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W/R/B
UNDERWRITING
| a Berkley Company

W. R. Berkley Syndicate 1967 Annual Report and Financial Statements

For the year ended 31 December 2023

W/R/B UNDERWRITING | a Berkley Company

MANAGING AGENT'S CORPORATE INFORMATION

DIRECTORS AND ADMINISTRATION

Managing Agent

W. R. Berkley Syndicate Management Limited

DIRECTORS

William Robert Berkley – Chairman [1]
William Robert Berkley Jr [1]
James Hastings
James Bronner
David Brosnan [2]
Robert Chase [2]
Alastair Blades
Edward Creasy [2]
Jacqueline Hedges
Gillian James
Ira Lederman
Michael Smith [2] (*resigned 31 December 2023*)
Steven Taylor

[1] *Directors of ultimate parent company W. R. Berkley Corporation*

[2] *Independent non-Executive Director*

Company Secretary
Clyde & Co Secretaries Limited

Managing Agent's registered office
14th floor, 52 Lime Street
London, EC3M 7AF

Managing Agent's registered number
07712472

Active underwriters
Miriam Goddard (*resigned 31 December 2023*)
Alastair Blades

Bankers
Citibank NA
RBC Dexia

Investment manager
Berkley Dean & Company, Inc.

Registered auditor
KPMG LLP

Reporting actuary
Ernst & Young LLP

Directors' interests
None of the Directors of the Managing Agent have any participation in the Syndicate's premium income capacity.

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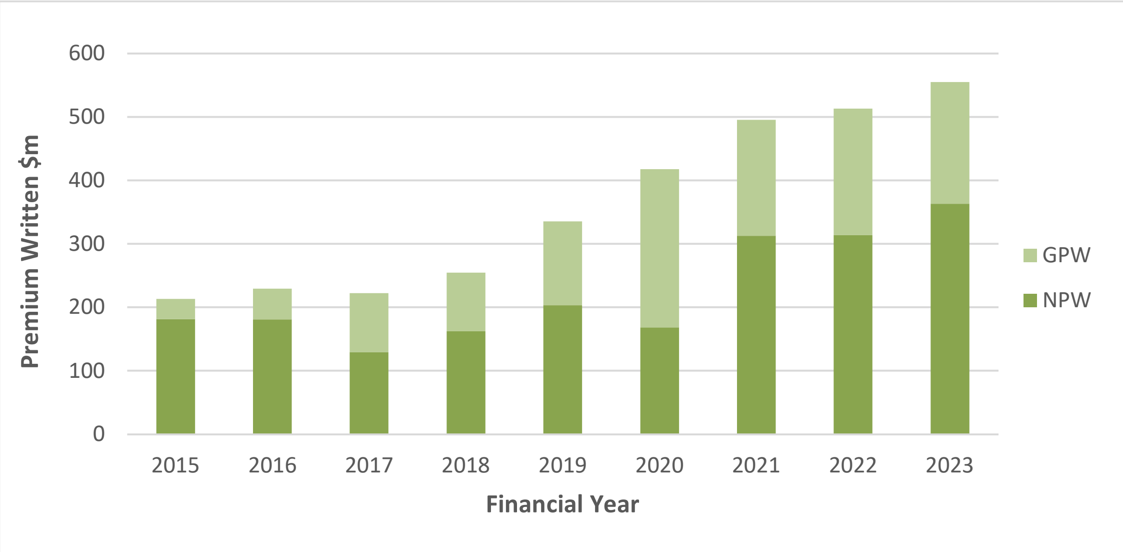
HIGHLIGHTS

Financial year	2023	2022	2021	2020	2019	2018	2017
Gross premium written ($m)	554.9	513.1	495.4	417.5	335.4	254.5	222.4
Net premium written ($m)	363.1	313.4	312.8	168.5	203.0	162.5	129.6
Net premium earned ($m)	322.2	303.4	255.0	184.4	179.3	155.7	138.1
Net claims ratio (%)	47.2	60.7	62.2	129.1	51.5	66.5	98.0
Acquisition expense ratio (%)	14.2	12.6	15.6	21.6	18.7	21.9	29.7
Admin expense ratio (%)	16.5	17.3	18.5	20.8	17.7	21.9	23.2
Net combined ratio (%)	77.9	90.6	96.4	171.5	87.9	110.3	150.9
Cash and investments ($m)	600.8	453.8	330.9	223.9	147.9	112.9	105.6
Profit / (Loss) for financial year ($m)	92.5	27.2	10.3	(131.7)	23.4	(16.4)	(69.8)

Net expense ratio and net combined ratio excludes profit / (loss) on foreign exchange.



Pure underwriting year	2023 F'cast	2022 F'cast	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual
Lloyd's stamp capacity ($m)	568.7	503.7	423.5	393.3	298.1	286.6	304.4
Gross premium written ($m)	567.9	508.3	462.8	422.5	305.6	252.1	240.1
Profit / (Loss) for underwriting year ($m)	90.9	38.0	38.8	(58.5)	(49.2)	(12.3)	(35.3)
Return on capacity (%)	16.0	7.6	9.2	(14.8)	(16.6)	(4.3)	(11.6)

W/R/B UNDERWRITING | a Berkley Company

ACTIVE UNDERWRITER'S REPORT

W. R. Berkley Syndicate 1967 ("the Syndicate") underwrites a diversified portfolio of risks, both Short Tail and Long Tail. It also has a small number of classes of business which are currently in run off.

Short Tail business includes Property and Engineering & Construction classes. Long Tail business includes the Specialty Casualty classes of Professional Indemnity and Financial Lines, affiliated Berkley lines of business and Lloyd's China business.

Business is mainly written directly to the Lloyd's platform through London Market intermediaries. However, the Syndicate also makes use of its service company, W. R. Berkley UK Limited, to underwrite certain business and to facilitate its network of affiliated Berkley businesses acting as approved coverholders. Business related to EEA risks is placed through Berkley European Underwriters AS on Lloyd's Insurance Company S.A. ("Lloyd's Brussels") paper, and 100% reinsured by the Syndicate, and business related to Chinese risks is written through Lloyd's Insurance Company (China) Limited ("Lloyd's China") and 100% reinsured by the Syndicate.

The Lloyd's stamp capacity for 2023 was at £470.0 million, or US$568.7 million (2022: £365.0 million, or US$503.7 million) which was a £105m ($127m) increase over the prior year. The stamp capacity for the 2024 underwriting year is unchanged at £470 million, or US$596.9 million.

During the year, joint Active Underwriter Miriam Goddard retired, the Syndicate thanks Miriam for her contribution.

UNDERWRITING RESULTS

Financial year result

The 2023 financial year GAAP result is a profit of US$92.5m (2022: a profit of US$27.2m) and a combined ratio of 77.9% (2022: 90.6%).

The performance for each individual underwriting year during the 2023 financial year is set out below.

Closed years

There was a small profit on the closed years (2009-2020) due to the orderly earning of insurance contracts covering long term projects and positive premium adjustments on facilities. The result on the closed years for financial year 2023 was a profit of $1.9m.

2021 Year

The 2021 underwriting year will close at a profit of $37m, owing to profitable growth in the Commercial Property, Professional Indemnity, Financial Lines and affiliated Berkley lines of business. The Syndicate achieved rate increases and underwrote new business in ongoing classes in line with its business plan. During 2023 there was limited deterioration on 2021 YOA reserves that contributed a loss of $3.3m to the financial year 2023.

W / R / B
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ACTIVE UNDERWRITER'S REPORT (CONT.)

2022 Year

The 2022 underwriting year had seen shifts in market conditions with claims inflation and a more competitive underwriting environment putting pressure on underwriting performance. The Syndicate still delivered strong premium growth in its core classes of Property, Engineering and Specialty Casualty and has delivered a profit to date of $32m despite significant losses from catastrophes, in particular Hurricane Ian ($41m). The ultimate forecast result for the underwriting year is a profit of $38.0m. The contribution for the 2022 underwriting year for the financial year 2023 is a profit of $47.6m.

2023 Year

The 2023 underwriting year has seen further shifts in market conditions and the development of a twin track market. There has been significant hardening in the Property market challenged by increases in reinsurance costs. This is in contrast to the Casualty market that has experienced an increase in market capacity driving rate reductions. The Syndicate has managed to grow in its core Property, and Engineering book, and has reduced income for Specialty Casualty classes as the Syndicate continues to proactively manage the insurance cycle. This growth together with favourable claims experience has delivered a profit of $46.3m in the 2023 financial year. The ultimate forecast result for the year is a profit of $90.9m.

OUTLOOK

Divergent market conditions between Property and Casualty lines are expected to remain in 2024, with overall business remaining price adequate. The composition of the portfolio will largely remain unchanged and focused on Property and Specialty Casualty. The Syndicate strategy is to continue to focus on better performance and growth of existing classes, including subclasses which are better insulated from price volatility. Underwriting initiatives in 2024 include an expansion of Transactional Liability and Financial Institutions, and the launch of a new Technology Liability product. The Syndicate believes that it has the ability to attract talent and the investments in people, processes and technology made to date will ensure the Syndicate remains well positioned to generate satisfactory returns for its capital providers in the future.

A. BLADES

ACTIVE UNDERWRITER

27 FEBRUARY 2024

W/R/B UNDERWRITING | a Berkley Company

REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The Directors of W. R. Berkley Syndicate Management Limited ("WRBSML" or "the Managing Agent") present their report in respect of the Syndicate for the year ended 31 December 2023.

This annual report is prepared using the annual basis of accounting as required by Statutory Instrument No 1950 of 2008, the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* ("FRS102") and Financial Reporting Standard 103 *Insurance Contracts* ("FRS103").

RESULTS

The result for the year ended 31 December 2023 is a profit of $92.5 million (2022: profit of $27.2 million).

PRINCIPAL ACTIVITIES

The principal activity of the Syndicate is the transaction of general insurance and reinsurance business in the Lloyd's market, in accordance with the risk appetite agreed by the Board of Directors of the Managing Agent ("the Board").

