NEWLINE INSURANCE COMPANY LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2020

NEWLINE GROUP

NEWLINE INSURANCE COMPANY LIMITED

CONTENTS

COMPANY INFORMATION
AT 31 DECEMBER 2020

Incorporated in England

Number 4409827

DIRECTORS	R F Beaver	(appointed 23rd March 2020)
	W E Beveridge	(appointed 27th April 2020)
	A R Carey	(appointed 23rd March 2020)
	J Christiansen	
	N D Duncan	
	S Kapur	
	R B Kastner	
	C A Overy	
	M Scales	
	M G Wacek	
	H J L Withinshaw	
SECRETARY	H J L Withinshaw	
REGISTERED OFFICE	Corn Exchange 55 Mark Lane London EC3R 7NE	
BANKERS	Citibank Citigroup Centre Canada Square Canary Wharf London E14 5LB	
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT	

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their strategic report on the Company for the year ended 31 December 2020.

REVIEW OF THE BUSINESS

Newline Insurance Company Limited ("NICL" and/or "the Company")) is a UK insurance company that operates under the Newline Group brand. NICL is a wholly owned subsidiary of Newline Holdings UK Limited ("NHUKL"), which is a wholly owned subsidiary of Odyssey Reinsurance Company ("ORC"), part of the Odyssey Group ("Group").

The principal activity of the Company is the underwriting of casualty and property (re)insurance business in the UK. On 31st January 2020 the Company ceased writing EU business which is now underwritten by its German subsidiary Newline Europe Versicherung AG ("NEVAG"). The Company continues to focus on its core activities of writing casualty and property (re)insurance business.

The casualty (re)insurance cover provided by the Company includes the following lines of business:-

Clinical Trials
This line of business protects pharmaceutical and biotech manufacturers and developers as well as clinical research organisations in respect of claims made by research subjects who participated in clinical trials and assert they sustained bodily injury by exposure to the products being tested in the clinical trial.

Crime
This line of business protects financial institutions and other organisations against losses that are discovered during the policy period arising from a variety of dishonest, fraudulent or criminal acts committed by either employees or third parties and includes coverage for robbery, hold-ups, forged documents or computer crime.

Directors' and Officers' (D&O) Liability
This line of business protects directors and officers of commercial entities, financial institutions and other organisations against claims that are made during the policy period alleging mismanagement and seeking to hold the directors and officers liable.

Errors and Omissions (E&O)
This line of business protects professional service firms, commercial entities and other financial institutions against claims made during the policy period by third parties alleging negligence and seeking to hold the company liable.

General Liability
This line of business protects companies against claims made by employees or third parties for losses, that occur during the policy period, arising from employee injuries at work or activities of the company that cause damage to third parties.

Life Sciences
This line of business protects manufacturers, developers and distributors of a wide range of pharmaceutical, nutraceutical, biotech, medical, health and wellbeing related products against claims made by third parties for bodily injury and property damage by use of or exposure to the products manufactured, developed and distributed by these insureds.

Medical Malpractice
This line of business protects hospitals and groups of individual physicians against claims made during the policy period by third parties alleging negligence and seeking to hold the hospitals and groups of individual physicians liable.

The property (re)insurance cover provided by the Company includes the following lines of business:

Affinity and Special Risks
This line of business provides motor-related warranty (extended warranty, GAP, and collision waiver), non-motor warranty (brown, white and yellow goods, mobile phones, etc.) and value-driven add-ons (e.g., excess waiver).

Cargo and Specie
This line of business provides physical damage coverage for all types of goods during transit, store, exhibition, consolidation, clearing, distribution, restoration and whilst at manufacturing centres.

STRATEGIC REPORT
(CONTINUED)

Results and performance
The result for the calendar year is a loss before tax of £1.1m (2019: loss £1.4m). The shareholder's funds for the Company have increased by £18.8m during the year and total £60.6m (2019: £41.8m). During the year, the Company increased its share capital through the issue of 20.0m ordinary shares at par. NHUKL took up the additional shares for consideration of £20.0m.

Gross written premiums for the year were £70.2m (2019: £59.3m), in converted sterling terms; casualty business accounting for £46.5m (2019: £33.5m) of this premium. NICL is party to a 70% quota share inwards reinsurance contract with its German subsidiary NEVAG. In 2020, NEVAG ceded £13.6m (2019: £2.1m) of premiums to NICL.

Net premiums written are £65.3m for the year ended 31 December 2020 (2019: £53.3m).

The combined ratio for 2020 is 99.5% (2019: 99.9%), resulting in an underwriting profit, excluding investment return and other technical income and charges, of £336k (2019: profit £20k). From 2006 (direct business) and 2017 (indirect business) to 31 December 2017, NICL was party to two 80% quota share reinsurance agreements with ORC. These were cancelled on a cut-off basis.

Investment return for the year was a loss of £3.2m (2019: profit £2.9m) largely driven by losses on our equity portfolio. To mitigate market risk arising from the funds withheld by the Company in respect of the 80% quota share with ORC, all interest and dividend income and investment gains or losses in this portfolio, together with any fees charged by the Company's investment manager or by the financial institutions providing custodial services in respect of this portfolio, are credited or charged against this funds withheld balance in accordance with the agreement. As a result, £3.3m has been credited to the technical account, and charged to the funds withheld balance. In 2019 £2.5m was charged to the technical account, and credited to the funds withheld balance.

Non-technical charge of £34k represent net foreign exchange losses. £777k of the foreign exchange losses of £811k are attributable to the funds withheld financial assets, and the funds withheld balance has been credited to the non-technical account and charged to the funds withheld balance, in accordance with the amended ORC quota share agreement for direct insurance. In 2019, non-technical charges of £0.6m represent net foreign exchange losses. Of these foreign exchange losses, £0.3m of net foreign exchange gains attributable to the funds withheld financial assets and the funds withheld balance has been charged to the non-technical account and credited to the funds withheld balance.

During the year, the Company has made a provision of £1.4m (2019: £1.2m) for an impairment to the investment in its subsidiary (Newline Europe Holdings GmbH), following a decrease in its recoverable amount.

Notwithstanding the cancellation of the 80% quota share reinsurance agreements, with effect from 1st January 2018, ORC has entered into an agreement with NICL to provide financial support to the Company should NICL's own funds over its Solvency Capital Requirement ("SCR") fall below a ratio of 115%. The prospective SCR for 2021 is £42.1m. This agreement shall remain in effect until terminated by 365 days prior written notice by ORC or the Company.

Business environment
Competition between insurance entities can be based on a number of factors, inter alia product, price, service, coverage, financial strength, distribution channels, enhanced commissions and reputation. In 2020, the insurance market has experienced some rate hardening and the withdrawal of market capacity from certain business lines. Our competitors include independent insurance companies, subsidiaries or affiliates of established worldwide insurance companies and MGAs, and syndicates underwriting at Lloyd's. Some of these competitors have longer operating histories and larger capital bases than ours and, in addition, greater underwriting, marketing, and administrative resources.

For the Company, as a whole, the rating environment has experienced improvements in 2020. We are witnessing a shortage of capacity in some areas of the market at present which is enabling us to increase rates, and expect this to continue into 2021 across a number of classes.

STRATEGIC REPORT
(CONTINUED)

Business environment (continued)
Casualty market participants continue to compete aggressively for business and we expect the rating environment to remain highly competitive, given the uncertainty of the global economy, and the changing political landscape. We anticipate rates improving in 2021, but in pockets varying by territory and line of business, with modest gross premium growth.

Strategy
The Company views the development of excellent producer relationships as the key to providing commercial advantage in challenging market conditions.

Price is a primary means of competition in the insurance business. We continue to emphasise disciplined underwriting over premium growth, focusing on carefully selecting the risks we insure and determining the appropriate price for assuming such risks. We are committed to maintaining our discipline and underwriting standards; as a consequence, premium volumes within our product lines and in overall terms will vary in line with prevailing market conditions.

Key factors that enable us to select price and manage our business are experience, strict underwriting discipline, analytical tools, and access to real time data. We have invested considerable time and effort in developing our systematic approach to underwriting and placing an appropriate control environment around it. To ensure that underwriting objectives are properly understood, we have implemented strict review and referral processes, sophisticated and flexible rate engines, rate level monitoring, reporting, and enlisted the assistance of actuarial and claims personnel.

Key performance indicators (KPI's) and metrics

The Board monitors the progress of the Company by reference to the following KPI's and metrics:

	2020	2019	
Gross Premiums Written	£70.2m	£59.3m	Gross Premiums Written, including acquisition costs, in respect of insurance contracts
Net Premiums Written	£65.3m	£53.3m	Gross Premiums Written less outward reinsurance in respect of insurance contracts
Technical result	£0.4m	£0.4m	Balance on technical account for general business
Net loss ratio	69.4%	67.2%	Ratio of net claims incurred to net earned premiums
Combined ratio	99.5%	99.9%	Ratio of net claims, commissions and net operating expenses to net earned premiums

PRINCIPAL RISKS AND UNCERTAINTIES
The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. All key risks identified have been fully documented and assessed. The control environment operating around these key risks is regularly reviewed to ensure that controls are operating effectively. The main risks and uncertainties to our business arise from exposure to insurance risk and financial risk. These risks are considered and discussed at length in the section of this report and accounts dealing with financial risk and insurance risk management. In addition, the Company is exposed to the following risk:

Operational risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events other than those covered above. The Company has a detailed risk register and procedures for continuously monitoring the impact of such risks and the effectiveness of the controls in place to mitigate them in accordance with the agreed risk appetite.

STRATEGIC REPORT
(CONTINUED)

Financial instruments
Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 16 to the annual accounts. In particular, the Company's exposures to market risk, credit risk and liquidity risk are separately disclosed in that note. The Company's exposure to cash flow risk is addressed under the headings of 'Credit risk', 'Liquidity risk' and 'Market risk'.

Novel Coronavirus (COVID-19) pandemic
The impact of Novel Coronavirus (COVID-19) pandemic is discussed in the Directors' report.

