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Syndicate 4444 Annual Report & Accounts

As at 31 December 2024

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Syndicate 4444

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Directors and Professional Advisers

MANAGING AGENT:
Canopius Managing Agents Limited

Directors
P Ceurvorst *
M V Greenwood *
P F Hazell *
P Meader *
M Newman Appointed 4 June 2024
J Pearson
A Rouffiac

Former directors who served during the year and prior to date of signing

N D Robertson	Resigned 10 June 2024
K Roy	Resigned 10 June 2024
M C Watson*	Resigned 30 June 2024

* Non-Executive Director

Company Secretary
A Howarth

Registered office
Floor 29
22 Bishopsgate
London
EC2N 4BQ

Managing Agent's registration No. 01514453

FCA firm registration No. 204847

SYNDICATE:
Active Underwriter
A Rouffiac

Investment Managers
BlackRock - 12 Throgmorton Avenue, London, EC2N 2DL
LGIM - One Coleman Street, London, EC2R 5AA
Lloyd's - One Lime Street, London, EC3M 7HA
Loomis Sayles - One Financial Center, Boston, MA 02111
NEAM - 4th Floor, DBP House, 63 Mark Lane, London, EC3R 7NQ
SYZ - Southwest House, 11a Regent Street, London, SW1Y 4LR
Wellington - Cardinal Place, 80 Victoria Street, London, SW1E 5JL
Barings - 20 Old Bailey, London, EC4M 7BF
M&G - 10 Fenchurch Ave, London EC3M 5AG
RAW Capital Partners - 12 The Grange, St Peter Port, Guernsey
Maxim Capital Group - 600 Madison Ave 17th Floor, New York, NY 10022, United States
Invesco Advisers, Inc – 1555 Peachtree Street, Suite 1800, Atlanta, Georgia 30309, USA
Amundi Asset Management (sub-IM - Chenavari Credit Partners LLP) - 77 Coleman Street, London, EC2R 5BJ

Independent Auditors
Ernst & Young LLP ("EY")
25 Churchill Place, Canary Wharf, London, E14 5EY

Report of the Directors of the Managing Agent

The directors of Canopius Managing Agents Limited ("CMA"), the managing agent for Syndicate 4444 (the "Syndicate"), present the annual report and audited financial statements for the Syndicate for the year ended 31 December 2024.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102"), Financial Reporting Standard 103, "Insurance Contracts" ("FRS103") and the Companies Act 2006. Furthermore, these financial statements comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the 2008 Regulations") and the Lloyd's Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

Review of the business

Syndicate 4444 is a syndicate at Lloyd's managed by CMA. Its principal activity is the underwriting of insurance and reinsurance business at Lloyd's, transacted through direct channels and via delegated underwriting. The Syndicate capacity for the 2024 year of account was £2,000m (2023: £1,800m).

Results and performance – Key performance indicators ("KPIs")

The following KPIs were used during the year:

	2024 $m	2023 Restated $m
Gross premiums written	3,159.4	2,535.1
Earned premiums, net of reinsurance	1,948.0	1,600.0
Investment return	119.7	105.5
Profit for the year	387.0	304.3
Total comprehensive income	387.0	304.3
Gross claims ratio	51.5%	43.5%
Net claims ratio	51.3%	47.8%
Expenses ratio:		
- Acquisition ratio	29.5%	34.3%
- Administrative Expense ratio	5.5%	5.2%
Combined operating ratio	86.3%	87.3%
Investment return, on average invested balances	5.1%	5.5%

[1]The gross claims ratio is the ratio of gross claims incurred to gross premiums earned gross of reinsurance and acquisition costs.
[2]The net claims ratio is the ratio of net claims incurred to premiums earned net of reinsurance and gross of acquisition costs.
[3]The expense ratios are the ratios of the acquisition cost and operating expenses to earned premiums net of reinsurance and gross of brokerage and commissions.
[4]The combined ratio is the ratio of net claims incurred, acquisition costs and net operating expenses to net premiums earned.
[5]Investment return, on average invested balances, is calculated as the combined investment income for the period, excluding investment management expenses, divided by the average of the opening and closing investments and cash.

Report of the Directors of the Managing Agent

With effect from 1 January 2024, the Syndicate's presentational currency has changed from Sterling to US dollars. This is to align the presentation of the report and accounts with the functional currency of the Syndicate and to align with the way that the business of the Syndicate is managed.

Syndicate 4444 recorded a record profit of $387.0m for the year ended 31 December 2024 (2023: $304.3m profit) with a combined ratio of 86.3% (2023: 87.3%). The full results of the Syndicate are set out on pages 13 and 14.

Through a combination of new and organic business, the Syndicate has grown its gross written premiums by 24.6% in the year to $3,159m (2023: $2,535m) which follows growth of 20.3% in the prior period making Syndicate 4444 one of the largest participants at Lloyd's. Growth was particularly pronounced across our Portfolio Solutions business as we commenced participation on three market facilities during the year supported by continued growth across our property insurance and reinsurance classes. We have also benefitted from growth in specialty lines, notably in energy and our new equine & livestock class, but also with accident & health, marine and specie. Professional lines fared less well, primarily due to difficult market conditions and challenging rate environments in cyber and finpro.

In contrast to 2023, the current year was not without large insured catastrophe events, with Hurricanes Helene and Milton adding to an above average year of smaller severe convective storm ('SCS') losses giving rise to a catastrophe net loss ratio of 9.3% (2023: 5.2%).

Importantly, our non-CAT attritional net claims ratio continued to trend down at 42.0% (2023: 42.6%). This is despite recording a $27m net loss arising from the Baltimore Bridge collapse in March and increased confidence in our total claims reserves through the build of management reserve margins during the year and evidenced by positive prior year reserve development of $61m (2023: $14m).

The Syndicate's total operating expense ratio was 35.0% for the year (2023: 39.5%) driven by reduced net commissions arising from a change in the composition of our portfolio with the growth achieved with Portfolio Solutions business and Reinsurance lines. This more than offset a slight increase in the administrative expense ratio which was impacted by a weaker US$ being applied to a largely Pound Sterling cost base.

Syndicate profit of $387.0m was achieved with the help of a strong investment result of $119.7m (2023: $105.5m) for the year representing a net investment return of 5.1% (2023: 5.5%). The investment result benefitted from some positive mark-to-market gains as yields fell across a number of currencies, credit spreads tightened and assets under management increased over the period.

The 2022 year of account of Syndicate 4444 closed with a profit of $225.1m representing a profit of 10.6% on managed capacity. The 2023 year of account is forecast to be profitable, with a forecast range of 10% to 20% of managed capacity.

Business environment

After several years of strong rate improvements, the rate of premium increases slowed significantly during 2024, however pricing remained adequate across all our key classes of business. Early 2025 claims activity arising from the devastating Los Angeles Wildfires will likely offer some resistance against further market softening, particularly in Property Reinsurance.

Claims activity, especially natural catastrophe losses, and the persistent threat of social inflation on liability business, resulted in claims experience being less favourable for the market than the prior year.

After the more turbulent investment years of 2021-2023, yields on high grade securities remained relatively stable offering solid investment returns at adequate risk and maturity profiles.

As we head into 2025 the outlook for the industry remains positive and underwriting conditions continue to be acceptable for renewals across most classes of business.

Report of the Directors of the Managing Agent

Strategy
Our strategy is to take an ambitious but disciplined approach to growing a sustainable international specialty and P&C (re)insurer in areas where we have or can have a distinction of competitive advantage. We seek to be an organisation driven by empowered and accountable people, underpinned by digital innovation and analytical expertise, supporting people, community, business and environmental resilience.

During 2024, we developed and launched our new Underwriting Strategy Framework ("the Framework"), an internal view of products which guides the building of our portfolios. We created this to ensure that our strategy is deliberate and sustainable, but also so that it takes into account the rating environment and the likelihood of making good underwriting profit from each of our products.

The Framework acts as our 'north star' to ensure that over time and cycles we are focused on growing our business in a deliberate manner, with a target portfolio construct based upon a steady state market (i.e. one where rates are stable, both absolutely and between products). The Framework ensures that we are focused on short-term profit, but also allows us to look at longer-term capital and volatility aspects.

Canopius remains committed to developing a first-class culture to attract, retain and develop good people. We are proud of the positive and winning, employee-led culture we have built. It empowers our people and provides them with the space to flourish as individuals. We firmly believe this culture is key to building a business which delivers profitable, sustainable results.

Principal risks and uncertainties
The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. Policies are subject to CMA's Board ("Board") approval and ongoing review by management, risk management and internal audit. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

CMA's governance structure ensures a clear definition of responsibility for the management and oversight of the risks faced by the business. CMA has established an Enterprise Risk Management ("ERM") framework that is designed to identify, assess, measure, mitigate, monitor and report all material financial and non-financial risks.

The managing agent has identified the following principal risks and uncertainties facing the Syndicate as detailed in Note 5 to the financial statements (management of risk):

- Insurance risk
- Financial risk
  - i. Market risk
  - ii. Credit risk
  - iii. Currency risk
  - iv. Liquidity risk
- Group risk
- Operational and regulatory risk
- Climate change risk

Future developments
Syndicate 4444's allocated capacity for the 2025 year of account has increased to £2,550m (2024: £2,000m).

Going concern
Syndicate 4444 has commenced underwriting of the 2025 year of account underpinned by capital provided by existing members of Syndicate 4444 and a Syndicate Business Forecast ('SBF') approved by the Board and Lloyd's. On this basis the directors have determined the Syndicate continues to be a going concern and have adopted this basis of preparation.

Directors
The directors of the managing agent who served from 1 January 2024 to the date of this report are shown on page 3. None of the directors had an allocated premium limit on the Syndicate, on either an unlimited or limited liability basis, for any of the 2022 to 2024 years of account.

Report of the Directors of the Managing Agent

Statement of disclosure of information to auditors

In the case of each of the persons who are directors of the managing agent at the time the report is approved:

- So far as the director is aware, there is no relevant audit information, being information needed by the Syndicate's auditor in connection with the auditor's report, of which the auditor is unaware; and
- Having made enquiries of fellow directors of the agency and the Syndicate's auditor, each director has taken all the steps that he or she ought to have taken as a director to become aware of any relevant audit information and to establish that the Syndicate's auditor is aware of that information.

Statement of Managing Agent's Responsibilities

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the directors of the managing agent to prepare syndicate annual accounts each year which give a true and fair view, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the syndicate and of the profit or loss of the syndicate for that period. In preparing those financial statements, the managing agent is 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 syndicate accounts; and
- Prepare the syndicate accounts on the basis that the syndicate will continue to write future business unless it is inappropriate to do so.

The managing agent confirms that it has complied with the above requirements in preparing the syndicate accounts. The directors of the managing agent are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the syndicate and enable it to ensure that the syndicate accounts comply with the 2008 Regulations. The managing agent is also responsible for safeguarding the assets of the syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The managing agent is responsible for the preparation and review of the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd's, including designing, implementing and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd's, whether due to fraud or error.

The managing agent is responsible for the maintenance and integrity of the corporate and financial information included on the business' website. Legislation in the United Kingdom governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

Independent Auditors

In accordance with section 14(2) of Schedule 1 of the Lloyd's Regulations 2008, the auditors, Ernst & Young LLP, will be deemed to be reappointed and therefore continue in office.

Syndicate annual general meeting

In accordance with the Syndicate Meetings (Amendment No. 1) Byelaw (No. 18 of 2000) the managing agent does not propose to hold a syndicate annual meeting this year. Members may object to this proposal, or the intention to reappoint the auditors for a further 12 months, within 21 days of this notice. Any objections must be made in writing to the managing agent.

Report of the Directors of the Managing Agent

By order of the Board of the managing agent.

James Pearson
Chief Financial Officer
London
4 March 2025

Independent Auditor's Report to the Members of Syndicate 4444

for the year ended 31 December 2024

Opinion

We have audited the syndicate annual accounts of syndicate 4444 ('the syndicate') for the year ended 31 December 2024 which comprise the Income Statement, the Statement of Changes in Members' Balances, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 32, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law including The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice), and Section 1 of the Lloyd's Syndicate Accounts Instructions V2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's (the Syndicate Accounts Instructions).