The Syndicate underwrites direct business and facultative reinsurance, specialising in its chosen classes of Property, Engineering and Construction, and Specialty Casualty (which comprises of Professional Indemnity and Financial Lines). The Syndicate also provides an international underwriting platform for affiliate businesses of W. R. Berkley Corporation ("WRBC") and writes a limited level of treaty and facultative reinsurance through Lloyd's China. The Syndicate also manages the runoff of its discontinued Marine, Aviation, Accident and Health, Asset Protection, Political Lines, Healthcare and Contingency classes.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The table below sets out our key performance indicators. Gross premium written increased by 8%, largely as a result of a 35% growth in Shortail Property and Engineering offset by a 13% decrease in Longtail Berkley, Specialty Casualty and Reinsurance business.

	2023 $'000	2022 $'000	2021 $'000
Gross premium written	554,875	513,090	495,397
Profit for the financial year	92,496	27,185	10,333
Investment (losses)/gains	23,070	(6,054)	(802)
Net Claims ratio	47.2%	60.7%	62.2%
Net Expense ratio	30.7%	29.9%	34.2%
Net Combined ratio	**77.9%**	**90.6%**	**96.4%**

W/R/B UNDERWRITING | a Berkley Company

REPORT OF THE DIRECTORS OF THE MANAGING AGENT (CONT.)

The following table further details the gross premium written by class of business. Run-off classes comprise Accident and Health, Asset Protection, Aviation, Contingency, Consortia, Marine, Political Lines and Healthcare.

Gross premium written	2023 $'000	2022 $'000	2021 $'000
Property	287,017	220,645	204,191
Engineering and Construction	83,996	54,876	50,450
Short Tail	**371,013**	**275,521**	**254,641**
Professional Indemnity	45,090	44,767	39,614
Financial Lines	39,662	39,464	41,456
Reinsurance China	11,095	10,198	8,617
Berkley Business	83,073	110,313	100,057
Long Tail	**178,920**	**204,742**	**189,744**
Run-off	4,942	32,827	51,012
Total	**554,875**	**513,090**	**495,397**

The Active Underwriters' report on page 2 also provides a review of business for the year.

Total investment return after expenses and unrealised gains/losses was a gain of $23.1 million (2022: $6.1 million loss). Investment return is monitored against industry 1–3 year benchmarks and the portfolio has performed in line with these benchmarks. Investments are managed by Berkley Dean & Co, a WRBC company.

FUTURE DEVELOPMENTS

The capacity for the 2024 year of account is £470.0 million (US$596.9 million), in line with the capacity for the 2023 year of account of £470.0 million ($565.4 million).

Future at Lloyd's is a market-wide transformation programme that is focussed on combining data, technology and new ways of working with existing strengths to transform the Lloyd's market and its culture. 'Blueprint Two' priorities have now been published to inform the strategy and business planning processes of market participants with a key implementation milestone at the start of Q3 2024.

As a business of WRBC, the Syndicate is committed to a group-wide core set of values that highlight the importance of people, risk adjusted returns, accountability, transparency and responsible financial practices. During 2023 and as part of the Lloyd's market-wide 2024 business planning process, the Syndicate submitted its Environmental, Social and Governance (ESG) strategy and framework to Lloyd's. Through this framework and strategy, the Syndicate is committed to promoting good environmental, social and governance practices.

W/R/B UNDERWRITING | a Berkley Company

REPORT OF THE DIRECTORS OF THE MANAGING AGENT (CONT.)

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is a core tenet of the Managing Agent and, in accordance with its culture and philosophy, the Syndicate's individual and aggregate risk exposures are managed proactively with a strong balance sheet, including a high-quality investment portfolio. The Board is responsible for managing all risks facing the business. The Board sets risk appetite as part of the business planning and capital planning processes. A 'three lines of defence' governance model is in place that promotes and enables an effective system of risk management and internal control across the Managing Agent. The Board has an established Risk & Capital Committee ("RCC"), a Risk Management function and an Audit Committee.

The principal risks and uncertainties facing the Syndicate are broadly grouped as follows:

- Strategic risk;
- Insurance risk including reserving risk;
- Financial risk including credit risk, liquidity risk and market risk;
- Operational risk including regulatory risk and Group Risk.

Note 4 to the Financial Statements – Risk and Capital Management provides a further explanation of how these risks are addressed.

Inflation

The continuing economic uncertainty and challenges, with high inflation across developed economies and ongoing geo-political concerns, has the potential to impact the Syndicate's results. The Syndicate continues to evaluate the changing market conditions and the opportunities available to deploy capital where it is believed adequate risk-adjusted returns can be achieved.

GOING CONCERN

Based on the going concern assessment performed as at 31 December 2023, which includes severe but plausible downside stress scenarios, the Directors consider there to be no material uncertainties that may cast significant doubt over the Syndicate's ability to continue to operate as a going concern for a period of at least 12 months from the date of signing these financial statements. The Directors have formed a judgment that the Syndicate has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements and confirm their current intent to open a 2025 year of account.

W/R/B UNDERWRITING | a Berkley Company

REPORT OF THE DIRECTORS OF THE MANAGING AGENT (CONT.)

POLITICAL AND CHARITABLE DONATIONS

The Syndicate made no charitable donations during the year nor in the prior year. There were no political donations made this year nor in the previous year.

DIRECTORS SERVING IN THE YEAR

The Directors of the Managing Agent, who served during the year, were as follows:

William Robert Berkley – Chairman [1]	Edward Creasy [2]
William Robert Berkley Jr [1]	Jacqueline Hedges
James Hastings	Gillian James
David Brosnan [2]	Ira Lederman
Alastair Blades	Michael Smith [2] *(resigned 31 December 2023)*
James Bronner	Steven Taylor
Robert Chase [2]	

[1] *Directors of ultimate parent company W. R. Berkley Corporation*

[2] *Independent non-Executive Director*

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors of the Managing Agent who held office at the date of approval of this Managing Agent's report confirm that, so far as they are each aware, there is no material audit information of which the Syndicate's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any material audit information and to establish that the Syndicate's auditors are aware of that information.

AUDITOR

Pursuant to Section 14 of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Auditor has been reappointed and KPMG LLP will therefore continue in office.

SYNDICATE ANNUAL GENERAL MEETING

In accordance with the Syndicate Meetings (Amendment No. 1) Byelaw (No. 18 of 2000), notice is hereby given that the managing agent does not propose to hold an annual general meeting of the members of the Syndicate.

On behalf of the Board

J. HASTINGS
CHIEF EXECUTIVE OFFICER
LONDON

27 FEBRUARY 2024

STATEMENT OF MANAGING AGENT'S DIRECTORS' RESPONSIBILITIES

The Directors of the Managing Agent are responsible for preparing the Syndicate annual accounts in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires the Directors of the Managing Agent to prepare their Syndicate's annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the Directors of the Managing Agent must not approve the annual accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing these annual accounts, the Directors of the Managing Agent are required to:

— Select suitable accounting policies and then apply them consistently;

— Make judgements and estimates that are reasonable and prudent;

— State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts;

— Assess the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

— Use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so.

The Directors of the Managing Agent are responsible for keeping adequate accounting records that are sufficient to show and explain the Syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the Syndicate and enable them to ensure that the Syndicate annual accounts comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of Syndicate annual accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Syndicate and to prevent and detect fraud and other irregularities.

The Directors of the Managing Agent are responsible for the maintenance and integrity of the Syndicate and financial information included on the Syndicate's website. Legislation in the UK governing the preparation and dissemination of Syndicate annual accounts may differ from legislation in other jurisdictions.

On behalf of the Board

J. HASTINGS
CHIEF EXECUTIVE OFFICER

27 FEBRUARY 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF W. R. BERKLEY SYNDICATE 1967

OPINION

We have audited the Syndicate annual accounts of Syndicate 1967 ("the Syndicate") for the year ended 31 December 2023 which comprise the Statement of Profit or Loss: Technical account – General business, Statement of Profit or Loss: non-technical account, Balance Sheet – Assets, Balance Sheet – Liabilities, Statement of Changes in Members' Balances, Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the Syndicate annual accounts:

give a true and fair view of the state of the Syndicate's affairs as at 31 December 2023 and of its profit for the year then ended;

have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and

have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The Directors of the Managing Agent ("the Directors") have prepared the Syndicate annual accounts on the going concern basis as they do not intend to cease underwriting or to cease its operations, and as they have concluded that the Syndicate's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Syndicate annual accounts ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Syndicate's business model and analysed how those risks might affect the Syndicate's financial resources or ability to continue operations over the going concern period, including reviewing correspondence with Lloyd's to assess whether there were any known impediments to establishing a further year of account.