FUTURE DEVELOPMENTS
Our client focus remains the mid-market and corporate sector in the UK and Continental Europe.

To continue to service Continental Europe, the Company opened a branch office in Cologne, Germany, which began underwriting Financial Lines and General Liability in early 2017, and in 2018, established a German insurance company based in Cologne via the incorporation of a European holding company, which is the parent company of this European insurance company. Regulatory approval from the German regulator, Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") to operate as an insurance company was received on 21st March 2019, and the company was officially registered on the German commercial register as Newline Europe Versicherung AG ("NEVAG") on 26th March 2019. NEVAG commenced underwriting activities in April 2019, and ceded 70% of net business written through a 70% whole account quota share to NICL. The branch office ceased writing business during 2019, and has subsequently closed.

The Company will continue to seek to take advantage, through its expertise, of opportunities arising in its selected markets and chosen fields as and when they develop.

SOLVENCY II
The Company is using the Standard Formula to determine its Solvency Capital Requirement, as we consider it the most appropriate approach.

SECTION 172 OF THE UK'S COMPANIES ACT 2006
In summary, as required by Section 172 of the UK's Companies Act 2006, a director of a company must act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to:

a) the likely consequences of any decisions in the long term;
b) the interests of the company's employees;
c) the need to foster the company's business relationships with suppliers, customers and others;
d) the impact of the company's operations on the community and environment;
e) the company's reputation for high standards of business conduct; and
f) need to act fairly as between members of the company.

The Board's approach to Section 172 and decision making
The role of the Board is to oversee the governance and management of the Company and to set the strategy of the business. The Board of NICL is comprised of six Executive Directors, three Non-Executive Directors and two Independent Non-Executive Directors.

STRATEGIC REPORT
(CONTINUED)

Their duties are carried out in accordance with the relevant Companies' legislation and relevant regulatory requirements and they act within their powers to promote success for the business and to exercise independent judgment and reasonable care, skill and diligence, avoid conflicts of interest, not accept benefits from third parties and to declare any interest in proposed transactions or arrangements. The Board is also responsible for ensuring that effective governance frameworks are in place and are supported by the appropriate resources, documentation, systems and controls, including, but not limited to, underwriting, claims, reinsurance, risk management, and finance.

The Board has delegated certain responsibilities to its Board committees, and day-to-day management and decision making to executive directors, whilst retaining oversight. It retains oversight by receiving regular formal updates from the Group Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Chief Underwriting Officer ("CUO"), Chief Finance Officer ("CFO"), Chief Actuary and Risk Officer, Head of Claims, and Head of Compliance. The Board met formally five times in 2020.

Overview of how the Board performed its duties
The Board is responsible for a number of strategic decisions including annually approving the business plan and strategy of the Company. In making decisions concerning the business plan and strategy, the Board has regard to a number of stakeholders, the consequence of its decisions in the long term, and of its reputation. Long-term value is generated through profitability of the Company, maintenance of capital, and reputation of the Company with external stakeholders.

In discharging its duties over the strategic investment in a German subsidiary, the Board considers the need to continue an EU presence as fundamental to the importance of NICL to the Newline Group, EU customers and intermediaries of NICL, the local regulatory implications of a German insurance company, and the level of involvement of UK and German based employees.

Capital considerations have also been taken in the year, with the Board assessing the capital needs of NICL, and that of the German subsidiary, ensuring that capital held meets the requirements of local regulators, and balancing the needs of the parent on the efficient use of capital. The Board has assessed these needs, and employed sufficient capital.

Employee engagement
All UK employees are employed by Newline Underwriting Management Limited ("NUML"), a fellow subsidiary, which recharges NICL for their services.

Being a relatively small company, there is a high level of visibility of the executive directors by employees, and vice versa. Given that employees are fundamental to the success of the Company and are critical to the implementation of the strategy as set out by the Board, there is significant engagement between executive directors and employees. Despite the impact of government restrictions on movement, and access to an office environment, executive directors have maintained regular engagement with employees, and there are quarterly formal results presentations to all employees by members of the Board, outlining factors around the quarterly financial results of the Company and the wider Newline and Odyssey group, and any strategic initiatives currently taking place.

We are committed to protecting the health and wellbeing of our employees, and have made significant efforts in this area over recent years. With a family friendly policy offering enhanced maternity and paternity benefits, subsidised gym memberships, and a number of planned employee wide social events throughout the year (reduced as a result of COVID-19 restrictions), the Company aims to promote the physical and mental health of our employees. This was enhanced in 2020 with the establishment of a Wellbeing Committee, and, in light of the impact of COVID-19 on remote working for employees, we believe this to have had a positive impact.

STRATEGIC REPORT
(CONTINUED)

Stakeholder engagement

Clients and Intermediaries

The reputation of Newline is fundamental to the long term success, and continued support of its client and intermediary base. The Newline Group employs highly specialised and dedicated claims managers to look after our insured's interest. Given the diverse nature of the policies we issue, and the exposures we cover, Newline ensures that a professional claims manager, who is knowledgeable in both the class of insurance bought and the industry, handles the claim. In addition to internally experienced staff, we employ specialist external advisors when necessary.

When handling a covered casualty claim, our claims adjusters have two overriding objectives:

- Protecting the policy holder interests; and
- Driving the claim to the fairest possible outcome.

Claims managers and handlers follow written policies and procedures, have continual training and are offered support in gaining professional qualifications in order to maintain our high standards.

The Board has delegated responsibility of the overseeing and management of potentially high value claims (in excess of £250,000) and complex claims to the Claims Review Management Group, chaired by Head of Claims, and attended by the Chief Executive Officer and the Reserving Actuary. It also considers any matters that need to be brought to the attention of the Board. This management group met four times in 2020.

Reinsurers

The Board has established a reinsurance management group that reviews and monitors the purchase of reinsurance protection in line with the strategy set out by the Board. The strategy set out by the Board is used to protect capital against underwriting risk volatility. There is open communication between the Company, intermediary brokers and reinsurers in placing this reinsurance, and open communication over relevant underwriting losses.

Shareholder and Capital Provider

The Company prepares quarterly financial data reporting performance against the approved plan. Through the Own Risk and Solvency Assessment Report ("ORSA"), the directors also evaluate the capital required to support the Solvency Capital Requirement in the current financial year, and subsequent periods. As some members of the Executive Board also sit on the executive board of the capital provider (Newline Holdings UK Limited), there is full disclosure on the performance and capital needs of the Company.

Regulators

NICL is authorised by the Prudential Regulation Authority ("PRA") and is regulated by the Financial Conduct Authority ("FCA"). The relationship with these regulators is open and cooperative as required by the PRA's "Fundamental Rule 7" and the FCA's "Principle 11" with meetings being held periodically and with all reports, returns and requests for information being met in a timely manner.

Community and Environment

The Board recognises the importance of leading a company that not only provides value for shareholders, clients and employees, but also supports the wider community. Fairfax Financial Holdings Limited (of which the Company is a member – see note 25), through encouraging philanthropic endeavours, has donated a portion of profits to charitable organisations since its inception. The Newline Group, also embraces this culture of giving, by donating a proportion of profits to local charitable organisations, selected by employees. The Company also operates a charitable donation matching scheme, whereby the Company will match the personal donation an employee has made to a charity.

Culture, values and standards

The culture and standards of the Newline Group are aligned fully with those of Fairfax Financial Holdings Limited, underpinned by a fair and friendly approach to how we deal with insured's and intermediaries, and with our employees. These standards are how we aim to create and sustain value over the longer term and are key elements of how the Company maintains a reputation for high standards of business conduct.

STRATEGIC REPORT

(CONTINUED)

Culture, values and standards underpin how a company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. They also guide and assist in decision making and thereby help promote the company's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards set by the Board also take into consideration regulatory standards, and mandate certain requirements and behaviours with regards to the activities of its directors, employees and others associated with it.

On behalf of the Board

Sonny Kapur

S Kapur
Director
20 May 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2020.

FUTURE DEVELOPMENTS

Likely future developments in the business are discussed in the Strategic report.

DIVIDENDS

The Directors do not recommend the payment of a final dividend (2019: £nil).

DIRECTORS

The Directors listed below have held office from 1 January 2020 to the date of this report unless otherwise stated.

R F Beaver	(appointed 23rd March 2020)
W E Beveridge	(appointed 27th April 2020)
A R Carey	(appointed 23rd March 2020)
J Christiansen	
N D Duncan	
S Kapur	
R B Kastner	
C A Overy	
M Scales	
J W J Spencer	(resigned 23rd June 2020)
M G Wacek	
H J L Withinshaw	

None of the Directors had any beneficial interests in the Company during the period covered by this report.

The Company Secretary is H J L Withinshaw.

Third-party indemnity providing cover for claims for actual or alleged acts, errors, omissions, misstatements, misleading statements, neglect or breach of duty in the rendering of professional services is in place for the above directors.

BRANCHES OUTSIDE THE UK

The Company has operated a branch office in Cologne, Germany, which began operating in early 2017. The branch closed in 2020, having ceased writing new business during 2019.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments and risk management are discussed within the Strategic report under 'Principal Risks and Uncertainties'.

STREAMLINED ENERGY CARBON REPORTING

Streamlined Energy Carbon Reporting ("SECR") was introduced by the UK Government on 1 April 2019 when the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations came into force for entities in scope, with accounting period beginning on or after 1 April 2019. Newline Insurance Company Limited falls under the scope of this regulation as it is a large unquoted company; this is the first year of reporting. The emissions data reported is for the NICL share of the UK operations of the Newline Group, based upon the proportion of property costs recharged to this business unit.

DIRECTORS' REPORT
(CONTINUED)

Our greenhouse gas emissions

		2020
Scope 2 - Energy consumption incurred in the operation of facilities	kWh	35,132
Scope 2 - Estimate for shared energy consumption in the operation of facilities*	kWh	7,756
Total		**42,888**
Emissions from purchased energy (including estimated energy consumption)	kg CO_2e	**9,999**
Emission intensity ratio – Kilograms of CO_2e per £million gross written premium		**142.5**

*Shared facilities comprise air handling and chilling within the Newline Group occupied areas of the leasehold property. where UK operations are based.

