 2022. The net adverse prior year loss development of $38,188 for the year ended December 31, 2023 was driven by adverse loss development of $33,748 in the AmTrust Reinsurance segment and net adverse loss development of $4,440 in the Diversified Reinsurance segment.

In the Diversified Reinsurance segment, net adverse prior year reserve development of $4,440 in the year ended December 31, 2023 (2022 - adverse $4,552) was primarily due to a German auto program in run-off from the International unit along with development from other runoff business lines. It also included the recognition of expected credit losses on reinsurance recoverable on unpaid losses. The net adverse prior year reserve development of $4,552 for the year ended December 31, 2022 was due to adverse development in GLS, European Capital Solutions and facultative reinsurance run-off business offset by favorable reserve development in German Auto programs. The table below details prior year reserve development by line of business for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Prior Year Loss Development adverse (favorable)		
IIS business	$ 2,504	$ (1,683)
GLS	954	1,825
Other run-off lines	982	4,410
Total Diversified Reinsurance Prior Year Development	$ 4,440	$ 4,552

In the AmTrust Reinsurance segment, net adverse prior year reserve development of $33,748 in the year ended December 31, 2023 (2022 - adverse $28,084) was primarily due to reserve strengthening within European Hospital Liability and the AmTrust Quota Share (adverse development in General Liability and Commercial Auto Liability partly offset by continued favorable development in Workers Compensation due to better than expected loss emergence). Net adverse loss development on European Hospital Liability was primarily driven by emergence of loss data during 2023 on underwriting years 2011 to 2016.

Net adverse prior year reserve development of $28,084 in the year ended December 31, 2022 was primarily due to reserve strengthening within Commercial Auto Liability, General Liability, Other Specialty Risk & Extended Warranty and European Hospital Liability, partly offset by net favorable development in Workers Compensation. Net adverse development for European Hospital Liability was due to higher than expected loss emergence in Italian Hospital Liability policies and the agreed exit cost of $3,666 (€3,444) for the commutation of French Hospital Liability policies as described in *"Note 10. Related Party Transactions"*.

The table below shows prior year loss development for the AmTrust Reinsurance segment for the years ended December 31, 2023 and 2022:

For the Year Ended December 31,	2023	2022
Prior Year Loss Development adverse (favorable)	($ in thousands)	
AmTrust Quota Share	$ 24,098	$ 14,837
AmTrust other runoff	(618)	—
European Hospital Liability Quota Share	10,268	13,247
Total AmTrust Reinsurance Prior Year Development	$ 33,748	$ 28,084

The increase in the deferred gain on retroactive reinsurance was $25,532 for the year ended December 31, 2023 (2022 - $3,587 decrease) which relates to retroactive reinsurance in GLS and the LPT/ADC Agreement in the AmTrust Reinsurance Segment. This included an increase in the deferred gain liability and related reinsurance recoverable on unpaid losses under the LPT/ADC Agreement with Cavello of $25,508 for the year ended December 31, 2023 (2022 - $452 decrease) caused by adverse development on loss reserves covered under the LPT/ADC Agreement. The deferred gain on retroactive reinsurance under the LPT/ADC Agreement represents the cumulative adverse development for covered risks in the AmTrust Quota Share as of December 31, 2023 and 2022. Amortization of the deferred gain will not occur until paid losses have exceeded the minimum retention under the LPT/ADC Agreement, which is presently estimated to be before the end of 2024.

9. Reserve for Loss and Loss Adjustment Expenses (continued)

a) Claims Development

The following is a summary of the Company's incurred and paid loss development by accident year, net of reinsurance, from the last ten calendar years including the total reserve for losses, IBNR, plus development on reported loss and LAE for specific lines of business in our reportable segments, Diversified Reinsurance and AmTrust Reinsurance, as of December 31, 2023. Information prior to 2023 is included as unaudited supplementary information. The incurred and paid amounts have been translated from the local currency to U.S. dollars using the December 31, 2023 spot rate for all years presented in the table below in order to isolate changes in foreign exchange rates from loss development. As a reinsurer of primarily quota share contracts, claim counts are available on a very limited basis. Therefore claim counts have not been provided in the tables below as it is impractical to do so.

Diversified Reinsurance segment incurred and paid losses are analyzed by following lines of business: (1) International; (2) GLS and (3) Other run-off lines. Loss development tables have not been presented for GLS and other run-off lines as loss development tables are not required for currently insignificant categories, therefore the GLS contracts and other run-off lines have been aggregated into two separate categories and included in the reconciliation disclosure only.

AmTrust Reinsurance segment incurred and paid losses are analyzed by the following lines of business: (1) Workers' Compensation; (2) Commercial Auto Liability; (3) General Liability; (4) European Hospital Liability; and (5) All Other Lines. There are a number of factors to consider when evaluating the information in these tables:

- In the Diversified Reinsurance segment, contracts in the International business are written on both an accident year and underwriting year basis, some are multi-line and the majority of the premium is associated with proportional contracts. Many proportional treaty reinsurance contracts are submitted using quarterly bordereau reporting by underwriting year. However, the remaining losses can generally only be allocated to accident years based on estimated premium earning and loss reporting patterns. Further estimates are required to allocate losses to line of business. Multi-line accounts are generally analyzed on an individual basis by line of business, but are booked in the Company's records to a contract, rather than to each individual line of business within a contract. For the purpose of this disclosure allocations are made to the various lines of business. Management's assumptions and allocation procedures for these tables may produce results that differ from the actual loss emergence reported by line of business each quarter;
- The AmTrust Reinsurance segment consists primarily of two contracts, the European Hospital Liability Quota Share and a much larger quota share that includes all other covered business, the AmTrust Quota Share. There is also a small amount of excess of loss business that has not been written since 2009 which is included as a reconciling item. Maiden receives several cession statements and uses these to report premiums in three categories - Small Business Commercial, Specialty Program and Specialty Risk and Extended Warranty in *Note 3. Segment Information*. The tables provided include allocations of IBNR reserves to line of business by accident year;
- Management's assumptions and allocation procedures for these tables may produce results that differ from the actual loss emergence reported by line of business each quarter; and
- For both segments, the premium and exposure for prior accident years is often reported to us in subsequent periods, as reporting lags exist from an insurer to a reinsurer. This leads to increases in the provision for loss and LAE in prior years, but does not reduce expected income (and in many cases can result in additional income).

Diversified Reinsurance Segment: GLS

GLS provides a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core to those companies' operations. GLS works with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives. Having completed the capital commitment made to GLS in 2020, the Company has determined to not commit any additional capital to new opportunities and to run-off the existing accounts underwritten by GLS. For additional information on GLS, please see "*Note 1 — Organization*".

Loss development tables have not been presented for GLS as the loss reserves and paid claims for each individual contract is currently insignificant, therefore the loss reserves for all the GLS contracts have been aggregated into a separate category and included in the reconciliation disclosure only. For GLS exposure, loss reserves are calculated primarily from utilizing the LD or FS methods. As the exposure being reinsured is typically retroactive in nature and covers more mature portfolios, the ELR or BF approach is not highly relied upon.

As of December 31, 2023, GLS and its subsidiaries hold insurance liabilities assumed primarily through a few retroactive reinsurance contracts which included total loss reserves of $17,712 and a loss recoverable of $5,029. Losses incurred for the year ended December 31, 2023 include paid losses of $11,817 and total loss reserves include IBNR reserves of $15,653 at December 31, 2023.

Also, please see *"Note 5 — Fair Value Measurements"* for the derivative liability of $3,984 on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities. The fair value of this derivative instrument is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows to assess the reasonableness of inputs used in the valuation model.

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Diversified Reinsurance Segment: IIS Business

The following tables represent information on the Company's incurred loss and LAE and cumulative paid loss and LAE, both net of reinsurance, since 2014 for the Company's IIS business in the Diversified Reinsurance segment. The development tables below included reserves acquired from the loss portfolio transfer agreement associated with the GMAC International Insurance Services ("IIS") business as at November 30, 2010 of $98,827. For the purposes of disclosure, the reserves from the loss portfolio transfer was allocated to the original accident year.

Many pro-rata contracts are big enough that specific company development patterns are used. The ELR from the pricing of the account is typically used for the first year or more until the data suggests an alternative result is likely. Use of the ELR method transitions to the BF and then the LD method. For smaller contracts, benchmark development patterns may be used in both the pricing to establish the ELR and the reserving. The use of benchmark patterns is more prevalent in excess of loss business and the movement to experience based methods is slower.

The IIS business written by the Company's IIS team is mainly proportional treaty business, a significant portion of which is Personal Auto quota share but also comprises credit life quota share. Life and personal accident business is also written on a direct basis by Maiden LF. The IIS business team works with insurance partners, automobile manufacturers and their related credit providers and other organizations to design and implement insurance programs in both auto distribution-related and other consumer insurance products.

For the auto quota share exposure, initial underwriting year loss projections are generally based on the ELR method, derived from account pricing analyses. Payment and reporting patterns are predominantly short-tailed, and the movement away from the ELR to BF or LD methods typically happens very rapidly. Credit life reserves are primarily a function of reporting lag, typically only one or several months on average. The reserves are calculated using a FS methodology, where the frequency is a function of the average claims lag and the average per claims severity.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Diversified Reinsurance - IIS business	Incurred loss and LAE, net of reinsurance										At December 31, 2023
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2010	$ 76,316	$ 74,425	$ 76,500	$ 78,500	$ 78,198	79,225	$ 79,347	$ 79,649	$ 79,845	$ 82,139	$ 89
2011	47,288	47,246	47,076	47,455	47,705	47,661	47,621	47,621	47,699	47,682	5
2012	46,766	46,871	46,954	47,215	46,935	46,880	46,810	46,912	46,886	46,889	24
2013	49,081	50,397	49,899	50,500	50,328	50,707	50,640	50,742	50,710	50,713	(20
2014	42,670	48,426	48,292	48,191	47,981	48,047	47,798	47,684	47,701	47,744	6
2015		42,887	44,301	44,791	44,444	44,480	44,335	44,065	44,078	43,983	(13
2016			38,693	40,687	40,048	40,034	40,436	40,135	40,227	40,214	
2017				36,740	37,609	36,506	35,622	35,639	35,437	35,243	19
2018					42,164	40,499	40,678	40,711	40,848	40,413	(92
2019						35,530	37,533	36,606	36,696	36,689	11
2020							24,024	23,165	22,000	22,175	91
2021								6,410	6,410	6,485	1,98
2022									7,298	9,121	1,74
2023										9,645	—
Total										$ 519,135	$ 4,95

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2010	$ 48,089	$ 49,678	$ 51,194	$ 52,673	$ 54,307	$ 55,720	$ 56,793	$ 57,880	$ 58,901	$ 59,966
2011	46,772	47,190	47,422	47,563	47,672	47,737	47,820	47,872	47,903	47,880
2012	41,795	42,881	43,208	43,790	43,901	43,915	43,997	44,093	44,063	44,033
2013	42,954	45,432	46,775	47,244	47,450	47,527	47,839	48,260	48,374	48,591
2014	23,776	42,044	44,312	45,536	45,785	45,888	46,004	46,064	46,101	46,088
2015		21,761	39,336	41,401	42,376	42,778	43,050	43,257	43,286	43,274
2016			22,495	36,599	38,370	39,096	39,709	40,217	41,048	41,299
2017				19,052	32,998	34,705	35,506	35,758	35,820	35,850
2018					20,212	36,586	38,615	39,629	40,230	40,464
2019						16,687	30,231	32,858	33,398	33,682
2020							11,447	19,377	20,423	20,842
2021								5,744	10,479	11,535
2022									1,196	10,481
2023										845
Total										484,830
Total net reserves										$ 34,305

9. Reserve for Loss and Loss Adjustment Expenses (continued)

The following tables represent information on the Company's incurred loss and LAE and cumulative paid loss and LAE, both net of reinsurance, by significant line of business since 2011 for our AmTrust Reinsurance segment. All data shown for the AmTrust Reinsurance segment in the tables that follow are from the Company’s quota share contracts with AmTrust, both the multi-year AmTrust Quota Share and European Hospital Liability Quota Share. AmTrust purchases significant reinsurance for losses above $10 million covered by the AmTrust Quota Share. The Company’s share of AmTrust’s losses net of reinsurance in the AmTrust Quota Share is generally 40%.