Our conclusions based on this work:

we consider that the Directors' use of the going concern basis of accounting in the preparation of the Syndicate annual accounts is appropriate; and

we have not identified and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Syndicate's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Syndicate will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF W. R. BERKLEY SYNDICATE 1967

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures at the Syndicate and Managing Agent included:

- Enquiring of directors, the audit committee, internal audit, compliance, legal and risk and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board, audit committee and risk and solvency committee minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and considering possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as the valuation of claims outstanding and the valuation of estimated premium debtors. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, journals posted without a user identity, those posted to accounts linked to an accounting estimate and those posted with unusual descriptions or related to run-off if any; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Annual Return from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Managing Agent's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF W. R. BERKLEY SYNDICATE 1967

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Annual Return varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the Annual Return including financial reporting legislation (including related Lloyd's regulations) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Annual Return items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Annual Return, for instance through the imposition of fines or litigation or the loss of the Syndicate's capacity to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and conduct recognizing the financial and regulated nature of the Syndicate's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Annual Return, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Annual Return, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION - REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The Directors are responsible for the Report of the Directors of the Managing Agent. Our opinion on the Syndicate annual accounts does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate annual accounts audit work, the information therein is materially misstated or inconsistent with the Syndicate annual accounts or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Directors of the Managing Agent;
- in our opinion the information given in the Report of the Directors of the Managing Agent is consistent with the Syndicate annual accounts; and
- in our opinion the Report of the Directors of the Managing Agent has been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF W. R. BERKLEY SYNDICATE 1967

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate annual accounts are not in agreement with the accounting records; or
- certain disclosures of Managing Agent's emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

RESPONSIBILITIES OF THE DIRECTORS OF THE MANAGING AGENT

As explained more fully in their statement set out on page 8, the Directors of the Managing Agent are responsible for: the preparation of the Syndicate annual accounts and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate annual accounts that are free from material misstatement, whether due to fraud or error; assessing the Syndicate'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 they either intend to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Syndicate annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate annual accounts.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Syndicate's members, as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate and the Syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF W. R. BERKLEY SYNDICATE 1967

David Maddams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL

27 FEBRUARY 2024

W/R/B UNDERWRITING | a Berkley Company

STATEMENT OF PROFIT AND LOSS ACCOUNT: TECHNICAL ACCOUNT - GENERAL BUSINESS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	$'000	$'000	$'000	$'000
Earned premiums, net of reinsurance					
Gross premium written	*5*	554,875		513,090	
Outwards reinsurance premium		(191,747)		(199,685)	
Net premium written		363,128		313,405	
Change in the provision for unearned premiums					
Gross amount	*17*	(31,248)		3,720	
Reinsurers' share	*17*	(9,638)		(13,694)	
Change in the net provision for unearned premiums			(40,886)		(9,974)
Earned premiums, net of reinsurance			**322,242**		**303,431**
Allocated investment return transferred from the non-technical account			23,070		(6,054)
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		(193,413)		(295,376)	
Reinsurers' share		63,822		176,947	
Net claims paid			(129,591)		(118,429)
Change in the provision for claims					
Gross amount	*17*	(7,338)		(42,321)	
Reinsurers' share	*17*	(15,289)		(23,566)	
Change in the net provision for claims			(22,627)		(65,887)
Claims incurred, net of reinsurance	*6*		(152,218)		(184,316)
Net operating expenses	*7*		(98,953)		(90,910)
Total technical charges			(251,171)		(275,226)
Balance on the technical account – general business			**94,141**		**22,151**

All amounts above are in respect of continuing operations.

The notes on pages 20 to 50 form part of these financial statements.

W/R/B UNDERWRITING | a Berkley Company

STATEMENT OF PROFIT AND LOSS ACCOUNT: NON-TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $'000	2022 $'000
Balance on the technical account – general business		**94,141**	**22,151**
Investment income	*10,11*	11,750	6,311
Realised (losses) on investments	*10*	(1,686)	(3,034)
Unrealised (losses) on investments	*10*	13,503	(8,985)
Investment expenses and charges	*10*	(497)	(346)
Allocated investment return transferred to technical account - general business		(23,070)	6,054
Other expenses		-	-
(Loss)/profit on foreign exchange		(1,645)	5,034
Profit for the financial year		**92,496**	**27,185**

There are no recognised gains and losses for the current period other than those included in the profit and loss account above and therefore no statement of other comprehensive income has been presented.

All amounts above are in respect of continuing operations.

The notes on pages 20 to 50 form part of these financial statements.

W/R/B UNDERWRITING | a Berkley Company

BALANCE SHEET AS AT 31 DECEMBER 2023

		2023		2022	
Assets	*Notes*	**$'000**	**$'000**	**$'000**	**$'000**
Investments					
Financial investments	*12,13*	547,357		396,188	
Deposits with ceding undertakings	*12*	693		829	
			548,050		397,017
Reinsurers' share of technical provisions					
Provision for unearned premiums	*17*	73,294		84,177	
Claims outstanding	*4, 17, 18*	258,027		271,465	
			331,321		355,642
Debtors					
Debtors arising out of direct insurance operations	*14*	134,562		121,143	
Debtors arising out of reinsurance operations	*15*	54,312		48,766	
Other debtors		17,440		19,425	
			206,314		189,334
Other assets					
Cash at bank and in hand		8,570		15,107	
Overseas deposits	*13*	44,136		41,660	
			52,706		56,767
Prepayments and accrued income					
Accrued interest and rent		2,909		2,035	
Deferred acquisition costs		49,681		44,369	
Other prepayments and accrued income		1,698		1,993	
			54,288		48,397
Total assets			**1,192,679**		**1,047,157**

The notes on pages 20 to 50 form part of these financial statements.

W/R/B UNDERWRITING | a Berkley Company

BALANCE SHEET AS AT 31 DECEMBER 2023 (CONT.)

		2023		2022	
Liabilities	*Notes*	**$'000**	**$'000**	***$'000***	***$'000***
Capital and reserves					
Member's balances			122,994		24,030
Technical provisions					
Provision for unearned premiums	*17*	286,624		250,815	
Claims outstanding	*4, 17*	605,074		587,621	
			891,698		838,436
Creditors					
Creditors arising out of direct insurance operations	*18*	2,696		2,754	
Creditors arising out of reinsurance operations – due within one year	*19*	128,480		122,781	
Other creditors		23,618		34,273	
			154,794		159,808
Accruals and deferred income			23,193		24,883
Total liabilities, capital and reserves			**1,192,679**		**1,047,157**

The notes on pages 20 to 50 form part of these financial statements.

The financial statements on pages 14 to 50 were approved by written consent of the Board and were signed on behalf of the Board of W. R. Berkley Syndicate Management Limited by:

J. HASTINGS

CHIEF EXECUTIVE OFFICER

27 FEBRUARY 2024

W/R/B UNDERWRITING | a Berkley Company

STATEMENT OF CHANGES IN MEMBER'S BALANCES FOR YEAR ENDED 31 DECEMBER 2023

	2023 $'000	2022 $'000
Member's balances brought forward	24,030	9,037
Profit for the financial year	92,496	27,185
Cash call/(distribution)	6,468	(12,192)
Member's balances carried forward at 31 December	**122,994**	**24,030**

Members participate in the Syndicate by reference to years of account and their ultimate results. Assets and liabilities are assessed with reference to policies incepting in that year of account in respect of their membership of a particular year.

The notes on pages 20 to 50 form part of these financial statements.

W/R/B UNDERWRITING | a Berkley Company

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	$'000	$'000	$'000	$'000
Profit for the financial year	92,496		27,185	
Increase in technical provisions	53,262		13,759	
Decrease in reinsurers' share of technical provisions	24,321		44,361	
(Increase)/Decrease in debtors	(22,874)		13,225	
Increase/(Decrease) in creditors	(6,703)		32,638	
(Increase) in other assets	(2,476)		(4,275)	
Investment return	(23,070)		6,054	
Realised/ Unrealised foreign exchange (losses)/gains	65		(5,034)	
Net cash flow from operating activities		**115,021**		**127,913**
Cash flows from investing activities				
Purchase of equity and debt instruments	(300,789)		(303,439)	
Sale of equity and debt instruments	209,393		179,911	
(Purchase)/Sale of shares and other variable yield securities	(44,876)		3,246	
Investment (loss)/income received	9,567		2,932	
Realised / unrealised foreign exchange gains/(losses)	1,580		(6)	
Unrealised (Losses)/gains	(2,901)		1,816	
		(128,026)		**(115,540)**
Cash flows from financing activities				
Cash call/(distribution)		6,468		(12,192)
Net (decrease)/increase in cash and cash equivalents		**(6,537)**		**181**
Cash and cash equivalents at the beginning of the year		15,107		14,926
Cash at bank and in hand	8,570		15,107	
Cash and cash equivalents at 31 December		**8,570**		**15,107**

The notes on pages 20 to 50 form part of these financial statements.

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Lloyd's Syndicate 1967 ('the Syndicate') underwrites insurance business in the London Market. It is managed by W. R. Berkley Syndicate Management Limited ("the Managing Agent"). The address of the Managing Agent is 14th floor, 52 Lime Street, London, EC3M 7AF.

The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice, "UK GAAP"), including Financial Reporting Standard 102, *The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland* ("FRS 102") and Financial Reporting Standard 103, *Insurance Contracts* ("FRS 103").

The financial statements have been prepared on the historical cost basis, except for financial assets which are prepared at fair value through profit or loss that are measured at fair value.

The financial statements are presented in US Dollars ('USD'), which is the Syndicate's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Going Concern

The Syndicate annual accounts are prepared on a going concern basis in accordance with FRS102. The Directors have performed an assessment of the Syndicate's ability to continue as a going concern.

In response to the changing market conditions and the wider economic environment, the Syndicate reviewed and assessed the potential implications for each class of business that the Syndicate underwrites, across all its platforms, with involvement from underwriting, exposure management, actuarial, claims and finance teams. The output of this review formed the basis of Syndicate's loss reserving.

The Syndicate's financial forecasts reflect the outcomes that the Directors consider reasonable, based on the information available at the date of signing these annual accounts. To assess the Syndicate's going concern the financial stability of the Syndicate was modelled for a period of at least 12 months and a number of sensitivity, stress and scenario tests were applied including the impacts of inflation including but not limited to loss costs, operating expenses and investment income. This assessment included, amongst other analysis, a best estimate forecast with a scenario analysis covering the impact of deterioration in loss events alongside pessimistic investment return scenarios. To further stress the financial stability of the Syndicate, additional scenario testing was performed. The testing identified that even under the more severe but plausible stress scenarios, the Syndicate had sufficient liquidity and solvency headroom.

In addition to the above, the following factors were also considered as part of the going concern assessment:

- The Syndicate was able to open the 2024 year of account with stamp of £470.0 million or US$596.9 million.

- As at 31 December 2023, the Syndicate considers that it has sufficient liquidity to pay its obligations as they fall due. The Syndicate held cash and cash equivalents of US$8.5 million and investments with maturity dates of less than one year of US$166.4 million.

- As at 31 December 2023, the average credit quality of the fixed maturity portfolio was AA (31 December 2021 – AA). This is an area the Directors continue to monitor. Additional credit risk disclosures are set out on pages 33 to 34.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

1. BASIS OF PREPARATION (CONT.)

- Additionally, the ability of the Syndicate to meet its obligations as they fall due is also underpinned by the support provided by the Lloyd's solvency process and its chain of security for any members who are not able to meet their underwriting liabilities.