The emissions are based on the proportion of shared facilities charged to NICL

Reported greenhouse gas emissions are calculated using the carbon conversion factors published by the UK's Department for Business, Energy and Industrial Strategy published in July 2020. This includes all activities we have operational control, namely the energy usage of the UK based Newline Group at its operational facilities. The company does not operate fleet or company vehicles and aircraft that are used for the purposes of business travel.

Energy efficiency action
The Company has a number of energy efficiency actions in place, including but not limited to:
LED motion activated lighting
Use of communication technology as an alternative to travel

As this is the first year of reporting, and due to the COVID-19 restrictions placed on the office workplace, it is not possible to measure energy efficiency savings made.

Novel Coronavirus (COVID-19) pandemic
In 2020, the COVID-19 pandemic became a major issue for the insurance sector as economies around the world shut down, businesses were interrupted and people could not travel for work or leisure. Newline does not have exposure to business interruption or travel insurance which are directly impacted by this event. However, Newline writes business that could be indirectly impacted by the pandemic. The claims team has reviewed Newline's exposure and we have received a small number of notifications of potential claims. It is conceivable that Newline could receive claims in the following classes:

- Commercial D&O, in respect of action taken against directors for loss of value to the business during the pandemic
- Medical Malpractice, in respect of the medical treatment during the pandemic
- Liability, in respect of clinical trials for a COVID-19 vaccine, or claims against employers' liability or product liability policies

Our view that there is a limited likelihood of claims emerging against the notifications we have received to date and limited additional potential exposure. We have therefore booked a modest net reserve against potential claims arising of £0.5m.

There has been no interruption to the day to day operations of the business as staff have been able to work remotely whilst Government restrictions have been in place.

DIRECTORS' REPORT
(CONTINUED)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware; and
- each director has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company auditors are aware of that information.

INDEPENDENT AUDITORS

The Company's independent auditors are PricewaterhouseCoopers LLP. A resolution proposing their reappointment will be submitted at the annual general meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board

Sonny Kapur

S Kapur
Director
20 May 2021

Independent auditors' report to the members of Newline Insurance Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Newline Insurance Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the Profit and loss account, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The scope of our audit is driven by statutory and regulatory requirements in the UK. Our audit objective is to obtain sufficient relevant and reliable audit evidence to enable us to issue opinion on the statutory financial statements.

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Key audit matters

- Valuation of Gross Claims Outstanding
- The impact of COVID-19

Materiality

- Overall materiality: £611,533 (2019: £325,000) based on the change in Net Earned Premium sufficient to cause a 1% change in the Combined Operating Ratio.
- Performance materiality: £458,650.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of Gross Claims Outstanding <u>Subjectivity in the Key Reserving Assumptions</u> The IBNR component of insurance contract liabilities is a material balance within the financial statements which is also highly judgemental and complex to calculate. These are a best estimate of all claims incurred but not settled at a given date, regardless of whether these have been reported to the company. There are varying methods which can be adopted in the estimation of IBNR which are underpinned by a series of assumptions selected by management. These can rely on a large degree of judgement and relatively small changes in these assumptions can lead to significant movements in IBNR. Any errors or management bias could lead to material misstatement. The assumptions and methodologies applied by management are therefore areas of focus for us. There is inherent uncertainty around the claims outstanding estimation process as a consequence of the limited breadth of the company's own historical data. The company mainly writes long-tailed classes of business, where there is a greater length of time between initial claim event and settlement. These classes tend to be more volatile in nature, and display greater variability between initial estimates and eventual settlements. Refer to accounting policies 3g and 3h and Notes 4 and 17 for further detail.	Our audit approach for loss reserves is centred on using independent re-projections and key indicator tests. This provides us with an independent estimate against which to compare management's booked reserves. We have performed independent projections on all classes, other than Commercial Motor and Markerstudy Motor where we performed key indicator testing. We have leveraged our Syndicate work as benchmark-based estimates to produce an independent estimate of ultimate claims. Our understanding is that the NICL business is similar to that written by the Syndicate and this is therefore an appropriate proxy in the absence of sufficient historical data. Where differences arose, we investigated them. In performing the above we have also considered and tested the following: •The internal control environment in place over insurance claims liabilities including control activities supporting key data used in the estimation process. •The underlying relevant data, including but not limited to claims case estimates and claims paid, to relevant evidence. Based on the work performed, we found the NICL reserve estimate to be appropriate.

The impact of COVID-19 As disclosed in the Strategic report, the impact of the global pandemic due to COVID-19 continues to cause significant social and economic disruption up to the date of reporting. In particular, the COVID-19 pandemic has had a significant impact on the wider insurance sector including the impact from the insured and investment losses, and impact on the operations. The company, however, has limited exposure to COVID-19 related losses. In our audit, we have considered the following key impacts of COVID-19: <u>The ability of the company to continue as a going concern</u> - There are a number of potential matters in relation to COVID-19 which could have an impact on the going concern status of the company. The directors have considered the appropriateness of the going concern basis of preparation in the company's financial statements and have considered the impact of COVID-19 on operational, insurance, investment, market, credit, solvency, and liquidity risks and how the company managed those risks. <u>Impact on Estimation Uncertainty in the Financial Statements</u> - The pandemic has increased the level of estimation uncertainty in the financial statements, particularly in the development of paid and incurred claims emergence during the period. <u>Qualitative Disclosures in the Annual Report</u> - In addition, the Directors' have considered the qualitative disclosures included in the Annual Report and Financial Statements in respect of COVID-19 and the impact that the pandemic has had, and continues to have, on the company.	In assessing management's consideration of the impact of COVID-19 on the company we have performed the following procedures: •We obtained, evaluated and challenged management's going concern assessment (specifically covering current and projected capital and liquidity positions) using our knowledge of the Company's business performance and review of regulatory correspondence. We agree with the Directors' conclusions in respect of going concern. •We challenged management's judgements in the valuation of insurance contracts liabilities in relation to COVID-19, in particular the impact on paid and incurred development during the year. We have audited the insurance contract liabilities which are impacted by estimation uncertainty and believe the values present in the Annual Report to be reasonable. •We reviewed the appropriateness of disclosures within the Annual Report with respect to COVID-19 and where relevant checked the material consistency of other information to the audited financial statements. Based on the audit procedures performed and evidence obtained, we consider the disclosure of COVID-19 in the financial statements to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company's operations are primarily in the United Kingdom ("UK"). A full scope audit is performed for the company as its financial information is maintained in the UK.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£611,533 (2019: £325,000).
How we determined it	The change in Net Earned Premium sufficient to cause a 1% change in the Combined Operating Ratio (2019: 10% of average profit before tax over the last 3 years)
Rationale for benchmark applied	In determining our materiality, we have considered financial metrics which we believe to be relevant to the primary users of the financial statements. We concluded that the use of the Combined Operating Ratio ("COR") is the most relevant benchmark to these users as the use of COR gives a more consistent result-based benchmark and is considered to be a key performance indicator by management and users of the financial statements. Previously we used the average profit before tax over the last three years however do not consider this to give a reliable result given the variable performance of the company.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £458,650 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £30,577 (2019: £16,250) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' Going Concern assessment and challenging the rationale for the downside scenarios adopted and material assumptions made using our knowledge of the Company's business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Considering information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management's assessment of going concern (including the impacts of COVID-19); and
- Enquiring and understanding the actions taken by management to mitigate the impacts of COVID-19, including review of Board and Audit Committee minutes and attendance at Audit Committee meetings.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of insurance regulations, such as those issued by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of insurance liabilities. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and management involved in the Risk and Compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Reading key correspondence with the regulators such as, Prudential Regulation Authority and the Financial Conduct Authority, in relation to compliance with laws and regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Independently re-projecting certain high risk reserves classes, and considering the differences between actuarial and booked reserves for indication of possible management bias; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of the IBNR component of claims outstanding as described in the related key audit matter below.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 1 January 2006 to audit the financial statements for the year ended 31 December 2006 and subsequent financial periods. The period of total uninterrupted engagement is 15 years, covering the years ended 31 December 2006 to 31 December 2020.

Mark Bolton

Mark Bolton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 May 2021

PROFIT AND LOSS ACCOUNT: TECHNICAL ACCOUNT – GENERAL BUSINESS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
EARNED PREMIUMS, NET OF REINSURANCE			
Gross premiums written	5	**70,154**	59,250
Outwards reinsurance premiums		**(4,859)**	(5,993)
Net premiums written		**65,295**	53,257
Change in the gross provision for unearned premiums		**(4,952)**	(18,716)
Change in the provision for unearned premiums, reinsurers' share		**810**	238
Change in the net provision for unearned premiums		**(4,142)**	(18,478)
Earned premiums, net of reinsurance		**61,153**	34,779
Allocated investment return transferred from the non-technical account		**(3,216)**	2,949
CLAIMS INCURRED, NET OF REINSURANCE			
Gross claims paid		**(24,730)**	(15,358)
Reinsurers' share		**8,770**	8,351
Net claims paid		**(15,960)**	(7,007)
Change in the gross provision for claims		**(11,407)**	(8,790)
Reinsurers' share		**(15,058)**	(7,587)
Change in the net provision for claims		**(26,465)**	(16,377)
Claims incurred, net of reinsurance		**(42,425)**	(23,384)
Net operating expenses	8	**(18,392)**	(11,375)
Other technical credits / (charges), net of reinsurance	9	**3,305**	(2,544)
Balance on the technical account for general business		**425**	425

All operations are continuing.

The accompanying notes on pages 23 to 46 form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT: NON-TECHNICAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
BALANCE ON THE TECHNICAL ACCOUNT FOR GENERAL BUSINESS		**425**	425
Investment income	11	**1,000**	1,969
Net unrealised (loss) / gains on investments	11	**(3,907)**	1,287
Investment expenses and charges	11	**(309)**	(307)
		(3,216)	2,949
Allocated investment return transferred to the general business technical account		**3,216**	(2,949)
Other charges, including value adjustments	12	**(34)**	(646)
Impairment of investment in subsidiary	13	**(1,358)**	(1,184)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		**(967)**	(1,405)
Tax (charge) / credit on ordinary activities	7	**(165)**	21
LOSS ON ORDINARY ACTIVITIES AFTER TAX		**(1,132)**	(1,384)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £'000	2019 £'000
Loss for the financial year	**(1,132)**	(1,384)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(1,132)**	(1,384)

The accompanying notes on pages 23 to 46 form an integral part of these annual accounts.