In our opinion, the syndicate annual accounts:

- give a true and fair view of the syndicate's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Syndicate Accounts Instructions, and other applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the syndicate annual accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the syndicate annual accounts, we have concluded that the managing agent's use of the going concern basis of accounting in the preparation of the syndicate annual accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the syndicate's ability to continue as a going concern for a period of 12 months from when the syndicate annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the managing agent with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the syndicate's ability to continue as a going concern.

Independent Auditor’s Report to the Members of Syndicate 4444

for the year ended 31 December 2024

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the syndicate annual accounts and our auditor’s report thereon. The directors of the managing agent are responsible for the other information contained within the Annual Report and Accounts.

Our opinion on the syndicate annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate annual accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the syndicate annual accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the managing agent’s report for the financial year in which the syndicate annual accounts are prepared is consistent with the syndicate annual accounts; and
- the managing agent’s report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we have not identified material misstatements in the managing agent’s report.

We have nothing to report in respect of the following matters where The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 requires us to report to you, if in our opinion:

- the managing agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate annual accounts are not in agreement with the accounting records; or
- certain disclosures of the managing agents’ emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent’s Responsibilities set out on page 7, the managing agent is responsible for the preparation of the syndicate annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of the syndicate annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibilities of the managing agent (continued)

In preparing the syndicate annual accounts, the managing agent is responsible for assessing the syndicate's ability to continue in operation, disclosing, as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the managing agent either intends to cease to operate the syndicate, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the syndicate annual accounts

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these syndicate annual accounts.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UK GAAP), and requirements referred to by Lloyd's in the Syndicate Accounts instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate annual accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').

- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and the Audit Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.

- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate annual accounts' items.

- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the FCA and the PRA.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

- We assessed the susceptibility of the syndicate's annual accounts to material misstatement, including how fraud might occur by considering the controls that the managing agent has established to address risks identified by the managing agent, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. The fraud risk was considered to be higher within the valuation of gross and net incurred but not reported reserves and estimated premium income

  Our audit procedures included:

  - Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries we assessed if there were any indicators of management bias in the valuation of gross and net incurred but not reported reserves and the recognition of estimated premium income.
  - Evaluating the business rationale for significant and/or unusual transactions.
  - Testing the appropriateness of journal entries recorded in the general ledger, particularly in respect of judgemental areas including gross and net incurred but not reported reserves and estimated premium income.

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

Other matter

Our opinion on the syndicate annual accounts does not cover the iXBRL tagging included within these syndicate annual accounts, and we do not express any form of assurance conclusion thereon.

Use of our report

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.

DocuSigned by:

Ernst & Young LLP

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Andrew Blackmore (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

4 March 2025

Income Statement: Technical Account – General Business

for the year ended 31 December 2024

		2024		2023 Restated*	
	Notes	**$000**	**$000**	$000	$000
Earned premiums, net of reinsurance					
Gross premiums written	7	3,159,429		2,535,120	
Outward reinsurance premiums		(894,863)		(747,336)	
Premiums written, net of reinsurance		2,264,566		1,787,784	
Change in unearned premiums:					
Change in the gross provision for unearned premiums	26	(341,104)		(257,413)	
Change in the provision for unearned premiums reinsurers' share	26	24,514		69,612	
Net change in the provision for unearned premiums		(316,590)		(187,801)	
Earned premiums, net of reinsurance			1,947,976		1,599,983
Allocated investment return transferred from the non-technical account	13		119,747		105,524
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		(1,149,485)		(1,074,835)	
Reinsurers' share		488,387		366,517	
Net claims paid		(661,098)		(708,318)	
Change in the provision for claims					
Gross amount	26	(300,947)		85,127	
Reinsurers' share	26	(37,651)		(142,077)	
Net change in provision for claims		(338,598)		(56,950)	
Claims incurred, net of reinsurance			(999,696)		(765,268)
Net operating expenses	10		(680,683)		(630,728)
Balance on the technical account - general business			387,344		309,511

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

All of the above amounts are derived from continuing operations.

Income Statement: Non-technical Account

for the year ended 31 December 2024

	Notes	2024 $000	2023 Restated* $000
Balance on the technical account - general business		387,344	309,511
Investment income	13	87,800	71,917
Realised gains/(losses) on investments	13	2,935	(8,741)
Unrealised gains on investments	13	31,685	44,718
Investment expenses and charges	13	(2,673)	(2,370)
Total investment return		119,747	105,524
Allocated investment return transferred to the general business technical account		(119,747)	(105,524)
Loss on foreign exchange		(383)	(1,827)
Non-technical account charges		-	(3,424)
Profit for the financial year		386,961	304,260
Total comprehensive income		386,961	304,260

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

All of the above amounts are derived from continuing operations.

Statement of Change in Members' Balances

for the year ended 31 December 2024

	Note	2024 $000	2023 Restated* $000
Members' balances brought forward at 1 January		273,003	(72,986)
Total comprehensive income for the year		386,961	304,260
Payments of profit to members' personal reserve funds	14	(86,411)	-
Losses collected in relation to distribution on closure of underwriting year		-	41,828
Members' agent fees		(91)	(99)
Members' balances carried forward at 31 December		573,462	273,003

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

Statement of Financial Position – Assets

at 31 December 2024

	Notes	2024 $000	2024 $000	2023 Restated* $000	2023 Restated* $000
Investments					
Financial investments	15	2,410,438		2,011,395	
Deposits with ceding undertakings		7,469		8,538	
			2,417,907		2,019,933
Reinsurers' share of technical provisions					
Provision for unearned premiums	26	401,125		382,567	
Claims outstanding	26	1,301,473		1,350,678	
			1,702,598		1,733,245
Debtors					
Debtors arising out of direct insurance operations	16	1,113,828		972,412	
Debtors arising out of reinsurance operations	17	673,773		515,572	
Other debtors	18	43,751		66,416	
			1,831,352		1,554,400
Other assets					
Cash at bank and in hand	19	43,079		53,915	
Other assets - other	20	154,128		159,259	
			197,207		213,174
Prepayments and accrued income					
Deferred acquisition costs	25	474,243		413,076	
Other prepayments and accrued income		583		2,891	
			474,826		415,967
Total assets			6,623,890		5,936,719

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

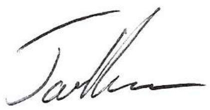
Statement of Financial Position – Liabilities

at 31 December 2024

			2024		*2023 Restated**
	Notes	**$000**	**$000**	*$000*	*$000*
Capital and reserves					
Members' balances	2	573,462		273,003	
Total Capital and Reserves			573,462		273,003
Technical provisions					
Provision for unearned premiums	26	1,817,784		1,506,134	
Claims outstanding	26	3,429,895		3,173,914	
			5,247,679		4,680,048
Creditors					
Creditors arising out of direct insurance operations	21	92,282		123,743	
Creditors arising out of reinsurance operations	22	548,001		693,770	
Other creditors including taxation and social security	23	77,550		87,928	
			717,833		905,441
Accruals and deferred income	24		84,916		78,227
Total liabilities			6,050,428		5,663,716
Total liabilities, Capital and reserves			6,623,890		5,936,719

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

The financial statements on pages 13 to 51 were approved by the Board of CMA on 18 February 2025 and were signed on its behalf by:



James Pearson
Chief Financial Officer
4 March 2025

Statement of Cash Flows

for the year ended 31 December 2024

		2024		2023 Restated*
	$000	**$000**	$000	$000
Cash flows from operating activities				
Profit for the financial year	386,961		304,260	
Increase in gross technical provisions	567,631		644,729	
Decrease/(increase) in reinsurers' share of gross technical provisions	30,647		(189,740)	
Increase in debtors	(288,339)		(370,155)	
(Decrease)/increase in creditors	(187,608)		141,844	
Movement in other assets/liabilities	(47,918)		(29,388)	
Investment return	(119,747)		(105,524)	
Foreign exchange	624		(662)	
Net cash flows from operating activities		342,251		395,364
Cash flows from investing activities				
Purchase of equity and debt instruments	(1,175,897)		(1,152,344)	
Sale of equity and debt instruments	821,818		671,493	
Investment income received	88,062		60,806	
Net cash flows used in investing activities		(266,017)		(420,045)
Cash flows from financing activities				
Distribution of profit to members	(86,411)		-	
Collection of loss from members	-		41,828	
Net cash flows used in/from financing activities		(86,411)		41,828
Net (decrease)/increase in cash and cash equivalents		(10,177)		17,147
Cash and cash equivalents at beginning of year		55,388		37,579
Foreign exchange on cash and cash equivalents		(624)		662
Cash and cash equivalents at end of year		44,587		55,388

**The 2023 comparative has been restated to align with the updated presentational currency of US dollars. See note 1.*

Notes to the Financial Statements

for the year ended 31 December 2024

1. Statement of compliance & basis of preparation

Syndicate 4444 is a syndicate at Lloyd's managed by CMA that underwrites insurance and reinsurance business in the London Market. The address of the Syndicate's managing agent, CMA, is Floor 29, 22 Bishopsgate, London EC2N 4BQ.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102"), Financial Reporting Standard 103, "Insurance Contracts" (FRS 103) and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies. Furthermore, these financial statements comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the 2008 Regulations") and the Lloyd's Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's. The directors of the managing agent have prepared the financial statements on the basis that the Syndicate will continue to write future business.

The financial statements are prepared under the historical cost convention except for certain financial instruments which are measured at fair value.

During the year the presentational currency of the Syndicate has been changed from Sterling to US dollars, the functional currency of the Syndicate, and rounded to the nearest $'000.

Change to presentational currency

With effect from 1 January 2024, the presentational currency of the Syndicate was changed from Sterling to US Dollars. This is to align the presentation of the report and accounts with the functional currency of the Syndicate and to align with the way that the business of the Syndicate is managed and reported internally. As a result, the 2023 comparative results throughout these accounts have been restated to align with the updated presentational currency of US dollars. Previously conversion of functional to presentational currency was as follows;

- Assets and liabilities were translated from US dollars to Sterling at the closing rate of exchange. This was 1.27 at 31 December 2023;
- The income statement was translated from US dollars to Sterling at the average rate of exchange. For the year to 31 December 2023 this was 1.24;
- Foreign currency differences arising on translating functional currency into Sterling, loss of £4,387k for the year ended 31 December 2023, were recognised as Other comprehensive income. As a result of the change in presentational currency to US dollars, there are no foreign currency translation differences to recognise as Other comprehensive income.

As permitted by FRS 103 the Syndicate continues to apply the existing accounting policies that were applied prior to this standard for its insurance contracts.

Restatement of comparative information

During 2024, Lloyd's introduced changes to the syndicate accounts process to rationalise and standardise financial reporting across the market. As a result, certain comparative information has been restated to ensure consistency with current year presentation and compliance with the Lloyd's Syndicate Accounts Instructions. The changes comprise:

- *Reclassification changes*

Certain financial statement line items have been reclassified whilst the underlying amounts remain unchanged. The principal change is the reclassification of overseas deposits, previously shown as a separate balance sheet item, to form part of other assets. The comparative balances in the affected note 5 have also been represented to align with the current period presentation.

1. Statement of compliance & basis of preparation (continued)
Restatement of comparative information (continued)

- *Aggregation changes*

To align with Lloyd's reporting requirements whilst maintaining FRS 102 compliance, certain items have been aggregated or disaggregated within the financial statements and related notes. This includes the reconciliation of opening and closing deferred acquisition costs and technical provisions, disaggregation of the change in provision during the year, in notes 25 and 26.

The reclassification and aggregation changes have been applied retrospectively and had no impact on previously reported profit, total comprehensive income, total assets, total liabilities, or total capital and reserves.

Going concern

The Syndicate has financial resources to meet its financial needs and manages its portfolio of insurance risk. The directors have continued to review the business plans, liquidity and operational resilience of the Syndicate and are satisfied that the Syndicate is well positioned to manage its business risks in the current economic environment. The Syndicate has commenced underwriting on the 2025 year of account underpinned by capital provided by existing members of the Syndicate 4444 and a Syndicate Business Forecast ('SBF') approved by the Board and Lloyd's. On this basis the directors have determined the syndicate continues to be a going concern and have adopted this basis of preparation.