Based on the going concern assessment performed as at 31 December 2023, the Directors consider there to be no material uncertainties that may cast significant doubt over the Syndicate's ability to continue to operate as a going concern. The Directors have formed a judgment that the Syndicate has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements and confirm their intention to open a 2025 year of account.

2. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, the Directors of the Managing Agent have made judgements, estimates and assumptions that affect the application of the Syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The measurement of the provision for claims outstanding involves judgements and assumptions about the future that have the most significant effect on the amounts recognised in the financial statements.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, whether reported or not. This is a judgemental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgement is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported ("IBNR") to the Syndicate.

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the Managing Agent's in-house actuaries and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time in view of the likely ultimate claims to be experienced and for more recent underwriting, having regard to variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of business accepted and assessments of underwriting conditions.

Further information about the risk that the provision for claims outstanding could be materially different from the ultimate cost of claims settlement is included in the sensitivity analysis within note 4.

The measurement of premium estimates comprises the estimated gross premium written during the year, that have not yet been notified by the financial year-end. For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums. These estimates, primarily relating to binder business, are judgemental and could result in misstatements of revenue recorded in the financial statements.

The main assumption underlying future premium, is that past premium development can be used to project future premium development.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Syndicate's annual accounts.

Premium written

Gross written premiums comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the reporting period, regardless of whether these are wholly due for payment in the reporting period, together with any adjustments arising in the reporting period to such premiums receivable in respect of business written in the current or prior reporting periods. They are recognised on the date on which the policy commences. Additional or return premiums are treated as a re-measurement of the initial premium.

Estimated premium income in respect of facility contracts, for example binding authorities and lines slips, are deemed to be written in a manner that reflects the expected profile of the underlying business which has been written.

Outwards reinsurance premiums consist of excess of loss and proportional reinsurance contracts. Initial excess of loss premiums are accounted for in the year of inception. Premiums ceded to reinstate reinsurance cover or additional premiums payable on loss are recognised when they may be assessed with reasonable certainty. Proportional outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Unearned Premium

The provision for unearned premiums comprises the proportion of premiums written which is estimated to be earned in the following or subsequent financial period. It is generally computed using a daily pro rata method.

Written premium is generally earned using daily pro rata method. This is assessed by management at least annually to ensure it materially reflects the underlying risk profile of the Syndicate's exposures.

Acquisition costs

Acquisition costs include direct costs such as brokerage and commission and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. Costs incurred in acquiring general insurance contracts are deferred, whereby the deferred acquisition cost asset represents the proportion of acquisition cost which corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

Claims provisions and related recoveries

Claims incurred comprise the estimated cost of all claims occurring during the year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding from previous periods.

The provision for claims outstanding is an aggregate of estimates made on an individual case basis and the estimated ultimate cost of these case reserves not settled as at the balance sheet date, together with a provision for related claims handling costs. The provision also includes the estimated cost of IBNR at the balance sheet date. This is calculated through statistical methods. These methods generally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be experienced.

For the most recent periods, where a high degree of volatility arises from projections, estimates may be based in part on output from rating models and assessments of underwriting conditions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The reinsurers' share of provisions for claims is based on the amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the period and the current security rating of the reinsurance companies involved. A number of statistical methods are used to assist in making these estimates. Reinsurance assets are assessed for impairment at each balance sheet date. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Syndicate may not recover all amounts due, and that event has a reliably measurable impact on the amount that the Syndicate will receive from the reinsurer. Impairment losses are recognised in profit or loss in the period in which the impairment loss is recognised

The two most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred.

The Directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the annual accounts for the period in which the adjustments are made. The methods used and the estimates made, are reviewed regularly.

Unexpired risks 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 and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

The provision for unexpired risks is calculated by reference to classes of business which are managed together, after taking into account the future investment return on investments held to back the unearned premiums and unexpired claims provisions if material.

Foreign currencies

The functional and presentational currency of the Syndicate is US Dollars. Income and expenditure in foreign currencies are translated at the average rates of exchange for the period. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date or if appropriate at the forward contract rate. Non-monetary assets and liabilities are translated at the rate of exchange ruling at the date of transaction. All differences arising on translation of foreign currency amounts are included in the profit and loss account.

Financial assets and liabilities

In applying FRS 102, the Syndicate has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU).

Financial assets and liabilities are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The Syndicate considers financial assets and liabilities to include debtors and creditors and are stated at cost which is deemed to be fair value.

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the statement of profit or loss account and other comprehensive income.

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial assets and liabilities are classified on their initial recognition. Subsequent reclassifications are permitted only in restricted circumstances.

Financial assets and financial liabilities at fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, units in collective investment schemes, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate's investment strategy.

Deposits with credit institutions are classified as financial investments and debtors and accrued interest are classified as receivables, and are held at amortised cost. For this purpose investments are stated at market value (bid value) and deposits with credit institutions are stated at amortised cost.

Recognition

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Syndicate's contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss are measured at fair value with fair value changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit or loss includes foreign exchange gains/losses arising on their translation to the functional currency, but excludes interest income. The investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business account to reflect the investment return on funds supporting underwriting business.

Debtors, cash and cash equivalents and non-derivative financial liabilities are measured at amortised cost.

Identification and measurement of impairment

At each reporting date the Syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Syndicate about any significant financial difficulty of the issuer, or significant changes in the technological, market, economic or legal environment in which the issuer operates.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

An impairment loss recognised reduces directly the carrying amount of the impaired asset. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Off-setting

Financial assets and financial liabilities are set off and the net amount presented in the balance sheet when, and only when, the Syndicate currently has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investment Return

Investment return comprises investment income and movements in unrealised gains and losses on financial instruments at fair value through profit or loss, less investment management expenses, interest payable, realised losses and impairment losses. Investment income comprises interest income, dividends receivable and realised investment gains.

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Interest income on financial assets measured at amortised cost is recognised using the effective interest method. For the purpose of separately presenting investment income and unrealised gains and losses for financial assets at fair value through profit or loss, interest income is recognised as it accrues on the next coupon payment.

For investments at fair value through profit or loss, realised gains and losses represent the difference between the net proceeds on disposal and the purchase price. For investments measured at amortised cost, realised gains and losses represents the difference between the net proceeds on disposal and the latest carrying value (or if acquired after the last reporting date, the purchase price).

Unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their purchase price. Movements in unrealised investment gains and losses comprise the increase/decrease in the reporting period in the value of the investments held at the reporting date and the reversal of unrealised investment gains and losses recognised in earlier reporting periods in respect of investment disposals of the current period, or the valuation at the beginning of the year; as well as the reversal of previously recognised unrealised gains and losses in respect of investment disposed of in the current period.

Investment return is initially recorded in the non-technical account. The return is transferred in full to the general business technical account to reflect the investment return on funds supporting underwriting business.

Fair Value Hierarchy

The Syndicate utilises a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for similar assets in active markets.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs may only be used to measure fair value to the extent that observable inputs are not available. The fair value of the majority of the Syndicate's portfolio is based on observable data (other than quoted prices) and, accordingly, is classified as Level 2. Level 3 assets held at 31 December 2023 are the Syndicate Loan to the Lloyd's Central Fund.

In classifying particular financial securities in the fair value hierarchy, the Syndicate uses its judgement to determine whether the market for a security is active and whether significant pricing inputs are observable.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The Syndicate determines the existence of an active market by assessing whether transactions occur with sufficient frequency and volume to provide reliable pricing information.

The Syndicate determines whether inputs are observable based on the use of such information by pricing services and external investment managers, the uninterrupted availability of such inputs, the need to make significant adjustments to such inputs and the volatility of such inputs over time. If the market for a security is determined to be inactive or if significant inputs used to price a security are determined to be unobservable, the security is categorised in Level 3 of the fair value hierarchy.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Syndicate in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the balance sheet.

Taxation

Under Schedule 19 of the Finance Act 1993 Managing Agents are not required to deduct basic-rate income tax from trading income. In addition, all UK basic-rate income tax deducted from the Syndicate investment income is recoverable by the Managing Agent and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax.

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings.

No provision has been made for any overseas tax payable by members on underwriting results.

Pension costs

W. R. Berkley Syndicate Limited ("WRBSL") and W. R. Berkley London Staff, Limited ("WRBLSL") operate defined contribution schemes. No pension contributions, relating to staff employed by WRBSL or WRBLSL, were paid directly by the Syndicate.

Profit commission

A profit commission is not charged by the Managing Agent.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT

Introduction and overview

This note presents information about the nature and extent of strategic, insurance, financial and operational risks to which the Managing Agent and the Syndicate are exposed, and the objectives and approach for managing risk and capital. For the purposes of this note the Managing Agent and the Syndicate either individually or collectively are hereinafter referred to as "the Managing Agent" and "the Syndicate".

Risk Management Framework, Governance and Oversight

Risk management is a core tenet of the Managing Agent and in accordance with its culture and philosophy, the Syndicate's individual and aggregate risk exposures are managed proactively with a strong balance sheet, including a high-quality investment portfolio. The Board is responsible for managing all risks facing the business. The Board sets risk appetite as part of the business planning and capital planning processes. A 'three lines of defence' governance model is in place that promotes and enables an effective system of risk management and internal control across the Syndicate. An enterprise risk management framework has been developed and implemented to provide the structure through which the Managing Agent identifies, assesses, monitors, measures, prioritises, reports and controls the risks posed to the achievement of strategic and business plan objectives. The enterprise risk management framework is articulated and set out in a comprehensive suite of policy, process and procedural documentation that is subject to a regular cycle of review and enhancement in accordance with business standards and needs; on-going changes in the risk environment; evolving good practice on risk management and governance; and applicable regulatory/supervisory requirements. The Managing Agent's internal control system supports and enables the management of risks and the undertaking of appropriate related actions on a timely basis.

The Board delegates certain day-to-day management and oversight to its sub-committees. Further information is provided below about the activities of certain Board sub-committees in accordance with the purpose of this note.