BALANCE SHEET

AS AT 31 DECEMBER 2020

Company Number: 4409827

	Note	2020 £'000	2019 £'000
ASSETS			
Investments			
Investment in group undertaking	13	**13,613**	7,330
Financial investments	14	**111,093**	79,318
Reinsurers' share of technical provisions			
Provision for unearned premiums		**2,770**	1,967
Claims outstanding		**53,806**	67,094
Debtors			
Deposits with ceding undertakings	18	**615**	2,101
Arising out of direct insurance operations, due from intermediaries		**37,144**	21,391
Arising out of reinsurance operations		**1,062**	168
Other debtors	19	**583**	587
Other assets			
Tangible assets	20	**-**	-
Cash at bank and in hand		**9,887**	24,319
Prepayments			
Accrued interest and rent		**342**	58
Deferred acquisition costs	21	**7,266**	5,947
Other prepayments and accrued income		**42**	19
TOTAL ASSETS		**238,223**	210,299
LIABILITIES			
Capital and reserves			
Called up share capital	23	**72,500**	52,500
Profit & loss account		**(11,857)**	(10,725)
Total shareholder's funds		**60,643**	41,775
Technical provisions			
Provision for unearned premiums		**38,731**	33,273
Claims outstanding		**119,391**	105,732
Creditors			
Arising out of direct insurance operations, due to intermediaries		**213**	169
Arising out of reinsurance operations		**7,691**	6,726
Other creditors including taxation and social security		**262**	10
Amount due to Group undertakings	24	**10,375**	21,279
Accruals and deferred income		**917**	1,335
TOTAL LIABILITIES AND EQUITY		**238,223**	210,299

Approved by the Board of Directors on 20 May 2021.

Sonny Kapur

S Kapur
Director

The accompanying notes on pages 23 to 46 form an integral part of these annual accounts.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2019	**42,500**	**(9,341)**	**33,159**
Loss for the year	-	(1,384)	(1,384)
Total comprehensive expense for the year	**-**	**(1,384)**	**(1,384)**
Issue of share capital	10,000	-	10,000
Total transactions with owner, recognised in equity	**10,000**	**-**	**10,000**
At 31 December 2019	**52,500**	**(10,725)**	**41,775**
Loss for the year	-	(1,132)	(1,132)
Total comprehensive expense for the year	**-**	**(1,132)**	**(1,132)**
Issue of share capital	20,000	-	20,000
Total transactions with owner, recognised in equity	**20,000**	**-**	**20,000**
At 31 December 2020	**72,500**	**(11,857)**	**60,643**

The accompanying notes on pages 23 to 46 form an integral part of these annual accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1) GENERAL INFORMATION

The principal activity of the Company is the underwriting of casualty (re)insurance business in the UK and EU member states. The registered office is Corn Exchange, 55 Mark Lane, London, EC3R 7NE.

2) ACCOUNTING POLICIES

The individual financial statements of Newline Insurance Company Limited ("NICL") have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), Financial Reporting Standard 103, "Insurance Contracts" ("FRS 103"), and the Companies Act 2006.

No cash flow statement is presented since FRS 102 exempts the Company from the requirement to do so as the consolidated financial statements of the ultimate parent of the Company, Fairfax Financial Holdings Limited, include a group cash flow statement.

NICL has further taken advantage of section 401 (1) of the Companies Act 2006 and has not prepared consolidated accounts, as the financial statements of Fairfax Financial Holdings Limited include consolidated accounts.

Where disclosure exemptions have been taken, the shareholder of the company has been notified in writing and does not object to the use of disclosure exemptions.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Directors of the Company have prepared the financial statements on the basis that the Company will continue to underwrite business in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The result for the year is determined on the annual basis of accounting in accordance with UK GAAP.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

a) Premiums written

Premiums written relate to business which incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the Company. Premiums are stated gross of acquisition costs payable, and exclude taxes and duties levied on them.

b) Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Company considers significant insurance risk to exist where there is a reasonable possibility of a significant claim arising on the occurrence of an insured event. The Company's insurance products are classified as insurance contracts.

NOTES TO THE ACCOUNTS
(CONTINUED)

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

c) Unearned premiums
Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earning patterns on a time apportionment basis as appropriate.

d) Acquisition costs
Acquisition costs represent commissions and are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

e) Reinsurance premiums ceded
Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related inwards business being reinsured.

f) Reinsurance
Contracts entered into by the Company with reinsurers, under which the Company is compensated for claims on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts. Contracts that do not meet these classification requirements are classified as financial instruments. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included within insurance contracts; provided there is significant transfer of insurance risk.

In addition to reinsurance protection purchased, the Company was until 31 December 2017 party to two 80% quota share reinsurance arrangements with ORC; one in respect of direct business underwritten by the Company and the other in respect of indirect business. The latter arrangement was put in place during 2017 as the former arrangement did not permit the cession of indirect business to ORC. For direct business underwritten by the Company and ceded under the 80% quota share, financial assets held by the Company are assigned to this funds withheld balance. All interest and dividend income and investment gains or losses in this portfolio, together with any fees charged by the Company's investment manager or by the financial institutions providing custodial services in respect of this portfolio, are credited or charged against the funds withheld account. For indirect business underwritten by the Company and ceded under the 80% quota share, interest of LIBOR plus 225 basis points is credited to this funds withheld balance.

The investment return of the funds withheld portfolio in respect of direct business ceded under the 80% quota share is reported in the technical account, and any foreign exchange gains or losses, attributable to the funds withheld financial assets and the funds withheld balance is reported in the non-technical account; these are subsequently charged or credited against the funds withheld balance.

The amounts that will be recoverable from reinsurers are estimated based upon the gross claims provisions, having due regard to collectability. Reinsurance recoveries in respect of estimated claims incurred but not reported are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the Company's reinsurance programme over time. The recoverability of reinsurance recoveries is assessed having regard to market data on the financial strength of each of the reinsurance companies. The reinsurers' share of claims incurred, in the profit and loss account, reflects the amounts received or receivable from reinsurers in respect of those claims incurred during the period. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised in the profit and loss account as 'Outward reinsurance premiums' when due.

g) Claims incurred
Gross claims incurred comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

NOTES TO THE ACCOUNTS
(CONTINUED)

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

h) Claims provisions and related reinsurance recoveries
Provision is made for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different to the original liability established. Large claims impacting a class of business are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these claims.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provisions and having a due regard to collectability.

i) Unexpired risk provision
A provision for unexpired risks is made where claims and related expenses arising after the end of the financial period in respect of contracts concluded before that date are expected to exceed the unearned premiums, after the deduction of any acquisition costs deferred. The provision for unexpired risks is calculated separately by classes of business which are managed together, after taking into account the relevant investment return.

j) Financial instruments
The Company has chosen to adopt the provisions of Sections 11 and 12 of FRS 102 in respect of the valuation of financial instruments, which are designated by the Company at fair value through profit or loss.

i) Financial assets
Financial investments, including shares and other variable yield securities and units in unit trusts, debt and other fixed income securities are designated at fair value through profit and loss. Other receivables, including short term debtors arising out of direct insurance and reinsurance operations, are initially recognised at transaction price, less any impairment.

The fair value of financial investments at the balance sheet date are determined through quoted bid prices in an active market for identical instruments. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the Company estimates the fair value by using a valuation technique.

Receivables are initially recognised at transaction price, and are reviewed for impairment as part of the impairment review of receivables. This basis of valuation is viewed by the Directors as having prudent regard to the likely realisable value.

ii) Cash and cash equivalents
Cash and cash equivalents includes cash at bank and in hand, deposits held at call with banks, other short term highly liquid investments with an original maturity date of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

iii) Financial liabilities
Short term creditors, including creditors arising out of direct insurance and reinsurance operations are measured at transaction price.

NOTES TO THE ACCOUNTS
(CONTINUED)

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

j) Financial instruments (continued)

iv) Derivative instruments

The Company may use forward foreign exchange contracts to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as a liability when the fair value is negative.

The Company applies hedge accounting for transactions entered into to manage the foreign exchange exposure and has designated them as a fair value hedge. Changes in fair value of foreign exchange hedges are reported directly in profit and loss. Derivatives under hedge accounting are carried as assets when the fair value is positive and liabilities when the fair value is negative.

k) Investment in group undertakings

Investments in subsidiary undertakings are initially stated at cost. If their value has been impaired, they are valued at cost less impairment. In these circumstances the carrying value of subsidiary is considered to be the higher of the subsidiary's fair value less costs to sell, or value in use. Impairment losses are recognised in the profit and loss account. If the reason for an impairment loss has ceased to apply in a subsequent period, it is reversed.

l) Investment return

Investment return comprises all investment income, interest receivable and dividends received plus realised gains and losses on the disposal of investments and movements in unrealised gains and losses, net of investment expenses.

Dividend income is recognised when the right to receive payment is established. Interest and expenses are accounted for on an accruals basis.

Realised gains and losses on investments carried at market value are calculated as the difference between net sale proceeds and purchase price.

Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or their valuation at the previous balance sheet date. The movement in unrealised investments gains and losses includes an adjustment for previously recognised unrealised gains and losses of those investments disposed of in the accounting period.

Investment expenses and charges comprise investment management expenses.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on the funds supporting the underwriting obligations arising from insurance policies. All investment return is considered to arise on such funds.

m) Foreign currencies

i) Functional and presentation currency

The Company's functional and presentation currency is the Pound Sterling.