2. Members' balances and Funds at Lloyd's ("FAL")

The members' balances on the balance sheet shows a surplus of $573.5m (2023: $273.0m). The ability of the syndicate to meet its obligations as they fall due is underpinned by the members' Funds at Lloyd's and the support provided by the Lloyd's chain of security for any members who are unable to meet their underwriting liabilities. FAL is further explained in Note 32.

3. Summary of significant accounting policies

a. Insurance contracts

Insurance contracts (including inwards reinsurance contracts) are defined as those that transfer significant insurance risk. Insurance risk is considered significant if, and only if, an insured event could cause an insurer to pay significant additional benefits above the premiums received and interest earned thereon, excluding scenarios that lack commercial substance. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

Contracts that do not transfer significant insurance risk are accounted for as financial transactions. The Syndicate adopts an annual basis of accounting for insurance contracts whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance.

Gross premiums written, stated gross of acquisition costs and exclusive of premium taxes, relates to business incepted during the year and adjustments to premiums booked in prior years and includes estimates, based on underwriting estimates or past experience, of premiums due but not yet receivable or notified to the Syndicate by intermediaries. Additional or return premiums are treated as a re-measurement of the initial premium.

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated by reference to the expected incidence of risk over the period of cover.

'Risks attaching' outwards reinsurance premiums are accounted for with regard to the incidence of risk of the premiums for the direct or inwards reinsurance business to which they relate. Reinsurance contracts that operate on a 'losses occurring' basis are accounted for in full over the period of coverage. The provision for reinsurers' share of unearned premiums represents that part of reinsurance premiums written which is estimated to be earned in the following financial years.

3. Summary of significant accounting policies (continued)

a. Insurance contracts (continued)

There are a number of different types of business written by the Syndicate, including property, liability and marine business, broadly categorised as either “short tail” or “long tail” business. The Syndicate also writes reinsurance business. The characteristics of this business mirror those of the underlying business ceded to the syndicate.

The accounting policies for insurance claims and claims settlement expenses are considered in Note 4 (Critical accounting judgements and estimation uncertainty).

Short Tail Business

Property and accident and health business is generally “short tail”, whereby there is not a significant delay between the occurrence of the claim and the claim being reported. The costs of claims notified at the balance sheet date are estimated on a case-by-case basis to reflect the individual circumstances of each claim. The ultimate expected cost of claims, including provisions for claims incurred but not reported (“IBNR”), is projected from this data by reference to statistics, which show how estimates of claims incurred in previous periods have developed over time.

Longer tail business

Liability and marine claims are generally longer tail than for those of the other classes of business described above and so a larger element of the claims provision relates to IBNR claims. Claims estimates for business in this category are derived from a combination of loss ratio based estimates and estimates based upon actual claims experience, using a predetermined formula whereby greater weight is given to actual claims experience as time passes.

The initial estimates of the claims provisions are based on the experience of previous years and benchmarks adjusted for factors such as premium rate changes and claims inflation. For liability claims, the assessment of claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. The liability classes of business are also subject to the emergence of new types of latent claims.

b. Unexpired risk reserves

At each balance sheet date tests are performed to ensure the adequacy of the unearned premium reserve, net of associated deferred acquisition costs, to cover future claims liabilities. In performing these tests, estimates of future premiums and claims cash flows, claims handling expenses and investment income from the assets backing such liabilities are considered and compared to the balances in the unearned premium reserve and deferred acquisition costs. Provision is made for any deficiencies by establishing an unexpired risk reserve.

Unexpired risk surpluses and deficits are offset where business classes are managed together and a provision is made if an aggregate deficit arises. Unexpired risk reserves, where relevant, are included within “claims outstanding” in the balance sheet.

At 31 December 2024 and 31 December 2023 the Syndicate did not have an unexpired risk provision.

c. Deferred acquisition costs

Acquisition costs comprise costs arising from the inception of insurance contracts. They include both direct costs, such as intermediary commissions and indirect costs, such as the administrative expenses associated with the issuing of policies.

Deferred acquisition costs represents a proportion of commission and other acquisition costs that relate to policies in force at the period-end, that cover subsequent reporting periods. These are amortised over the period in which the related premiums are earned.

d. Reinsurance to close (“RITC”)

Each syndicate’s underwriting year of account is normally closed after the end of the third year by means of reinsurance into the following underwriting year of account, which reinsures all liabilities for the closed year in return for a premium determined by the Syndicate’s managing agent.

The acceptance of third party RITC is not reported as income but recognised as a transfer of assets and liabilities.

3. Summary of significant accounting policies (continued)

e. Outwards reinsurance contracts

Outwards reinsurance contracts are contracts entered into by the Syndicate with reinsurers whereby the Syndicate may recover a proportion of losses on contracts written by the Syndicate. Contracts that do not transfer significant insurance risk are accounted for as financial transactions.

The benefits to which the Syndicate is entitled under its outwards reinsurance contracts are recognised as reinsurance assets. These assets consist of short term balances due from reinsurers as well as longer term receivables that are dependent on the expected claims and benefits arising under the related insurance contracts. These balances are based on calculated amounts of outstanding claims and projections for IBNR, having regard to the reinsurance programme in place for the class of business and the claims experience for the period, net of estimated irrecoverable amounts after assessing the current security rating of the reinsurer involved. Reinsurance liabilities are primarily premiums payable for reinsurance contracts. Reinsurance contracts that contain a retroactive element but continue to transfer significant insurance risk are recognised as reinsurance contracts in full and are not bifurcated.

The Syndicate assesses its reinsurance assets for impairment. If there is evidence of impairment, then the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the income statement.

f. Receivables and payables related to insurance contracts

Receivables and payables include amounts due to and from agents, brokers and insurance contract holders. If there is evidence that the insurance receivable is impaired, the Syndicate reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the profit and loss account.

g. Financial assets

The Syndicate states financial assets at fair value.

The Syndicate classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables and derivative financial instruments. There are no assets classified as available for sale.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Financial assets at fair value through profit and loss

The Syndicate classifies its investments at fair value through profit and loss.

Purchases and sales of investments are accounted for at their fair values (normally their cost of acquisition or proceeds of disposal) on the trade date, which is the date the Syndicate commits to purchase or sell the assets.

The fair value of quoted investments is based on quoted bid prices. Realised and unrealised gains and losses arising from the changes in fair values are included in investment return in the income statement in the period in which they arise. Unquoted investments are initially carried at cost as the best estimate of fair value, which is adjusted using appropriate valuation techniques and having regard to subsequent events or changes in circumstances.

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their valuation at the previous balance sheet date, or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account.

3. Summary of significant accounting policies (continued)

g. Financial assets (continued)

(i) Financial assets at fair value through profit and loss (continued)
Investment return has been wholly allocated to the technical account as all investments relate to the technical account.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are not intended to be sold in the short term and do not fall into the other categories of financial assets as described above. Loans and receivables are measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the Syndicate will not be able to collect all amounts due according to their original terms. These are reversed if the payment is received. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

(iii) Deposits with ceding undertakings
The Syndicate advances funds to ceding undertakings for the settlement of claims. These are measured at cost less allowance for impairment. Deposits include funds held by Lloyd's Europe on behalf of the Syndicate to settle Part VII claims.

(iv) Derivative financial instruments
The Syndicate enters into exchange traded derivatives and foreign currency forward contracts from time to time to manage its exposures to interest rate risk and foreign exchange rate volatility.

These contracts are initially recorded at cost and revalued to their fair value at each period end by reference to the rates of exchange ruling at the balance sheet date. Any gains or losses on the contracts are included in the non-technical account.

(v) Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

h. Foreign currencies
In accordance with FRS102, the functional currency is the currency of the primary economic environment in which the Syndicate operates. The functional currency and presentational currency for Syndicate 4444 is the US Dollar. FRS 102 requires all foreign currency transactions to be translated into the functional currency at the transactional rate of exchange.

Transactions in Sterling, Canadian dollars, Euros and Australian dollars are translated to US Dollars at the average rates of exchange for the period as these approximate the actual rate. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

At the period end, the monetary foreign currency items are translated to US Dollars at the closing rate with any difference being recorded in the non-technical account. For the purposes of applying the requirements of Section 30 Foreign Currency Translation of FRS 102, all assets and liabilities arising from insurance contracts are treated as monetary items.

i. 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 syndicate investment income is recoverable by managing agents and consequently the distribution made to members 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. Any payments on account made by the Syndicate during the year have been included in the balance sheet under the heading "other debtors".

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

4. Critical accounting judgements and estimation uncertainty

Insurance claims and claims settlement expenses

Insurance claims and claims settlement expenses comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for IBNR and related expenses, together with any other adjustments to claims from prior years. See Note 26.

Provision is made at the period-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Syndicate. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage and other recoveries. There is inherent uncertainty in establishing claims provisions and it is likely that the final outcome will prove to be different from the original estimate of the liability. Adjustments to the amounts of claims provisions established in prior years are included in the financial statements in the period in which the adjustments are made. The claims provisions are reviewed regularly.

Estimating claims IBNR is inherently more uncertain than the cost of claims notified, for which more information about the claim event is generally available.

Classes of business where the IBNR proportion of the total claims provisions is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility in the claims provisions.

Where possible the Syndicate adopts multiple techniques to estimate the required level of claims provisions. This assists in giving greater understanding of the trends inherent in the data being projected. The projections given by the various methodologies also assist in setting the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each underwriting year of account.

Allowance is made for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

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

In estimating the cost of notified but not paid claims the Syndicate has regard to the claim circumstance as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods.

Large claims and catastrophe events impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

Claims provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers. An assessment is also made of the recoverability of reinsurance recoveries having regard to available data on the financial strength of each of the reinsurance companies.

Claims reserved as non-life annuities are discounted for investment earnings that may be expected to arise in the future on funds retained to meet the future liabilities. All other claims provisions are undiscounted.

4. Critical accounting judgements and estimation uncertainty (continued)

Premium estimates

Gross written premiums include an estimate of the total premiums expected to be received under each insurance and reinsurance contract. Revenue recognised on policies written through contracts with third parties, such as binding authorities and line slips, is estimated in full at the inception of such contracts and, therefore, this estimate is judgemental. Further adjustments to estimates from previous years are also included in the reported premiums for the relevant underwriting years.

Reinstatement premiums are estimated in accordance with the contract terms and recorded based upon paid losses and case reserves.

Premium estimation uses expert judgement, the quality of the estimate being influenced by the nature and maturity of the portfolio, availability of timely data, relevant underwriting input to the estimating process and management review. Gross written premium estimates are reviewed regularly using underwriter estimates and actuarial projections. The amount of estimated future premium that remains in insurance receivables is disclosed in Note 16 and 17.

The level of premium earned is made by reference to the exposure length of the type of business written and the pattern of insurance services provided by the contract.

A large proportion of the business written by the Syndicate has a duration of one year, with business attaching to a specific year of account covering a 36 month duration. Where classes have a much longer exposure period, the earnings pattern reflects the exposure, in some cases up to 10 years. Judgement is required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

Financial investments

The Syndicate uses prices provided by third party suppliers, investment managers and counterparty banks in determining the fair value of financial assets. Depending on the methods and assumptions used, for example, in the fair valuation of Level 2 and Level 3 financial assets, the fair valuation can be subject to estimation uncertainty. These methods and assumptions are described in Note 5 below.

5. Management of risk

The Syndicate has identified the principal risks and uncertainties arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The sections below explain how the Syndicate defines and manages each category of risk.

a. Insurance risk

Insurance risk is defined as the risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to expectations. Syndicate 4444's exposure to insurance risk arises from underwriting/pricing, insurance concentrations, reserving and reinsurance. The Board of CMA seeks to mitigate insurance risk by analysing historical pricing and claims experience, setting a tolerance to concentration risk, monitoring performance, and conducting in-house actuarial reviews of claims provisions, independent of the underwriting teams.

The Syndicate has formal controls in place to ensure that business is underwritten in a controlled environment by reference to both the annual business plan and in line with underwriting policy. Preventative controls include underwriting authority limits which are agreed and signed off by the Active Underwriter, divisional and Group underwriting guidelines and benchmark ratings for all underwriting divisions. Detection controls include exception reports where authority limits are exceeded, expert review procedures, peer reviews and internal audit reviews.