Risk and Capital Committee

The Risk and Capital Committee ("RCC") provides oversight of the enterprise risk management framework including the own risk and solvency assessment ("ORSA") process and reporting on behalf of the Board. The RCC reviews and challenges risk profile information and escalates any issues to the Board. The RCC considers the adequacy of available capital and assesses capital requirements based on risk based calculations and proposes relevant actions to be taken by the Board. The RCC is chaired by an independent non-executive Director.

Actuarial Reserving Committee

The Actuarial Reserving Committee ("ARC") provides oversight of the process for the determination of GAAP reserves on behalf of the Board. The ARC is responsible for recommending appropriate policies, procedures, methodologies and assumptions to the Board for determining the appropriate levels of ultimate and earned reserves to be held by the Syndicate considering external actuarial and audit sign off where appropriate. The ARC is chaired by an independent non-executive Director.

Audit Committee

The Audit Committee ("AC") operates independently from other committees and makes recommendations directly to the Board. The AC reviews and considers internal audit and external audit reports on the effectiveness of internal control systems and financial reporting. The AC reviews and makes recommendations to the Board on audited financial statements and returns. The AC is chaired by an independent non-executive Director.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Risk Profile

The Managing Agent is focused on generating superior risk-adjusted returns over the insurance cycle based on an understanding of the amount of risk being assumed by the Syndicate and the proactive management of risk exposures. The Managing Agent manages strategic, insurance, financial and operational risks on an ongoing basis in keeping with its approved risk appetite and system of internal controls.

The principal risks and uncertainties facing the Syndicate are as follows:

— Strategic risk;

— Insurance risk including reserving risk;

— Financial risk including credit risk, liquidity risk and market risk;

— Operational risk including regulatory risk and Group Risk.

Strategic Risk

Strategic risk relates to possible risks, opportunities and challenges to the Managing Agent's business model that may positively or adversely impact its ambition, and strategic goals, objectives and priorities. The underlying principle of the Managing Agent's approach to managing strategic risk is that an effective Board properly consider and take responsibility for the business plan and strategy, and articulate a clear risk appetite to support the strategy and oversee an effective risk control framework.

Insurance Risk

Insurance risk is the risk of any deviation from anticipated risk adjusted returns due from underwriting, claims, reserving or reinsurance activities including inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. In transacting general insurance and reinsurance business in the Lloyd's market, the Syndicate is subject to various risks and uncertainties, including but not limited to: the cyclical nature of the property casualty industry; the impact of significant competition, including new alternative entrants to the industry; the long-tail and potentially volatile nature of the insurance and reinsurance business; product demand and pricing; claims development and the process of estimating reserves; the effects of emerging claim and coverage issues; the uncertain nature of damage theories and loss amounts including claims for cyber security related risks; natural and man-made catastrophic losses, including as a result of terrorist activities; epidemics or pandemics and the potential effects of climate change on physical risks, which may increase the frequency and severity of catastrophe events or may affect non-catastrophe losses as long term weather patterns and sea levels change, and may also lead to potential climate-related legal liability risk exposures and climate related transition risk exposures.

The Managing Agent has established controls for managing its underwriting, pricing, exposure management, reinsurance, claims and reserving activities, processes and deliverables. Where insurance risk exposure moves outside of approved risk appetite, tolerances and limits; action will be taken to manage the insurance risk exposure back to within the approved risk appetite, tolerances and limits in accordance with the Managing Agent's insurance risk policy.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Concentration of insurance risk

The following table provides an analysis of the geographical breakdown of gross premiums written by class of business:

	Short-Tail		Long-Tail				Run-off [1]	
2023	**Property $'000**	**Engineering & CAR $'000**	**Professional Indemnity $'000**	**Financial Lines $'000**	**Reinsurance $'000**	**Berkley $'000**	**Run-off classes $'000**	**Total**
UK	1,341	5,642	35,896	30,786	-	18,291	(3,700)	88,256
Europe	3,953	593	959	4,250	-	22,744	5,832	38,331
North America	257,613	53,986	1,930	233	-	26,959	1,581	342,302
Central America	4,636	300	256	956	-	2,334	256	8,738
South America	4,307	1,180	36	-	-	380	(2)	5,901
Australasia	10,021	18,762	5,627	12	-	6,776	80	41,278
Asia	2,658	2,105	136	557	11,095	2,023	169	18,743
Middle East	2,197	716	33	294	-	2,235	1,106	6,581
Africa	291	712	217	2,574	-	1,331	(380)	4,745
Total	**287,017**	**83,996**	**45,090**	**39,662**	**11,095**	**83,073**	**4,942**	**554,875**

1. Run-off classes comprise Accident and Health, Asset Protection, Aviation, Contingency, Consortia, Marine, Political Lines and Healthcare.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Concentration of insurance risk (cont.)

The following table provides an analysis of the geographical breakdown of gross written premiums by class of business for the prior period. Classes have been re-presented to align to current class structure.

	Short-Tail		Long-Tail				Run-off [1]	
2022	**Property $'000**	**Engineering & CAR $'000**	**Professional Indemnity $'000**	**Financial Lines $'000**	**Reinsurance $'000**	**Berkley $'000**	**Run-off classes $'000**	**Total**
UK	7,861	5,196	37,427	31,429	-	28,606	21,410	131,929
Europe	1,804	286	464	5,716	-	26,930	2,349	37,549
North America	195,199	30,910	1,942	704	-	33,946	842	263,543
Central America	3,580	140	29	537	-	3,518	1,152	8,956
South America	1,976	120	-	25	-	32	419	2,572
Australasia	8,101	15,627	4,830	7	-	8,180	1,028	37,773
Asia	1,302	1,283	-	311	10,198	3,910	(524)	16,480
Middle East	734	528	32	74	-	4,112	5,564	11,044
Africa	88	786	43	661	-	1,079	587	3,244
Total	**220,645**	**54,876**	**44,767**	**39,464**	**10,198**	**110,313**	**32,827**	**513,090**

1. Run-off classes comprise Accident and Health, Asset Protection, Aviation, Contingency, Consortia, Marine, Political Lines and Healthcare.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Sensitivity to insurance risk

The liabilities established could be significantly lower or higher than the ultimate cost of settling the actual claims arising as they are determined. This level of uncertainty varies between the classes of business and the nature of the risk being underwritten and can arise from developments in case reserving for large losses and catastrophes, or from changes in estimates in IBNR. A five per cent increase or decrease in the ultimate cost of settling claims arising is considered to be reasonably possible at the reporting date.

A five percent increase or decrease in total claims liabilities would have the following effect on profit or loss before application of reinsurance:

	2023		2022	
	5 per cent increase	5 per cent decrease	5 per cent increase	5 per cent decrease
	$'000	$'000	$'000	$'000
Property	(7,340)	7,340	(8,725)	8,725
Engineering & CAR	(2,832)	2,832	(2,446)	2,446
Professional Indemnity	(3,198)	3,198	(2,478)	2,478
Financial Lines	(2,798)	2,798	(1,958)	1,958
Reinsurance	(738)	738	(627)	627
Berkley	(9,561)	9,561	(8,789)	8,789
Run-off	(3,787)	3,787	(4,362)	4,362
Total	**(30,254)**	**30,254**	**(29,385)**	**29,385**

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Gross and Net claims development triangles

The below tables illustrate the development of the earned cumulative claims for the Syndicate on an underwriting year basis. All tables have been revalued to reflect the current year closing rate of exchange and are prepared on an undiscounted basis.

Gross Claims Development

Estimate of cumulative claims	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
At end of underwriting year	68,383	52,742	64,504	104,620	59,993	66,096	216,284	129,281	152,599	96,556
One year later	107,333	104,562	154,930	179,910	141,387	268,501	419,232	267,704	264,067	-
Two years later	129,985	115,567	175,898	196,707	160,163	279,844	469,296	265,159	-	-
Three years later	128,518	115,872	178,787	215,089	166,716	269,531	443,973	-	-	-
Four years later	144,986	110,563	201,100	221,736	174,175	267,343	-	-	-	-
Five years later	143,186	112,638	198,103	228,702	188,816	-	-	-	-	-
Six years later	141,707	115,997	199,841	234,142	-	-	-	-	-	-
Seven years later	141,771	116,888	207,316	-	-	-	-	-	-	-
Eight years later	141,611	116,811	-	-	-	-	-	-	-	-
Nine years later	143,188	-	-	-	-	-	-	-	-	-
Cumulative payments	131,937	110,790	189,828	204,912	151,315	231,007	371,605	136,609	87,885	7,731
Estimated balance to pay	11,251	6,021	17,488	29,230	37,501	36,336	72,368	128,550	176,182	88,825
Gross estimated balance to pay										
2013 and prior										1,322
Grand total										**605,074**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Net Claims Development

Estimate of cumulative claims	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
At end of underwriting year	67,527	50,649	58,605	66,144	41,356	47,271	73,468	77,941	96,557	66,344
One year later	104,539	98,974	120,039	115,633	91,763	135,873	158,751	174,201	173,996	-
Two years later	120,127	108,401	134,982	121,885	98,537	129,323	168,805	184,365	-	-
Three years later	118,867	109,128	130,439	127,217	100,021	107,862	161,442	-	-	-
Four years later	118,108	104,926	133,742	127,954	103,388	108,136	-	-	-	-
Five years later	117,307	104,847	134,401	133,078	111,368	-	-	-	-	-
Six years later	115,803	104,446	133,427	131,104	-	-	-	-	-	-
Seven years later	116,086	104,847	136,353	-	-	-	-	-	-	-
Eight years later	115,632	105,014	-	-	-	-	-	-	-	-
Nine years later	117,022	-	-	-	-	-	-	-	-	-
Cumulative payments	113,889	102,077	129,390	121,288	95,031	89,182	118,990	103,119	69,264	7,059
Estimated balance to pay	3,133	2,937	6,963	9,816	16,337	18,954	42,452	81,246	104,732	59,285
Net estimated balance to pay										
2013 and prior										1,192
Grand total										**347,047**

In the financial year there was prior accident year favourable development of claims incurred of $0.1 million (2022: $1.5 million adverse).