NOTES TO THE ACCOUNTS
(CONTINUED)

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

m) Foreign currencies (continued)

ii) Transactions and balances

Income and expenditure in US Dollars, Canadian Dollar, Egyptian Pound and Euros are translated at the average rates of exchange for the period. Underwriting transactions denominated in other foreign currencies are translated at the rates of exchange ruling at the date the transaction is processed. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the balance sheet date.

Realised exchange gains / (losses) are included in the non-technical account within other income / (charges).

iii) Translation

Exchange differences arising from translating the result from average rates of exchange to closing rates of exchange, and the translation of the opening balance sheet to closing rates of exchange are taken through the non-technical account.

n) Net operating expenses

Expenses which are incurred jointly for other Group entities and the Company are apportioned between the group entities and the Company depending on the amount of work performed, resources used and the volume of business transacted. Short term benefits (including holiday pay) and annual bonus arrangements for employees are included within this expense.

o) Pension costs

Newline Underwriting Management Limited operates a Group Personal Pension Plan which is on a defined contribution basis. Pension contributions relating to NICL's share of costs are charged to the Company and included within net operating expenses.

p) Taxation

UK taxation in the profit and loss account is based on the profit for the year as determined in accordance with the relevant tax legislation, together with adjustments for prior years.

q) Deferred taxation

Provision is made for deferred tax liabilities, on all material timing differences between taxable profits and total comprehensive income as reported in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. Deferred tax assets are recognised to the extent that they are regarded as more likely than not recoverable.

Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in other comprehensive income. Deferred tax balances are not discounted.

r) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors of NICL, separate disclosure is necessary to understand the effect of the transactions.

s) Tangible assets

Depreciation of tangible fixed assets is calculated using the straight line convention method by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The estimated useful lives are:

Computer equipment	3 – 5 years
Furniture, fittings & equipment	5 years

NOTES TO THE ACCOUNTS
(CONTINUED)

4) SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where judgements and estimates have been made include:

Estimation of claims incurred but not reported
The estimation of claims incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insured until many years after the event giving rise to the claim has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variation between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves. Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility. This uncertainty varies between classes written by NICL, but is typically highest for those classes where there are significant delays in the settlement of the final claims amount, more specifically from Liability and other long-tail direct and long-tailed reinsurance classes.

In calculating the estimated cost of unpaid claims the company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which create distortion in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in company processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with the statistics from previous periods;
- changes in the legal environment;
- the effects of inflation;
- changes in the mix of business;
- changes in underlying terms and conditions;
- the impact of large losses; and
- movements in industry benchmarks.

In setting the provision for insurance liabilities, a best estimate is determined on an undiscounted basis. For areas of specific uncertainty, it may be necessary to include a loading as part of the reserve estimate, known as the Management Adjustment. At 31 December 2020, the carrying value of gross claims IBNR is £94.6m (2019: £77.4m) and the Management Adjustment in excess of the best estimate of net reserves is £3.5m (2019: £0.7m). This level of Management Adjustment is considered appropriate in light of the current economic environment, and the potential for second order COVID-19 related losses.

Premium income
Written premium include estimates of premiums due but not yet received or notified to the Company, known as pipeline premium. The estimation of pipeline premium is based upon prior year experience and current year business volumes. The pipeline premium included within gross written premium is £1,775k (2019: £801k); of that £1,662k is unearned at 31 December 2020 (2019: £688k).

Fair values of financial instruments
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The carrying value of these instruments is £9.7m (2019: £6.0m). The Company uses its judgement to select an appropriate method and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

NOTES TO THE ACCOUNTS
(CONTINUED)

5) SEGMENTAL INFORMATION

An analysis of the underwriting result before investment return is as follows:

	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000
2020					
Direct insurance					
Third party liability	**26,533**	**26,418**	**(4,358)**	**(6,554)**	**(11,251)**
Motor	**-**	**-**	**(2,044)**	**-**	**2,053**
Fire and other damage to property	**23,203**	**25,072**	**(16,789)**	**(6,668)**	**23**
Other direct classes	**390**	**321**	**(410)**	**(128)**	**34**
Total direct	**50,126**	**51,811**	**(23,601)**	**(13,350)**	**(9,141)**
Reinsurance acceptances	**20,028**	**13,391**	**(12,536)**	**(5,055)**	**(1,183)**
Total	**70,154**	**65,202**	**(36,137)**	**(18,405)**	**(10,324)**

	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000
2019					
Direct insurance					
Third party liability	28,533	25,616	(18,027)	(6,858)	53
Motor	-	-	4,600	-	(4,330)
Fire and other damage to property	25,269	11,556	(9,268)	(3,480)	(30)
Other direct classes	212	222	(51)	(81)	(23)
Total direct	54,014	37,394	(22,746)	(10,419)	(4,330)
Reinsurance acceptances	5,236	3,140	(1,402)	(1,146)	(471)
Total	59,250	40,534	(24,148)	(11,565)	(4,801)

The majority of business has been underwritten in the United Kingdom and Germany (through the branch of the company during 2019, and NEVAG from April 2019). Gross direct business underwritten by geographical area is as follows:

	2020 £'000	2019 £'000
United Kingdom	**56,130**	51,488
Germany	**13,486**	7,532
Non EEA	**538**	230
	70,154	59,250

Insurance risk concentrations

The Company monitors and reports internally on insurance risk concentrations by reserving classes that have similar risk profiles and durations. Reserving classes are determined by factors such as the industry sector, insured event and insurance risk coverage offered by the insurance contract. The reserving classes are determined to be Third Party Liability, Motor, and Fire and Other Damage to Property and Other.

NOTES TO THE ACCOUNTS
(CONTINUED)

6) MOVEMENT IN PRIOR YEAR'S PROVISION FOR CLAIMS OUTSTANDING

The movement in prior year's provision for claims outstanding, net of reinsurance recoveries is a deterioration of £1.2m primarily relating to Third Party Liability of £1.5m, partially offset by a favourable development in Fire and other damage to property £0.3m (2019: unfavourable development of £0.1m primarily relating to Third Party Liability of £0.3m, partially offset by a favourable development in Motor £0.2m).

7) TAX CHARGE / (CREDIT) ON ORDINARY ACTIVITIES

	2020 £'000	2019 £'000
(a) Analysis of charge / (credit) for the year		
Current taxation		
Current tax charge / (credit) on ordinary activities	**108**	(23)
Adjustments in respect of prior periods	**57**	2
Current year losses carried forward	**-**	23
	165	2
Deferred taxation		
Origination and reversal of timing differences (note 22)	**-**	(23)
	-	(23)
Tax charge / (credit) on ordinary activities	**165**	(21)
(b) Factors affecting the tax credit		
Loss on ordinary activities before tax	**(967)**	(1,405)
UK corporation tax 19.00% (2019: 19.00%)	**(184)**	(267)
Tax effect of:		
Expenses not deductible for tax purposes	**292**	244
Adjustments in respect of prior periods	**57**	2
Tax charge / (credit) for the period (note 7a)	**165**	(21)

NOTES TO THE ACCOUNTS
(CONTINUED)

8) NET OPERATING EXPENSES

	2020 £'000	2019 £'000
Acquisition costs	**17,073**	13,713
Change in deferred acquisition costs	**(1,250)**	(3,861)
Administrative expenses	**2,582**	1,712
Reinsurers' commissions and profit participations	**(13)**	(189)
	18,392	11,375

Total commissions for direct insurance accounted for in the year amounted to £7.0m (2018: £4.8m).

Administrative expenses include:

	2020 £'000	2019 £'000
Auditors' remuneration		
Audit services		
Company audit fees	**73**	53
	73	53

9) OTHER TECHNICAL CREDITS / (CHARGES), NET OF REINSURANCE

	2020 £'000	2019 £'000
Interest income on financial assets at fair value through profit and loss	**94**	202
Dividend income	**34**	24
Realised losses on realisation on investments	**(19)**	(472)
Realised gains on realisation of investments	**-**	1,748
Net unrealised gains / (losses) on investments	**(3,359)**	1,115
Investment management expenses	**(55)**	(73)
(Charge) / Credit to funds withheld	**(3,305)**	2,544

All interest and dividend income and investment gains or losses in respect of the ORC funds withheld portfolio for direct business, together with any fees charged by the Company's investment manager or by the financial institutions providing custodial services in respect of this portfolio, are credited or charged against the ORC funds withheld account.

NOTES TO THE ACCOUNTS
(CONTINUED)

10) DIRECTORS' EMOLUMENTS AND STAFF COSTS

All employees are employed by Newline Underwriting Management Limited ("NUML"), a fellow subsidiary. A management charge from NUML of £4.8m has been borne by the Company during 2020 (2019: £3.4m).

The management charge includes the following amounts in respect of emoluments paid to Directors for their services to the Company:

	2020	2019
	£'000	£'000
Emoluments	**311**	148
Contribution to pension scheme	**2**	2

Retirement benefits are accruing for three Directors (2019: three) under money purchase schemes.

The highest paid director received the following remuneration:

	2020	2019
	£'000	£'000
Emoluments	**63**	50

There are no Key Management Personnel other than the directors above.

11) INVESTMENT INCOME

	2020	2019
	£'000	£'000
Investment income (including realised gains and losses on investments)		
Interest income on financial assets at fair value through profit and loss	**357**	380
Dividend income	**34**	24
Realised gains on realisation of investments	**631**	2,037
Realised losses on realisation of investments	**(22)**	(472)
	1,000	1,969
Net unrealised (losses) / gains on investments	**(3,907)**	1,287
Total investment expenses and charges		
Investment management expenses	**(309)**	(307)
	(309)	(307)
Total investment return	**(3,216)**	2,949

All gains and losses are from investments designated at fair value through profit and loss.

NOTES TO THE ACCOUNTS
(CONTINUED)

12) OTHER NON-TECHNICAL INCOME AND CHARGES

	2020	2019
	£'000	£'000
Other non-technical charges		
Net foreign exchange losses	**(811)**	(385)
Net foreign exchange losses / (gains) credited to funds withheld	**777**	(261)
	(34)	(646)

All foreign exchange gains and losses in respect of the ORC funds withheld portfolio and funds withheld account for direct business, are credited or charged against the funds withheld account.