Additionally, for the Specialty Program portion of Covered Business only, AmTrust will be responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95% ("Loss Corridor"). Above and below the Loss Corridor, Maiden Reinsurance has reinsured losses at its proportional 40% share per the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is $40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. As of December 31, 2023, the projected amount subject to the Loss Corridor is $77,547 which exceeds the maximum amount covered. Any further development above this amount will be subject to the coverage of the LPT/ADC Agreement.

Recoverables from the LPT/ADC Agreement are displayed in the column "*Impact of LPT/ADC*" in the loss tables that follow. Amounts have been allocated to Accident Year and line of business according to the timing of the respective losses, based on the currently projected payout patterns. These allocations may shift over time as actual payments are made and payout patterns are re–estimated. Please refer to *"Note 8 — Reinsurance"* for additional information regarding the LPT/ADC Agreement.

<u>AmTrust Reinsurance: Workers’ Compensation</u>

This reserve class consists of the Workers’ Compensation portion of the AmTrust Quota Share. The business is written in the U.S. by AmTrust from both their Small Commercial Business and Specialty Program business units. The Small Commercial Business unit focuses on writing smaller, niche workers' compensation exposures in generally low-hazard occupations. Workers’ Compensation business written in the Specialty Program unit is typically part of programs consisting of multiple lines of business. The business is produced by managing general agents with AmTrust regularly adding new programs and terminating or renegotiating unprofitable ones. Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. Since it is proportional exposure, and due to the size and the classes of business insured by AmTrust, this reserving class is much shorter tailed than a traditional workers compensation book, and the transition to the BF and the LD methods happens relatively quickly, within the first several years.

This line of business is covered under the LPT/ADC Agreement pursuant to which Cavello has assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share and therefore any adverse development will be recoverable as per terms of the agreement. Recoverables from the LPT/ADC Agreement are displayed in the column "*Impact of LPT/ADC*" in the loss triangle tables further below.

<u>AmTrust Reinsurance: General Liability</u>

This reserve class consists of the General Liability portion of the AmTrust Quota Share. The business is written in the U.S. by AmTrust from both their Small Commercial Business and Specialty Program business units. The Small Commercial Business unit focuses on writing smaller niche business, typically under-served by the broader insurance market, which typically have limits of $1,000. General Liability business written in the Small Commercial Business unit grew substantially following AmTrust’s renewal rights acquisition in 2014. Specialty Program business may contain a mix of exposures from retail operations, contractors, manufacturers, and other premises.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. This proportional exposure is medium tailed, and the IBNR is typically derived from the use of the initial ELR, or the FS method as claim counts emerge, for the first several years following the earning of the exposure, followed by a transition to the BF and the LD methods.

<u>AmTrust Reinsurance: Commercial Auto Liability</u>

Commercial Auto Liability is written in the U.S. and included in the Small Commercial Business and Specialty Program business units within the AmTrust Quota Share. The Small Commercial Business unit focuses on writing smaller niche business, typically under-served by the broader insurance market, and policies typically have limits of $1,000. Auto Liability business written in the Small Commercial Business unit grew substantially following a large renewal rights acquisition completed by AmTrust in 2014. Commercial Auto Liability business written in the Specialty Program unit is typically part of programs consisting of multiple lines of business.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. This proportional exposure is relatively short tailed, and the transition to the BF and the LD methods happens relatively quickly, within the first several years.

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Workers' Compensation	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2023	
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 81,240	$ 82,301	$ 83,039	$ 83,622	$ 84,710	$ 83,952	$ 86,117	$ 86,292	$ 86,415	$ 86,144	$ 2,132	$ 3,028
2009	109,213	106,204	105,901	107,165	110,175	109,664	109,021	110,207	109,384	109,018	1,474	3,918
2010	120,243	125,020	124,073	123,968	127,215	127,381	126,621	126,516	126,308	125,420	6,365	5,348
2011	132,728	133,995	133,916	135,379	138,600	139,685	141,272	137,355	140,257	139,421	4,556	6,913
2012	173,946	171,040	172,692	181,616	192,087	188,879	192,263	187,089	189,114	187,630	7,048	10,691
2013	245,765	238,392	242,447	261,915	276,249	273,571	281,580	277,365	277,226	276,791	8,713	17,699
2014	379,589	365,515	382,260	419,748	457,363	455,521	449,374	445,258	441,185	440,175	18,517	32,449
2015		474,140	474,212	526,269	551,145	545,271	549,857	547,439	537,963	535,139	25,811	46,860
2016			528,906	568,006	627,728	603,529	579,849	568,791	559,440	555,645	31,683	55,094
2017				615,957	654,362	613,577	593,920	591,122	580,155	577,051	25,284	68,032
2018					592,566	580,528	575,765	585,009	577,485	573,040	25,787	84,264
2019						12,751	9,945	10,871	10,152	11,943	192	—
Total										$ 3,617,417	$ 157,562	$ 334,296

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 77,370	$ 78,161	$ 79,230	$ 81,159	$ 82,436	$ 82,709	$ 82,286	$ 82,676	$ 82,761	$ 83,026
2009	93,425	96,396	98,811	100,103	101,823	102,877	103,771	104,205	104,434	104,685
2010	103,280	108,171	114,639	115,014	115,959	116,332	114,730	115,508	115,765	116,064
2011	105,584	114,107	115,966	122,579	124,315	125,843	129,408	130,413	130,958	131,877
2012	119,059	138,706	150,543	158,807	164,512	168,154	172,251	174,436	175,021	176,022
2013	121,182	168,785	199,300	216,527	227,502	234,342	248,103	252,506	255,720	257,523
2014	69,512	189,954	268,467	321,258	355,414	370,176	383,529	392,101	398,441	404,591
2015		86,695	246,616	338,642	388,640	417,736	448,867	466,868	476,769	483,387
2016			110,051	284,501	380,602	428,651	449,347	471,382	484,367	494,160
2017				111,508	274,596	448,551	485,611	507,903	520,180	528,411
2018					110,954	409,986	465,762	499,349	515,459	524,987
2019						3,907	5,821	8,070	9,024	9,717
Total										3,314,450
All outstanding liabilities prior to 2008, net of reinsurance										62
Total net reserves excluding impact of LPT/ADC Agreement										303,029
Less: Impact of LPT/ADC Agreement										(334,296)
Total net reserves including impact of LPT/ADC Agreement										$ (31,267)

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

General Liability	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2023	
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 33,792	$ 34,169	$ 35,985	$ 36,627	$ 37,605	$ 36,996	$ 40,398	$ 40,381	$ 40,017	$ 39,796	$ 2,435	$ 209
2009	30,902	32,418	34,040	34,863	35,138	35,410	36,228	35,733	35,495	35,433	182	103
2010	36,455	38,536	38,298	41,597	42,884	43,062	45,490	44,778	44,856	44,907	278	527
2011	40,557	42,100	45,303	49,338	52,746	53,499	55,607	54,683	54,288	54,495	218	997
2012	42,450	48,851	50,800	55,991	59,948	63,429	63,704	64,052	63,615	63,214	3,853	1,573
2013	43,116	66,869	68,641	79,731	89,204	92,032	95,050	96,342	96,388	97,920	1,559	3,800
2014	65,469	66,558	77,930	99,873	111,970	116,085	119,367	119,782	119,413	119,554	4,834	7,027
2015		118,111	95,766	122,942	139,518	154,071	154,529	154,939	155,234	155,101	3,760	13,465
2016			98,149	114,864	120,911	148,371	147,858	147,996	150,019	153,168	7,368	20,243
2017				116,158	133,533	165,268	161,354	162,856	167,257	170,669	13,341	26,585
2018					121,991	153,822	148,817	148,295	151,791	160,003	13,825	38,441
2019						5,427	6,017	5,981	3,906	3,077	964	—
Total										$ 1,097,337	$ 52,617	$ 112,970

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 32,849	$ 32,423	$ 32,765	$ 34,935	$ 36,699	$ 34,893	$ 37,253	$ 37,278	$ 37,473	$ 37,289
2009	24,298	28,312	30,924	32,878	33,473	32,487	34,984	34,999	35,093	35,197
2010	26,429	30,948	34,125	37,317	39,214	39,888	42,509	43,076	44,040	44,246
2011	22,963	31,619	39,350	41,257	47,141	49,178	51,492	52,592	53,064	53,320
2012	18,020	29,752	40,864	45,775	53,526	56,538	55,350	57,913	58,889	58,412
2013	10,226	32,249	44,698	58,377	70,074	76,996	83,571	87,178	89,473	92,705
2014	3,503	24,581	36,026	57,678	77,259	86,101	92,861	96,521	102,290	107,865
2015		20,849	33,963	52,350	79,291	98,278	112,542	120,546	131,224	140,414
2016			6,402	21,959	45,855	67,064	88,627	101,764	114,422	129,683
2017				6,967	27,001	51,545	79,531	97,356	119,417	139,460
2018					7,907	24,618	42,792	65,947	90,841	115,496
2019						27	314	717	1,218	1,581
Total										955,668
All outstanding liabilities prior to 2008, net of reinsurance										98
Total net reserves excluding impact of LPT/ADC Agreement										141,767
Less: Impact of LPT/ADC Agreement										(112,970)
Total net reserves including impact of LPT/ADC Agreement										$ 28,797