Credit risk (part of Financial risk)

Credit risk is the risk of loss as a result of the failure by another party or counterparty to meet its contractual obligations or its failure to perform them in a timely manner. The Syndicate is exposed to a variety of types of credit risk that include but are not limited to: reinsurer credit risk; credit risk from intermediaries such as brokers and coverholders; credit risk from third party claims administrators; credit risk associated with the Syndicate's investments; and credit risk from other third parties including banks. The Managing Agent has established controls to manage its credit risk and mitigate the potential impact of its credit risk exposures to counterparties arising out of its business activities. In circumstances where credit risk exposure moves outside of approved risk appetite, tolerances and limits, action is to be taken to manage the credit risk exposure back to within the approved risk appetite, tolerances and limits in accordance with the Managing Agent's credit risk policy.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Exposure to credit risk

The table below analyses the credit rating of the assets held at the reporting date:

2023	AAA $'000	AA $'000	A $'000	BBB $'000	<BBB $'000	Not Rated $'000	Total $'000
Shares and other variable yield securities	-	-	71,485	-	-	-	71,485
Debt securities	223,997	251,875	-	-	-	-	475,872
Loans with credit institutions	-	-	-	-	-	-	-
Deposits with ceding undertakings	22,128	3,073	3,218	2,848	1,892	10,977	44,136
Overseas deposits as investments	-	-	-	-	-	693	693
Reinsurers' share of claims outstanding	-	20,263	231,258	-	-	6,505	258,026
Reinsurers' debtors	-	22,731	27,840	-	-	3,741	54,312
Cash at bank and in hand	-	-	8,570	-	-	-	8,570
Total credit risk	**246,125**	**297,942**	**342,371**	**2,848**	**1,892**	**21,916**	**913,094**

2022	AAA $'000	AA $'000	A $'000	BBB $'000	<BBB $'000	Not Rated $'000	Total $'000
Shares and other variable yield securities	-	-	23,808	-	-	-	23,808
Debt securities	128,569	219,530	24,281	-	-	-	372,380
Loans with credit institutions	-	-	-	-	-	-	-
Deposits with ceding undertakings	18,961	5,071	3,269	2,808	1,070	10,481	41,660
Overseas deposits as investments	-	-	-	-	-	829	829
Reinsurers' share of claims outstanding	-	18,626	250,324	-	-	2,515	271,465
Reinsurers' debtors	-	13,214	33,131	-	-	2,421	48,766
Cash at bank and in hand	-	-	15,107	-	-	-	15,107
Total credit risk	**147,530**	**256,441**	**349,920**	**2,808**	**1,070**	**16,246**	**774,015**

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Financial assets

An analysis of the carrying amounts of financial assets is presented in the table below:

	Neither past due nor impaired	Financial assets that are past due but not impaired: up to 3 months	3 to 6 months	6 to 12 months	greater than 1 year	Financial assets that have been impaired	Total
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Shares and other variable yield securities and unit trusts	71,485	-	-	-	-	-	71,485
Debt securities	475,873	-	-	-	-	-	475,873
Loans to credit institutions	-	-	-	-	-	-	-
Deposits with ceding undertakings	44,137	-	-	-	-	-	44,137
Overseas deposits as investments	693	-	-	-	-	-	693
Reinsurers' share of claims outstanding	258,027	-	-	-	-	-	258,026
Reinsurance debtors	54,311	-	-	-	-	-	54,311
Insurance debtors	93,416	12,975	10,754	6,207	11,209	-	134,562
Other assets	145,023	-	-	-	-	-	145,025
Cash at bank and in hand	8,570	-	-	-	-	-	8,570
Total credit risk	**1,147,899**	**12,975**	**10,754**	**6,207**	**11,209**	**-**	**1,192,679**

There have been no impairments or write-offs of financial assets in the year (2022: Nil).

	Neither past due nor impaired	Financial assets that are past due but not impaired: up to 3 months	3 to 6 months	6 to 12 months	greater than 1 year	Financial assets that have been impaired	Total
2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Shares and other variable yield securities and unit trusts	23,808	-	-	-	-	-	23,808
Debt securities	372,380	-	-	-	-	-	372,380
Loans to credit institutions	-	-	-	-	-	-	-
Deposits with ceding undertakings	41,660	-	-	-	-	-	41,660
Overseas deposits as investments	829	-	-	-	-	-	829
Reinsurers' share of claims outstanding	271,465	-	-	-	-	-	271,465
Reinsurance debtors	48,766	-	-	-	-	-	48,766
Insurance debtors	85,295	10,068	8,476	6,461	10,843	-	121,143
Other assets	151,999	-	-	-	-	-	151,999
Cash at bank and in hand	15,107	-	-	-	-	-	15,107
Total credit risk	**1,011,309**	**10,068**	**8,476**	**6,461**	**10,843**	**-**	**1,047,157**

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Liquidity risk (part of Financial risk)

Liquidity risk is the risk that the Syndicate, although solvent, does not have sufficient readily realisable financial resources available including liquid assets in the correct currency to enable it to meet its obligations as they fall due, or can only meet them at excessive cost, in both normal market conditions and in severe but plausible stressed situations. The Syndicate is exposed to a variety of types of liquidity risk that include but are not limited to: funding liquidity risk; intraday liquidity risk; and the potential impact to liquidity following a large market-wide insurable event such as a severe natural catastrophe. The Managing Agent has established controls to mitigate the potential impact from liquidity risk exposures arising out of its business activities. In possible circumstances, where liquidity risk exposure moves outside of approved risk appetite, tolerances and limits, action is to be taken to manage the liquidity risk exposure back to within the approved risk appetite, tolerances and limits in accordance with the Managing Agent's liquidity risk policy.

The maturity of liabilities and expected settlement profile for claims liabilities held at the reporting date is shown in the table below:

2023	Not stated maturity $'000	0-1 year $'000	1-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Claims outstanding	-	247,473	226,504	85,488	45,609	605,074
Creditors	-	154,794	-	-	-	154,794

2022	Not stated maturity $'000	0-1 year $'000	1-3 years $'000	3-5 years $'000	Greater than 5 years $'000	Total $'000
Claims outstanding	-	252,175	207,849	82,714	44,883	587,621
Creditors	-	159,808	-	-	-	159,808

The maturity of the assets held by the Syndicate match the liabilities held as they fall due.

Market risk (part of Financial risk)

Market risk is the risk of fluctuations in the value of the Syndicate's assets, the amount of its liabilities, or the income from its assets, as a result of market movements. Market movements include but are not limited to changes in interest rates, credit spreads, volatility of equities and stock market indices, foreign exchange rates, commodity prices, and inflation. Such macro-economic factors could also lead to possible systemic risk affecting the entire financial system. As set out above, there is also credit risk associated with the investment of the Syndicate's assets. The Managing Agent has established controls to mitigate the potential impact of its market risk exposures arising out of its business activities. In possible circumstances, where market risk exposure moves outside of approved risk appetite, tolerances and limits, action is to be taken to manage the market risk exposure back to within the approved risk appetite, tolerances and limits in accordance with the Managing Agent's market risk policy.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

The table below summarises the assets and liabilities at the reporting date split by currency:

2023	USD $'000	GBP $'000	EUR $'000	CAD $'000	AUD $'000	Total $'000
Financial investments	388,701	37,594	20,697	77,104	23,261	547,357
Overseas deposits	4,591	12,528	-	12,866	14,151	44,136
Reinsurers' share of technical provisions	237,168	33,423	26,414	13,590	20,726	331,321
Insurance and reinsurance receivables	103,051	73,079	(11,499)	4,554	19,689	188,874
Cash and cash equivalents	2	4,007	1,212	1,194	2,155	8,570
Other assets	40,158	18,368	5,283	4,479	4,133	72,421
Total assets	**773,671**	**178,999**	**42,107**	**113,787**	**84,115**	**1,192,679**
Technical provisions	(536,913)	(195,183)	(54,431)	(54,783)	(50,386)	(891,696)
Insurance and reinsurance payables	(88,017)	(29,214)	(4,703)	(1,273)	(7,971)	(131,178)
Other creditors	(26,802)	(19,800)	2,236	212	(2,657)	(46,811)
Total liabilities	**(651,732)**	**(244,197)**	**(56,898)**	**(55,844)**	**(61,014)**	**(1,069,685)**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

2022	USD $'000	GBP $'000	EUR $'000	CAD $'000	AUD $'000	Total $'000
Financial investments	295,697	20,934	-	60,961	18,596	396,188
Overseas deposits	6,325	11,138	-	12,068	12,129	41,660
Reinsurers' share of technical provisions	265,722	37,764	28,954	6,941	16,261	355,642
Insurance and reinsurance receivables	96,130	62,887	(9,712)	6,669	13,935	169,909
Cash and cash equivalents	3	6,755	1,961	1,180	5,208	15,107
Other assets	36,492	15,402	8,885	3,606	4,266	68,651
Total assets	**700,369**	**154,880**	**30,088**	**91,425**	**70,395**	**1,047,157**
Technical provisions	(528,355)	(167,780)	(55,161)	(49,421)	(37,719)	(838,436)
Insurance and reinsurance payables	(93,902)	(15,595)	(7,249)	(1,340)	(7,449)	(125,535)
Other creditors	(28,510)	(23,551)	(3,569)	(634)	(2,892)	(59,156)
Total liabilities	**(650,767)**	**(206,926)**	**(65,979)**	**(51,395)**	**(48,060)**	**(1,023,127)**

Sensitivity analysis to market risks for financial instruments

An analysis of the Syndicate's sensitivity to interest rate fluctuations is presented in the table below:

Interest rate risk	2023 $'000	2022 $'000
Impact of 100 basis point increase on the net assets	(12,800)	(9,447)
Impact of 50 basis point increase on the net assets	(6,400)	(4,724)
Impact of 100 basis point decrease on the net assets	13,104	9,656
Impact of 50 basis point decrease on the net assets	6,552	4,828

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Operational and Group Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people or systems, or from certain external events including those that impact on an external relationship that can be found in almost all insurance, financial and non-financial activities. For the Managing Agent, operational risk exposures could include but are not limited to risks and uncertainties relating to the Managing Agent's business activities and its ability to attract and retain key personnel and qualified employees; legislative and regulatory developments, including those related to business practices in the insurance industry; and potential difficulties with technology and/or cyber security issues. The Managing Agent has established controls to mitigate the potential impact from operational risk exposures to its corporate governance arrangements, organisational and management structures and the day-to-day activities, processes and deliverables from its business functions. In possible circumstances, where operational risk exposure moves outside of approved risk appetite and tolerances, action is to be taken to manage the operational risk exposure back to within the approved risk appetite and tolerances in accordance with the Managing Agent's operational risk policy.