13) INVESTMENT IN GROUP UNDERTAKING

Investment in subsidiary	**2020**	2019
	£'000	£'000
As at 1 January 2020	**7,330**	77
Capital contribution	**7,268**	8,437
Change in valuation – foreign exchange	**373**	-
Impairment charge	**(1,358)**	(1,184)
As at 31 December 2020	**13,613**	7,330

The subsidiary undertaking is as follows:

Name	**Activity**	**Holding**	**Registered**
Newline Europe Holdings GmbH	Non-trading holding company	100%	Germany

During 2018, NICL established an intermediate non-trading holding company (Newline Europe Holdings GmbH). This company is the sole owner of the common stock of Newline Europe Versicherung AG ("NEVAG"). Both companies registered address is Schanzenstrasse 28a, 51063 Köln, Germany.

The Directors, having considered the carrying value of the subsidiary undertaking, have taken an impairment charge against the holding in respect of Newline Europe Holdings GmbH following a decrease, in the year, to its recoverable amount.

NOTES TO THE ACCOUNTS
(CONTINUED)

14) FINANCIAL INVESTMENTS

	2020 £'000 Fair value	2019 £'000 Fair value	2020 £'000 Cost	2019 £'000 Cost
Shares and other variable yield securities	**27,090**	24,665	**30,478**	24,249
Debt securities and other fixed income securities	**83,708**	54,653	**83,491**	54,549
Other	**295**	-	-	-
	111,093	79,318	**113,969**	78,798

Of the above financial investments, £15.9m of shares and other variable yield securities (2019: £19.4m), £2.9m of debt securities and other fixed income securities (2019: £3.0m) have been assigned to the ORC funds withheld portfolio.

Listed investments
Included within the carrying values above are amounts in respect of listed investments as follows:

	2020 £'000	2019 £'000
Shares and other variable yield securities	**8,427**	13,120
Debt securities and other fixed income securities	**82,708**	54,653
	91,135	67,773

15) FAIR VALUE HIERARCHY

Determination of fair value
The table below reports on the hierarchy that reflects the significance of the inputs in determining the fair value of the financial assets and liabilities.

Level 1
The fair value is based on the unadjusted quoted price in an active market, for identical assets or liabilities that the Company can access at the measurement date.

Level 2
Inputs to level 2 fair values are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Level 3 financial instruments are financial assets and liabilities for which the values are based on prices or valuation techniques that require inputs that are both unobservable, and significant, to the fair value measurement.

During the year ended 31 December 2020 the Company held £10.0m (2019: £6.0m) of financial instruments that are classified as Level 3. Financial instruments classified as Level 3 include assets invested in common stock and limited partnerships.

Common stocks are valued utilising observable price to book multiples of peer companies and applying such to the most recently available book value per share.

Limited partnerships are valued based on the net asset values received from the general partners. These limited partnerships invest in securities that trade in active markets, and as a result, their net asset values reflect their fair values. The unobservable inputs in valuing limited partnerships include inputs such as time lags in receiving distributions by the general partners. The Company uses a market approach, based on quoted prices and other information from independent pricing sources, to determine fair values for its fixed income financial instruments, adjusted for a risk premium for credit risk.

NOTES TO THE ACCOUNTS
(CONTINUED)

15) FAIR VALUE HIERARCHY *(CONTINUED)*

2020	**Fair value hierarchy**				
	Level 1	**Level 2**	**Level 3**	**Assets held at fair value**	**Balance sheet total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets					
Shares and other variable yield securities	**6,088**	**12,289**	**8,713**	**27,090**	**27,090**
Debt securities and other fixed income securities	**77,004**	**5,704**	**1,000**	**83,708**	**83,708**
Other	**-**	**-**	**295**	**295**	**295**
	83,092	**17,993**	**10,008**	**111,093**	**111,093**

2019	Fair value hierarchy (restated)				
	Level 1	Level 2	Level 3	Assets held at fair value	Balance sheet total
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Shares and other variable yield securities	8,644	8,049	7,972	24,665	24,665
Debt securities and other fixed income securities	49,709	4,944	-	54,653	54,653
	58,353	12,993	7,972	79,318	79,318

Within Shares and other variable yield securities, £2.0m has been restated from level 2 to level 3 at 31 December 2019.

16) FINANCIAL RISK MANAGEMENT

The Company is exposed to a range of financial risks. The key financial risk is that the proceeds of sale from financial assets are insufficient to fund the obligations arising from insurance policies and investment contracts as they fall due. The most important components of this financial risk are market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls as set out in the Risk Management Framework. This ensures that all risks are identified, recorded, assessed, taken into account and managed through the asset liability management ("ALM") framework. The control environment operating around these key risks is regularly reviewed to ensure that controls are operating effectively.

All key policies are approved by the Board and the framework is subject to ongoing review by management, Risk Management and Internal Audit as part of the ORSA process. An ORSA report is presented to the Board on at least a quarterly basis. The ORSA report sets out the risk profile and key risk indicators of the Company, together with the resulting impact on the SCR, and confirmation that sufficient own and ancillary funds are in place.

NOTES TO THE ACCOUNTS
(CONTINUED)

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

The Company has sought to further mitigate market risk from the funds withheld in respect of the 80% quota share reinsurance agreement with ORC for direct business ceded. During 2016, this arrangement was amended whereby financial assets held by the Company were specifically assigned to the funds withheld balance, and, in accordance with the quota share reinsurance agreement, all interest and dividend income and investment gains or losses in this portfolio, together with any fees charged by the Company's investment manager or by the financial institutions providing custodial services in respect of this portfolio, are credited or charged against the funds withheld account.

The investment return of the funds withheld portfolio is reported in the technical account, and any foreign exchange gains or losses, attributable to the funds withheld financial assets and the funds withheld balance is reported in the non-technical account; these are subsequently charged or credited against the funds withheld balance. This reinsurance agreement has been cancelled, on a cut-off basis, with effect from 31 December 2017.

The following table reconciles the balance sheet to the categories used in the asset / liability management framework, between those supporting the underwriting obligations arising from insurance policies and capital, retained in the corporate entity.

2020	**Insurance £'000**	**Corporate £'000**	**Total £'000**
Investment in group undertaking	-	13,613	13,613
Financial investments	64,063	47,030	111,093
Provision for unearned premiums	2,770	-	2,770
Reinsurers' share of claims outstanding	53,806	-	53,806
Deposits with ceding undertakings	615	-	615
Arising out of direct insurance operations	37,144	-	37,144
Arising out of reinsurance operations	1,062	-	1,062
Other debtors	583	-	583
Cash at bank and in hand	9,887	-	9,887
Accrued interest and rent	342	-	342
Deferred acquisition costs	7,266	-	7,266
Other prepayments and accrued income	42	-	42
Total assets	177,580	60,643	238,223
Provision for unearned premiums	38,731	-	38,731
Claims outstanding	119,391	-	119,391
Arising out of direct insurance operations	213	-	213
Arising out of reinsurance operations	7,691	-	7,691
Other creditors including taxation and social security	262	-	262
Amount due to Group undertakings	10,375	-	10,375
Accruals and deferred income	917	-	917
Total liabilities	177,580	-	177,580
Shareholder's funds	-	60,643	60,643

NOTES TO THE ACCOUNTS
(CONTINUED)

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

2019	Insurance £'000	Corporate £'000	Total £'000
Investment in group undertaking	-	7,330	7,330
Financial investments	44,896	34,422	79,318
Provision for unearned premiums	1,967	-	1,967
Reinsurers' share of claims outstanding	67,094	-	67,094
Deposits with ceding undertakings	2,101	-	2,101
Arising out of direct insurance operations	21,391	-	21,391
Arising out of reinsurance operations	168	-	168
Other debtors	564	23	587
Tangible assets	-	-	-
Cash at bank and in hand	24,319	-	24,319
Accrued interest and rent	58	-	58
Deferred acquisition costs	5,947	-	5,947
Other prepayments and accrued income	19	-	19
Total assets	168,524	41,775	210,299
Provision for unearned premiums	33,273	-	33,273
Claims outstanding	105,732	-	105,732
Arising out of direct insurance operations	169	-	169
Arising out of reinsurance operations	6,726	-	6,726
Other creditors including taxation and social security	10	-	10
Amount due to Group undertakings	21,279	-	21,279
Accruals and deferred income	1,335	-	1,335
Total liabilities	168,524	-	168,524
Shareholder's funds	-	41,775	41,775

The Company has exposure to the following key areas of risk:

Market risks
Interest rate risk
Interest rate risk arises primarily from holding investments in fixed interest securities. In addition, to the extent that claims inflation is correlated to interest rates, liabilities to policyholders are exposed to interest rate risk. The Company monitors interest rate risk by modelling the impact of changes in interest rates (+/-100 bps, +/-200 bps) on the values of the fixed interest securities and liabilities. The Investment Committee monitors the sensitivity of the investment portfolio to movements in current interest rates. Holding a proportion of the investment portfolio in cash and cash equivalents also helps to mitigate interest rate risk.

The impact on the measurement of interest bearing securities held at reporting date of a change in interest rates of ± 0.5% on profit for the year and net assets is shown in the following table:

		2020 £'000	2019 £'000
Investments - Debt securities and other fixed income securities	**+0.5%**	**(41)**	-
	-0.5%	**42**	-

As exposure to interest rate risk is largely held by assets specifically assigned to the ORC funds withheld account, the Company has limited exposure to interest rate risk at 31 December 2020 and 2019.

NOTES TO THE ACCOUNTS
(CONTINUED)

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

Market risks *(continued)*

Price risk
Price risk is the risk that changes in equity market prices will impact upon the fair value of financial instruments held by the Company, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded on the market. The impact on the measurement of investments held at reporting date of a change in equity values of ± 5% on profit for the year and net assets is shown in the following table:

		2020 £'000	2019 £'000
Investments – equity and related investments	+5%	561	265
	-5%	(561)	(265)

As exposure to price risk sensitivity is largely held by assets specifically assigned to the ORC funds withheld account, the Company has limited exposure of those assets to price risk sensitivity at December 2020 and 2019.