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Commercial Auto Liability	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2023	
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 34,522	$ 34,584	$ 35,975	$ 35,521	$ 35,382	$ 35,542	$ 37,746	$ 37,854	$ 37,885	$ 37,880	$ 2,532	$ 20
2009	30,812	31,024	30,468	30,919	31,033	31,064	31,082	31,019	30,979	30,978	633	66
2010	38,043	40,193	40,523	42,146	41,996	42,070	40,637	40,631	40,608	40,556	139	3
2011	32,578	33,839	34,790	36,149	36,065	34,643	34,707	34,690	34,633	34,644	485	—
2012	40,076	44,812	48,116	46,150	45,753	45,917	45,902	45,753	45,860	45,887	36	8
2013	44,771	50,647	59,702	63,162	62,163	63,620	63,532	63,589	63,500	63,471	205	130
2014	47,525	55,023	73,966	82,427	89,299	92,572	94,238	93,208	93,164	93,434	1,167	339
2015		66,967	92,955	106,560	119,141	127,560	129,849	129,082	129,632	130,631	389	835
2016			121,828	118,210	144,077	171,504	170,275	167,479	170,221	171,563	(1,479)	4,108
2017				156,575	189,257	220,457	230,972	220,471	224,132	227,165	3,270	8,197
2018					177,150	224,780	230,200	219,800	230,516	234,717	4,055	17,128
2019						79,172	77,371	73,023	74,553	74,504	5,357	—
2020										—	(7)	—
Total										$ 1,185,430	$ 16,782	$ 30,834

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 32,643	$ 33,536	$ 34,074	$ 34,803	$ 35,284	$ 36,968	$ 34,982	$ 35,013	$ 35,339	$ 35,349
2009	26,975	29,226	29,829	29,842	30,204	31,194	30,337	30,340	30,341	30,342
2010	34,855	37,734	39,413	39,750	40,282	40,395	40,407	40,411	40,416	40,416
2011	25,808	29,769	32,362	33,130	33,155	33,451	33,872	34,005	34,158	34,159
2012	26,508	35,460	43,745	44,165	45,555	45,751	45,819	45,812	45,825	45,831
2013	19,865	34,379	48,122	57,349	59,600	62,331	62,562	62,968	63,070	63,079
2014	8,450	22,858	42,960	64,459	79,766	87,458	90,761	91,000	91,115	91,819
2015		13,102	39,179	62,945	86,433	107,707	118,753	121,605	125,415	128,693
2016			19,071	48,595	76,635	113,174	133,826	145,727	158,822	165,475
2017				26,863	69,657	115,623	154,600	176,863	197,857	212,952
2018					30,018	67,080	107,184	138,770	178,479	207,553
2019						9,456	22,799	34,365	49,073	59,162
2020							7	7	7	7
Total										1,114,837
All outstanding liabilities prior to 2008, net of reinsurance										57
Total net reserves excluding impact of LPT/ADC Agreement										70,650
Less: Impact of LPT/ADC Agreement										(30,834)
Total net reserves including impact of LPT/ADC Agreement										$ 39,816

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: European Hospital Liability

AmTrust entered this line of business in Italy in 2010 when it believed there were significant opportunities in what had traditionally been an under-performing market. European Hospital Liability policies are written on a claim made basis. Maiden wrote a separate annually renewable contract covering this exposure in 2011 which is not part of the AmTrust Quota Share. Currently, most exposure remains in Italy with a modest amount of exposure to other European nations. The European Hospital Liability Quota Share is a claims made exposure, and in many instances claims are eventually closed with no liability. This phenomena is estimated during the reserving process, and can result in a provision for pure IBNR (reserves for claims which have not yet been reported) which is minimal or negative. This estimate will vary as the exposure matures which could result in changes to the level of reserves. Also, severity for known claims and expenses can increase over time, which requires a provision for IBNR. The net result is a relatively small amount of IBNR. European Hospital Liability business is not covered under the LPT/ADC Agreement, therefore any adverse development in this line of business may result in significant losses.

Our initial underwriting year loss projections are generally based on the ELR method, derived from historical performance after the consideration of loss and premium trends. As the exposure matures, the projection methodology transitions to the LD method. The underlying policies assumed are subject to deductibles on both a per claim and aggregate basis. The LD method is applied to both the net of deductible data, as well as individually to gross and deductible protections, with a final estimate made by evaluating both methodologies.

European Hospital Liability	Incurred loss and LAE, net of reinsurance										At December 31, 2023
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
2011	$ 48,464	$ 46,100	$ 63,479	$ 61,552	$ 59,019	$ 61,240	$ 61,517	$ 62,268	$ 69,655	$ 70,652	$ (1,008)
2012	78,617	100,807	90,177	85,386	110,349	115,107	116,023	117,456	120,689	121,675	(3,036)
2013	60,125	62,720	82,397	75,340	96,568	102,288	103,655	105,258	107,268	108,573	(1,358)
2014	49,790	52,429	56,158	62,486	78,792	83,937	84,962	86,288	86,101	88,950	(951)
2015		46,419	45,067	58,679	64,517	67,595	67,828	70,100	71,680	73,957	2,628
2016			43,461	50,033	65,484	67,961	66,474	67,797	67,255	68,576	3,243
2017				40,010	50,977	53,058	51,640	49,686	48,477	48,984	3,327
2018					43,555	30,892	31,805	31,177	33,384	33,455	725
2019						15,519	14,365	15,318	15,261	15,444	1,344
Total										$ 630,266	$ 4,914

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2011	$ 22,974	$ 28,104	$ 34,919	$ 40,400	$ 44,495	$ 48,189	$ 52,638	$ 55,539	$ 59,705	$ 63,056
2012	34,162	44,496	57,207	67,454	75,295	81,276	91,090	96,039	102,818	108,615
2013	14,674	25,246	38,521	48,424	54,268	61,350	74,262	79,699	87,566	93,500
2014	4,106	11,566	24,042	34,218	38,395	45,291	56,926	59,822	69,805	76,532
2015		3,391	10,782	22,261	28,410	34,118	44,752	44,270	53,736	59,618
2016			3,499	10,393	17,221	22,907	34,000	36,546	46,325	50,899
2017				1,249	4,312	7,390	14,344	19,770	29,293	33,143
2018					899	2,213	5,273	7,589	21,635	24,479
2019						11,195	1,564	2,954	10,284	11,207
Total										521,049
Total net reserves										$ 109,217

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

AmTrust Reinsurance: All Other Lines Includes all lines except Workers' Compensation, General Liability, and Commercial Auto from Small Commercial Business and Specialty Program Divisions. The predominant exposures include property and auto physical damage.

All Other Lines	Incurred loss and LAE, net of reinsurance (excluding impact of LPT/ADC Agreement)										At December 31, 2023	
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total IBNR	Impact of LPT/ADC
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			
2008	$ 29,149	$ 29,237	$ 29,070	$ 29,576	$ 29,574	$ 29,519	$ 24,045	$ 24,016	$ 24,013	$ 24,013	$ (4,847)	$ —
2009	13,329	14,309	14,492	16,088	15,653	14,617	15,750	15,373	15,373	15,379	383	1
2010	15,484	16,078	16,105	17,071	17,059	15,438	15,905	15,905	15,905	15,905	52	—
2011	27,509	22,359	22,616	23,376	23,506	21,469	21,515	21,500	21,496	21,490	132	—
2012	19,426	21,898	18,673	19,850	20,260	19,578	17,969	17,811	17,819	17,775	(310)	17
2013	17,630	28,058	22,918	21,313	21,669	21,735	20,644	20,639	20,637	20,593	1,111	28
2014	20,597	25,268	26,021	24,958	26,278	24,929	21,496	21,491	21,493	21,481	(51)	14
2015		52,706	54,857	49,631	49,463	47,882	44,939	44,749	44,456	44,379	639	15
2016			79,654	74,948	72,384	73,602	67,060	66,944	66,791	67,162	6,353	61
2017				104,637	96,812	92,904	96,196	96,104	96,267	96,485	1,513	199
2018					96,910	103,489	101,553	101,913	102,061	101,326	(1,253)	319
2019						37,945	43,146	43,554	42,003	42,310	916	—
2020										—	(103)	—
Total										$ 488,298	$ 4,535	$ 654

	Cumulative paid loss and LAE, net of reinsurance									
For the Year Ended December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accident Year:	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
2008	$ 31,217	$ 29,388	$ 29,177	$ 30,833	$ 30,683	$ 29,234	$ 24,706	$ 28,850	$ 28,850	$ 28,850
2009	11,093	13,105	13,870	15,224	15,051	14,009	14,954	14,986	14,986	14,986
2010	15,375	15,748	16,058	16,919	16,786	15,285	15,853	15,854	15,854	15,854
2011	21,279	22,044	22,715	23,892	23,661	21,481	21,343	21,339	21,334	21,359
2012	16,033	16,936	17,946	18,205	18,685	17,559	18,071	18,077	18,077	18,084
2013	15,997	17,509	20,258	20,456	20,447	19,343	20,146	19,465	19,463	19,482
2014	12,028	20,277	20,940	22,018	26,194	21,405	21,497	21,493	21,509	21,532
2015		28,929	45,208	42,631	41,962	44,179	43,622	43,895	43,742	43,737
2016			42,795	69,805	65,452	63,234	63,450	60,008	59,967	60,682
2017				48,903	80,726	80,735	93,212	93,541	94,206	94,710
2018					56,539	86,455	98,386	101,158	102,587	102,406
2019						22,095	38,793	40,427	40,670	41,028
2020							4	103	103	103
2021								66	66	55
Total										482,868
All outstanding liabilities prior to 2008, net of reinsurance										(3)
Total net reserves excluding impact of LPT/ADC Agreement										5,427
Less: Impact of LPT/ADC Agreement										(654)
Total net reserves including impact of LPT/ADC Agreement										$ 4,773

(In thousands of U.S. dollars, except share and per share data)

9. Reserve for Loss and Loss Adjustment Expenses (continued)

Reconciliation of Loss Development Tables to Consolidated Balance Sheet

The following table represents a reconciliation of the net incurred and paid loss development tables to the reserve for loss and LAE in the Consolidated Balance Sheet at December 31, 2023:

	December 31, 2023		
	Total Net Reserves (including impact of ADC)	Reinsurance Recoverables on unpaid claims	Total Gross Reserves
Diversified Reinsurance			
IIS business	$ 34,305	$ 663	$ 34,968
Other reconciling items excluded from loss development tables			
GLS	12,683	5,029	17,712
Other run-off lines	15,817	—	15,817
Total Diversified Reinsurance	62,805	5,692	68,497
AmTrust Reinsurance			
Workers' Compensation(1)	(31,267)	334,296	303,029
General Liability	28,797	112,970	141,767
Commercial Auto Liability	39,816	30,834	70,650
European Hospital Liability	109,217	—	109,217
All Other Lines	4,773	654	5,427
Total	151,336	478,754	630,090
Other reconciling items excluded from loss development tables	86,192	36,709	122,901
Total AmTrust Reinsurance	237,528	515,463	752,991
US Treaty business ceded to Cavello	2,769	43,176	45,945
Total reserves for loss and LAE	$ 303,102	$ 564,331	$ 867,433