Group risk is the risk arising from being part of the wider WRBC Group in addition to being part of the Lloyd's market. WRBC Group provides centralised capital and expertise, including investment and reinsurance management, corporate actuarial, financial, ERM, catastrophe modelling, IT and security, and legal support.

Other Risks including Non-Financial and Emerging Risks

The Managing Agent, like all other managing agents, is exposed to continuous change from the external environment that can include political, social, legal, regulatory, governance, economic, industry, and environmental change. The Managing Agent continuously monitors changes in the external environment to ensure appropriate action is taken in alignment with the enterprise risk management framework and risk appetite.

Over the past several years, changing weather patterns and climatic conditions, such as global warming, appear to have contributed to the unpredictability, frequency and severity of natural disasters and created additional uncertainty as to future trends and exposures. There is a growing scientific consensus that global warming and other climate change are changing the frequency, severity, nature and geographical scope of catastrophic weather events, such as hurricanes, windstorms, floods and other natural disasters.

As a specialist (re)insurer in Lloyd's, the Managing Agent acknowledges that climate and environmental related change presents potential risks and opportunities that need to be carefully and thoughtfully considered and managed as an integrated part of its business strategy, and governance and risk management frameworks. The potential opportunities for the Syndicate include supporting its insureds in navigating a world of climate change-influenced weather events and the transition to low-carbon economies. Climate-related physical, transition and liability risk exposures present potential financial and reputational risks that could impact the Syndicate.

The work undertaken to date to advance the Managing Agent's approach to managing climate-related risks and opportunities in accordance with supervisory and regulatory expectations has also encompassed scenario analysis, and developing metrics and measures. This development work will continue to evolve in 2024 and beyond in accordance with market-wide developments including but not limited to the Lloyd's sustainability guidance for managing agents and the Bank of England Supervisory Statement SS3/19 '*Enhancing banks' and insurers' approaches to managing the financial risks from climate change*'.

4. RISK AND CAPITAL MANAGEMENT (CONT.)

Further climate risk related information for the Managing Agent as a business of WRBC is also available in the Group sustainability reports that are available on https://www.berkley.com. In preparing these reports, WRBC, on behalf of the Group, has undertaken a strategic assessment of its most important sustainability matters for further consideration. For example, the report provides information on the Managing Agent's office space in the 'The Scalpel' at 52 Lime Street and the approach to minimise the environmental impact from the occupation of office space in the building.

Capital management

Capital framework at Lloyd's

The Society of Lloyd's is a regulated undertaking and subject to supervision by the Prudential Regulation Authority ("PRA") under the Financial Services and Markets Act 2000, and in accordance with the Solvency II Framework.

Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's will comply with the Solvency II requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at Syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at Syndicate level. Accordingly, the capital requirement in respect of the Syndicate is not disclosed in these financial statements.

Lloyd's capital setting process

In order to meet Lloyd's requirements, each Syndicate is required to calculate its Solvency Capital Requirement ("SCR") for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). The Syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency II requirements. The SCRs of each Syndicate are subject to review and approval by Lloyd's.

A Syndicate may be supported by one or more underwriting members of Lloyd's. Each member is liable only for its own share of underwriting liabilities on the Syndicates on which it participates. Accordingly, the capital requirements that Lloyd's sets for each member operate on a similar basis.

Each member's SCR shall thus be determined by the sum of the member's share of the Syndicate SCR 'to ultimate'. Where a member participates on more than one Syndicate, a credit for diversification may be provided to reflect the spread of risk, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment ("ECA"). The purpose of this uplift, which is a Lloyd's, not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2021, 2022 and 2023 was 35% of the member's SCR 'to ultimate'.

Provision of capital by members

Each member may provide capital to meet its ECA by assets held in trust by Lloyd's specifically for that member (Funds at Lloyd's), assets held and managed within a Syndicate (Funds in Syndicate), and the member's share of the members' balances on a Solvency II basis on each Syndicate on which it participates.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

5. SEGMENTAL ANALYSIS

An analysis of the underwriting result before investment return is set out below:

2023	Gross Premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance Balance $'000	Total $'000
Direct insurance						
Accident & Health	-	5	134	(168)	224	195
Fire and other damage to property	253,070	214,595	(78,299)	(54,394)	(40,568)	41,334
Energy – Marine	289	218	(74)	(115)	(45)	(16)
Energy – Non-Marine	8,200	6,977	(2,514)	(1,454)	(1,433)	1,576
Third Party Liability	133,810	142,326	(81,331)	(46,861)	(14,400)	(266)
Pecuniary loss	35,540	50,561	(1,445)	(12,938)	(30,758)	5,420
Transport	1,074	975	(404)	(352)	(94)	125
Marine	(32)	(32)	(22)	(32)	110	24
Aviation	(19)	(37)	259	(313)	7	(84)
Motor - Third party liability	943	856	(353)	(300)	(103)	100
Motor - Other Classes	7,604	6,896	(2,841)	(2,398)	(841)	816
	440,479	**423,340**	**(166,890)**	**(119,325)**	**(87,901)**	**49,224**
Reinsurance Business	114,396	100,287	(33,861)	(23,471)	(21,108)	21,846
Total	**554,875**	**523,627**	**(200,751)**	**(142,796)**	**(109,009)**	**71,071**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

5. SEGMENTAL ANALYSIS (CONT.)

2022	Gross Premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance Balance $'000	Total $'000
Direct insurance						
Accident & Health	(1)	5	1,160	(160)	(505)	500
Fire and other damage to property	208,582	205,095	(127,858)	(52,961)	(19,072)	5,204
Energy – Marine	392	385	(283)	(135)	5	(28)
Energy – Non-Marine	6,976	7,233	(5,370)	(1,531)	(281)	51
Third Party Liability	148,105	143,379	(77,946)	(45,027)	(9,357)	11,049
Pecuniary loss	67,312	77,823	(69,176)	(17,143)	17,417	8,921
Transport	1,418	1,308	(867)	(523)	86	4
Marine	6	15	(614)	(101)	625	(75)
Aviation	325	301	1,308	(293)	(5)	1,311
Motor - Third party liability	316	119	281	(273)	(146)	(19)
Motor - Other Classes	7,766	7,127	(3,590)	(2,541)	(968)	28
	441,197	**442,790**	**(282,955)**	**(120,688)**	**(12,201)**	**26,946**
Reinsurance Business	71,893	74,020	(54,742)	(17,638)	(381)	1,259
Total	**513,090**	**516,810**	**(337,697)**	**(138,326)**	**(12,582)**	**28,205**

The segmental note above is presented by regulatory class of business. The table in the Report of the Directors' of the Managing Agent, on page 5, uses the managed class of business analysis.

Commissions on direct insurance business during 2023 were $81.8 million (2022: $76.9 million). Reinsurance balances includes reinsurance commissions receivable.

From 1st April 2022 EEA business has been underwritten on Lloyd's Brussels via a Lloyd's service company arrangement with Berkley European Underwriters AS, an affiliate.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

6. CLAIMS

	2023 $'000	2022 $'000
Claims incurred – current accident year	152,365	190,602
Claims incurred – development of prior accident years	(147)	(6,287)
Claims incurred, net of reinsurance	152,218	184,316

The Syndicate has loss reserves for various events and for losses that are incurred but not reported (IBNR). Losses continue to develop both positively and negatively on these open balances. Whilst the Syndicate has a reasonable degree of confidence as to the ultimate adequacy of its recourse for all events, volatility exists around the final settlement value.

7. NET OPERATING EXPENSES

	2023 $'000	2022 $'000
Brokerage & commissions	49,894	38,789
Other acquisition costs	1,802	1,430
Change in deferred acquisition costs	(6,080)	(1,922)
Acquisition costs	**45,616**	**38,297**
Administrative expenses	53,337	52,613
Net operating expenses	**98,953**	**90,910**

Administrative expenses include:

	2023 $'000	2022 $'000
Auditor's remuneration		
Fees payable to the Syndicate's auditor for the audit of these financial statements	429	448
Fees payable to the Syndicate's auditor for other services pursuant to legislation	114	120
	543	**568**

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

8. REMUNERATION OF KEY MANAGEMENT PERSONNEL OF W. R. BERKLEY SYNDICATE MANAGEMENT LIMITED

The Executive Directors of the Managing Agent receive remuneration from an affiliated service company, WRBSL. An allocation of the total remuneration is chargeable to the Syndicate under the Managing Agent's Agreement.

The non-executive Directors are remunerated by way of fees paid by the Managing Agent. No fees are levied to the Syndicate for the services of the shareholder non-executive Directors, where the majority of their time and effort is in respect of corporate matters for WRBC.

	2023 $'000	2022 $'000
Executive Directors total remuneration	1,458	1,349
Non-executive Directors fees	554	435
	2,012	**1,784**

The highest paid Director received a total remuneration of $755,168 (2022: $550,704)

The Active Underwriters received the following aggregate remuneration from the Managing Agent, which was charged to the Syndicate by way of the Secondment and Services Agreement.

	2023 $'000	2022 $'000
Total remuneration	**1,271**	**871**

The value above represents the combined total remuneration of the Active Underwriters.

9. STAFF NUMBERS AND COSTS

All staff are employed by affiliated service companies, WRBSL and WRBLSL, and are recharged to the Syndicate by way of the Secondment and Services Agreements and the Managing Agent's Agreement. WRBSL and WRBLSL made total charges (including staff costs amongst other expenses) to the Managing Agent of $40.0 million (2022: $28.3 million) in accordance with the Secondment and Services Agreements. The Managing Agent made a total charge to the Syndicate of $40.9 million (2022: $28.5 million) in accordance with the Managing Agent's Agreement.