5. Management of risk (continued)

a. Insurance risk (continued)

Syndicate 4444 is exposed to potentially significant losses arising from natural catastrophe events such as windstorm, earthquake, flood or pandemic in addition to man-made perils. CMA quantifies catastrophe risk exposures using proprietary modelling software in conjunction with the principal underwriting systems to assess and model catastrophe exposures. The modelling tools are used in conjunction with CMA's knowledge of the business, historical loss information and geographic accumulations to monitor aggregation and to simulate catastrophe losses. The range of scenarios considered includes natural catastrophe, property, marine, liability and terrorism events.

CMA's capital setting methodology enables modelling to be performed in a sophisticated, but practical, manner particularly in determining the correlations between catastrophe exposed classes of business. Models use event tables which capture directly the different geographic distributions of risk in the various lines of business.

Effective risk management in non-core areas and from non-modelled perils is ensured using a suite of exposure accumulation and aggregation monitoring techniques and proprietary deterministic models.

As a guide to the level of concentration of exposure the Syndicate writes, the following table shows the Syndicate's 1:100 Aggregate Exceedance Probability ("AEP") modelled exposure to its three largest natural catastrophe perils during 2024:

Peril	**Gross Loss $m**	**Final Net Loss $m**
All Peril	1,425.0	346.5
North Atlantic Hurricane	1,171.6	196.3
US Earthquake	604.0	166.8
European Windstorm	192.3	80.2

The managing agent manages insurance risks on behalf of the Syndicate, including the following:

- inappropriate underwriting activities and cycle management;
- inadequate catastrophe exposure management; and
- inadequate or insufficient reinsurance protection.

The underwriters, supported by the actuarial pricing team, use their expertise and experience to determine the likely claims cost and, therefore, the premium that should be sufficient (across a portfolio of risks) to cover claims costs, expenses and to produce an acceptable profit in line with the agreed business plan.

Due to the nature of insurance risk, however, the premium charged may not be sufficient to cover the cost of claims. The shortfall may result from insufficient premium being calculated and charged or from an unexpected or unprecedented high level of claims.

A number of controls are employed to limit insurance exposures. Each year a business plan is prepared and agreed by the Board which sets the premium income targets and exposures to be written in total and for each class of business. Progress against this plan is monitored by management and the Board during the year.

Insurance liabilities are assumed through individual risk acceptances, reinsurance treaties or binding authorities. Binding authorities delegate underwriting authority to other underwriters, or agents acting as coverholders, who use their judgement to write risks on Syndicate 4444's behalf under clear authority levels. In such situations, the coverholders' activities are closely monitored and reviewed, and periodic on-site audits are carried out to ensure that the terms of the delegated authorities are being adhered to.

5. Management of risk (continued)

a. *Insurance risk (continued)*

The Syndicate is also exposed to the risk of:

- inappropriate claims reserves;
- inappropriate payment of claims.

All claims arising are reserved upon notification. The entire portfolio of business is subject to a quarterly reserving process whereby levels of paid and outstanding claims are reviewed. Potential future claims are assessed with a provision for IBNR claims being made. The quarterly review process is overseen by the Reserving Forum and Board Audit Committee. Whilst a detailed and disciplined reserving exercise is carried out, known claims can develop beyond the level of reserves held.

Furthermore, there is increased uncertainty around the provision for IBNR claims. Consequently, there is a possibility that claims may arise which in aggregate exceed the reserve provision established. In the event that claims do not develop in line with expectations, the Board will seek to release any redundant reserves. The Syndicate purchases specific reinsurances to protect against single risk losses. The Syndicate also purchases general excess of loss reinsurance to protect from severe losses.

The structure of the programme and type of protection bought will vary from year to year depending on risk appetite and the availability and price of cover.

(i) Development of claims

The claims provisions established can be more or less than adequate to meet eventual claims. The level of uncertainty varies from class to class but can arise from inadequate case reserves for known large losses and catastrophes or from inadequate provision for IBNR. The following table presents the impact to both the profit and loss for the year and members balance of an increase or decrease in insurance liabilities.

Sensitivities as at 31 December 2024 and 31 December 2023

	2024		***2023 Restated***	
	+5.0%	***-5.0%***	***+5.0%***	***-5.0%***
	$000	***$000***	***$000***	***$000***
Claims outstanding – gross of reinsurance	171,495	(171,495)	158,696	(158,696)
Claims outstanding – net of reinsurance	106,421	(106,421)	91,162	(91,162)

The development of insurance liabilities provides a measure of the Syndicate’s ability to estimate the ultimate value of claims. Historic development includes a mix of prior year releases and deteriorations.

The tables below are presented at the exchange rates prevailing at 31 December 2024.

At December 2024	***2015***	***2016***	***2017***	***2018***	***2019***	***2020***	***2021***	***2022***	***2023***	***2024***	***Total***
Gross of reinsurance	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims											
At end of underwriting year	379,230	385,288	736,273	458,774	488,437	578,977	619,147	631,505	452,812	859,661	
One year later	756,057	906,094	1,252,829	886,537	1,319,646	1,094,304	1,099,538	1,094,754	955,475	-	
Two years later	887,618	1,001,686	1,293,045	1,107,140	1,458,614	1,139,887	1,110,775	1,185,804	-	-	
Three years later	898,703	997,539	1,329,863	1,089,137	1,416,915	1,150,582	1,115,866	-	-	-	
Four years later	897,995	1,032,149	1,313,998	1,109,461	1,434,884	1,115,347	-	-	-	-	
Five years later	904,716	1,038,698	1,325,278	1,119,964	1,492,735	-	-	-	-	-	
Six years later	889,083	1,048,019	1,331,442	1,121,303	-	-	-	-	-	-	
Seven years later	898,276	1,051,731	1,327,851	-	-	-	-	-	-	-	
Eight years later	904,170	1,050,466	-	-	-	-	-	-	-	-	
Nine years later	904,220	-	-	-	-	-	-	-	-	-	
Estimate of gross claims reserve	904,220	1,050,466	1,327,851	1,121,303	1,492,735	1,115,347	1,115,866	1,185,804	955,475	859,661	11,128,728
Provision in respect of prior years											156,047
Less cumulative payments	(848,862)	(953,762)	(1,240,959)	(990,988)	(1,240,055)	(850,083)	(704,899)	(680,061)	(273,844)	(71,367)	(7,854,880)
Gross claims reserve	55,358	96,704	86,892	130,315	252,680	265,264	410,967	505,743	681,631	788,294	3,429,895

5. Management of risk (continued)

(i) Development of claims (continued)

At December 2024	***2015***	***2016***	***2017***	***2018***	***2019***	***2020***	***2021***	***2022***	***2023***	***2024***	***Total***
Net of reinsurance	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***	***$'000***
Estimate of cumulative claims											
At end of underwriting year	323,839	333,734	501,093	371,449	422,057	446,379	444,553	434,523	331,983	561,707	
One year later	666,556	741,798	928,461	754,650	1,090,254	768,479	815,424	780,572	717,382	-	
Two years later	752,723	822,163	988,113	860,464	1,162,629	828,910	832,763	826,768	-	-	
Three years later	769,299	819,743	1,004,737	781,923	1,104,103	866,581	838,953	-	-	-	
Four years later	775,748	841,312	950,995	824,141	1,106,390	842,260	-	-	-	-	
Five years later	785,693	774,844	956,242	834,594	1,119,139	-	-	-	-	-	
Six years later	705,320	785,905	960,412	829,711	-	-	-	-	-	-	
Seven years later	705,495	777,882	959,921	-	-	-	-	-	-	-	
Eight years later	705,892	779,974	-	-	-	-	-	-	-	-	
Nine years later	710,469	-	-	-	-	-	-	-	-	-	
Estimate of net claims reserve	710,469	779,974	959,921	829,711	1,119,139	842,260	838,953	826,768	717,382	561,707	8,186,284
Provision in respect of prior years											42,445
Less cumulative payments	(689,428)	(757,280)	(921,101)	(753,394)	(970,227)	(655,278)	(558,311)	(501,621)	(230,362)	(63,305)	(6,100,307)
Net claims reserve	21,041	22,694	38,820	76,317	148,912	186,982	280,642	325,147	487,020	498,402	2,128,422

b. Financial risk

The Syndicate is exposed to a wide range of financial risks, the key financial risk being that the proceeds from its assets are not sufficient to fund the obligations arising from its insurance contracts. An analysis of the Syndicate's exposure to the significant components of financial risk is given below split between:

(i) Market risk (including interest rate risk and equity price risk);
(ii) Credit risk (including Fair Value Hierarchy);
(iii) Currency risk; and
(iv) Liquidity risk.

(i) Market risk

Market risk arises from fluctuations in values of, or income from, assets or in interest or exchange rates and is derived primarily from the Syndicate's investment asset portfolio and from currency exposures. The Board has agreed an investment strategy commensurate with the Syndicate's risk appetite.

Interest rate risk

CMA manages sensitivity to market conditions by reference to interest rate risk and equity price risk. Since the majority of the Syndicate's investments comprise cash, overseas deposits and fixed income securities, the fair value of the portfolio is inversely correlated to movements in interest rates. If interest rates fall, the fair value of the Syndicate's fixed income securities tends to rise and vice versa. The fair value of fixed income investments in the Syndicate's balance sheet at 31 December 2024 was $1,533.6m (2023: $1,309.0m) with an average duration of around 2.0 years (2023: 1.9 years).The sensitivity of the Syndicate's investments from a rise or fall in interest rates is listed below:

	Impact on profit before tax		***Impact on members' balance***	
	2024	***2023 Restated***	***2024***	***2023 Restated***
	$000	***$000***	***$000***	***$000***
50 basis points increase	(18,308)	(11,716)	(18,308)	(11,716)
50 basis points decrease	18,308	11,716	18,308	11,716

The Syndicate manages interest rate risk by investing in financial investments, cash and overseas deposits with an average duration of less than two years. The Investment Committee monitors the duration of these assets on a regular basis. The Syndicate also uses interest rate futures for the purposes of efficient portfolio management and market risk management. Outstanding claims provisions are not sensitive to the level of interest rates as they are mostly undiscounted and contractually non-interest bearing.

5. Management of risk (continued)

Equity price risk

Equity price risk is managed through a well-diversified portfolio which is complemented by non-correlated assets.

At the balance sheet date the Syndicate was not exposed to any direct equity price risk other than the loan to the Lloyd's central fund.

(ii) Credit risk

Credit risk is the risk that the Syndicate becomes exposed to loss if a counterparty fails to perform its contractual obligations. Credit risk could, therefore, impact upon the Syndicate's ability to meet its claims as they fall due. The Syndicate has in place policies and procedures designed to manage its credit risk exposures.

The primary sources of credit risk for the Syndicate are:

- amounts due from reinsurers,
- amounts due from insurance intermediaries, and
- counterparty risk with respect to investments including cash and cash equivalents.

The credit risk in respect of reinsurance debtors is primarily managed by review and approval of reinsurance security by the Reinsurance Security Forum, prior to the purchase of reinsurance contracts. Guidelines are set and monitored, that limit the purchase of reinsurance based on Standard & Poor's or appropriate alternative ratings for each reinsurer. The credit risk in respect of reinsurers is primarily managed by CMA's Reinsurance team. Provisions are made against the amounts due from certain reinsurers, depending on the current rating assigned to the reinsurer. Some reinsurers provide collateral, usually in the form of letters of credit, to protect the Syndicate in the event of non-payment of debt. As this collateral effectively guarantees the debt, these reinsurers are zero-rated for bad debt provisions. The recovery of debt from reinsurers is administered by the Credit Management team.

The credit risk in respect of insurance intermediaries is managed by the credit management function with the aid of the underwriting support team and a dedicated binder management team.

To transact business with the Syndicate the insurance intermediary must first comply with internal guidelines that include approval (where relevant) by both the PRA and Lloyd's, to have a satisfactory credit rating and to have in place a terms of business agreement or a binding authority agreement with the Syndicate. The position is then monitored through ongoing review of the amount of debt outstanding to terms, and by regular cover-holder audits.

Debts from insurance intermediaries fall due according to the terms of trade; debts from reinsurers crystallise in line with the reinsurance contract terms.