(1) Remaining Workers' Compensation reserves from commutation to AmTrust executed by Maiden in July 2019 are approximately $83,305 which are treated as outstanding per the LPT/ADC Agreement with Cavello. The allocated portion of these reserves projected to be paid by Cavello in future periods results in an estimated ceded IBNR which exceeds the gross IBNR.

b) Claims duration disclosure

The following unaudited supplementary information represents the average annual percentage payout of net loss and LAE by age, net of reinsurance, for both our reportable segments at December 31, 2023:

	Average annual payout of incurred claims by age, net of reinsurance									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Diversified Reinsurance										
International	41.1 %	4.5 %	1.0 %	1.0 %	1.1 %	0.1 %	(0.2)%	(0.6)%	(0.2)%	0.2 %
AmTrust Reinsurance										
Workers' Compensation	19.0 %	32.3 %	18.1 %	8.8 %	5.0 %	3.4 %	2.7 %	2.1 %	1.4 %	1.4 %
General Liability	6.0 %	10.6 %	13.3 %	16.1 %	14.1 %	10.9 %	8.0 %	6.7 %	3.8 %	3.5 %
Commercial Auto Liability	11.9 %	17.6 %	18.7 %	18.1 %	14.0 %	8.5 %	5.1 %	2.0 %	1.2 %	0.7 %
European Hospital Liability	3.5 %	7.7 %	11.2 %	14.7 %	12.7 %	6.8 %	5.5 %	6.6 %	6.4 %	4.9 %
All other lines	57.1 %	32.4 %	2.7 %	4.7 %	3.6 %	(1.0)%	1.5 %	(0.1)%	(0.7)%	(0.1)%

The average annual payout of incurred claims by age, net of reinsurance, is calculated using the amount of claims paid in each development year and is compared with the estimated incurred claims as of the most recent period presented.

10. Related Party Transactions

The Founding Shareholders of the Company were Michael Karfunkel, George Karfunkel and Barry Zyskind. Based on each individual's most recent public filing, Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the Company's outstanding common shares. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the chief executive officer and chairman of AmTrust. Leah Karfunkel, George Karfunkel and Barry Zyskind own or control approximately 55.2% of the ownership interests of Evergreen Parent, L.P., the ultimate parent of AmTrust. The following describes transactions that have transpired between the Company and AmTrust:

AmTrust Quota Share

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended ("Master Agreement"), by which they caused Maiden Reinsurance and AII to enter into the AmTrust Quota Share by which AII retroceded to Maiden Reinsurance an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance and 40% of losses. The Master Agreement further provided that AII receive a ceding commission of 31% of ceded written premiums. On June 11, 2008, Maiden Reinsurance and AII amended the AmTrust Quota Share to add Retail Commercial Package Business to the Covered Business (as defined in the AmTrust Quota Share). AII receives a ceding commission of 34.375% on Retail Commercial Package Business. On July 1, 2016, the agreement was renewed through June 30, 2019. Effective July 1, 2018, the amount AEL ceded to Maiden Reinsurance was reduced to 20%.

Effective July 1, 2013, for the Specialty Program portion of Covered Business only, AII was responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95%. Above and below the Loss Corridor, Maiden Reinsurance continued to reinsure losses at its proportional 40% share of the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is $40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. Any development above this maximum amount will be subject to the coverage of the LPT/ADC Agreement.

Effective January 1, 2019, Maiden Reinsurance and AII entered into a partial termination amendment ("Partial Termination Amendment") which amended the AmTrust Quota Share. The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust's Small Commercial Business and U.S. Specialty Risk and Extended Warranty ("Terminated Business") as of December 31, 2018. Under the Partial Termination Amendment, the ceding commission payable by Maiden Reinsurance for its remaining in-force business immediately prior to January 1, 2019 increased by five percentage points with respect to in-force remaining business (excluding Terminated Business) and related unearned premium as of January 1, 2019. Subsequently, on January 30, 2019, Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 31, 2019, Maiden Reinsurance and AII entered into a Commutation and Release Agreement which provided for AII to assume all reserves ceded by AII to Maiden Reinsurance with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to the commuted business including: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies ("Commuted New York Business"), and together with the Commuted California Business ("Commuted Business") in exchange for the release and full discharge of Maiden Reinsurance's obligations to AII with respect to the Commuted Business. The Commuted Business excludes any business classified by AII as Specialty Program or Specialty Risk business.

AII and Maiden Reinsurance also agreed that as of July 31, 2019, the AmTrust Quota Share was deemed amended as applicable so that the Commuted Business is no longer included as part of Covered Business under the AmTrust Quota Share.

On January 30, 2019, in connection with the termination of the reinsurance agreement described above, the Company and AmTrust entered into a second amendment to the Master Agreement between the parties, originally entered into on July 3, 2007, to remove the provisions requiring AmTrust to reinsure business with the Company.

European Hospital Liability Quota Share

Effective April 1, 2011, Maiden Reinsurance entered into the European Hospital Liability Quota Share with AEL and AIU DAC. Pursuant to the terms of the European Hospital Liability Quota Share, Maiden Reinsurance assumed 40% of the premiums and losses related to policies classified as European Hospital Liability, including associated liability coverages and policies covering physician defense costs, written or renewed on or after April 1, 2011. The European Hospital Liability Quota Share also covers policies written or renewed on or before March 31, 2011, but only with respect to losses that occur, accrue or arise on or after April 1, 2011. The maximum limit of liability attaching shall be €5,000 (€10,000 effective January 1, 2012) or currency equivalent (on a 100% basis) per original claim for any one original policy. Maiden Reinsurance paid a ceding commission of 5% on contracts assumed under the European Hospital Liability Quota Share.

Effective July 1, 2016, the European Hospital Liability Quota Share was amended such that Maiden Reinsurance assumes from AEL 32.5% of the premiums and losses of all policies written or renewed on or after July 1, 2016 until June 30, 2017 and 20% of all policies written or renewed on or after July 1, 2017. Thereafter, on January 30, 2019, Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019.

(In thousands of U.S. dollars, except share and per share data)

10. Related Party Transactions (continued)

Effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement ("Commutation Agreement") which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC's French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share. In accordance with the Commutation Agreement, Maiden Reinsurance paid $31,291 (€29,401) to AIU DAC, which is the sum of net ceded reserves of $27,625 (€25,956) and an agreed exit cost of $3,666 (€3,444). As a result of the Commutation Agreement, Maiden Reinsurance reduced its exposure to AmTrust's Hospital Liability business, but still has exposure to Italian medical malpractice liabilities under the European Hospital Liability Quota Share.

The table below shows the effect of both of these quota share arrangements with AmTrust on the Company's Consolidated Income Statements for the years ended December 31, 2023 and 2022, respectively:

For the Year Ended December 31,	2023	2022
Gross and net premiums written	$ (3,936)	$ (18,538)
Net premiums earned	14,930	9,749
Net loss and loss adjustment expenses	(47,617)	(45,508)
Commission and other acquisition expenses	(5,583)	(4,347)

Collateral provided to AmTrust

a) AmTrust Quota Share

To provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of AmTrust's insurance subsidiaries, established trust accounts ("Trust Accounts") for their benefit. Maiden Reinsurance has provided appropriate collateral to secure its proportional share under the AmTrust Quota Share of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral which can include (a) assets loaned by Maiden Reinsurance to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties, (b) assets transferred by Maiden Reinsurance for deposit into the Trust Accounts, or (c) a letter of credit obtained by Maiden Reinsurance and delivered to an AmTrust subsidiary on AII's behalf. Maiden Reinsurance may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Reinsurance's proportionate share of its obligations under the AmTrust Quota Share. The collateral requirements under the AmTrust Quota Share with AII were satisfied as follows:

- by lending funds of $167,975 at December 31, 2023 and 2022 pursuant to a loan agreement entered into between those parties. Advances under the loan are secured by promissory notes. This loan was assigned by AII to AmTrust effective December 31, 2014 and is carried at cost. There was no allowance for expected credit losses recognized on the loan at December 31, 2023. Interest is payable at a rate equivalent to the Federal Funds Effective Rate ("Fed Funds") plus 200 basis points per annum. The interest income on the loan was $11,802 for the year ended December 31, 2023 (2022 - $6,202) and the effective yield was 7.0% (2022 - 3.7%).
- on January 30, 2019, in connection with the termination of the reinsurance agreements described above, the Company and AmTrust amended the Loan Agreement between Maiden Reinsurance, AmTrust and AII, originally entered into on November 16, 2007, by extending the maturity date to January 1, 2025 and specifies that due to the termination of the AmTrust Quota Share, no further loans or advances may be made pursuant to the Loan Agreement.
- effective December 1, 2008, the Company entered into a Reinsurer Trust Assets Collateral agreement to provide to AII sufficient collateral to secure its proportional share of AII's obligations to the U.S. AmTrust subsidiaries. The amount of the collateral at December 31, 2023 was approximately $0 (2022 - $42,305) and the accrued interest was $0 (2022 - $224). Please refer to "*Note 4. (e) Investments*" for additional information.
- on January 11, 2019, the Company transferred $575,000 to AmTrust as a portion of the existing Trust Accounts used for collateral on the AmTrust Quota Share was converted to funds withheld. The funds withheld receivable earns an annual interest rate of 3.5% for 2023, subject to annual adjustment (2022 - 2.1%). At December 31, 2023, the funds withheld balance was $128,451 (2022 - $416,835) and accrued interest was $1,584 (2022 - $2,359). The interest income on the funds withheld receivable was $10,009 for the year ended December 31, 2023 (2022 - $10,791). No allowance for expected credit losses was recognized for the fund withheld receivable from AmTrust and related accrued interest at December 31, 2023.

Pursuant to the terms of the LPT/ADC Agreement, Maiden Reinsurance, Cavello and AmTrust and certain of its affiliated companies entered into a Master Collateral Agreement ("MCA") to define and enable the operation of collateral provided under the AmTrust Quota Share. Under the MCA, Cavello provided letters of credit on behalf of Maiden Reinsurance to AmTrust in an amount representing Cavello's obligations under the LPT/ADC Agreement. Because these letters of credit replaced other collateral previously provided directly by Maiden Reinsurance to AmTrust, the MCA coordinates the collateral protection that will be provided to AmTrust to ensure that no gaps in collateral funding occur by operation of the LPT/ADC Agreement and related MCA. As a result of entering into both the LPT/ADC Agreement and the MCA, certain post-termination endorsements ("PTEs") to the AmTrust Quota Share between AII and Maiden Reinsurance were required.

10. Related Party Transactions (continued)

Effective July 31, 2019, the PTEs: i) enable the operation of both the LPT/ADC Agreement and MCA by making provision for certain forms of collateral, including letters of credit provided by Cavello on Maiden Reinsurance’s behalf, and further defines the permitted use and return of collateral; and ii) increase the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 105% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Under certain defined conditions, Maiden Reinsurance may be required to increase this funding percentage to 110%.