Currency risk
Currency risk is the risk of loss arising from adverse exchange rate movements in unhedged foreign exchange exposures. The Company writes business internationally, and so is exposed to foreign exchange risk from various activities conducted in the normal course of business. The Company monitors currency exposure, and through its Investment Committee, mitigates this risk by appropriately matching significant foreign currency denominated liabilities with assets denominated in the same currency and the purchase or sale of the relevant currencies and forward exchange contracts.

The table below sets out the significant currency exposures of the Company.

2020	GBP £'000	USD £'000	EUR £'000	Other £'000	Total £'000
Investment in group undertaking	-	-	13,613	-	13,613
Financial investments	83,254	16,653	4,795	6,391	111,093
Deposits with ceding undertakings	-	615	-	-	615
Reinsurers' share of technical provisions	30,009	4,910	21,657	-	56,576
Cash and cash equivalents	4,443	2,428	2,526	490	9,887
Other assets	24,716	2,037	19,686	-	46,439
Total assets	142,422	26,643	62,277	6,881	238,223
Technical provisions	85,439	14,652	58,031	-	158,122
Insurance and reinsurance payables	5,547	2,144	213	-	7,904
Other creditors	2,374	221	8,258	701	11,554
Total liabilities	93,360	17,017	66,502	701	177,580
The currency exposures are attributed to:					
Funds withheld	(15,970)	9,157	1,123	5,690	-
Balance of shareholder's funds	55,209	470	4,474	490	60,643
Total shareholder's funds	39,239	9,627	5,597	6,180	60,643

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

Market risks ***(continued)***

2019	GBP £'000	USD £'000	EUR £'000	Other £'000	Total £'000
Investment in group undertaking	-	-	7,330	-	7,330
Financial investments	46,860	19,356	6,282	6,820	79,318
Deposits with ceding undertakings	-	2,101	-	-	2,101
Reinsurers' share of technical provisions	33,238	1,506	34,317	-	69,061
Cash and cash equivalents	5,899	2,796	15,056	568	24,319
Other assets	19,726	1,753	6,691	-	28,170
Total assets	105,723	27,512	69,676	7,388	210,299
Technical provisions	73,161	9,675	56,169	-	139,005
Insurance and reinsurance payables	4,047	705	2,143	-	6,895
Other creditors	8,303	2,181	11,112	1,028	22,624
Total liabilities	85,511	12,561	69,424	1,028	168,524
The currency exposures are attributed to:					
Funds withheld	(9,859)	9,410	(5,343)	5,792	-
Balance of shareholder's funds	30,071	5,541	5,595	568	41,775
Total shareholder's funds	20,212	14,951	252	6,360	41,775

Derivative financial instruments
The Company has entered into a number of forward currency contracts to mitigate the exchange rate risk of its foreign currency denominated assets and liabilities. At 31 December 2020, the outstanding contracts mature between 1 and 4 months of the year end. The company is committed to sell US$5.6m and receive fixed Sterling, and to sell GBP5.0m, and receive fixed Euro amounts.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The main assumptions used in valuing the derivatives are the forward contracted exchange rate and the rate at the valuation date.

The change in the fair value of the forward currency contract recognised in the profit and loss in the year was a profit of £14k (2019: no contacts held). The corresponding foreign exchange loss recognised in the profit and loss account relating to the hedged foreign currency assets and liabilities was £48k (2019: no contracts held).

Credit risks
Credit risk is the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion. Key areas where the Company is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders and intermediaries; and
- amounts due from investment counterparties.

The Company places limits on its exposure to a single counterparty or group of counterparties. Reinsurance is used to manage underwriting and reserving risk. This does not, however, discharge the Company's liability as primary insurer.

NOTES TO THE ACCOUNTS
(CONTINUED)

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

Credit risks *(continued)*

If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, the recent payment history of reinsurers is used to update the reinsurance purchasing strategy.

i) Premiums receivable and reinsurance debtors
The maximum exposure to credit risk at the end of the reporting period is the carrying amount of receivables on the balance sheet.

An ageing analysis for certain receivables is provided below. Other receivable balances have not been shown below as they either have no overdue amounts or represent an insignificant portion of overdue amounts.

2020	**Neither due nor impaired**	**Up to 3 months**	**3 to 6 months**	**6 months to 1 year**	**Greater than 1 year**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Deposits with ceding undertakings	**615**	**-**	**-**	**-**	**-**	**615**
Insurance debtors	**35,147**	**-**	**990**	**734**	**273**	**37,144**
Reinsurance debtors	**1,062**	**-**	**-**	**-**	**-**	**1,062**
Total	**36,824**	**-**	**990**	**734**	**273**	**38,821**

2019	Neither due nor impaired	Up to 3 months	3 to 6 months	6 months to 1 year	Greater than 1 year	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deposits with ceding undertakings	2,101	-	-	-	-	2,101
Insurance debtors	19,266	1,070	394	480	181	21,391
Reinsurance debtors	168	-	-	-	-	168
Total	21,535	1,070	394	480	181	23,660

ii) Credit rating of financial assets
The following tables provide information regarding assets bearing credit risk that are neither overdue nor impaired, based on credit ratings produced by external rating agencies. These ratings for assets relating to reinsurers' share of claims outstanding relate to balances accumulated over a number of years and so will not necessarily align with the rating allocations for current reinsurance programs. The credit risk relating to investments is monitored and assessed within an agreed risk appetite.

NOTES TO THE ACCOUNTS
(CONTINUED)

16) FINANCIAL RISK MANAGEMENT *(CONTINUED)*

Credit risks *(continued)*
ii) Credit rating of financial assets (Continued)
The maximum exposure to credit risk loss at the end of the reporting period is the carrying amount of the financial assets on the balance sheet as they are measured at fair value.

Financial assets by credit rating	2020 £'000	2019 £'000
AAA	**7,707**	5,336
AA	**83,969**	58,657
A	**50,697**	79,230
BBB and below	**3,878**	3,013
Not rated	**30,212**	26,764
	176,463	173,000

Financial assets	2020 £'000	2019 £'000
Shares and other variable yield securities	**27,090**	24,665
Debt securities and other fixed income securities	**83,708**	54,653
Derivative asset	**295**	-
Deposits with ceding undertakings	**615**	2,101
Reinsurers' share of claims outstanding	**53,806**	67,094
Reinsurance debtors	**1,062**	168
Cash at bank and in hand	**9,887**	24,319
	176,463	173,000

Liquidity risk
Liquidity risk is the risk that sufficient financial resources are not maintained to meet liabilities as they fall due. The Investment Committee, a sub-committee of the Board, approves annually agreed limits on the minimum proportion of funds available to meet such calls, based on experience of claims settlement history and contemporaneous information. Management regularly review available funds to mitigate any cash flow risk.

A maturity analysis of the estimated net claims outstanding liability based on the remaining term to payment at the reporting date, and the investments that have a fixed term is provided below.

	Gross outstanding claims liability		**Financial investments**	
Maturity analysis	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
No stated maturity	**-**	-	**27,089**	24,665
Within 1 year or less	**12,156**	10,127	**77,299**	50,869
Within 1 to 2 years	**12,576**	10,791	**1,818**	-
Within 2 to 3 years	**11,457**	9,771	**1,000**	1,853
Within 3 to 4 years	**10,164**	8,519	**-**	-
Within 4 to 5 years	**8,766**	7,325	**2,060**	-
Over 5 years	**64,272**	59,199	**1,827**	1,931
	119,391	105,732	**111,093**	79,318

The maturity of reinsurance claims recoveries follow the gross outstanding claims liability maturity analysis above. The strategic investment in NEVAG is not reported in the above maturity analysis.

NOTES TO THE ACCOUNTS
(CONTINUED)

17) INSURANCE RISK MANAGEMENT

Insurance risk
Insurance risk is defined as the risk of loss arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. Insurance risk is sub-divided into underwriting, reinsurance and reserving risks:

Underwriting risk
Underwriting risk arises from fluctuations in the frequency and severity of financial losses incurred as a result of acceptance of insurance policies. The Company manages underwriting risk by agreeing its appetite for these risks annually through the business plan, which sets out targets for volumes, pricing, line sizes and retention by class of business and through the purchase of reinsurance. Performance is monitored against the business plan on a regular basis.

A proportion of the Company's business is written through delegated authorities. A delegated authority management group monitors coverholder performance, carries out due diligence on new and existing coverholders and manages regulatory requirements. The Company has identified the areas of potential concentration of insurance exposure and monitors this and purchases reinsurance to protect against its gross effect.

Reinsurance risk
Reinsurance risk arises from the reinsurance purchased to protect the gross loss not responding as intended due to a mismatch with gross losses, poorly worded contracts, reinsurer counterparty risk or exhaustion of reinsurance limits. The primary purpose for our purchase of reinsurance cover is to reduce volatility associated with severe losses and systemic losses.

Reinsurance arrangements include excess of loss cover, and it is used to protect capital against underwriting risk volatility. Reinsurance creditworthiness is overseen by the reinsurance management group in placing cover.

Reserving risk
Reserving risk arises from claims reserves held on the balance sheet being understated or overstated. Reserves may be under or overstated due to the inherent uncertainty of knowing the ultimate timing and quantum of liabilities incurred. Claims provisions represent estimates, based on the internal reserving actuary's statistical projections. The Company estimates the ultimate settlement and administration costs of the claims incurred.

Assumptions
In order to determine the ultimate cost of claims, the Company uses statistical projections on the claims to be included within each reserving class and for each underwriting year. The projections use a number of methods, with chain-ladder and Bornhuetter-Ferguson being the most extensively used on both gross and ceded information.

The basic chain-ladder method uses cumulative data to derive a set of development factors based on historical information, and are most appropriate for those classes and underwriting years that have reached a relatively stable development pattern.

The Bornhuetter-Ferguson method is a standard actuarial method used to project a set of underwriting year claims ultimates, and is usually used for more recent underwriting years where there is little claims development. The Bornhuetter-Ferguson method weights two independent estimates of the ultimates, the estimate calculated from the basic chain-ladder method and another independent estimate of the claims ultimate.