5. Management of risk (continued)

(ii) Credit risk (continued)

An analysis of the carrying amounts of neither past due nor impaired and past due but not impaired debtors is presented in the table below;

At 31 December 2024	Neither past due nor impaired	Past due but not Impaired	Total
	$000	$000	$000
Shares and other variable yield securities	787,755	-	787,755
Debt securities and other fixed income securities	1,533,621	-	1,533,621
Loans and deposits with credit institutions	52,731	-	52,731
Derivative assets	12,161	-	12,161
Syndicate loan to central fund	24,170	-	24,170
Deposits with ceding undertakings	7,469	-	7,469
Investments	2,417,907	-	2,417,907
Reinsurers' share of claims outstanding	1,301,473	-	1,301,473
Debtors arising out of direct insurance operations	1,097,928	15,900	1,113,828
Debtors arising out of reinsurance operations	500,998	172,775	673,773
Other debtors	43,751		43,751
Cash at bank and in hand	43,079		43,079
Total	5,405,136	188,675	5,593,811

Reinsurance recoverables on paid claims is net of bad debt provision of $3,418k (2023: $1,845k).

At 31 December 2023 Restated	Neither past due nor impaired	Past due but not Impaired	Total
	$000	$000	$000
Shares and other variable yield securities	625,113	-	625,113
Debt securities and other fixed income securities	1,309,000	-	1,309,000
Loans and deposits with credit institutions	46,740	-	46,740
Derivative assets	139	-	139
Syndicate loan to central fund	30,403	-	30,403
Deposits with ceding undertakings	8,538	-	8,538
Investments	2,019,933	-	2,019,933
Reinsurers' share of claims outstanding	1,350,678	-	1,350,678
Debtors arising out of direct insurance operations	969,668	2,744	972,412
Debtors arising out of reinsurance operations	400,415	115,157	515,572
Other debtors	66,416	-	66,416
Cash at bank and in hand	53,915	-	53,915
Total	4,861,025	117,901	4,978,926

5. Management of risk (continued)

(ii) Credit risk (continued)

An analysis of amounts past due from insurance intermediaries and reinsurers by age is presented below.

	Past Due but not impaired				
At 31 December 2024	***Up to 3 months***	***3 – 6 months***	***6 – 12 months***	***More than 12 months***	***Total***
	$000	***$000***	***$000***	***$000***	
Debtors arising out of direct insurance operations	13,785	1,469	545	101	15,900
Debtors arising out of reinsurance operations	66,280	16,336	77,957	12,202	172,775
Total	80,065	17,805	78,502	12,303	188,675

	Past Due but not impaired				
At 31 December 2023 Restated	***Up to 3 months***	***3 – 6 months***	***6 – 12 months***	***More than 12 months***	***Total***
	$000	***$000***	***$000***	***$000***	
Debtors arising out of direct insurance operations	809	35	982	918	2,744
Debtors arising out of reinsurance operations	53,408	27,699	12,716	21,334	115,157
Total	54,217	27,734	13,698	22,252	117,901

Credit risk within the investment funds is managed through the credit research carried out by the investment managers. The investment guidelines are designed to mitigate credit risk by setting minimum credit worthiness of investments and ensuring diversification of the holdings. Fixed income investments are invested in government and corporate bonds.

An analysis of the Syndicate's major exposure to counterparty credit risk and credit risk with the investment funds and cash, based on Standard & Poor's or equivalent rating, is presented below. These assets are neither overdue nor impaired.

5. Management of risk (continued)

(ii) Credit risk (continued)

At 31 December 2024	***AAA***	***AA***	***A***	***BBB***	***Other***	***Not rated***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***	***$000***	***$000***
Shares and other variable yield securities	73,067	286,248	185,711	2,227	-	240,502	787,755
Debt and other fixed income securities	742,861	359,666	370,014	61,080	-	-	1,533,621
Loans and deposits with credit institutions	-	-	1,508	-	-	51,223	52,731
Derivative assets	-	-	12,161	-	-	-	12,161
Syndicate loan to central fund	-	-	-	-	-	24,170	24,170
Deposits with ceding undertakings	-	-	7,396	-	-	73	7,469
Investments	815,928	645,914	576,790	63,307	-	315,968	2,417,907
Reinsurers' share of claims outstanding	-	274,980	878,737	-	585	147,171	1,301,473
Debtors arising out of direct insurance operations	-	-	-	-	-	1,113,828	1,113,828
Debtors arising out of reinsurance operations	-	-	-	-	-	673,773	673,773
Other debtors	-	-	-	-	-	43,751	43,751
Cash at bank and in hand	-	-	43,079	-	-	-	43,079
Total	815,928	920,894	1,498,606	63,307	585	2,294,491	5,593,811

At 31 December 2023 Restated	***AAA***	***AA***	***A***	***BBB***	***Other***	***Not rated***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***	***$000***	***$000***
Shares and other variable yield securities	22,408	269,339	227,737	-	-	105,629	625,113
Debt and other fixed income securities	710,679	269,352	294,107	34,741	121	-	1,309,000
Loans and deposits with credit institutions	-	-	1,473	-	-	45,267	46,740
Derivative assets	-	-	-	-	-	139	139
Syndicate loan to central fund	-	-	-	-	-	30,403	30,403
Deposits with ceding undertakings	-	-	8,277	-	-	261	8,538
Investments	733,087	538,691	531,594	34,741	121	181,699	2,019,933
Reinsurers' share of claims outstanding	-	273,166	957,870	-	793	118,849	1,350,678
Debtors arising out of direct insurance operations	-	-	-	-	-	972,412	972,412
Debtors arising out of reinsurance operations	-	-	-	-	-	515,572	515,572
Other debtors	-	-	-	-	-	66,416	66,416
Cash at bank and in hand	13,310	-	40,605	-	-	-	53,915
Total	746,397	811,857	1,530,069	34,741	914	1,854,948	4,978,926

5. Management of risk (continued)

(ii) Credit risk (continued)

The carrying values represent the maximum exposure to credit risk at the balance sheet date in respect of the above assets.

The underlying investments in 'not rated' are shown below. These investments comprise of unlisted equities and managed funds which form part of the Syndicate's investment strategy and risk appetite.

Underlying investments in 'not rated'	***2024***	*2023 Restated*
	$000	*$000*
Shares and other variable yield securities*:*		
Hedge funds	19	28
Open-end funds	115,586	19,571
Private credit funds	124,897	86,030
Total	240,502	105,629

The Syndicate has classified its financial instruments in accordance with the requirements of FRS102 and has adopted an approach consistent with IFRS13, Fair Value Measurement. The fair value hierarchy classifies financial instruments into Level 1 to 3 based on the significance of the inputs used in measuring their fair value.

The levels within the fair value hierarchy are defined as follows:

- Level 1 - Based on unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement.
- Level 2 - Based on inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 - Where inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Fair Value Hierarchy

At 31 December 2024	***Level 1***	***Level 2***	***Level 3***	***Total***
	$000	***$000***	***$000***	***$000***
Shares and other variable yield securities	541,909	120,949	124,897	787,755
Debt and other fixed income securities	484,768	1,048,853	-	1,533,621
Loans and deposits with credit institutions	1,508	-	51,223	52,731
Syndicate loan to central fund	-	-	24,170	24,170
Derivative assets	-	12,161	-	12,161
Financial investments	1,028,185	1,181,963	200,290	2,410,438
Derivative liabilities	-	(153)	-	(153)
Total	1,028,185	1,181,810	200,290	2,410,285

5. Management of risk (continued)

(ii) Credit risk (continued)
Fair Value Hierarchy (continued)

At 31 December 2023 Restated	***Level 1***	***Level 2***	***Level 3***	***Total***
	$000	***$000***	***$000***	***$000***
Shares and other variable yield securities	492,023	47,061	86,029	625,113
Debt and other fixed income securities	326,375	982,625	-	1,309,000
Loans and deposits with credit institutions	1,473	-	45,267	46,740
Syndicate loan to central fund	-	-	30,403	30,403
Derivative assets	-	139	-	139
Financial Investments	819,871	1,029,825	161,699	2,011,395
Derivative liabilities	-	(62)	-	(62)
Total	819,871	1,029,763	161,699	2,011,333

The level within the hierarchy that a financial instrument is placed is based on the lowest level of any input that is significant to its fair value measurement. Quoted prices for corporate bonds are based on a limited number of transactions for those securities and as such are considered to meet the definition of level 2 assets. CMA determines whether transfers have occurred between levels in the fair value hierarchy by assessing categorisation at the end of the reporting period. Level 3 assets include non-traded private credit funds, loans to credit institutions and the Syndicate's loans to the Lloyd's central fund. The fair value of private credit funds is determined with reference to the net asset value. Loans to credit institutions which have no market price have been valued at cost as a proxy for fair value. The loans to the Lloyd's central fund are not tradeable and are fair valued based on a discounted cash flow model to which a fair value adjustment has been applied to appropriately reflect the credit and illiquidity risk of the instrument. These loans are deemed to be equity on the basis that the repayment of the loan and payment of interest thereon is at the discretion of the Corporation of Lloyd's. The Syndicate loans have been classified as level 3 because the valuation approach includes significant unobservable inputs and an element of subjectivity in determining appropriate credit and illiquidity spreads within the discount rates used in the discounted cash flow model. The fair value of the loan at year end is $24.2m (2023: $30.4m which includes $9.7m received on the acceptance of the RITC from Syndicate 1861). There were no transfers to and from level 3 assets for the period ended 31 December 2024 when compared with the comparative prior period end. The table below shows a reconciliation of opening and closing balances for financial instruments classified as level 3 of the fair value hierarchy.

	2024	*2023 Restated*
	$000	*$000*
At 1 January	161,699	123,835
RITC adjustment[1]	-	9,724
Adjusted 1 January	161,699	133,559
Net gains through profit or loss	6,267	7,339
Purchases	142,662	121,562
Disposals	(102,931)	(102,471)
Loans repaid to S4444 by Lloyd's	(6,920)	-
Foreign exchange	(487)	1,710
At 31 December	200,290	161,699

[1]2023 RITC adjustment: 1 January 2023 the 2021 year of account of the Syndicate accepted the RITC of the 2020 year of account of Syndicate 1861. This was recorded as a balance sheet transaction in line with standard practice for a Lloyd's syndicate. An adjusted opening position has been presented to reflect the RITC of Syndicate 1861. This balance represents the level 3 assets transferred from Syndicate 1861 as a result of the RITC.

5. Management of risk (continued)

(iii) Currency risk

Policyholders' assets are held in the five principal Lloyd's settlement currencies (Sterling, Euros, US dollars, Canadian dollars and Australian dollars) which represent the vast majority of the Syndicate's liabilities by currency. A significant proportion of the Syndicate's business is transacted in US dollars, its functional and presentational currency is US dollars and, therefore, foreign exchange risk arises when non-US dollar profits are converted into US dollars.

CMA has a policy to mitigate foreign exchange risk and this policy is managed by the Finance team and overseen by the Finance Forum.

The Syndicate is exposed to foreign exchange risk primarily with respect to the Sterling, Euro, Canadian dollars and Australian dollars. The Syndicate mitigates this risk by endeavouring to match assets and liabilities in foreign currency. Moreover, Syndicate 4444 enters into conventional foreign currency forward contracts to manage its exposures to foreign exchange rate volatility.

In certain circumstances, the Syndicate is exposed to a foreign exchange risk where regulators demand that the Syndicate holds Canadian dollar currency assets to match liabilities measured on a regulatory basis, rather than best estimate.

The Syndicate does not take speculative currency positions to make gains; the purpose of its foreign exchange risk policy is to protect against the downside risk.

The table below shows the impact on both the result for the year and members balances of a 10% increase (or decrease) of non-USD currencies.