Effective March 16, 2020, Maiden Reinsurance discontinued as a Bermuda company and completed its re-domestication to the State of Vermont. Bermuda is a Solvency II equivalent jurisdiction and the State of Vermont is not such a jurisdiction; therefore, the collateral provided under the respective agreements with AmTrust subsidiaries was strengthened to reflect the impact of the re-domestication concurrent with the date of Maiden Reinsurance’s re-domestication to Vermont. Maiden Reinsurance and AmTrust agreed to: 1) amend the AmTrust Quota Share pursuant to Post Termination Endorsement No. 2 effective March 16, 2020; and 2) amend the European Hospital Liability Quota Share pursuant to Post Termination Endorsement No. 1 effective March 16, 2020.

Pursuant to the terms of Post Termination Endorsement No. 2 to the AmTrust Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AII by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 110% of its obligations, subject to a minimum excess funding requirement of $54,000, as may be mutually amended by the parties from time to time. Post Termination Endorsement No. 2 also sets forth conditions by which the funding percentage will be reduced and the sequence of how collateral will be utilized as obligations as defined under the AmTrust Quota Share are satisfied. Pursuant to the terms of Post Termination Endorsement No. 2, the funding percentage was reduced to 107.5% during the first quarter of 2023.

Pursuant to the terms of Post Termination Endorsement No. 1 to the European Hospital Liability Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AEL and AIU DAC by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to the greater of 120% of the Exposure (as defined therein) and the amount of security required to offset the increase in the Solvency Capital Requirement (“SCR”) that results from the changes in the SCR which arise out of Maiden Reinsurance's re-domestication as compared to the SCR calculation if Maiden Reinsurance had remained domesticated in a Solvency II equivalent jurisdiction with a solvency ratio above 100% and provided collateral equivalent to 100% of the Exposure.

b) European Hospital Liability Quota Share

Collateral has been provided to both AEL and AIU DAC under the European Hospital Liability Quota Share. For AEL, the amount of collateral held in reinsurance trust accounts at December 31, 2023 was $147,635 (2022 - $188,473) and the accrued interest was $1,091 (2022 - $966).

Asset Management Agreement

Effective July 1, 2007, the Company entered into an asset management agreement with AII Insurance Management Limited ("AIIM"), a wholly owned subsidiary of AmTrust, pursuant to which AIIM agreed to provide investment management services to the Company. Effective January 1, 2018, AIIM provides investment management services for a quarterly fee of 0.02125% of the average value of the account. The agreement may be terminated upon 30 days written notice by either party. The Company recorded $324 of investment management fees for the year ended December 31, 2023 (2022 - $417) under this agreement.

On September 9, 2020, Maiden Reinsurance, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden Reinsurance and AIIM, and the release by Maiden Reinsurance of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

On November 13, 2020, Maiden LF, Maiden GF, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden LF, Maiden GF and AIIM, and the release by Maiden LF and Maiden GF of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

11. Commitments, Contingencies and Guarantees

a) Concentrations of Credit Risk

At December 31, 2023 and 2022, the Company’s assets where significant concentrations of credit risk may exist include investments, cash and cash equivalents, loan to related party, reinsurance balances receivable, reinsurance recoverable on unpaid losses and funds withheld receivable. Please refer to "*Note 8 — Reinsurance*" for additional information regarding the Company's credit risk exposure on its reinsurance counterparties including the impact of the LPT/ADC Agreement effective January 1, 2019. The Company requires its reinsurers to have adequate financial strength.

The Company evaluates the financial condition of its reinsurers and monitors its concentration of credit risk on an ongoing basis. Provisions are made for amounts considered potentially uncollectible. Reinsurance receivable and recoverable balances, loan to related party, and the funds withheld receivable are reviewed for expected credit losses on a quarterly basis and are presented net of an allowance for expected credit losses. Letters of credit are provided by its reinsurers for material amounts recoverable as discussed in *"Note 8 — Reinsurance"*.

The Company manages the concentration of credit risk in its investment portfolio through issuer and sector exposure limitations. The Company believes it bears minimal credit risk in its cash on deposit. The Company also monitors the credit risk related to the loan to related party and funds withheld receivable, within which the largest balances are due from AmTrust. AmTrust has a financial strength/credit rating of A- (Excellent) from A.M. Best at December 31, 2023. To mitigate credit risk, the Company generally has a contractual right of offset thereby allowing claims to be settled net of any premiums or loan receivable. The Company believes these balances as at December 31, 2023 will be fully collectible.

Please refer to "*Note 2. Significant Accounting Polices*" for additional information on the Company's credit loss allowances as at December 31, 2023 regarding other investments, reinsurance recoverable on unpaid losses, reinsurance balances receivable and funds withheld receivable that were recorded under Topic 326 which was adopted effective January 1, 2023.

b) Concentrations of Revenue

During the year ended December 31, 2023, net premiums earned from AmTrust accounted for $14,930 or 34.0% of total net premiums earned (2022 – $9,749 or 25.8%).

c) Brokers

The Company formerly marketed its Diversified Reinsurance segment through third-party intermediaries as well as directly through its own marketing efforts. The majority of business within the Diversified Reinsurance segment was marketed directly through our own efforts with no significant reliance on brokers for the years ended December 31, 2023 and 2022.

d) Letters of Credit

At December 31, 2023, the Company had standby letters of credit outstanding of $40,479 (2022 - $40,319) for collateral purposes. These are secured by cash and fixed maturities with a fair value of $46,935 at December 31, 2023 (2022 - $47,110). The standby letters of credit are principally used to support the reinsurance obligations of the operating subsidiaries and are subject to certain covenants, including the requirement to maintain sufficient collateral to cover all of the obligations. Such obligations include contingent reimbursement obligations for outstanding letters of credit and related fees payable. In the event of default, the credit providers may exercise certain remedies, including the exercise of control over the pledged collateral and the termination of the availability of the standby credit facility to any or all of the operating subsidiaries. At December 31, 2023, the operating subsidiaries were in compliance with all standby letter of credit covenants.

e) Employment Agreements

The Company has entered into employment agreements with certain individuals. The employment agreements provide for executive benefits and severance payments under certain circumstances.

f) Operating Lease Commitments

The Company leases office spaces and equipment under various operating leases expiring in various years through 2025. The Company's leases are currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, and whose lease payments are above a certain threshold, the Company recognizes a lease liability and a right-of-use asset in the Consolidated Balance Sheets at the present value of the remaining lease payments until expiration.

As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 10%, representing its secured incremental borrowing rate, in calculating the present value of the lease liability. At December 31, 2023, the Company's future lease obligations of $228 (2022 - $300) were calculated based on the present value of future annual rental commitments excluding taxes, insurance and other operating costs for non-cancellable operating leases discounted using its secured incremental borrowing rate. This amount has been recognized on the Consolidated Balance Sheets as a lease liability within accrued expenses and other liabilities with an equivalent amount for the right-of-use asset presented as part of other assets.

The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company's weighted-average remaining lease term is 1.2 years at December 31, 2023.

(In thousands of U.S. dollars, except share and per share data)

11. Commitments, Contingencies and Guarantees (continued)

Under *Topic 842, Leases*, the Company recognizes the related leasing expense on a straight-line basis over the lease term on the Consolidated Statements of Income. The total lease expense for the year ended December 31, 2023 was $478 (2022 - $375) recognized within general and administrative expenses consistent using the prior accounting treatment under *Topic 840.*

At December 31, 2023, the scheduled maturity of the Company's operating lease liabilities are expected to be as follows:

For the Year Ended December 31,	Total
2024	$ 201
2025	42
Discount for present value	(15)
Total discounted operating lease liabilities	$ 228

The Company is expected to lease office space in New York City commencing in 2024, which will create a significant right-of-use asset and a lease liability once the building and certain leasehold improvements have been completed and the operating lease has commenced. The Company expects to occupy this space and capitalize the leased asset in the second quarter of 2024.

g) Investment Commitments and Related Financial Guarantees

The Company had total unfunded commitments on alternative investments of $100,846 at December 31, 2023 (2022 - $112,989) which included commitments for other investments, private equity securities and equity method investments. The table below shows the total unfunded commitments by type of investment as at December 31, 2023 and 2022:

December 31,	2023		2022	
	Fair Value	% of Total	Fair Value	% of Total
Private equity funds	$ 53,675	53.2 %	$ 54,996	48.7 %
Private credit funds	11,361	11.3 %	13,906	12.3 %
Investments in direct lending entities	595	0.6 %	—	— %
Privately held equity investments	—	— %	705	0.6 %
Total unfunded commitments on other investments	65,631	65.1 %	69,607	61.6 %
Total unfunded commitments on equity securities	14,735	14.6 %	16,509	14.6 %
Total unfunded commitments on equity method investments	20,480	20.3 %	26,873	23.8 %
Total unfunded commitments on alternative investments	$ 100,846	100.0 %	$ 112,989	100.0 %

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at December 31, 2023, guarantees of $62,508 (2022 - $42,141) were provided to lenders by the Company on behalf of real estate joint ventures, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

h) Other Collateral

In the ordinary course of business, the Company enters into reinsurance agreements that may include terms which could require the Company to collateralize certain of its obligations as further discussed in *Note 8 — Reinsurance* and *Note 10 — Related Party Transactions*.

11. Commitments, Contingencies and Guarantees (continued)

i) Deposit Insurance

The Company maintains cash and cash equivalents balances at financial institutions in the U.S., Bermuda and other international jurisdictions. In the U.S., the Federal Deposit Insurance Corporation secures accounts up to $250. In certain other international jurisdictions, there exist similar protections. Management monitors balances in excess of insured limits and believes they do not represent a significant credit risk to the Company.

j) Legal Proceedings

Except as noted below, the Company is not a party to any material legal proceedings. The Company may become involved in various claims and legal proceedings, including arbitrations, that arise in the normal course of its business. These legal proceedings generally relate to claims asserted by or against the Company in the ordinary course of its insurance or reinsurance operations. Based on the Company's opinion, the eventual outcome of these legal proceedings are not likely to have a material adverse effect on its financial condition, results of operations or liquidity.