There has been no change in the methodologies used in determining the ultimate cost of claims in the year.

NOTES TO THE ACCOUNTS
(CONTINUED)

17) INSURANCE RISK MANAGEMENT *(CONTINUED)*

Development
The table below shows the development of gross and net undiscounted ultimate claims for the ten most recent underwriting years of account. All information presented in the table is reported at the current year-end rates of exchange.

Conditions and trends that have affected the development of the liabilities in the past may not occur in the future. Accordingly, conclusions about future results may not necessarily be derived from the information presented in the table below.

Gross of reinsurance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At end of reporting year	7,311	4,189	4,450	2,926	2,900	8,035	8,534	7,383	15,243	15,539	
1 year later	16,922	12,736	16,750	12,523	6,915	13,704	20,324	19,093	40,229		
2 years later	17,257	13,404	18,434	18,369	7,277	14,938	20,605	23,538			
3 years later	16,190	17,035	18,154	17,035	7,262	14,428	21,256				
4 years later	14,916	20,594	16,523	14,486	4,868	9,859					
5 years later	13,756	19,545	15,246	12,438	4,825						
6 years later	11,024	18,323	12,570	15,471							
7 years later	11,076	21,650	11,009								
8 years later	12,494	18,498									
9 years later	11,166										
Cumulative payments	10,214	16,824	4,708	2,148	1,445	3,989	5,498	3,103	12,126	6	60,061
Estimated balance to pay	952	1,674	6,301	13,323	3,380	5,870	15,758	20,435	28,103	15,533	111,329
2010 & prior											8,062
Total gross provision included in the balance sheet											119,391

Net of reinsurance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At end of reporting year	1,252	710	718	2,122	387	1,202	1,162	5,502	12,836	13,625	
1 year later	2,760	1,975	1,983	1,807	920	1,998	8,264	15,079	35,270		
2 years later	2,782	2,028	2,183	2,492	1,070	2,275	9,120	19,536			
3 years later	2,530	2,586	2,135	2,398	1,082	2,199	11,699				
4 years later	2,409	3,262	2,371	2,163	804	1,803					
5 years later	2,307	3,419	2,233	1,881	939						
6 years later	2,126	3,230	1,787	2,679							
7 years later	2,129	2,998	1,455								
8 years later	2,397	2,721									
9 years later	2,236										
Cumulative payments	2,042	3,157	919	426	285	795	4,305	3,103	12,126	6	27,158
Estimated balance to pay	194	(436)	536	2,253	654	1,008	7,394	16,433	23,144	13,619	64,799
2010 & prior											786
Total net provision included in the balance sheet											65,585

NOTES TO THE ACCOUNTS
(CONTINUED)

17) INSURANCE RISK MANAGEMENT *(CONTINUED)*

Sensitivity
The following table presents the sensitivity of the value of net insurance liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance liabilities. The sensitivity impact on the result for the year and net assets is determined by applying the factors listed below separately to net claims reserves (excluding future claims handling costs), and future claims handling costs.

		2020	2019
Impact on the result for the year and net assets		**£'000**	£'000
Change in net claims reserves	**+1%**	**(640)**	**(372)**
	-1%	**640**	**372**
Changes in claims handling	**+10%**	**(157)**	**(145)**
	-10%	**157**	**145**

18) DEPOSITS WITH CEDING UNDERTAKINGS

	2020 £'000	2019 £'000
Deposit held under group reinsurance arrangements	**615**	2,101
	615	2,101

19) OTHER DEBTORS

	2020 £'000	2019 £'000
Amounts due from fellow group undertakings	**399**	551
Deferred tax asset (see note 22)	**-**	23
Other	**184**	13
	583	587

Other debtors are due within one year.

20) TANGIBLE ASSETS

During 2019, all tangible assets were transferred to NEVAG at net book value.
Therefore, there was no depreciation charge in 2020. The charge for depreciation for the year ended 31 December 2019 was £4k.

NOTES TO THE ACCOUNTS
(CONTINUED)

21) DEFERRED ACQUISITION COSTS

All deferred acquisition costs relate to insurance contracts. The reconciliation of opening and closing deferred acquisition costs is as follows:

	2020	2019
	£'000	£'000
At 1 January	**5,947**	2,173
Expenses for the acquisition of insurance contracts	**17,073**	13,712
Amortisation of acquisition costs	**(15,824)**	(9,852)
Foreign exchange	**70**	(86)
At 31 December	**7,266**	5,947

22) DEFERRED TAX

	2020	2019
	£'000	£'000
Tax effect of trading losses available for Group relief	**-**	23
Deferred tax asset at the start of the year	**23**	187
Taxation effect of trading losses Group relieved	**(23)**	(187)
Deferred tax credit in profit and loss account	**-**	23
Deferred tax asset	**-**	23

23) CALLED UP SHARE CAPITAL

	2020	2019
	£'000	£'000
Allotted, called up and fully paid 72,500,000 (2019: 52,500,000) Ordinary shares of £1 each	**72,500**	52,500

During the year, the Company issued 20.0m ordinary £1 shares to its immediate parent, Newline Holdings UK Limited, for consideration of £20.0m (2019: Company issued 10.0m ordinary £1 shares to its immediate parent, Newline Holdings UK Limited, for consideration of £10.0m).

There is a single class of ordinary shares, with no restrictions on the distribution of dividends and the repayment of capital.

24) AMOUNT DUE TO GROUP UNDERTAKINGS

	2020	2019
	£'000	£'000
Amount due to fellow group undertakings	**1,058**	1,094
Deposit received from group reinsurance arrangements	**9,317**	20,185
	10,375	21,279

NOTES TO THE ACCOUNTS
(CONTINUED)

25) ULTIMATE PARENT UNDERTAKING

The immediate parent of the Company is Newline Holdings UK Limited ("NHUKL"), a company incorporated in Great Britain. NHUKL is a wholly owned subsidiary of Odyssey Reinsurance Company ("ORC"), part of the Odyssey Group. The ultimate parent is Fairfax Financial Holdings Limited ("Fairfax"), a company incorporated in Canada. ORC and Fairfax are the smallest and largest group undertakings in which the Company is consolidated.

Group accounts for Fairfax are available from the company secretary of NHUKL, Corn Exchange, 55 Mark Lane, London, EC3R 7NE.

26) TRANSACTIONS WITH RELATED PARTIES

As permitted by FRS 102 the Company has taken advantage of the exemption from disclosure of transactions with other members of the Fairfax Group.

27) CAPITAL

The Company maintains a capital structure comprising only its equity shareholder's funds, consistent with its risk profile and the regulatory and market requirements of the business. The Company's objectives in managing its capital are to:

- match the profile of its assets and liabilities to the risk profile of the business
- satisfy the requirements of its policyholders and regulators
- retain financial flexibility by maintaining adequate liquidity

Regulatory capital requirements are determined under the EU Solvency II Directive using the Solvency II Standard Formula to determine its Solvency Capital Requirement ("SCR").

The Board has in place policies and procedures for managing compliance with regulatory capital requirements and its own capital management objective. The purpose is to balance risk and return while maintaining economic and regulatory capital in accordance with risk appetite. The Board has no appetite for the Company failing to maintain sufficient capital. To this end, the Company recalculates its SCR routinely at different points during the annual business cycle, and may also do so on an ad-hoc basis if the risk management framework identifies significant changes to the risk profile, or as required by the Board. In order to ensure that regulatory capital is maintained above the SCR, a minimum level of free assets above the SCR is set by the Board periodically.

With effect from 1st January 2018, ORC has entered into agreement with NICL to provide financial support to the Company should NICL's own funds over its SCR fall below a ratio of 115%. No support from ORC has been called upon from the 31st December 2020 and the signing of this Report and Accounts.

The Company is regulated by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA") and is subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities. The Company manages capital in accordance with these rules and performs the necessary tests to ensure continuous and full compliance with such regulations. The level of capital held and capital requirements are reported to the Board on a regular basis.

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REFERENCE NUMBER
BEC40763-9E1B-4438-B916-C57CF09B7649

SIGNATURE CERTIFICATE

TRANSACTION DETAILS

Reference Number
BEC40763-9E1B-4438-B916-C57CF09B7649

Transaction Type
Signature Request

Sent At
05/20/2021 03:51 EDT

Executed At
05/20/2021 03:54 EDT

Identity Method
email

Distribution Method
email

Signed Checksum
7920eeb37ca3f88b1a801acfe5acebc87de9d0e48059931f2135966f11edb12d

Signer Sequencing
Disabled

Document Passcode
Disabled

DOCUMENT DETAILS

Document Name
Nicl 2020 Stats Final 9

Filename
nicl_2020_stats_final_9.pdf

Pages
47 pages

Content Type
application/pdf

File Size
505 KB

Original Checksum
2116977586b7081a7659e4d962b31506e5b934c126027af09abde1b9b65e9bda

SIGNERS

SIGNER

Name
Sonny Kapur

Email
skapur@newlinegroup.com

Components
3

E-SIGNATURE

Status
signed

Multi-factor Digital Fingerprint Checksum
11b6cbbf90ff9d32ce8b5ca15b6bfc252ece52a24d7cb60595b4ecf739b162d5

IP Address
31.221.25.163

Device
Chrome via Windows

Typed Signature

Sonny Kapur

Signature Reference ID
9F186FAB

EVENTS

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Identity Authenticated At
05/20/2021 03:54 EDT

Signed At
05/20/2021 03:54 EDT

AUDITS

TIMESTAMP	AUDIT
05/20/2021 03:51 EDT	Jackie Gibb (jgibb@newlinegroup.com) created document 'nicl_2020_stats_final_9.pdf' on Chrome via Windows from 31.221.25.163.
05/20/2021 03:51 EDT	Sonny Kapur (skapur@newlinegroup.com) was emailed a link to sign.
05/20/2021 03:53 EDT	Sonny Kapur (skapur@newlinegroup.com) viewed the document on Chrome via Windows from 31.221.25.163.
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