	Impact on profit before tax		*Impact on members' balance*	
	2024	***2023 Restated***	***2024***	***2023 Restated***
-	***$000***	***$000***	***$000***	***$000***
10 percent increase in non-USD against USD	(21,356)	(1,280)	(21,356)	(1,280)
10 percent decrease in non-USD against USD	21,356	1,280	21,356	1,280

5. Management of risk (continued)

(iii) Currency risk (continued)

The profile of the Syndicate's assets and liabilities, categorised by currency, was as follows:

At 31 December 2024	***Sterling & Other***	***US dollar***	***Euro***	***Canadian dollar***	***Australian dollar***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***	***$000***
Investments	226,924	1,737,951	268,311	118,665	66,056	2,417,907
Reinsurers' share of technical provisions	255,357	1,240,634	158,613	18,726	29,268	1,702,598
Debtors	241,931	1,355,083	137,281	13,554	83,503	1,831,352
Other assets	93,292	29,556	1,042	24,848	48,469	197,207
Prepayments and accrued income	112,063	271,810	45,632	7,763	37,558	474,826
Total assets	**929,567**	**4,635,034**	**610,879**	**183,556**	**264,854**	**6,623,890**
Technical provisions	(747,622)	(3,728,538)	(482,789)	(88,617)	(200,113)	(5,247,679)
Creditors	(135,959)	(483,782)	(61,480)	(14,427)	(22,185)	(717,833)
Accruals and deferred income	(5,552)	(62,812)	(14,046)	(565)	(1,941)	(84,916)
Total liabilities	**(889,133)**	**(4,275,132)**	**(558,315)**	**(103,609)**	**(224,239)**	**(6,050,428)**
Total capital and reserves	**(40,434)**	**(359,902)**	**(52,564)**	**(79,947)**	**(40,615)**	**(573,462)**

At 31 December 2023 Restated	***Sterling & Other***	***US dollar***	***Euro***	***Canadian dollar***	***Australian dollar***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***	***$000***
Investments	194,736	1,463,619	254,132	107,446	-	2,019,933
Reinsurers' share of technical provisions	342,590	1,201,772	154,844	21,576	12,463	1,733,245
Debtors	256,824	1,068,068	155,063	18,081	56,364	1,554,400
Other assets	129,168	49,611	1,686	21,573	11,136	213,174
Prepayments and accrued income	109,869	234,265	44,650	7,017	20,166	415,967
Total assets	**1,033,187**	**4,017,335**	**610,375**	**175,693**	**100,129**	**5,936,719**
Technical provisions	(880,559)	(3,164,992)	(464,508)	(79,577)	(90,412)	(4,680,048)
Creditors	(247,563)	(534,218)	(101,400)	(21,507)	(753)	(905,441)
Accruals and deferred income	(5,816)	(57,922)	(12,521)	(564)	(1,404)	(78,227)
Total liabilities	**(1,133,938)**	**(3,757,132)**	**(578,429)**	**(101,648)**	**(92,569)**	**(5,663,716)**
Total capital and reserves	**100,751**	**(260,203)**	**(31,946)**	**(74,045)**	**(7,560)**	**(273,003)**

5. Management of risk (continued)

(iv) Liquidity risk

Liquidity risk arises where insufficient financial resources are maintained to meet liabilities as they fall due.

All valid claims must be paid as they fall due and, therefore, it is essential that the Syndicate maintains an appropriate level of liquidity at all times. As a consequence, cash is managed closely by the Treasury team. The Syndicate is exposed to daily calls on its available cash resources, principally from claims arising from its insurance activities.

The Syndicate's policy is to manage its liquidity position so that it can reasonably meet a significant individual or market loss event. This means that the Syndicate maintains sufficient liquid assets, or assets that can be quickly converted into liquid assets, without any significant capital loss, to meet estimated cash flow requirements.

The availability of liquidity in the event of a major loss event is regularly tested using internal cash flow forecasts and realistic disaster scenarios.

The majority of the Syndicate's investments are in highly liquid assets which could be converted into cash promptly and at minimal expense. The Syndicate has a relatively low balance of illiquid property backed loans and investments in private debt through limited partnership structures which have limited market liquidity. Cash and overseas deposits are generally bank deposits and money market funds.

In addition, the duration of assets is maintained at a level to manage liability durations and in recognition of the Syndicate's catastrophe exposures. Greater levels of cash and/or liquid assets may be held when determined by market conditions and is considered appropriate by the Chief Investment Officer and the Board.

The tables below show the maturity profile of the Syndicate's financial liabilities.

At 31 December 2024	***0-1 year***	***1-3 years***	***3-5 years***	***Over 5 years***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***
Derivative liabilities	153	-	-	-	153
Creditors	717,680	-	-	-	717,680
Claims outstanding	1,045,860	1,253,358	622,112	508,565	3,429,895
Total	1,763,693	1,253,358	622,112	508,565	4,147,728

Claims outstanding is reported gross of discounting credit on non-life annuities liability business of $48.8m (2023: $30.8m)

At 31 December 2023 Restated	***0-1 year***	***1-3 years***	***3-5 years***	***Over 5 years***	***Total***
	$000	***$000***	***$000***	***$000***	***$000***
Derivative liabilities	62	-	-	-	62
Creditors	905,379	-	-	-	905,379
Claims outstanding	1,073,888	1,211,840	500,721	387,465	3,173,914
Total	1,979,329	1,211,840	500,721	387,465	4,079,355

5. Management of risk (continued)

c. Group risk

Group risk arises from the potential impact of risk events, of any nature, arising in or from membership of a corporate group. CMA is part of the Canopius Group Limited ("CGL"), a global underwriter of insurance and reinsurance business transacted both through direct channels and via delegated underwriting. CGL has established a risk management framework to protect the Group's stakeholders, including Syndicate members from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having effective risk management systems in place.

A clear organisational structure is in place with delegated authorities and clear responsibilities. A Group policy framework is in place which sets out the risk management, internal control and business conduct standards for the Group's operations. Group risk management policies set out the identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements. Each policy has a member of senior management charged with overseeing compliance throughout the Group and the CGL Board meet regularly to approve any commercial, regulatory and organisational requirements of such policies.

d. Operational and Regulatory risk

Operational risk is the risk of inadequate or failed internal processes, people and systems, or external events that have an adverse impact on the business. The Syndicate manages these risks through a framework of robust systems and controls. CMA's objective for operational risk management is to identify, assess, manage, monitor and report risks and to prevent or reduce any failures or inadequacies in systems and controls. To this end, CMA has established key policies and controls that include:

- regular meetings of the Board of directors at which key aspects of the managing agent's and Syndicate's businesses are reviewed, including review of reports from various sub-committees of the Board
- underwriting procedures guidelines
- claims management policies and guidelines
- risk registers which are reviewed by risk and control owners on a regular basis
- a suite of risk policies for major risk categories relating to the activities of the Syndicate
- an internal audit function whose audit plan is aligned with CMA's risk framework
- human resources policies and guidelines designed to ensure that the operations are adequately resourced by sufficiently skilled and trained people, who are appropriately remunerated
- financial policies and controls that cover:
  - maintaining segregated funds for the Syndicate's assets
  - investment of funds
  - expense management
  - establishing adequate provisions for unpaid claims
  - credit risk, including debt collection and managing counter-party exposures
  - cash flow and other financial projections
  - regular review and reconciliation of the entity's financial records.

In addition, the managing agent has an established and integrated capital and planning cycle. This provides an assessment of the significant financial and non-financial risks, as identified by the managing agent's risk management framework. The capital requirement is assessed in accordance with applicable requirements through the use of deterministic and stochastic modelling and further challenged using a comprehensive validation process which includes the use of stress and scenario tests. This process assesses the capital required to meet a 1 in 200 year extreme outcome from the aggregation of all recognised sources of risk.

5. Management of risk (continued)

d. Operational and Regulatory risk (continued)

Regulatory risk is the risk that the Syndicate fails to meet the regulatory requirements of the Prudential Regulatory Authority ("PRA"), the Financial Conduct Authority ("FCA"), Lloyd's and those of overseas regulators in jurisdictions where Lloyd's syndicates are licensed to trade.

Regulatory risk is a key area of focus for the Risk and Compliance teams to ensure legislative and regulatory changes are understood and observed.

e. Climate change risk

CMA has recognised climate change as an emerging risk for a number of years and has significantly developed its climate risk framework recently in line with Canopius Group developments and evolving regulatory expectations. Climate change and society's response to it, present physical, transition and liability risks to the business but CMA believes it is well positioned to identify, assess, manage and mitigate risk and seek opportunities for innovation, diversification and growth within the industry.

CMA's climate risk framework covers governance, risk management, scenario analysis and disclosures. It aligns with the requirements of regulatory requirements in the UK, specifically PRA Supervisory Statement SS3/19.

CMA's climate risk framework is part of its wider ESG framework which covers a broad range of sustainability issues. As part of this, CMA is developing and embedding a suite of responsible business policies covering underwriting, investments and operations.

6. Capital setting, capital management policies and objectives

The Syndicate's objectives in managing its capital are to:

- satisfy the requirements of its policyholders and regulators; and
- allocate capital efficiently to support strategic objectives.

The Society of Lloyd's applies capital requirements at member level and in aggregate to ensure that Lloyd's complies with all regulatory requirements such as Solvency II, whilst meeting its own financial strength, licence and ratings objectives.

Although 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 Syndicate 4444 is not disclosed in these financial statements.

The PRA and Lloyd's oversee the capital setting regime that requires syndicates to calculate their own capital requirements through a Solvency Capital Requirement ("SCR"). The SCR 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 by Lloyd's and approval by the Lloyd's Capital and Planning Group.

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its share of underwriting liabilities on the syndicate(s) on which it participates but not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member, operates 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 is provided to reflect the spread of risk, but consistent with determining a SCR which reflects the capital requirement to cover a 1 in 200 year loss 'to ultimate' for that member.

6. Capital setting, capital management policies and objectives (continued)

The SCR represents the equivalent of minimum regulatory capital, as is required by the PRA and Lloyd's, and does not represent the amount of economic capital required to support and maintain Lloyd's financial strength, licence and ratings objectives. The SCR process produces a result that is then uplifted by Lloyd's by 35% of the member's SCR 'to ultimate'.

Each member may provide capital to meet its Economic Capital Assessment ("ECA") either by assets held in trust by Lloyd's specifically for that member (Funds at Lloyd's), held within and managed within a syndicate (Funds in Syndicate) or as the member's share of the members' balances on each syndicate on which it participates.

Accordingly all of the assets less liabilities of the Syndicate, as represented in the members' balances reported on the statement of financial position on page 16, are included in resources available to meet members' and Lloyd's capital requirements.

The Syndicate maintains models in accordance with this regime, and also operates an Own Risk & Solvency Assessment ("ORSA") process which it reports on at least annually.

Key elements of CMA's capital methodology include:

- risk identification;
- the articulation of risk bearing capacity and establishment of risk appetite; identification of capital requirement for all significant risks;
- sensitivity analysis and 'reasonableness checks';
- aggregation and correlation of risks;
- comparison with other benchmarks e.g. prior years' internal SCRs; standard formula SCR results, the PRA published calculations based on industry SCR submissions and market surveys/studies; and
- Board review and challenge.

To improve the risk management capability, and the assessment of capital requirements, CMA has developed a stochastic model to analyse the potential performance of its main underwriting operations. Stress and scenario analysis is also performed for those risks that cannot be easily modelled quantitatively and where more subjective judgement is required (for example, operational risk) as well as to challenge the output of the stochastic model.

Using its detailed measurement of risk exposures, the Syndicate allocates capital to support the business according to the risk appetite and expected returns. The Syndicate has complied with all capital requirements during the year.

CMA regularly reviews and enhances its risk management processes and their enabling governance structures to ensure that CMA can demonstrate continuous compliance with regulatory and Lloyd's requirements.

Notes to the Financial Statements

for the year ended 31 December 2024

7. Analysis of underwriting result

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

2024	*Gross premiums written $000*	*Gross premiums earned $000*	*Gross claims incurred $000*	*Gross operating expenses $000*	*Reinsurance Balance $000*	*Underwriting Result $000*
Accident and health	237,482	221,592	(108,706)	(100,966)	(4,842)	7,078
Motor (third party liability)	8,977	8,972	(269)	(4,638)	(34)	4,031
Motor (other classes)	20,531	16,771	(9,557)	(7,920)	(716)	(1,422)
Marine, aviation and transport	512,076	425,689	(277,228)	(116,577)	(4,645)	27,239
Fire & other damage to property	944,586	806,647	(293,550)	(146,787)	(268,269)	98,041
Third party liability	534,689	528,180	(265,661)	(136,057)	(34,555)	91,907
Total direct insurance	2,258,341	2,007,851	(954,971)	(512,945)	(313,061)	226,874
Reinsurance acceptances	901,088	810,474	(495,461)	(324,744)	50,454	40,723
Total	3,159,429	2,818,325	(1,450,432)	(837,689)	(262,607)	267,597

Underwriting results for those policies transferred to Lloyd's Brussels via Part VII transfer and subsequently reinsured back to the Syndicate on 30 December 2020 have been reported under the inwards reinsurance class of business, reflecting the contractual arrangement with Lloyd's Brussels.