In April 2009, the Company learned that Bentzion S. Turin, the former Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, sent a letter to the U.S. Department of Labor claiming that his employment with the Company was terminated in retaliation for corporate whistleblowing in violation of the whistleblower protection provisions of the Sarbanes-Oxley Act of 2002. Mr. Turin alleged that he was terminated for raising concerns regarding corporate governance with respect to the negotiation of the terms of the Trust Preferred Securities Offering. He seeks reinstatement as Chief Operating Officer, General Counsel and Secretary of Maiden Holdings and Maiden Reinsurance, back pay and legal fees incurred. On December 31, 2009, the U.S. Secretary of Labor found no reasonable cause for Mr. Turin's claim and dismissed the complaint in its entirety. Mr. Turin objected to the Secretary's findings and requested a hearing before an administrative law judge in the U.S. Department of Labor. The Company moved to dismiss Mr. Turin's complaint, and its motion was granted by the Administrative Law Judge on June 30, 2011. On July 13, 2011, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On March 29, 2013, the Administrative Review Board reversed the dismissal of the complaint on procedural grounds, and remanded the case to the administrative law judge. The administrative hearing began in September 2014 and concluded in November 2018. On September 2, 2021, Administrative Law Judge Theresa C. Timlin of the U.S. Department of Labor issued a decision and order which denied Mr. Turin's complaint in full. On September 16, 2021, Mr. Turin filed a petition for review of the Administrative Law Judge's decision with the Administrative Review Board in the U.S. Department of Labor. On June 29, 2023, the Administrative Review Board issued a decision and order which summarily affirmed the September 2, 2021 decision and order of the Administrative Law Judge. The decision and order of the Administrative Review Board became the final order of the Secretary of Labor on July 27, 2023. On July 28, 2023, Mr. Turin filed a petition for review of the final order of the Secretary of Labor in the United States Court of Appeals for the Second Circuit. The Secretary of Labor is the respondent before the Second Circuit and the Court granted the Company's petition to intervene in order to present its position to the Court. The parties are awaiting a briefing order.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the "Amended Complaint").The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings' representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants' motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis. On February 7, 2023, the District Court denied Plaintiffs' motion for reconsideration of the District Court's decision denying Plaintiffs' objection to the Magistrate Judge's December 2021 ruling on discovery. On May 26, 2023, the Company filed a Renewed Motion to Dismiss the Second Amended Complaint or, in the Alternative, for Summary Judgment, which has been fully briefed. On December 19, 2023, the U.S. District Court for the District of New Jersey granted summary judgment on plaintiffs' claim for securities fraud under Section 10(b) of the Securities Exchange Act to Maiden Holdings, Ltd. and individual defendants Arturo Raschbaum, Karen Schmitt, and John Marshalek. The Court held that the factual record failed to support, as a matter of law, plaintiffs' allegations that the defendants had made false statements regarding the Company's loss reserves. The Court also dismissed plaintiffs' claims that the individual defendants were liable as control persons under Section 20(a) of the Securities Exchange Act for any such alleged false statements. Plaintiffs have appealed to the United States Court of Appeals for the Third Circuit.

We believe the claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

(In thousands of U.S. dollars, except share and per share data)

12. Earnings per Common Share

The following is a summary of the elements used in calculating basic and diluted earnings per common share:

For the Year Ended December 31,	2023	2022
Numerator:		
Net loss	$ (38,569)	$ (60,041)
Gain from exchange of preference shares – Series A, C and D	—	87,240
Gain from repurchase of preference shares – Series A, C and D	—	28,233
Amount allocated to participating common shareholders[1]	—	(314)
Net (loss) income allocated to Maiden common shareholders	$ (38,569)	$ 55,118
Denominator:		
Weighted average number of common shares – basic	101,382,606	87,112,711
Potentially dilutive securities:		
Share options and restricted share units[2]	—	1,263
Adjusted weighted average common shares – diluted	101,382,606	87,113,974
Basic and diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.38)	$ 0.63

(1) This represents the share in net income using the two-class method for holders of non-vested restricted shares issued to the Company's employees under the 2019 Omnibus Incentive Plan.

(2) Please refer to *"Note 6 — Shareholders' Equity"* and *"Note 14 — Share Compensation and Pension Plans"* in the Notes to Consolidated Financial Statements for the terms and conditions of securities that could potentially be dilutive in the future. For the year ended December 31, 2023, there were 0 potentially dilutive securities (2022 - 1,263).

(In thousands of U.S. dollars, except share and per share data)

13. Income Taxes

Under current Bermuda law, Maiden Holdings received an undertaking from the Bermuda government exempting them from all local income, withholding and capital gains taxes until March 31, 2035. At the present time, no such taxes are levied in Bermuda. Maiden Holdings believes that they operate in a manner such that they will not be considered to be engaged in a trade or business in the U.S. Accordingly, Maiden Holdings has not recorded any provision for U.S. taxation.

Bermuda recently enacted the Corporate Income Tax Act 2023 on December 27, 2023 (the "CIT Act"). Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least €750 million for two of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15% of the net income of such constituent entities (as determined in accordance with the CIT Act, including after adjusting for any relevant foreign tax credits applicable to the Bermuda constituent entities). No tax is chargeable under the CIT Act until tax years starting on or after January 1, 2025. The Company's consolidated revenues do not presently meet the minimum amounts for taxation under the CIT Act. Should the Company become eligible to be taxed under the CIT Act, there would be an adverse effect on the Company's results of operation.

Pillar Two addresses the BEPS risk of profit shifting to entities in low tax jurisdictions by introducing a global minimum tax and a proposed tax on base eroding payments, which would operate through a denial of a deduction or imposition of source-based taxation (including withholding tax) on certain payments. In December 2021, the OECD issued Pillar Two model rules for domestic implementation of the global minimum tax and shortly thereafter the European Commission proposed a Directive to implement the Pillar Two rules into EU law, which required EU member states to transpose the rules into their national laws by December 31, 2023 with certain measures initially being effective from January 1, 2024. In 2023, a number of jurisdictions (including Sweden and the UK) passed legislation to implement the OECD/G20's model rules into domestic law with effect from January 1, 2024. The proposals, in particular in relation to Pillar Two, are broad in scope and include a number of exemptions which are available to the Company therefore no impact on our results of operation are expected at this time.

Maiden NA files a consolidated federal income tax return for the Company's U.S. based subsidiaries, including Maiden Reinsurance, which re-domesticated to Vermont on March 16, 2020 and, as a result, became subject to U.S. taxes. Maiden NA has Net Operating Loss carry-forwards ("NOL") and other Deferred Tax Assets ("DTA") and Deferred Tax Liabilities ("DTL") that are not presently recognized as a net DTA because a full valuation allowance is currently carried against them. Our U.S. subsidiaries are subject to federal, state and local corporate income taxes and other taxes applicable to U.S. corporations. The provision for federal income taxes was determined under the principles of the consolidated tax provisions of the U.S. Internal Revenue Code and Regulations. Should our U.S. subsidiaries pay a dividend outside the U.S. group, withholding taxes will apply. Tax years 2020 to 2022 are subject to examination in the U.S by the Internal Revenue Service. The Inflation Reduction Act was signed into law in August 2022 and is effective for tax years beginning after December 31, 2022. The minimum tax provisions under the act are not currently applicable to the Company as we do not meet the taxable income thresholds.

The Company has subsidiary operations in various other locations around the world, including Canada, Ireland, Sweden and the United Kingdom, that are subject to relevant taxes in those jurisdictions. These subsidiaries are not under examination but generally remain subject to examination in all applicable jurisdictions for tax years from 2019 through 2023. Deferred income taxes have not been accrued with respect to certain undistributed earnings of foreign subsidiaries as it is the intention that such earnings will remain reinvested or will not be taxable. If the earnings were to be distributed, as dividends or otherwise, such amounts may be subject to withholding tax in the country of the paying entity. Currently, however, no withholding taxes have been accrued.

There were no unrecognized tax benefits at December 31, 2023 and 2022. Total loss before income taxes and total income tax expense (benefit) for the years ended December 31, 2023 and 2022 are as follows:

For the Year Ended December 31,	**2023**	**2022**
Loss before income taxes – Domestic (Bermuda)	$ (32,456)	$ (20,509)
Loss before income taxes – Foreign (U.S. and others)	(5,917)	(40,089)
Total loss before income taxes	$ (38,373)	$ (60,598)
Current tax expense – Domestic (Bermuda)	$ —	$ —
Current tax benefit – Foreign (U.S. and others)	(146)	(478)
Total current tax benefit	(146)	(478)
Deferred tax expense – Domestic (Bermuda)	—	—
Deferred tax expense (benefit) – Foreign (U.S. and others)	342	(79)
Total deferred tax expense (benefit)	342	(79)
Total income tax expense (benefit)	$ 196	$ (557)

(In thousands of U.S. dollars, except share and per share data)

13. Income Taxes (continued)

The following table is a reconciliation of the actual income tax rate for the years ended December 31, 2023 and 2022 to the amount computed by applying the effective tax rate of 0.0% under Bermuda law to the Company's loss before income taxes:

For the Year Ended December 31,	2023	2022
Loss before income taxes	$ (38,373)	$ (60,598)
Less: income tax expense (benefit)	196	(557)
Net loss	$ (38,569)	$ (60,041)
Reconciliation of effective tax rate (% of income before income taxes)		
Bermuda tax rate	— %	— %
U.S. taxes at statutory rates	(2.0)%	36.5 %
Valuation allowance in respect of U.S. taxes	2.0 %	(36.5)%
Other jurisdictions	(0.5)%	0.9 %
Actual tax rate	(0.5)%	0.9 %

Deferred income taxes reflect the tax impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The significant components of the Company's deferred tax assets and liabilities at December 31, 2023 and 2022 were as follows:

December 31,	2023	2022
Deferred tax assets:		
Net operating losses	$ 70,858	$ 58,939
Unearned premiums	1,929	2,813
Capital loss carry-forward	2,909	3,036
Net unrealized losses on investments	17,223	23,276
Discounting of net loss and LAE reserves	14,542	22,964
Deferred gain on retroactive reinsurance	14,892	11,032
Others	2,373	1,175
Deferred tax assets before valuation allowance	124,726	123,235
Valuation allowance	119,742	116,237
Deferred tax assets, net	4,984	6,998
Deferred tax liabilities:		
Deferred commission and other acquisition expenses	4,195	5,767
Others	—	56
Deferred tax liabilities	4,195	5,823
Net deferred tax asset	$ 789	$ 1,175

The net deferred tax asset at December 31, 2023 was $789 (2022 - $1,175). A valuation allowance has been established against the net U.S. and International deferred tax assets which is primarily attributable to net operating losses and capital losses in the respective regions. At this time, the Company believes it is necessary to establish a valuation allowance against the U.S. and International net deferred tax assets as more evidence is needed regarding the utilization of these losses. During 2023, the Company recorded an increase in the valuation allowance of $3,505 (2022 - increase of $26,160).

At December 31, 2023, the Company has available net operating loss carry-forwards of $337,420 (2022 - $280,664) for income tax purposes. Approximately $186,203 (2022 - $179,549) of the net operating loss carryforwards expire in various years beginning in 2029. As of December 31, 2023, approximately $151,217 or 44.8% of the Company's NOL carryforwards have no expiry date under the relevant U.S. tax law. At December 31, 2023, the Company also has a capital loss carry-forward of $13,853 (2022 - $14,458) which will expire in beginning in 2024.