The average number of persons employed by WRBSL and WRBLSL and working for the Syndicate during the year is as follows:

	2023	2022
Underwriting	52	47
Claims	9	8
Administration and finance	63	61
	124	**116**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

10. INVESTMENT RETURN

	2023 $'000	2022 $'000
Interest income	11,750	6,311
Realised losses on investments	(1,686)	(3,034)
Unrealised gains and losses on investments	13,503	(8,985)
Investment management expenses and charges	(497)	(346)
Investment return	**23,070**	**(6,054)**

11. INVESTMENT YIELD

The average amount of Syndicate funds available for investment and the investment return and yield were as follows:

	2023 $'000	2022 $'000
Average fund	579,656	430,854
Investment return	230,070	(6,054)
Investment yield	4.0%	(1.41%)
Average funds available for investment by fund		
Sterling	45,766	27,094
Euro	7,673	3,394
United States Dollars	389,519	293,474
Canadian Dollars	92,890	75,829
Australian Dollars	43,808	31,063
Analysis of investment yield by fund		
Sterling	4.19%	(0.12%)
Euro	2.23%	(0.36%)
United States Dollars	4.14%	(1.59%)
Canadian Dollars	4.03%	(0.79%)
Australian Dollars	2.53%	(2.40%)

"Average fund" is the average of bank balances, overseas deposits and investments held at the end of each month during the financial year. For this purpose, investments are revalued at month-end market prices. The investment yield is the total investment return, including investment management expenses and charges and unrealised gains and losses, divided by the average investment funds.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

12. FINANCIAL INVESTMENTS

	2023 Market value $'000	2023 Cost $'000	2022 Market value $'000	2022 Cost $'000
Shares and other variable yield securities	71,486	71,486	23,808	23,808
Debt securities and other fixed income securities	475,871	475,679	372,380	385,536
Deposits with ceding undertakings	693	693	829	829
Total	**548,050**	**547,858**	**397,017**	**410,173**

All "Shares and other variable yield securities" are listed securities, except for the Lloyd's Canadian Trust Funds short term blended investment accounts of $2.8 million (2022: $2.9 million).

13. FAIR VALUE HIERARCHY

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000	Balance sheet position $'000
Shares and other variable yield securities and unit trusts	-	66,520	4,966	71,486	71,486
Debt securities and other fixed income investments	-	475,871	-	475,871	475,871
Overseas deposits	-	44,136	-	44,136	44,136
Total	**-**	**586,527**	**4,966**	**591,493**	**591,493**

2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000	Balance sheet position $'000
Shares and other variable yield securities and unit trusts	-	19,319	4,489	23,808	23,808
Debt securities and other fixed income investments	-	372,380	-	372,380	372,380
Overseas deposits	-	41,660	-	41,660	41,660
Total	**-**	**433,359**	**4,489**	**437,848**	**437,848**

Overseas deposits comprise funds which are lodged as a condition of conducting underwriting business in certain countries or states within countries. Level 3 assets comprise the Syndicate Loan to the Lloyd's Central Fund.

	2023 $'000	2022 $'000
Balance held at 31 December 2022	4,489	5,742
Fair value (losses)/gains recognised in profit or loss	207	(630)
Impact of foreign exchange	270	(622)
Balance held at 31 December 2023	**4,966**	**4,489**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

14. DEBTORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2023 $'000	2022 $'000
Due within one year	134,515	121,143
Due after one year	47	-
	134,562	**121,143**

15. DEBTORS ARISING OUT OF REINSURANCE OPERATIONS

	2023 $'000	2022 $'000
Due within one year	54,267	48,707
Due after one year	45	59
	54,312	**48,766**

16. YEAR OF ACCOUNT DEVELOPMENT

Year of account	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	Three year funded adjs. $'000	Profit/(Loss) to member $000
Prior years' development	(15,495)	(1,099)							
2017	(54,341)	1,414	14,089					3,553	(35,284)
2018		(16,755)	9,117	(8,235)				2,623	(13,250)
2019			235	(52,162)	1,040			(1,621)	(52,508)
2020				(71,285)	6,715	(1,803)		8,217	(58,156)
2021					2,579	39,368	(1,411)	351	40,887
2022						(10,380)	47,642		
2023							46,265		
Financial year result	**(69,836)**	**(16,440)**	**23,442**	**(131,682)**	**10,334**	**27,185**	**92,496**		

The three year funded adjustments arise from foreign exchange differences. Tables showing the development of gross and net claims are included in Note 4 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

17. TECHNICAL PROVISIONS SEGMENT

	2023			2022		
	Gross provisions $'000	Reinsurance assets $'000	Net $'000	Gross provisions $'000	Reinsurance assets $'000	Net $'000
Claims outstanding						
As at 1 January	587,621	(271,465)	316,156	561,739	(299,006)	262,733
Change in claims outstanding	7,338	15,289	22,626	42,321	23,566	65,887
Effect of movements in exchange rates	10,115	(1,851)	8,265	(16,439)	3,975	(12,464)
As at 31 December	**605,074**	**(258,027)**	**347,047**	**587,621**	**(271,465)**	**316,156**
Claims notified	184,142	(54,736)	129,405	207,298	(77,262)	130,036
Claims incurred but not reported	409,287	(203,291)	205,996	369,128	(194,203)	174,925
Unallocated Loss Adjustment Expenses	11,645	-	11,645	11,195	-	11,195
As at 31 December	**605,074**	**(258,027)**	**347,047**	**587,621**	**(271,465)**	**316,156**
Unearned premiums						
As at 1 January	250,815	(84,177)	166,638	262,938	(100,997)	161,941
Change in unearned premiums	31,248	9,638	40,886	(3,720)	13,694	9,974
Effect of movements in exchange rates	4,561	1,244	5,805	(8,403)	3,126	(5,277)
As at 31 December	**286,624**	**(73,294)**	**213,330**	**250,815**	**(84,177)**	**166,638**
Deferred acquisition costs						
As at 1 January	44,369	(24,215)	20,154	45,204	(25,781)	19,423
Change in deferred acquisition costs	4,557	1,690	6,247	(2,527)	(160)	(2,687)
Effect of movements in exchange rates	755	(294)	461	1,692	1,726	3,418
As at 31 December	**49,681**	**(22,819)**	**26,862**	**44,369**	**(24,215)**	**20,154**

W/R/B UNDERWRITING | a Berkley Company

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

18. CREDITORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2023 $'000	2022 $'000
Due within one year	2,696	2,754
Due after one year	-	-
Total	**2,696**	**2,754**

19. CREDITORS ARISING OUT OF REINSURANCE OPERATIONS

	2023 $'000	2022 $'000
Due within one year	128,480	122,781
Due after one year	-	-
Total	**128,480**	**122,781**

20. RELATED PARTIES

The Syndicate is managed by the Managing Agent under the terms of a Lloyd's Managing Agent's Agreement. A Managing Agent's fee equal to 0.15% of the stamp capacity of the current underwriting year (2022: 0.15%) plus costs under the terms of the Secondment and Services Agreements (see below) is charged in the current financial year and payable by the Syndicate to the Managing Agent.

Under the terms of the Secondment and Services Agreements the affiliated companies, WRBSL and WRBLSL, provides staff and facilities for the operation of the Syndicate and the Managing Agent. A fee, which equates to costs plus a margin of 6% is charged in the current financial year and payable by the Managing Agent to WRBSL and WRBLSL. The fees charged were $40.9 million (2022: $28.5 million).

Investments are managed by an affiliated company, Berkley Dean & Company, Inc., under the Investment Management Agreement. Fees are charged based on the basis of a percentage of assets under management and are settled by WRBSL on behalf of the Syndicate.

The provision of computer and data processing services are provided to the Syndicate and the Managing Agent by an affiliated company, Berkley Technology Services LLC, pursuant to the Master Services Agreement. Fees are charged on a time and materials basis and settled by WRBSL and recharged to the Syndicate.

Certain centralised services are provided by an affiliated company, WRBC Services, Limited, under the Services Agreement. Fees are chargeable on a time and materials basis and settled by WRBSL on behalf of the Syndicate.

All the above charges are considered to have been made on an "arm's length" basis as set out in the contractual terms and are in the course of normal market conditions.

The Syndicate writes certain international business, classified as "Berkley" business, written on a coverholder basis or on a referral basis with certain affiliated companies within WRBC. The total amount of gross premium written in the year was $3.1 million (2022: $3.3 million).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

The Syndicate cedes certain risks to BIC pursuant to the terms of certain reinsurance agreements. For the year ended 31 December 2023, total written premiums ceded to BIC were $113.8m (2022: $134.7m) and total recoveries were $32.8m (2022: $131.1m).

21. FUNDS AT LLOYD'S

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's ("FAL"). These funds are intended primarily to cover circumstances where Syndicate assets prove insufficient to meet participating members' underwriting liabilities. FAL is 100% provided by WRBC Corporate Member Limited, an indirect wholly owned subsidiary of WRBC.

The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's and is based on PRA requirements and resource criteria as described in the Capital Management section of Note 4. Since FAL is not under the management of the Managing Agent, no amount has been shown in these annual accounts by way of such capital resources. However, the Managing Agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses.

22. OFF BALANCE SHEET ITEMS

The Syndicate has not been party to any arrangement, which is not reflected in its balance sheet, where material risks and benefits arise for the Syndicate.

23. DISTRIBUTION AND CASH CALL

On closure of the 2020 year of account a cash call of $6.5m was received into the Syndicate from WRBC Corporate Member Limited to support the Syndicate's underwriting and other commitments.

24. FOREIGN EXCHANGE RATES

The following currency exchange rates have been used for principal foreign currency transactions.

	2023 Year end rate	2023 Average rate	2022 Year end rate	2022 Average rate
Euro	1.10	1.08	1.07	1.06
Sterling	1.27	1.24	1.20	1.24
Canadian Dollar	0.76	0.74	0.74	0.77
Australian Dollar	0.68	0.66	0.68	0.70