2024 – Additional Analysis	*Gross premiums written $000*	*Gross premiums earned $000*	*Gross claims incurred $000*	*Gross operating expenses $000*	*Reinsurance Balance $000*	*Underwriting Result $000*
Fire and damage to property of which is:						
Specialities	28,952	29,521	5,891	(11,047)	(18,378)	5,987

2023 Restated	*Gross premiums written $000*	*Gross premiums earned $000*	*Gross claims incurred $000*	*Gross operating expenses $000*	*Reinsurance Balance $000*	*Underwriting Result $000*
Accident and health	208,175	186,932	(114,620)	(90,714)	(1,556)	(19,958)
Motor (third party liability)	10,936	9,384	(1,336)	(4,646)	(380)	3,022
Motor (other classes)	13,582	11,932	(361)	(5,818)	(3,751)	2,002
Marine, aviation and transport	362,824	324,895	(132,222)	(101,405)	(20,128)	71,140
Fire & other damage to property	663,316	603,944	(212,309)	(181,341)	(177,481)	32,813
Third party liability	560,157	505,144	(209,288)	(164,980)	(33,216)	97,660
Total direct insurance	1,818,990	1,642,231	(670,136)	(548,904)	(236,512)	186,679
Reinsurance acceptances	716,130	635,476	(319,572)	(159,088)	(139,508)	17,308
Total	2,535,120	2,277,707	(989,708)	(707,992)	(376,020)	203,987

7. Analysis of underwriting result (continued)

2023 – Additional Analysis Restated	***Gross premiums written $000***	***Gross premiums earned $000***	***Gross claims incurred $000***	***Gross operating expenses $000***	***Reinsurance Balance $000***	***Underwriting Result $000***
Fire and damage to property of which is:						
Specialities	37,317	38,859	11,815	(17,036)	(29,940)	3,698

The reinsurance balance represents the (charge)/credit to the technical account from the aggregate of all items relating to reinsurance outwards. No gains or losses were recognised in profit or loss during the year on buying reinsurance (2023: $nil).

The gross premiums written for direct insurance by underwriting location of where the contracts were concluded is presented in the table below:

	2024 $000	*2023 Restated $000*
United Kingdom	2,258,341	1,818,990
Total direct insurance gross premiums written	2,258,341	1,818,990

The geographical analysis of gross premiums written by situs of risk is as follows:

	2024 $000	*2023 Restated $000*
United Kingdom	750,044	482,707
European Union Member States	57,902	180,339
US	1,431,503	1,146,779
Rest of the world	919,980	725,295
Total gross premiums written	3,159,429	2,535,120

8. Currency rates of exchange

	2024			*2023*		
	Start of period	***End of period***	***Average Rate***	*Start of period*	*End of period*	*Average rate*
Sterling	0.79	0.80	0.78	0.83	0.79	0.81
US dollar	1.00	1.00	1.00	1.00	1.00	1.00
Euro	0.91	0.97	0.92	0.94	0.91	0.93
Canadian dollar	1.32	1.44	1.37	1.36	1.32	1.35
Australian dollar	1.47	1.62	1.52	1.48	1.47	1.51

9. Net claims outstanding

A (favourable)/adverse run-off deviation was experienced during the year in respect of the following classes of business.

	2024 ***$000***	***2023 Restated*** ***$000***
Accident & health	(6,199)	11,657
Motor (third party liability)	(2,972)	(895)
Motor (other classes)	2,998	(508)
Marine, aviation and transport	(38,610)	(49,852)
Fire & other damage to property	(21,060)	5,995
Third party liability	(23,848)	(33,987)
Direct insurance	(89,691)	(67,590)
Reinsurance acceptance	28,305	53,808
Total	(61,386)	(13,782)

10. Net operating expenses

	2024 ***$000***	*2023 Restated $000*
Acquisition costs	799,567	704,527
Change in deferred acquisition costs	(69,773)	(79,268)
Administrative expenses	86,793	65,248
Members' standard personal expenses	21,102	17,485
Gross operating expenses – technical account	**837,689**	**707,992**
Reinsurers commissions income	(157,006)	(77,264)
Net operating expenses – technical account	**680,683**	**630,728**

Total commissions for direct insurance business for the year amounted to:

	2024 ***$000***	*2023 Restated $000*
Commissions for direct business	493,283	443,526

Administrative expenses include:

	2024 ***$000***	*2023 Restated $000*
Auditors' remuneration:		
Fees payable to the Syndicate's auditor for the audit of these financial statements	1,439	1,393
Fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	206	187
Total audit fees	1,645	1,580

11. Staff numbers and costs

All staff are employed by a service company, Canopius Services Limited ("CSL"). The following amounts were recharged to the Syndicate in respect of salary costs:

	2024 **$000**	2023 Restated $000
Wages and salaries	110,653	86,169
Social security costs	14,974	9,235
Pension contributions to money purchase schemes	6,284	4,735
Total	131,911	100,139

The average number of employees employed by CSL working on the Syndicate's affairs during the year was as follows:

	2024	2023 Restated
Admin and Finance	271	231
Underwriting	182	166
Claims	66	61
Investments	2	2
Total	521	460

12. Emoluments of the directors of Canopius Managing Agents

The directors of CMA received the following aggregate remuneration for their qualifying services rendered to the Syndicate during the year ended 31 December 2024, borne by the Syndicate and a fellow group company:

	2024 **$000**	2023 Restated $000
Emoluments	7,284	4,339
Pension contributions to money purchase schemes	166	186
Director's emoluments	7,450	4,525

Retirement benefits accrued to 10 directors (2023: 9) under money purchase schemes.

The Active Underwriter received the following remuneration charged as a syndicate expense:

	2024 **$000**	2023 Restated $000
Emoluments	1,274	821

Pension contributions amounting to $45k were charged to Syndicate 4444 on behalf of the active underwriter in 2024 (2023: $41k).

13. Net investment income recognised in profit or loss

	2024 ***$000***	*2023 Restated* *$000*
Interest and similar income		
Interest and similar income from financial instruments designated at fair value through profit or loss	83,114	65,272
Interest on cash at bank	4,686	6,645
Total interest and similar income	87,800	71,917
Other income/(charges) from investments designated at fair value through profit or loss		
Gains on the realisation of investments	12,128	6,406
Losses on the realisation of investments	(9,193)	(15,147)
Unrealised gains on investments	44,354	48,142
Unrealised losses on investments	(12,669)	(3,424)
Total gains	34,620	35,977
Investment expenses and charges	(2,673)	(2,370)
Total investment return	**119,747**	**105,524**
Transferred to the technical account	**119,747**	**105,524**

	2024 ***$000***	*2023 Restated* *$000*
Average amount of Syndicate funds available for investment during the year	2,424,111	1,954,474
Investment return, excluding investment management expenses	122,421	107,894
Investment return, on average invested balances	5.1%	5.5%

Investment return, on average invested balances, is calculated as the combined investment income for the period, excluding investment management expenses, divided by the average of the opening and closing investments, cash and overseas deposit balances.

The Syndicate classifies its investments at fair value through profit and loss. Financial assets classified into this category form a portfolio of financial assets which may be sold to meet the cash flow requirements of the Syndicate or as investment conditions change.

14. Distribution

A distribution to members of $225.0m will be proposed in relation to the closing year of account (2022) (2023: $86.4m distribution in relation to the closing year of account (2021)).

15. Financial investments

	Carry value		Cost	
	2024	*2023 Restated*	**2024**	*2023 Restated*
	$000	*$000*	**$000**	*$000*
Shares and other variable yield securities	787,755	625,113	771,052	613,121
Debt and other fixed income securities	1,533,621	1,309,000	1,536,051	1,325,260
Deposits with credit institutions	1,508	1,473	1,508	1,473
Syndicate loan to central fund	24,170	30,403	25,055	32,487
Derivative assets	12,161	139	-	-
Loans secured by mortgages	51,223	45,267	50,814	44,887
Total financial investments	2,410,438	2,011,395	2,384,480	2,017,228

The amount ascribable to listed investments is $2,040,057k (2023: $1,801,371k).

	2024	*2023 Restated*
	$000	*$000*
Financial assets measured at fair value through profit or loss	2,410,438	2,011,395
Total financial investments	2,410,438	2,011,395

The Syndicate uses exchange traded derivatives and forward foreign exchange derivatives in order to hedge its exposure to interest rate and foreign currency risk.

The following derivative assets and liabilities were held at 31 December 2024.

	Notional amount		Fair value	
	2024	*2023 Restated*	**2024**	*2023 Restated*
	$000	*$000*	**$000**	*$000*
Foreign exchange forward contracts	593,597	705,339	12,161	77
Interest rate future contracts	92,200	-	(153)	-
Total	685,797	705,339	12,008	77

The derivative fair value is net of liabilities of $153k (2023: $62k).

16. Debtors arising out of direct insurance operations

	2024	*2023 Restated*
	$000	*$000*
Intermediaries	1,113,828	972,412
Total due within one year	1,113,828	972,412
Total	1,113,828	972,412

Debtors arising out of direct insurance operations include $891.9m (2023: $699.0m) of pipeline premium which is estimated using expert judgement, relevant underwriting input and management review.

17. Debtors arising out of reinsurance operations

	2024 ***$000***	*2023 Restated $000*
Ceding insurers and intermediaries under reinsurance business	498,149	400,401
Reinsurance recoverable on paid claims net of bad debt provision	172,774	115,158
Total due within one year	670,923	515,559
Ceding insurers and intermediaries under reinsurance business	2,850	13
Total due after one year	2,850	13
Total	673,773	515,572

Debtors arising out of reinsurance operations include $438.2m (2023: $359.7m) of pipeline premium which is estimated using expert judgement, relevant underwriting input and management review.

18. Other debtors

	2024 ***$000***	*2023 Restated $000*
Due within one year		
Amounts due from group undertakings	34,245	58,299
Other debtors	9,506	8,117
Total due within one year	43,751	66,416

Other debtors include unsettled investment trades of $4,066k (2023: $3,326k).

19. Cash and cash equivalents

	2024 ***$000***	*2023 Restated $000*
Due within one year		
Cash at bank and in hand	43,079	53,915
Short term deposits with credit institutions	1,508	1,473
Total cash and cash equivalents	44,587	55,388

Only deposits with credit institutions with maturities of three months or less that are used by the Syndicate in the management of its short-term commitments are included in cash and cash equivalents.

Of the total cash and cash equivalents are the following amounts which are not available for use by the Syndicate because they are held in regulated bank accounts in overseas jurisdictions (cash at bank and in hand) or are Letter of Credit (LoC) collateral (short term deposits with credit institutions).

	2024 ***$000***	*2023 Restated $000*
Cash at bank and in hand	229	180
Short term deposits with credit institutions	465	451
Total cash and cash equivalents held in regulated accounts in overseas jurisdictions	694	631

20. Other assets - other

Other assets - other include overseas deposits which are lodged as a condition of conducting underwriting business in certain countries.

21. Creditors arising out of direct insurance operations

	2024 ***$000***	*2023 Restated $000*
Intermediaries	92,282	123,743
Total due within one year	92,282	123,743
Total	92,282	123,743

22. Creditors arising out of reinsurance operations

	2024 ***$000***	*2023 Restated $000*
Reinsurance accepted	21,958	12,994
Reinsurance ceded	526,043	680,776
Total due within one year	548,001	693,770
Total	548,001	693,770

Reinsurance ceded in 2023 included the balance of premium due in relation to the LPT entered into in 2021.

23. Other creditors including taxation and social security

	2024 ***$000***	*2023 Restated $000*
Amounts due to group undertakings	68,764	79,792
Derivative liabilities	153	62
Other liabilities	8,633	8,074
Total other creditors due within one year	77,550	87,928

Other liabilities include unsettled investment trades of $5,160k (2023: $2,828k) and taxation of $3,473k (2023: $5,246k).