(In thousands of U.S. dollars, except share and per share data)

14. Share Compensation and Pension Plans

The Company's Amended and Restated 2007 Share Incentive Plan ("2007 Plan") provided for grants of options, restricted shares and restricted share units. New shares were issued upon exercise of options and vesting of restricted shares and share units. The total number of common shares currently reserved for issuance under the Plan was 10,000,000. The 2007 Plan was administered by the Compensation Committee of the Board of Directors (the "Compensation Committee").

2019 Omnibus Incentive Plan

During the 2019 Annual General Meeting of Shareholders of the Company held on December 10, 2019, the 2007 Plan was terminated, assumed by and replaced with the 2019 Omnibus Incentive Plan ("2019 Omnibus Plan"). The Company filed the Form S-8 *"Securities offered to employees pursuant to employee benefit plans"* with the SEC on January 20, 2020, which covers the offer and resale of up to 11,289,956 of the Company's common shares. Such shares may be offered and sold from time to time by certain officers and directors of the Company who have acquired or will acquire shares pursuant to the 2019 Omnibus Plan. The 2019 Omnibus Plan is administered by the Compensation Committee.

Share Options

Exercise prices of options are established at or above the fair market value of the Company's common shares at the date of grant. Under the 2019 Omnibus Plan, unless otherwise determined by the Committee and provided in an award agreement, 25% of the options will become exercisable on the first anniversary of the grant date, with an additional 6.25% of the options vesting each quarter thereafter based on the grantee's continued employment over a four-year period, and will expire ten years after grant date.

The fair value of each option grant is separately estimated for each vesting date. The fair value of each option is amortized into compensation expense on a straight-line basis between the grant date for the award and each vesting date. The Company has estimated the fair value of all share option awards on the date of the grant by applying the Black-Scholes-Merton multiple-option pricing valuation model. The application of this valuation model involves assumptions that are judgmental and highly sensitive in the determination of compensation expense.

This table shows all share option activity under the 2019 Omnibus Plan for the years ended December 31, 2023 and 2022:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value	Range of Option Exercise Prices (Low to High)	
Outstanding, December 31, 2021	215,000	$ 8.91	4.28 years	$ 13	$1.31	$13.98
Exercised	(7,500)	1.31		7		
Expired	(57,250)	7.20				
Forfeited	(6,250)	7.20				
Outstanding, December 31, 2022	144,000	9.72	3.40 years	—	3.24	13.98
Expired	(22,500)	10.48				
Outstanding, December 31, 2023	121,500	9.58	2.97 years	—	3.24	13.98
Total exercisable, December 31, 2023	121,500	9.58	2.97 years	—	3.24	13.98

The weighted average grant date fair value is $2.22 (2022 - $2.29) for all options outstanding at December 31, 2023. There was $0 (2022 - $0) of total unrecognized compensation cost related to non-vested options outstanding at December 31, 2023. There were zero share options exercised during the year ended December 31, 2023 (2022 - 7,500).

Restricted Shares

The fair value of each restricted share is determined based on the market value of the Company's common shares on the date of grant. The total estimated fair value is amortized as an expense on a straight-line basis over the requisite service period as determined by the Committee, which varies between zero to two years for employees and one year for directors.

Non-Performance-Based ("NPB") Restricted Shares

On or around June 1 each year, the Company grants $65 worth of compensation to each non-employee director in the form of either restricted shares, share options or cash. If non-cash compensation is granted to the non-employee directors, this will vest on the first anniversary of the grant date.

For the year ended December 31, 2023, the Company issued a total of 804,099 (2022 - 382,436) restricted shares to non-employee directors as well as employees for compensation related to their services. The restricted shares for non-employee directors were issued on June 1, 2023 pursuant to the 2019 Omnibus Plan and vest in full on June 1, 2024. The restricted shares issued to other employees will vest after two years of service. The total fair value of NPB Restricted Shares that vested during the year ended December 31, 2023 was $797 (2022 - $455).

(In thousands of U.S. dollars, except share and per share data)

14. Share Compensation and Pension Plans (continued)

Discretionary Performance-Based ("PB") Restricted Shares

During the year ended December 31, 2023, a total of 225,490 (2022 - 724,702) restricted shares were granted to senior management pursuant to the 2019 Omnibus Plan, of which 225,490 (2022 - 724,702) restricted shares vested immediately. The total fair value of PB Restricted Shares that vested during the year ended December 31, 2023 was $519 (2022 - $2,148).

The following table shows the summary of activity for the Company's restricted share awards:

	Non-Performance-Based Restricted Shares		Discretionary Performance-Based Restricted Shares	
	Number of Restricted Shares	Weighted Average Grant-Date Fair Value	Number of Restricted Shares	Weighted Average Grant-Date Fair Value
Non-vested at December 31, 2021	249,332	$ 3.35	238,094	$ 1.26
Awards granted	382,436	2.51	724,702	2.55
Awards vested	(137,677)	3.30	(962,796)	2.23
Awards forfeited	(1,628)	3.07	—	—
Non-vested at December 31, 2022	492,463	2.71	—	—
Awards granted	804,099	2.25	225,490	2.30
Awards vested	(282,785)	2.82	(225,490)	2.30
Awards forfeited	(38,750)	2.49	—	—
Non-vested at December 31, 2023	975,027	2.31	—	—

Total unrecognized compensation cost of $1,071 related to restricted shares at December 31, 2023, which will be recognized during the next 1.07 years. Total share-based expense for the year ended December 31, 2023 was $1,725 (2022 - $2,740).

The table above excludes 1,050,980 restricted shares granted as follows: (i) 450,980 restricted shares granted on March 15, 2022 that may be earned by certain executives of the Company starting at the conclusion of fiscal 2023 upon the achievement of certain financial metrics as established in the Company's year-end audited consolidated financial statements, which metrics must be achieved by the end of fiscal 2028, in the sole discretion of the Compensation Committee, (ii) 300,000 restricted shares granted on March 17, 2023, that may be earned by certain executives of the Company starting at the conclusion of fiscal 2023 upon the achievement of certain financial metrics as established in the Company's year-end audited consolidated financial statements, which metrics must be achieved by the end of fiscal 2029,in the sole discretion of the Compensation Committee; and (iii) 300,000 restricted shares granted on March 17, 2023, that may be earned by certain executives of the Company starting at the conclusion of fiscal 2024 upon the achievement of certain financial metrics as established in the Company's year-end audited consolidated financial statements, which metrics must be achieved by the end of fiscal 2029, in the sole discretion of the Compensation Committee. During the year ended December 31, 2023, the Company did not recognize any compensation expense related to these awards as none of the financial metrics were met.

Pension Plans

The Company provides pension benefits to eligible employees principally through its sponsorship of various defined contribution plans which vary by subsidiary. The Company's total expenses for its defined contribution pension plans for the year ended December 31, 2023 was $795 (2022 - $707).

(In thousands of U.S. dollars, except share and per share data)

15. Statutory Requirements and Dividend Restrictions

Our insurance and reinsurance operations are subject to insurance and/or reinsurance laws and regulations in the jurisdictions in which they operate. These regulations include certain liquidity and solvency requirements whereby restrictions are imposed on the amount of dividends or other distributions, such as loans or cash advances, available to shareholders without prior approval of the insurance regulatory authorities. The statutory capital and surplus and statutory net income (loss) of our principal operating subsidiaries in their respective jurisdictions were as follows:

	Maiden Reinsurance (a)	Maiden LF (b)	Maiden GF (b)
Statutory Capital and Surplus			
December 31, 2023	$ 886,264	$ 7,795	$ 8,482
December 31, 2022	898,137	7,807	8,471
Statutory Net Income (Loss)			
For the Year Ended December 31, 2023	$ 25,816	$ (658)	$ (1,246)
For the Year Ended December 31, 2022	(88,240)	(507)	(289)

a) United States of America

Under Vermont statutory regulations, no captive insurance company may pay a dividend out of, or other distribution with respect to, capital or surplus without the prior approval of the Commissioner of the Vermont DFR (the "Commissioner"). Approval of an ongoing plan for the payment of dividends or other distributions shall be conditioned upon the retention, at the time of each payment, of capital or surplus in excess of amounts specified by, or determined in accordance with formulas approved by, the Commissioner. Notwithstanding the provisions of 11B Vermont Statutes Annotated chapter 13, a captive insurance company may make such distributions as are in conformity with its purposes and approved by the Commissioner.

On May 13, 2022, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA with notification to the Vermont DFR as dividends are paid quarterly. Pursuant to this approval, three quarterly dividend payments of $6,250 were made in 2022 and the final quarterly dividend payment paid by Maiden Reinsurance to Maiden NA occurred on February 28, 2023. On May 22, 2023, the Vermont DFR approved a new annual dividend program to be paid by Maiden Reinsurance to Maiden NA with notification to the Vermont DFR as dividends are paid quarterly. Pursuant to this approval, dividend payments made by Maiden Reinsurance under this approval included $6,250 paid to Maiden NA on May 31, 2023, August 31, 2023 and November 30, 2023. Under the respective approved dividend programs, Maiden Reinsurance paid total dividends of $25,000 to Maiden NA during the year ended December 31, 2023 (2022 - $18,750).

Maiden Reinsurance is also required to maintain minimum levels of solvency and liquidity as determined by Vermont law, and to comply with Risk-Based Capital ("RBC") requirements and licensing rules as specified by the National Association of Insurance Commissioners ("NAIC"). RBC is used to evaluate the adequacy of capital and surplus maintained by Maiden Reinsurance in relation to risks associated with: (i) asset risk; (ii) insurance risk; (iii) interest rate risk and (iv) business risk. At December 31, 2023, Maiden Reinsurance's statutory capital and surplus exceeded the amount required to be maintained of $97,567 as of that date.

On April 14, 2020, the Vermont DFR granted Maiden Reinsurance a permitted practice to include as an admitted asset the loan receivable from Maiden Holdings. If the loan was to be a non-admitted asset, the statutory surplus at December 31, 2023 would be decreased by $252,879 with no impact on the 2023 statutory basis statements of income and changes in capital and surplus. If the loan was to be a non-admitted asset, the statutory surplus at December 31, 2022 would be decreased by $252,879 with no impact on the 2022 statutory basis statements of income and changes in capital and surplus. Maiden Reinsurance’s ratio of risk-based capital to total adjusted capital would not change materially if this asset was non-admitted on a statutory basis.

b) Sweden

The Company has two Swedish domiciled insurance subsidiaries in Sweden, Maiden LF and Maiden GF, both regulated by the Swedish Finansinspektionen ("Swedish FSA"). Maiden LF was required to maintain a minimum level of statutory capital and surplus of $4,518 at December 31, 2023 (2022 - $4,355). This requirement was met by Maiden LF throughout the respective years. Maiden LF's statutory assets were $14,787 at December 31, 2023 (2022 - $16,254) and its statutory capital and surplus was $7,795 at December 31, 2023 (2022 - $7,807). Maiden LF is subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden LF to Maiden Holdings. Maiden LF is not allowed to pay dividends or distributions without the permission of the Swedish FSA. No dividends were paid during the years ended December 31, 2023 and 2022.

Maiden GF was required to maintain a minimum level of statutory capital and surplus of $5,001 at December 31, 2023 (2022 - $5,616). This requirement was met by Maiden GF throughout the respective years. Maiden GF's statutory assets were $14,592 at December 31, 2023 (2022 - $13,500) and its statutory capital and surplus was $8,482 at December 31, 2023 (2022 - $8,471). Maiden GF is subject to statutory and regulatory restrictions under the Swedish FSA that limit the maximum amount of annual dividends or distributions paid by Maiden GF to Maiden Holdings. Maiden GF is not allowed to pay dividends or distributions without the permission of the Swedish FSA. No dividends were paid during the years ended December 31, 2023 and 2022.

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	Note	Jurisdiction
Maiden Holdings, Ltd.	(1)	
Maiden Holdings North America, Ltd.		Delaware
Maiden Global Servicing Company, LLC	(2)	Delaware
Maiden Reinsurance Ltd.	(3)	Vermont
Genesis Legacy Solutions, LLC ("GLS")	(4)	Delaware
GLS Services Company ("GLS Services")	(5)	Delaware
Genesis Legacy Insurance Company (Vermont) Limited	(6)	Vermont
Cypress – Genesis Incorporated Cell Company	(7)	Vermont
AMS – Genesis Incorporated Cell Company	(8)	Vermont
MFB – Genesis Incorporated Cell Company	(9)	Vermont
CPA Insurance Inc.	(10)	Vermont
NEKO 2018 A, LLC	(11)	Texas
NEKO 2018 D, LLC	(11)	Texas
NEKO 2018 E, LLC	(11)	Texas
94 Pembroke GP Corp.	(11)	British Columbia
94 Pembroke LP Corp.	(11)	British Columbia
Maiden Life Försäkrings AB		Sweden
Maiden General Försäkrings AB		Sweden
Regulatory Capital Limited		Ireland
Maiden Global Holdings Ltd.		England & Wales

(1) All subsidiaries are 100% wholly owned by Maiden Holdings, Ltd. unless otherwise noted.
(2) 100% wholly owned subsidiary of Maiden Holdings North America, Ltd.
(3) Effective March 16, 2020, Maiden Reinsurance Ltd. is domiciled in Vermont, United States and became 100% wholly owned subsidiary of Maiden Holdings North America, Ltd.
(4) GLS was acquired by Maiden Reinsurance Ltd. on November 24, 2020.
(5) 100% wholly owned subsidiary of GLS.
(6) 100% wholly owned subsidiary of GLS Services incorporated on July 19, 2021
(7) 100% wholly owned subsidiary of GLS Services incorporated on July 21, 2021.
(8) 100% wholly owned subsidiary of GLS Services incorporated on December 29, 2021.
(9) 100% wholly owned subsidiary of GLS Services incorporated on March 22, 2022.
(10) 100% wholly owned subsidiary of GLS acquired on December 30, 2022.
(11) 100% wholly owned subsidiary of Maiden Reinsurance Ltd.

Exhibit 22.1

List of each of the parent company's subsidiaries that is a guarantor, issuer, or co-issuer of guaranteed securities registered or being registered that the parent company issues, co-issues, or guarantees.

Subsidiary	Note	Jurisdiction
Maiden Holdings, Ltd.	(1)	
Maiden Holdings North America, Ltd.	(2)	Delaware

1. Maiden Holdings' 100% wholly owned subsidiary, Maiden Holdings North America, Ltd. has outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes").

2. The 2013 Senior Notes issued by Maiden Holdings North America, Ltd. are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and insubordinate obligations of Maiden Holdings.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-235948) pertaining to Maiden Holdings, Ltd. 2019 Omnibus Incentive Plan of our reports dated March 12, 2024, with respect to the consolidated financial statements of Maiden Holdings, Ltd. and the effectiveness of internal control over financial reporting of Maiden Holdings, Ltd. included in this Annual Report (Form 10-K) for the year ended December 31, 2023.

/s/ Ernst & Young LLP

New York, NY

March 12, 2024

EXHIBIT 31.1

CERTIFICATION

I, Patrick J. Haveron, certify that:

1. I have reviewed this annual report on Form 10-K of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 12, 2024

/s/ Patrick J. Haveron

Patrick J. Haveron
Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Mark O. Heintzman, certify that:

1. I have reviewed this annual report on Form 10-K of Maiden Holdings, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 12, 2024

/s/ Mark O. Heintzman

Mark O. Heintzman
Senior Vice President - Finance (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 12, 2024	By:	/s/ Patrick J. Haveron
		Patrick J. Haveron Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

Exhibit 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 12, 2024	By:	/s/ Mark O. Heintzman
		Mark O. Heintzman Senior Vice President - Finance (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

EXHIBIT 97.1

MAIDEN HOLDINGS, LTD.
POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION

Introduction

The Board of Directors (the "Board") of Maiden Holdings, Ltd. (the "Company") has adopted this Policy on Recoupment of Incentive Compensation (this "Policy"), which provides for the recoupment of compensation in certain circumstances in the event of a restatement of financial results by the Company. This Policy shall be interpreted to comply with the requirements of U.S. Securities and Exchange Commission ("SEC") rules and Nasdaq Stock Market ("Nasdaq") listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and, to the extent this Policy is in any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

Administration

This Policy shall be administered by the Compensation Committee. Any determinations made by the Compensation Committee shall be final and binding on all affected individuals. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in all cases consistent with the Dodd-Frank Act. The Board or Compensation Committee may amend this Policy from time to time in its discretion.

Covered Executives

This Policy applies to any current or former "executive officer," within the meaning of Rule 10D-1 under the Securities Exchange Act of 1934, as amended, of the Company or a subsidiary of the Company (each such individual, an "Executive"). This Policy shall be binding and enforceable against all Executives and their beneficiaries, executors, administrators, and other legal representatives.

Recoupment Upon Financial Restatement

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "Financial Restatement"), the Compensation Committee shall cause the Company to recoup from each Executive, as promptly as reasonably possible, any erroneously awarded Incentive-Based Compensation, as defined below.

No-Fault Recovery

Recoupment under this Policy shall be required regardless of whether the Executive or any other person was at fault or responsible for accounting errors that contributed to the need for the Financial Restatement or engaged in any misconduct.

Compensation Subject to Recovery: Enforcement

This Policy applies to all compensation granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measures, whether or not presented within the Company's financial statements or included in a filing with the SEC, including stock price and total shareholder return ("TSR"), including but not limited to performance-based cash, stock, options or other equity-based awards paid or granted to the Executive ("Incentive-Based Compensation"). Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board or Compensation Committee and not based on the attainment of any financial measure, is not subject to this Policy.

In the event of a Financial Restatement, the amount to be recovered will be the excess of (i) the Incentive-Based Compensation received by the Executive during the Recovery Period (as defined below) based on the erroneous data and calculated without regard to any taxes paid or withheld, over (ii) the Incentive-Based Compensation that would have been received by the Executive had it been calculated based on the restated financial information, as determined by the Compensation Committee. For purposes of this Policy, "Recovery Period" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare the Financial Restatement, as determined in accordance with the last sentence of this paragraph, or any transition period that results from a change in the Company's fiscal year (as set forth in Section 5608(b)(i)(D) of the Nasdaq Listing Rules). The date on which the Company is required to prepare a Financial Restatement is the earlier to occur of (A) the date the Board or a Board committee (or authorized officers of the Company if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare a Financial Restatement.

For Incentive-Based Compensation based on stock price or TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the Compensation Committee shall determine the amount to be recovered based on a reasonable estimate of the effect of the Financial Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received and the Company shall document the determination of that estimate and provide it to Nasdaq.

Incentive-Based Compensation is considered to have been received by an Executive in the fiscal year during which the applicable financial reporting measure was attained or purportedly attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

The Company may use any legal or equitable remedies that are available to the Company to recoup any erroneously awarded Incentive-Based Compensation, including but not limited to by collecting from the Executive cash payments or shares of Company common stock from or by forfeiting any amounts that the Company owes to the Executive. Executives shall be solely responsible for any tax consequences to them that result from the recoupment or recovery of any amount pursuant to this Policy, and the Company shall have no obligation to administer the Policy in a manner that avoids or minimizes any such tax consequences.

No Indemnification

The Company shall not indemnify any Executive or pay or reimburse the premium for any insurance policy to cover any losses incurred by such Executive under this Policy or any claims relating to the Company's enforcement of rights under this Policy.

Exceptions

The compensation recouped under this Policy shall not include Incentive-Based Compensation received by an Executive (i) prior to beginning service as an Executive or (ii) if he or she did not serve as an Executive at any time during the performance period applicable to the Incentive-Based Compensation in question. The Compensation Committee (or a majority of independent directors serving on the Board) may determine not to seek recovery from an Executive in whole or part to the extent it determines in its sole discretion that such recovery would be impracticable because (A) the direct expense paid to a third party to assist in enforcing recovery would exceed the recoverable amount (after having made a reasonable attempt to recover the erroneously awarded Incentive-Based Compensation and providing corresponding documentation of such attempt to Nasdaq), (B) recovery would violate the home country law that was adopted prior to November 28, 2022, as determined by an opinion of counsel licensed in the applicable jurisdiction that is acceptable to and provided to Nasdaq, or (C) recovery would likely cause the Company's 401(k) plan or any other tax-qualified retirement plan to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Other Remedies Not Precluded

The exercise by the Compensation Committee of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Company, the Board or the Compensation Committee may have with respect to any Executive subject to this Policy, whether arising under applicable law (including pursuant to Section 304 of the Sarbanes-Oxley Act of 2002), regulation or pursuant to the terms of any other policy of the Company, employment agreement, equity award, cash incentive award or other agreement applicable to an Executive. Notwithstanding the foregoing, there shall be no duplication of recovery of the same Incentive-Based Compensation under this Policy and any other such rights or remedies.

Acknowledgment

To the extent required by the Compensation Committee, each Executive shall be required to sign and return to the Company the acknowledgement form attached hereto as Exhibit A pursuant to which such Executive will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Executive shall be fully bound by, and must comply with, the Policy, whether or not such Executive has executed and returned such acknowledgment form to the Company.

Effective Date and Applicability

This Policy has been adopted by the Board on November 2, 2023, and shall apply to any Incentive-Based Compensation that is received by an Executive on or after October 2, 2023.

MAIDEN HOLDINGS, LTD.
DODD-FRANK COMPENSATION CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "***Acknowledgement Form***") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges, confirms and agrees that the undersigned: (i) has received and reviewed a copy of the Policy; (ii) is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company; and (iii) will abide by the terms of the Policy, including, without limitation, by reasonably promptly returning any Recoverable Compensation to the Company as required by the Policy, as determined by the Compensation Committee in its sole discretion.

Sign: ______________________________
Name:

Date: ______________________________