24. Accruals and deferred income

	Note	***2024*** ***$000***	*2023 Restated $000*
Deferred reinsurance commission	25	82,184	74,514
Accrued expenses		2,732	3,713
Total due within one year		84,916	78,227

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25. Deferred acquisition costs

The reconciliation of opening and closing deferred acquisition costs is as follows:

	Gross 2024 $000	RI 2024 $000	Net 2024 $000	Gross 2023 Restated $000	RI 2023 Restated $000	Net 2023 Restated $000
At 1 January	413,076	(74,514)	338,562	316,549	-	316,549
RITC adjustment[1]	-	-	-	8,996	-	8,996
Ceded commissions adjustment[2]	-	-	-	-	(47,588)	(47,588)
Adjusted 1 January	413,076	(74,514)	338,562	325,545	(47,588)	277,957
Incurred acquisition costs	799,567	(165,860)	633,707	704,527	(100,942)	603,585
Amoritsed acquisition costs	(729,794)	157,006	(572,788)	(625,259)	77,264	(547,995)
Foreign exchange	(8,606)	1,184	(7,422)	8,263	(3,248)	5,015
At 31 December	474,243	(82,184)	392,059	413,076	(74,514)	338,562

[1]2023 RITC adjustment: On 1 January 2023 the 2021 year of account of the Syndicate accepted the RITC of the 2020 year of account of Syndicate 1861. This was recorded as a balance sheet transaction in line with standard practice for a Lloyd's syndicate. An adjusted opening position has been presented to reflect the RITC of Syndicate 1861.

[2]Deferred reinsurance commissions correspond to unearned reinsurers ceded commission that would previously have been included within the reinsurance unearned premium reserve.

26. Technical Provisions

The reconciliation of opening and closing unearned premium provision is as follows:

	2024			2023 Restated		
	Gross $000	**RI $000**	**Net $000**	**Gross $000**	**RI** $000	**Net** $000
At 1 January	1,506,134	(382,567)	1,123,567	1,193,858	(251,173)	942,685
RITC adjustment[1]	-	-	-	32,272	(6,223)	26,049
Ceded commissions adjustment[2]	-	-	-	-	(47,588)	(47,588)
Opening adjustments	-	-	-	32,272	(53,811)	(21,539)
Adjusted 1 January	1,506,134	(382,567)	1,123,567	1,226,130	(304,984)	921,146
Premiums written during the year	3,159,429	(894,863)	2,264,566	2,535,120	(747,336)	1,787,784
Premiums earned during the year	(2,818,325)	870,349	(1,947,976)	(2,277,707)	677,724	(1,599,983)
Foreign exchange	(29,454)	5,956	(23,498)	22,591	(7,971)	14,620
At 31 December	1,817,784	(401,125)	1,416,659	1,506,134	(382,567)	1,123,567

[1]2023 RITC adjustment: On 1 January 2023 the 2021 year of account of the Syndicate accepted the RITC of the 2020 year of account of Syndicate 1861. This was recorded as a balance sheet transaction in line with standard practice for a Lloyd's syndicate. An adjusted opening position has been presented to reflect the RITC of Syndicate 1861.

[2]Reinsurers ceded commission adjustment: Corresponds to unearned reinsurers ceded commission that would previously have been included within the opening reinsurance unearned premium reserve, now presented as deferred reinsurance commission.

26. Technical Provisions (continued)

The reconciliation of opening and closing provision for claims is as follows:

	2024			2023 Restated		
	Gross $000	**RI $000**	**Net $000**	*Gross $000*	*RI $000*	*Net $000*
At 1 January	3,173,914	(1,350,678)	1,823,236	2,841,461	(1,292,332)	1,549,129
RITC adjustment[1]	-	-	-	398,720	(187,550)	211,170
Adjusted 1 January	3,173,914	(1,350,678)	1,823,236	3,240,181	(1,479,882)	1,760,299
Claims paid during the year	(1,149,485)	488,387	(661,098)	(1,074,835)	366,517	(708,318)
Expected cost of current year claims	1,539,495	(478,413)	1,061,082	1,007,532	(228,482)	779,050
Change in estimates of prior year provisions	(89,063)	27,677	(61,386)	(17,824)	4,042	(13,782)
Foreign exchange	(44,966)	11,554	(33,412)	18,860	(12,873)	5,987
At 31 December	3,429,895	(1,301,473)	2,128,422	3,173,914	(1,350,678)	1,823,236

[1]2023 RITC adjustment: On 1 January 2023 the 2021 year of account of the Syndicate accepted the RITC of the 2020 year of account of Syndicate 1861. This was recorded as a balance sheet transaction in line with standard practice for a Lloyd's syndicate. An adjusted opening position has been presented to reflect the RITC of Syndicate 1861.

27. Discounted claims

Discounting may be applied to claims provisions where there are individual claims with structured settlements that have annuity-like characteristics.

The claims have been discounted as follow:

	Average discounted rates		***Average mean term of liabilities***	
	2024 %	*2023 %*	**2024 Years**	*2023 Years*
Motor (third party liability)	3.6	1.8	23.5	23.5
Third party liability	3.6	0.6	16.7	16.7

The period that will elapse before claims are settled is determined using impaired life mortality tables. The claims provision before and after discounting are as follows:

	Undiscounted claims		***Effect of discounting***		***After discounting***	
	2024 $'000	*2023 Restated $'000*	**2024 $'000**	*2023 Restated $'000*	**2024 $'000**	*2023 Restated $'000*
Gross claims provisions	3,478,688	3,204,752	(48,793)	(30,838)	3,429,895	3,173,914
Reinsurers share of total claims	(1,347,883)	(1,379,105)	46,410	28,427	(1,301,473)	(1,350,678)
Net claims provisions	2,130,805	1,825,647	(2,383)	(2,411)	2,128,422	1,823,236

28. Post balance sheet events

On 18 February 2025 the Board of the Managing Agent authorised the closure of the 2022 year of account by way of reinsurance to close into the 2023 year of account. On the closure of the 2022 year of account an amount of $225.0m, including members' agents' fees, will be distributed to members, see Distribution note 14. There are no other material post balance sheet events that require disclosure in the annual report and accounts.

29. Pensions

CSL operates defined contribution pension schemes for the employees of CSL, including those working on the Syndicate's affairs during the year. The assets of the schemes are held separately from those of CSL in independently administered funds. The amounts recharged to the Syndicate from CSL in respect of pensions are disclosed in Note 11.

30. Related Parties

Transactions between the Managing Agent/Service Company and the Syndicate

CMA is the managing agent of Syndicate 4444. Managing agency fees of $153k were charged to the Syndicate by CMA during 2024 (2023: $224k). At 31 December 2024, an amount of $nil was due between CMA and the Syndicate (2023: $nil).

Profit commission of $1,177k, payable by the Syndicate to CMA, is reported within accruals and deferred income.

Employment of staff, provision of accommodation and related services are provided at cost by CSL, which is owned by Canopius Holdings UK Ltd (“CHUKL”). Expenses during 2024 totalling $208,502k (2023: $171,513k) were recharged to the Syndicate by CSL. At 31 December 2024 an amount of $40,984k was due from the Syndicate to CSL (2023: $38,578k).

Canopius Group Limited (“CGL”)

At 31 December 2024, Syndicate 4444 was owed $17,056k from CGL (2023: $6,463k) in respect of margin funding for hedging and overlay positions shared by CGL and its affiliated entities. Syndicate 4444 shares in the profits and losses associated with these arrangements.

Canopius Underwriting Bermuda Limited (“CUBL”)

Canopius Underwriting Bermuda Limited (“CUBL”) is an insurance service company that underwrites property insurance and reinsurance business on behalf of the Syndicate. Premiums written during 2024 totalled $nil (2023: $906k). At 31 December 2024, an amount of $nil was due from the Syndicate to CUBL (2023: $145k).

Canopius Asia Pte. Ltd (“CAPL”)

Canopius Asia Pte. Ltd ("CAPL") trades as part of the Lloyd's Asia platform, and also through an Australian branch. CAPL underwrites Insurance and reinsurance lines, including and most notably, property, marine, energy and engineering, accident & health and treaty reinsurance business, on behalf of the Syndicate. Premiums written during 2024 totalled $393,469k (2023: $307,094k). At 31 December 2024, an amount of $8,845k was due from the Syndicate to CAPL (2023: $2,350k).

Canopius Underwriting Agency Inc. ("CUAI")

Canopius Underwriting Agency Inc. ("CUAI") is a New York based insurance service company that underwrites direct and facultative property, marine, financial and professional insurance. It also underwrites property treaty reinsurance business on behalf of the Syndicate. Premiums written during 2024 totalled $170,118k (2023: $179,132k). At 31 December 2024, an amount of $2,074k was due from Syndicate to CUAI (2023: $734k).

VAVE Digital Services ("VAVE”)

VAVE Digital Services Limited (“VAVE”) is an appointed representative that underwrites US flood, homeowners and US commercial property risks on behalf of the Syndicate. Premiums written on behalf of the Syndicate during 2024 totalled $190,789k (2023: $138,241k). At 31 December 2024, an amount of $nil was due between Vave and the Syndicate (2023: $nil).

Canopius Ireland Limited (“CIL”)

Canopius Ireland Limited (“CIL”) is an insurance service company that underwrites structured reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate during 2024 were $nil (2023: $nil). At 31 December 2024, an amount of $360k was due from the Syndicate to CIL (2023: $379k).

Canopius Europe Limited (“CEL”)

Canopius Europe Limited (“CEL”) is an insurance service company that predominantly underwrites renewable energy and treaty reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate during 2024 totalled $nil (2023: $nil). At 31 December 2024, an amount of $202k was due from the Syndicate to CEL (2023: $13,334k due from CEL to the Syndicate).

30. Related Parties (continued)

Excelsa Re Ltd ("Excelsa")

Excelsa Re Ltd ("Excelsa"), a Bermudan based special purpose insurer writing property treaty and direct and facultative business, accepted $115,205k of ceded premium from the Syndicate during the year (2023: $98,759k). At 31 December 2024, an amount of $26,619k (2023: $19,925k) was due from the Syndicate to Excelsa.

Other group companies

The Syndicate held creditor balances with the following group companies as at 31 December 2024: Canopius UK Holdings Limited $56k (2023: $56k). Trenwick Underwriting Ltd $24k (2023: $24k). Canopius US Insurance Inc $2k (2023: $2k).

In addition, the Syndicate held debtor balances with the following group company as at 31 December 2024; Canopius Reinsurance Limited ("CRL") of $969k (2023: $970k).

Samsung Fire and Marine Insurance ("SFMI")

Samsung Fire and Marine Insurance ("SFMI"), a non-life insurance company, has a minority shareholding in a parent of CGL. The Syndicate has an inwards quota share arrangement with SFMI to underwrite US admitted business. Premium written during 2024 totalled $53,806k (2023: $67,045k)

Capital

Canopius Corporate Capital Limited ("CCCL"), Canopius Capital Seven Limited ("CC7L"), Canopius Capital Twelve Limited ("CC12L") and Flectat 2 Limited ("Flectat 2") are subsidiaries of CHUKL that provided, or will be providing, capacity to the 2022 to 2025 underwriting years as follows:

	2022		**2023**		**2024**		**2025**	
	£m	%	£m	%	£m	**%**	£m	**%**
CCCL	1,621.4	95.38%	1,738.3	96.57%	1,950.1	97.5%	2,231.7	87.52%
CC7L	31.4	1.85%	33.3	1.85%	37.0	1.85%	47.2	1.85%
CC12L	16.0	0.94%	16.0	0.89%	-	-	-	-
Flectat 2	-	-	-	-	-	-	255.0	10.0%

31. Immediate and ultimate parent undertaking and controlling party

As at 31 December 2024, Syndicate 4444 was managed by CMA and CMA's immediate UK parent is CHUKL, which is registered in England and Wales. CHUKL is part of CGL which is registered in Jersey.

The ultimate controlling parties of CGL are CCP Holdings GP (Cayman) Limited, CCP III Cayman GP Limited and CCP III SBS Cayman GP Limited.

32. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as FAL. These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities.

The level of FAL that a member is required to maintain is determined by CMA and Lloyd's based on compliance with PRA requirements. The determination of the FAL requirement has regard to a number of factors including the nature and amount of insurance contracts to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since the assets in FAL are not owned by the Syndicate, no amount has been shown in these financial statements 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.